



SAN FERNANDO CITY COUNCIL
SPECIAL MEETING NOTICE AND AGENDA
JANUARY 27, 2020 – 5:00 PM
CITY HALL COUNCIL CHAMBERS
117 MACNEIL STREET
SAN FERNANDO, CA 91340

NOTICE IS HEREBY GIVEN that the San Fernando City Council will hold a Special Meeting on **Monday, January 27, 2020, at 5:00 p.m.**, in the City Hall Council Chambers, located at 117 Macneil Street, San Fernando, California.

CALL TO ORDER/ROLL CALL

Mayor Joel Fajardo
Vice Mayor Hector A. Pacheco
Councilmember Sylvia Ballin
Councilmember Robert C. Gonzales
Councilmember Mary Mendoza

APPROVAL OF AGENDA

RECESS TO CLOSED SESSION

A) CONFERENCE WITH LABOR NEGOTIATOR

G.C. §54957.6

Designated City Negotiators:

City Manager Nick Kimball
City Attorney Rick Olivarez
Assistant City Attorney Richard Padilla

Employees and Employee Bargaining Units that are the Subject of Negotiation:

San Fernando Management Group (SEIU, Local 721)
San Fernando Public Employees' Association (SEIU, Local 721)
San Fernando Police Officers Association
San Fernando Police Officers Association Police Management Unit
San Fernando Police Civilian Association

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San Fernando Part-time Employees' Bargaining Unit (SEIU, Local 721)
All Unrepresented Employees

B) CONFERENCE WITH LABOR NEGOTIATOR – UNREPRESENTED EMPLOYEE

G.C. §54957.6

Designated City Negotiators: Mayor Joel Fajardo

Unrepresented Employee: City Clerk

C) PUBLIC EMPLOYEE EMPLOYMENT/PERFORMANCE EVALUATION

G.C. §54957

Title of Employee: City Clerk

RECONVENE/REPORT OUT FROM CLOSED SESSION**PLEDGE OF ALLEGIANCE**

Led by Students of the Month

PRESENTATIONS**A) CERTIFICATES OF RECOGNITION – STUDENTS OF THE MONTH**

- Jocelyn Barreras – Assurance Learning Academy
- Angelina Duran – Academy of Scientific Exploration

Education Commission Chair David Govea

B) RECOGNITION OF ITZPAPALOTL MESOAMERICAN HIP-BALL TEAM: AJUPEME USA CALIFORNIA DELEGATION

Councilmember Robert C. Gonzales

C) PROCLAMATION SAN FERNANDO SCHOOL CHOICE WEEK – JANUARY 26 - FEBRUARY 1

Councilmember Sylvia Ballin

D) RECOGNITION OF THE SAN FERNANDO HIGH SCHOOL GIRLS' TENNIS TEAM CHAMPIONSHIP

City Manager Nick Kimball

DECORUM AND ORDER

The City Council, elected by the public, must be free to discuss issues confronting the City in an orderly environment. Public members attending City Council meetings shall observe the same

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rules of order and decorum applicable to the City Council (SF Procedural Manual). Any person making impertinent derogatory or slanderous remarks or who becomes boisterous while addressing the City Council or while attending the City Council meeting, may be removed from the room if the Presiding Officer so directs the sergeant-at-arms and such person may be barred from further audience before the City Council.

PUBLIC STATEMENTS

There will be a three (3) minute limitation per each member of the audience who wishes to make comments in order to provide a full opportunity to every person who desires to address the City Council. Only matters contained in this notice may be considered.

CONSENT CALENDAR

Items on the Consent Calendar are considered routine and may be disposed of by a single motion to adopt staff recommendation. If the City Council wishes to discuss any item, it should first be removed from the Consent Calendar.

1) REQUEST TO APPROVE MINUTES OF:

- a. FEBRUARY 4, 2019 – REGULAR MEETING
- b. APRIL 2, 2019 – REGULAR MEETING
- c. APRIL 15, 2019 – REGULAR MEETING
- d. AUGUST 5, 2019 – REGULAR MEETING
- e. SEPTEMBER 3, 2019 – REGULAR MEETING
- f. NOVEMBER 18, 2019 – REGULAR MEETING

2) CONSIDERATION TO ADOPT A RESOLUTION SETTING THE STATUTORY MAXIMUM FOR CITY COUNCILMEMBERS' SALARY

Recommend that the City Council adopt Resolution No. 7972 setting the statutory maximum for City Councilmembers' salary at the amount of \$730.00 per month.

3) CONSIDERATION TO ADOPT A RESOLUTION ESTABLISHING AN EXECUTIVE COMPENSATION PLAN FOR DEPARTMENT HEAD CLASSIFICATIONS APPOINTED BY THE CITY MANAGER AND RESCINDING RESOLUTION NOS. 7692 AND 7807

Recommend that the City Council:

- a. Adopt Resolution No. 7973 establishing the salary and benefits for Department Head classifications (Executive Compensation Plan) that are appointed by the City Manager;

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- b. Rescind Resolution Nos. 7692 and 7807 that set forth the prior Department Head compensation plan; and
- c. Authorize the City Manager to make non-substantive corrections and execute all related documents.

ADMINISTRATIVE REPORTS**4) CONSIDERATION TO APPROVE A PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS FOR THE PROPERTY AT 13441 FOOTHILL BOULEVARD IN LOS ANGELES, CALIFORNIA**

Recommend that the City Council:

- a. Approve the Purchase and Sale Agreement and Joint Escrow Instructions by and between the City of San Fernando and Richard C. Patterson, a married man, as his sole and separate property, as to an undivided 50% interest; and David M. Kull and Ronna Kull, Trustees of the David and Ronna Kull Trust dated March 30, 2007, as to an undivided 50% interest collectively as Seller (Contract No. 1938);
- b. Adopt Resolution No. 7974 to amend the Water Fund budget for Fiscal Year (FY) 2019-2020 to appropriate \$1,250,000 in revenues and expenditures; and
- c. Authorize the City Manager to make non-substantive changes and execute all related documents.

5) FARMERS MARKET UPDATE

Recommend that the City Council:

- a. Receive a presentation from staff regarding the status of the Farmers Market; and
- b. Provide staff direction, as appropriate.

6) DISCUSSION OF ELECTION AND BALLOT RELATED INFORMATION

Recommend that the City Council:

- a. Receive a presentation from staff regarding guidelines for providing ballot and election related information to the community;
- b. Discuss ballot and election related information to be provided to the community;

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- c. Consider adopting Budget Resolution No. 7979 appropriating funds to produce ballot and election related information; and
- d. Provide direction to staff, as appropriate.

7) CONSIDERATION TO ALLOCATE INDEPENDENT CITIES FINANCE AUTHORITY'S COMMUNITY OUTREACH PROGRAM FUNDS

This item was placed on the agenda by Councilmember Sylvia Ballin.

8) UPDATE ON STATEWIDE TENANT PROTECTION ACT OF 2019 AB 1482 (RENT CONTROL)

This item was placed on the agenda by Councilmember Sylvia Ballin.

9) CONSIDERATION TO APPOINT A CITY COUNCIL AD HOC COMMITTEE REGARDING THE RECRUITMENT PROCESS FOR A CITY CLERK AND OTHER MATTERS PERTAINING TO THE CITY CLERK DEPARTMENT

This item was placed on the agenda by Mayor Joel Fajardo.

ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 24 hours prior to the meeting.

Cynthia Alba

Deputy City Clerk/Management Analyst

Signed and Posted: January 23, 2020 (5:00 p.m.)

Agendas and complete Agenda Packets (including staff reports and exhibits related to each item) are posted on the City's Internet website (www.sfcity.org). These are also available for public reviewing prior to a meeting in the City Clerk Department. Any public writings distributed by the City Council to at least a majority of the Councilmembers regarding any item on this regular meeting agenda will also be made available at the City Clerk Department at City Hall located at 117 Macneil Street, San Fernando, CA, 91340 during normal business hours. In addition, the City may also post such documents on the City's website at www.sfcity.org. In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification/accommodation to attend or participate in this meeting, including auxiliary aids or services please call the City Clerk Department at (818) 898-1204 at least 48 hours prior to the meeting.

Special Meeting

San Fernando City Council

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**SAN FERNANDO CITY COUNCIL
MINUTES**

**FEBRUARY 4, 2019 – 6:00 P.M.
REGULAR MEETING**

City Hall Council Chambers
117 Macneil Street
San Fernando, CA 91340

CALL TO ORDER/ROLL CALL

Mayor Joel Fajardo called the meeting to order at 6:10 p.m.

Present:

Council: Mayor Joel Fajardo, Vice Mayor Sylvia Ballin, and Councilmembers Robert C. Gonzales, Antonio Lopez (left at 7:25 p.m.), and Hector A. Pacheco

Staff: City Manager Alexander P. Meyerhoff, Assistant City Attorney Richard Padilla and City Clerk Elena G. Chávez

PLEDGE OF ALLEGIANCE

Led by Personnel Manager Michael Okafor

APPROVAL OF AGENDA

Motion by Vice Mayor Ballin, seconded by Councilmember Gonzales, to approve the agenda. By consensus, the motion carried.

PRESENTATIONS

The following presentations were made:

- a) PRESENTATION BY METRO ON THE NORTH SAN FERNANDO VALLEY BUS RAPID TRANSIT PROJECT

Rescheduled.

- b) PRESENTATION REGARDING “THE ROAD TO 2020”

By consensus, the City Council created an Ad Hoc Committee (Gonzales and Ballin) regarding this item.

SAN FERNANDO CITY COUNCIL**MINUTES – February 4, 2019****Page 2****c) PRESENTATION ON MACLAY FAMILY HISTORY****DECORUM AND ORDER**

Assistant City Attorney Padilla provided a brief summary of the rules.

PUBLIC STATEMENTS – WRITTEN/ORAL

Paul Ventimiglia, San Fernando Police Officers' Association President, discussed the police officer recruitment, urged Council to go on record that the City will not contract out for police services, and looks forward to working with Council and staff to maximize public safety in the City.

Arturo Garcia, field representative for Assemblymember Luz Rivas provided information on their activities and gave updates.

Rudy Ortega Jr. opined Native Americans have become invisible, noted the need to change Maclay Avenue, discussed the need to listen to both sides of the Maclay matter, and thanked Council for listening.

Bernice Frances Cooke provided a brief history of her family in the City of San Fernando, expressed pride in her family's service, and thanked Council for its support.

Pamela Villasenor, FernandenoTataviam Band of Mission Indians, shared information about the organization, discussed a recent court case incident, said they have endured racism on a daily basis, and commented on the negative effects of historical trauma.

Leon Worden discussed Indian Land Rights, reported American Indians were not considered citizens until 1924, said that today people think about people, differently and urged Council to consider how they want to be seen in the future.

Tom Ross discussed a meeting with the Chamber of Commerce and the Maclay Family, noted history is filled with bad decisions and horrible events, and commented on the need to educate people on the history of San Fernando.

CITY COUNCIL - LIAISON UPDATES

Councilmember Gonzales gave updates regarding the Independent Cities Association, San Fernando Valley Service Council, City Selection Committee, and the East San Fernando Valley Transit Corridor meetings.

Mayor Fajardo and Councilmember Gonzales met on several ad hoc committees including the committee considering the financial pension study, an event to honor veterans living in San Fernando, and discussed the parking process for a parking permit system.

SAN FERNANDO CITY COUNCIL**MINUTES – February 4, 2019****Page 3****CONSENT CALENDAR**

Vice Mayor Ballin requested to pull Item No. 6 for further discussion.

Motion by Vice Mayor Ballin, seconded by Councilmember Gonzales, to approve the remaining Consent Calendar Items:

- 1) REQUEST TO APPROVE THE MINUTES OF JANUARY 22, 2019 – SPECIAL MEETING
- 2) CONSIDERATION TO ADOPT A RESOLUTION APPROVING THE WARRANT REGISTER
- 3) CONSIDERATION TO APPROVE AN AMENDMENT TO THE WILLDAN ENGINEERING PROFESSIONAL SERVICES AGREEMENT FOR THE SAN FERNANDO TRAFFIC SIGNAL IMPROVEMENT PROJECT
- 4) CONSIDERATION TO AUTHORIZE SUBMITTAL OF GRANT APPLICATION TO THE HEALTHY FOOD FINANCING INITIATIVE PROGRAM TO FUND THE ESTABLISHMENT AND OPERATION OF A FARMERS MARKET
- 5) CONSIDERATION TO APPROVE FISCAL YEAR 2019-2020 LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT RESOLUTION INITIATING PROCEEDINGS AND ORDERING THE ENGINEER’S REPORT

By consensus, the motion carried.

Item Pulled for Further Discussion

- 6) CONSIDERATION TO APPROVE A MEMORANDUM OF AGREEMENT FOR THE SAN FERNANDO CALLES VERDES PROJECT

Director of Public Works/City Engineer Yazdan T. Emrani provided a brief report.

(Male speaker – did not state name) thanked the City for its partnership and discussed the planting of approximately 1,000 trees in the City. He reported it will improve water supply throughout the region and looked forward to working with the City.

Motion by Vice Mayor Ballin, seconded by Councilmember Gonzales, to:

- a. Approve the Memorandum of Agreement (MOA) with TreePeople, Incorporated (Contract No. 1904) for the San Fernando Calles Verdes Project; and
- b. Authorize the City Manager or his designee to execute the MOA.

By consensus, the motion carried.

SAN FERNANDO CITY COUNCIL**MINUTES – February 4, 2019****Page 4****ADMINISTRATIVE REPORTS****7) UPDATE REGARDING THE WILD HORSE CHILDREN'S FOUNDATION PARTNERSHIP**

City Manager Alexander P. Meyerhoff introduced the item and deferred to Director of Recreation and Community Services Julian Venegas who provided the staff report.

Discussion followed regarding changes to Pioneer Park as a result of the partnership, outreach to residents around the park, and additional programs in the field house.

8) CONSIDERATION TO APPROVE A SOCIAL MEDIA POLICY

Mayor Fajardo announced Items No. 8 and 9 would be considered concurrently.

9) DISCUSSION REGARDING A SOCIAL MEDIA POLICY AND ANY CONTRACTS OR REQUESTS FOR PROPOSALS RELATED TO INFORMATION TECHNOLOGY SERVICES

City Manager Meyerhoff presented the staff report.

Vice Mayor Ballin discussed the need to refine the social media form and suggested establishing an ad hoc committee to consider making the necessary changes and developing recommendations for Council.

Councilmember Pacheco agreed to be on the Social Media Ad Hoc Committee along with Vice Mayor Ballin.

10) DISCUSSION OF MEETINGS WITH POLICE DEPARTMENT PERSONNEL TO DISCUSS DEPARTMENT MATTERS AND RECRUITMENT

Vice Mayor Ballin and Mayor Fajardo both gave brief updates on meetings with Police Department personnel to discuss department matters and recruitment. They reported the meetings were helpful and provided an opportunity to get to know employees on a one-to-one basis. Mayor Fajardo explained that the meetings were not intended as a "fishing expedition", but rather to improve morale and listen to employee concerns.

Discussion followed regarding continuing efforts to improve City institutions, processes and services, considering the advice of the City Attorney relative to meeting with bargaining groups (especially during contract negotiations) and the importance of Council having general guidelines in that regard.

11) DISCUSSION AND PROCEDURE FOR REVIEW OF STATEMENTS OF ECONOMIC INTERESTS (FORM 700)

Mayor Fajardo discussed Form 700 and reported if Council chooses the City Attorney can review their Form 700 prior to submission.

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Discussion ensued and City Council concurred to direct the City Attorney to develop a policy for reviewing individual Councilmembers' Form 700.

STAFF COMMUNICATION INCLUDING COMMISSION UPDATES

None

GENERAL COUNCIL COMMENTS

Councilmember Gonzales thanked residents helping in Santa Barbara last weekend and thanked City staff for their excellent work.

Vice Mayor Ballin stressed she would never support outsourcing police services in the City and restated her commitment to the Police Department.

Mayor Fajardo thanked Federal employees who continued to work despite not being paid, reported Council will consider a minimum wage at the next regularly scheduled meeting, and announced receiving a communication from the Chamber of Commerce regarding the creation of a business improvement district.

ADJOURNMENT (8:03 P.M.)

Motion by Councilmember Gonzales, seconded by Vice Mayor Ballin, to adjourn the meeting. By consensus, the motion carried.

I do hereby certify that the foregoing is a true and correct copy of the minutes of February 4, 2019, meeting as approved by the San Fernando City Council.

Elena G. Chávez, CMC
City Clerk

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**SAN FERNANDO CITY COUNCIL
MINUTES**

**APRIL 2, 2019 – 6:00 P.M.
REGULAR MEETING**

City Hall Council Chambers
117 Macneil Street
San Fernando, CA 91340

CALL TO ORDER/ROLL CALL

Mayor Joel Fajardo called the meeting to order at 6:02 p.m.

Present:

Council: Mayor Joel Fajardo, Vice Mayor Sylvia Ballin, and Councilmembers Robert C. Gonzales, Antonio Lopez, and Hector A. Pacheco (arrived at 6:07 p.m.)

Staff: City Manager Nick Kimball, Assistant City Attorney Richard Padilla, and City Clerk Elena G. Chávez

PLEDGE OF ALLEGIANCE

Led by Director of Recreation and Community Services Julian J. Venegas

APPROVAL OF AGENDA

Mayor Fajardo reported that Item No. 11 would be moved up before Presentations.

Motion by Vice Mayor Ballin, seconded by Councilmember Gonzales, to approve the agenda as amended. By consensus, the motion carried.

ADMINISTRATIVE REPORTS

Mayor Fajardo asked if there were audience members who wished to speak on the following item that was moved up on the agenda; there were no public comments.

- 11) CONSIDERATION TO ADOPT A RESOLUTION DECLARING APRIL AS SEXUAL ASSAULT AWARENESS MONTH AND APRIL 24, 2019 AS DENIM DAY

Councilmember Gonzales gave a brief presentation.

SAN FERNANDO CITY COUNCIL**MINUTES – April 2, 2019****Page 2**

Melody Kospoden, Peace Over Violence, discussed the Denim Day campaign and thanked Council and the City for declaring April as Sexual Assault Awareness Month and April 24, 2019 as Denim Day.

Motion by Councilmember Gonzales, seconded by Councilmember Lopez, to:

- a. Adopt Resolution No. 7908 declaring April as Sexual Assault Awareness Month and April 24, 2019 as Denim Day; and
- b. Approve including an annual resolution declaring April as Sexual Assault Awareness Month and one Wednesday in April as Denim Day on the City Council Consent Agenda.

By consensus, the motion carried.

PRESENTATIONS

The following presentations were made:

- a) RECOGNITION OF HOMELESS CONNECT DAY VOLUNTEERS AND VENDORS
- b) METRO'S ON THE MOVE RIDERS PROGRAM FOR OLDER ADULTS
- c) SAN FERNANDO HIGH SCHOOL LADY TIGERS WRESTLING TEAM 2019 CIF GIRLS STATE CHAMPIONSHIP

PUBLIC STATEMENTS – WRITTEN/ORAL

Dee Akemon commended Council conducting organized, efficient meetings and encouraged residents to attend Neighborhood Watch meetings.

Arturo Garcia, field representative for Assemblymember Luz Rivas, provided district information and updates on their activities.

CITY COUNCIL - LIAISON UPDATES

Vice Mayor Ballin discussed her presentation to the Kinder Class at O'Melveny Elementary School.

CONSENT CALENDAR

Motion by Councilmember Gonzales, seconded by Vice Mayor Ballin, to approve the following Consent Calendar Items:

SAN FERNANDO CITY COUNCIL**MINUTES – April 2, 2019****Page 3**

- 1) REQUEST TO APPROVE MINUTES OF:
 - a. APRIL 2, 2018 – REGULAR MEETING
 - b. MARCH 18, 2019 – SPECIAL MEETING
 - c. MARCH 18, 2019 – REGULAR MEETING
- 2) CONSIDERATION TO ADOPT A RESOLUTION APPROVING THE WARRANT REGISTER
- 3) CONSIDERATION TO ADOPT A RESOLUTION COMMEMORATING THE VICTIMS OF THE ARMENIAN GENOCIDE
- 4) CONSIDERATION TO AWARD A CONTRACT FOR PROFESSIONAL SERVICES FOR PUBLIC WATER SYSTEM LABORATORY QUALIFICATION SPECIFICATIONS
- 5) CONSIDERATION TO ACCEPT VEHICLE DONATIONS FROM PETRELLI ELECTRIC, INCORPORATED
- 6) CONSIDERATION TO APPROVE A THIRD AMENDMENT TO THE PROFESSIONAL SERVICES CONTRACT WITH LIEBERT CASSIDY WHITMORE TO CONTINUE TO PROVIDE LABOR NEGOTIATOR SERVICES

By consensus, the motion carried.

PUBLIC HEARING

- 7) CONSIDERATION TO ADOPT AN ORDINANCE APPROVING ZONE CHANGE 2018-002 AND TENTATIVE TRACT MAP 2018-002 LOCATED AT 1001 GLENOAKS BOULEVARD, SAN FERNANDO, CA 91340 (LOS ANGELES COUNTY ASSESSOR'S PARCEL NO. 2515-016-017)

Mayor Fajardo declared the Public Hearing open.

Gerardo Marquez, Associate Planner, presented the staff report and replied to questions from Councilmembers.

Mayor Fajardo called for public testimony.

Mary Mendoza spoke positively regarding the project and expressed concerns regarding visitor parking.

Motion by Vice Mayor Ballin, seconded by Councilmember Gonzales, to close the Public Hearing. By consensus, the motion carried.

SAN FERNANDO CITY COUNCIL**MINUTES – April 2, 2019****Page 4**

Motion by Mayor Fajardo, seconded by Councilmember Lopez, to introduce for first reading, in title only, and waive further reading of Ordinance No. 1686 “An Ordinance of the City Council of the City of San Fernando, California, approving a Zone Change 2018-002 and Tentative Tract Map 2018-002 for the development of a six-unit condominium project within the existing C-1 Limited Commercial Zone which is proposing to change to Multiple Family R-2 Residential Planned Development Zone located at 1001 Glenoaks Boulevard”, the project will remain a six-condominium project and will not be converted to any other use, including rental use, without modification approved by the Planning Commission or the City Council, as appropriate.

The motion carried with the following vote:

AYES:	Pacheco, Lopez, Gonzales, Ballin, Fajardo – 5
NOES:	None
ABSENT:	None

ADMINISTRATIVE REPORTS (CONTINUED)

8) CONSIDERATION TO APPROVE GENERAL PLAN HOUSING ELEMENT ANNUAL PROGRESS REPORT FOR CALENDAR YEAR 2018

Deputy City Manager/Director of Community Development Timothy Hou presented the staff report and replied to questions from Councilmembers.

Motion by Mayor Fajardo, seconded by Vice Mayor Ballin, approve the General Plan Housing Element Annual Progress Report for the Calendar Year 2018; and authorize staff to submit the 2018 Housing Element Annual Progress Report to the California Department of Housing and Community Development and the Governor’s Office of Planning and Research, and direct staff to return to City Council with a plan to meet the very-low units and a report as to whether some of the existing low units can be converted to very-low units. By consensus, the motion carried.

9) CONSIDERATION OF REGULATORY OPTIONS FOR RENT CONTROL, RENT STABILIZATION AND DISPUTE RESOLUTION

Deputy City Manager/Director of Community Development Hou presented the staff report and replied to questions from Councilmembers.

City Manager Kimball summarized potential elements of a rent control program as discussed by Council including a maximum allowable rent-increase provision, a landlord/tenant mediation provision, definition of "just cause" evictions, increased notification of rent increases, regular rental inspections and exploring an emergency ordinance with the possibility of implementing a moratorium. A suggestion was made for staff to explore how much the City can outsource the dispute resolution process, the need for including an educational component and making sure rentals are properly registered as businesses.

Direction was given to staff and there was no action taken on this item.

SAN FERNANDO CITY COUNCIL**MINUTES – April 2, 2019****Page 5**

- 10) CONSIDERATION TO REVIEW THE DIRECTOR OF PUBLIC WORKS JOB SPECIFICATION AND ADOPT A RESOLUTION APPROVING A REVISED JOB SPECIFICATION FOR THE DIRECTOR OF FINANCE

City Manager Kimball presented the staff report.

Motion by Mayor Fajardo, seconded by Vice Mayor Ballin, to adopt Resolution No. 7910 approving a revised job specification for the Director of Finance; review the existing job specification for the Director of Public Works; and authorize the City Manager to make non-substantive edits and execute all related documents as necessary, and including verbal changes as discussed. By consensus, the motion carried.

- 12) DISCUSSION OF CITY COUNCIL PROCEDURAL MANUAL, POLICIES, AND PROCEDURES

Mayor Fajardo discussed details of changes to the City Council Procedural Manual with staff; City Manager Kimball presented the agenda item and Assistant City Attorney Padilla also provided input in terms of City Attorney services.

Discussion ensued regarding clarification of specific provisions and changes and staff replied to questions from Councilmembers.

Staff will return with a resolution for Council's approval and a list of recommended practices, pending additional suggested changes.

Direction was given to staff and there was no action taken on this item.

STAFF COMMUNICATION INCLUDING COMMISSION UPDATES

Director of Recreation and Community Services Julian Venegas announced that as part of Nature for All, there will be a workshop at Las Palmas Park on April 4, a family hike at the Angeles Forest on April 6, and reported that the Master Mariachis Apprentice Program will be performing at San Fernando High School on April 7.

Director of Public Works/City Engineer Yazdan Emrani talked about the Regional Park Infiltration Project noting the City is actively seeking grants for its implementation. He reported at the recent Upper L.A. River Subregion Group, the project was selected as a semi-finalist for addition to the Leadership Group, competing for Department of Water Resources funds.

Director of Community Development Hou announced their third planning intern, a student, Tamara Santoyo, studying Urban Planning at the University of Southern California and noted an upcoming Planning and Preservation Commission meeting on April 3.

City Manager Kimball announced Director of Public Works/City Engineer Emrani's last day with the City will be April 19, discussed a transition plan, and reported that Director of Community Development Hou has been appointed Deputy City Manager.

SAN FERNANDO CITY COUNCIL**MINUTES – April 2, 2019****Page 6****GENERAL COUNCIL COMMENTS**

Councilmember Pacheco said he was thankful and blessed to be a member of the City Council for the City had stated he is hopeful regarding the City's progress.

Councilmember Lopez thanked staff for their hard work.

Councilmember Gonzales congratulated Director of Public Works/City Engineer Emrani and Deputy City Manager/Director of Community Development Hou on their new positions.

Vice Mayor Ballin and Mayor Fajardo congratulated Deputy City Clerk Cynthia Alba for being accepted into the Master's in Public Administration Program at the University of Southern California as well as Director of Public Works/City Engineer Emrani and Deputy City Manager/Director of Community Development Hou on their new positions.

ADJOURNMENT (9:21 P.M.)

Motion by Vice Mayor Ballin, seconded by Mayor Fajardo, to adjourn the meeting. By consensus, the motion carried.

I do hereby certify that the foregoing is a true and correct copy of the minutes of April 2, 2019, meeting as approved by the San Fernando City Council.

Elena G. Chávez, CMC
City Clerk

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**SAN FERNANDO CITY COUNCIL
MINUTES**

**APRIL 15, 2019 – 6:00 P.M.
REGULAR MEETING**

City Hall Council Chambers
117 Macneil Street
San Fernando, CA 91340

CALL TO ORDER/ROLL CALL

Mayor Joel Fajardo called the meeting to order at 6:10 p.m.

Present:

Council: Mayor Joel Fajardo, Vice Mayor Sylvia Ballin (left at 6:33 p.m.), and Councilmembers Antonio Lopez, and Hector A. Pacheco

Staff: City Manager Nick Kimball, Assistant City Attorney Richard Padilla, and City Clerk Elena G. Chávez

Absent: Councilmember Robert C. Gonzales

PLEDGE OF ALLEGIANCE

Led by Local Girl Scout Troup 1096

APPROVAL OF AGENDA

Motion by Councilmember Lopez, seconded by Vice Mayor Ballin, to approve the agenda. By consensus, the motion carried.

Mayor Fajardo reported that Item Nos. 3 and 10 would be moved up and asked if there were audience members who wished to speak on either item. There were no public comments.

PUBLIC HEARING

- 3) CONSIDERATION TO ADOPT AN URGENCY ORDINANCE AMENDING CHAPTER 106 OF THE SAN FERNANDO MUNICIPAL CODE TO ESTABLISH UPDATED STANDARDS AND REGULATORY PROCESSES RELATED TO WIRELESS TELECOMMUNICATIONS FACILITIES

Mayor Fajardo declared the Public Hearing open.

SAN FERNANDO CITY COUNCIL**MINUTES – April 15, 2019****Page 2**

Deputy City Manager/Director of Community Development Timothy Hou presented the staff report.

Mayor Fajardo called for public testimony; there were no public comments.

Motion by Vice Mayor Ballin, seconded by Councilmember Lopez, to close the Public Hearing. By consensus, the motion carried.

Motion by Mayor Fajardo, seconded by Vice Mayor Ballin, to:

- a. Waive full reading and adopt Urgency Ordinance No. 1687 by title only, “An Urgency Ordinance of the City Council of the City of San Fernando, California, Amending Division 13 (Wireless Telecommunications Facilities) of Article VI (General Regulations) of Chapter 106 (Zoning) of the San Fernando Municipal Code to Establish Updated Regulations and Procedures Related to Wireless Communications Facilities, and Declaring the Urgency Thereof, In Accordance with Government Code Sections 36934 and 36937.” and
- b. Adopt Resolution No. 7912 for approval of policy for small wireless facilities

The motion carried with the following vote:

AYES: Pacheco, Lopez, Ballin, Fajardo – 4

NOES: None

ABSENT: Gonzales – 1

ADMINISTRATIVE REPORTS**10) CONSIDERATION TO ADOPT A RESOLUTION APPOINTING SYLVIA BALLIN TO THE METROPOLITAN WATER DISTRICT’S BOARD OF DIRECTORS**

City Manager Kimball gave a brief report.

Motion by Mayor Fajardo, seconded by Councilmember Lopez, to adopt Resolution No. 7913 appointing Sylvia Ballin as City Council liaison to the Metropolitan Water District of Southern California Board effective May 1, 2019. By consensus, the motion carried.

At this time (6:33 p.m.), Vice Mayor Ballin departed the Council Chambers

PRESENTATIONS

The following presentations were made:

- a) CERTIFICATE OF RECOGNITION – STUDENT OF THE MONTH
 - Kevin Romero – CCLA ArTES High School

SAN FERNANDO CITY COUNCIL**MINUTES – April 15, 2019****Page 3**

Mayor Fajardo noted Mr. Romero was not in attendance and announced the item will be tabled to a future City Council meeting.

- b) DONATE LIFE CALIFORNIA MONTH – APRIL
- c) SPECIAL OLYMPICS LAW ENFORCEMENT TORCH RUN
- d) MEASURE EE – QUALITY TEACHER, CLASS SIZE REDUCTION, AND LOCAL SCHOOL SAFETY

The aforementioned presentation will be made upon the arrival of Los Angeles Unified School District Board Member Kelly Gonez (District 6).

PUBLIC STATEMENTS – WRITTEN/ORAL

Ruben Quintana, President, San Fernando Public Employees Association, referenced Items No. 7 and 8 and expressed concerns regarding assessments and outsourcing and requested additional information to present to members of the Association.

Joe Ruelas reported people are parking on corners of intersections thereby, reducing visibility for others and asked if the City would consider painting corner areas red to prohibit parking. He noted incidences of double parking are increasing and suggested increased enforcement of parking regulations.

Bruce Aronson discussed his commute from the City of Santa Clarita and asked about the possibility of synchronizing traffic signals to improve traffic flow.

CITY COUNCIL - LIAISON UPDATES

None.

CONSENT CALENDAR

Motion by Councilmember Lopez seconded by Mayor Fajardo, to approve the following Consent Calendar Items:

- 1) CONSIDERATION TO ADOPT A RESOLUTION APPROVING THE WARRANT REGISTER
- 2) CONSIDERATION TO ADOPT AN ORDINANCE APPROVING ZONE CHANGE 2018-002 AND TENTATIVE TRACT MAP 2018-002 LOCATED AT 1001 GLENOAKS BOULEVARD, SAN FERNANDO, CA 91340 (LOS ANGELES COUNTY ASSESSOR'S PARCEL NO. 2515-016-017)

SAN FERNANDO CITY COUNCIL**MINUTES – April 15, 2019****Page 4**

By consensus, the motion carried.

ADMINISTRATIVE REPORTS (CONTINUED)

4) **CONSIDERATION TO ADOPT PROJECT LIST TO RECEIVE SENATE BILL 1: ROAD MAINTENANCE AND REHABILITATION FUNDS**

Director of Public Works/City Engineer Yaz Emrani presented the staff report.

Motion by Councilmember Pacheco, seconded by Councilmember Lopez, to:

- a. Accept \$407,203 in Senate Bill 1 (SB 1) funds and approve project list for the SB 1 Local Streets and Roads Program; and
- b. Adopt Resolution No. 7911 adopting the list of projects for Fiscal Year 2019-2020 funded by SB 1: The Road Repair and Accountability Act of 2017.

By consensus, the motion carried.

6) **CONSIDERATION TO APPROVE LEASE AND MEMORANDUM OF LEASE WITH THE WILDHORSE FOUNDATION, INC., FOR THE CITY-OWNED PROPERTY AT 828 HARDING AVENUE**

Deputy City Manager/Director of Community Development Hou presented the staff report. Both he and City Manager Kimball replied to various questions from Councilmembers.

Discussion followed regarding tenant improvements, upcoming actions related to programming, impacts to the park, terms of the lease and options for extensions and termination clauses. It was noted the use of the premises is not exclusive and programming will be in partnership with the City. Ensuing discussion pertained to a 10-year lease versus a 20-year lease, giving the City the ability to opt out with sufficient notice and compensation, and getting clarity relative to shared uses with the City and programming.

Motion by Mayor Fajardo, seconded by Councilmember Pacheco, to:

- a. Approve a Lease (Contract No. 1911) and Memorandum of Lease by and between the City and The Wildhorse Foundation, Inc., for the City-owned Property at 828 Harding Avenue, subject to two five-year optional extensions to be mutually agreed upon and a provision is added within the document that references an MOU between the City and the Wild Horse Foundation for rights related to programming and the City's ability to use it if the facility is being underutilized, and
- b. Authorize the City Manager to make non-substantive changes and execute all related documents.

The motion carried with the following vote:

SAN FERNANDO CITY COUNCIL**MINUTES – April 15, 2019****Page 5**

AYES: Pacheco, Lopez, Fajardo – 3
NOES: None
ABSENT: Ballin, Gonzales – 2

5) CONTRACT STATUS UPDATE: SOLID WASTE FRANCHISE SERVICES

Director of Public Works/City Engineer Emrani introduced Republic Services representatives Francella Aguilar, David Cannon, and Tanya Ragland who made a presentation and replied to various questions from Councilmembers.

Discussion followed regarding improving education throughout the community, including a link in the City's website regarding recycling, ensuring contract compliance, potential contract changes in the future, using social media to promote recycling, and the possibility of issuing a survey to businesses.

Staff was directed to return to City Council with additional recommendations and with information regarding payments to Councilmembers from Republic.

No formal action was taken on this item.

PRESENTATIONS (CONTINUED)**d) MEASURE EE – QUALITY TEACHER, CLASS SIZE REDUCTION, AND LOCAL SCHOOL SAFETY**

Los Angeles Unified School District Board Member Kelly Gonez (District 6) made a presentation regarding Measure EE and invited members of the community to attend to their Second Annual Picnic in the Park and School Fair on April 27, at Branford Park in Pacoima.

Flora Mendoza-Werner, Principal, San Fernando High School, expressed her support for Measure EE and addressed new hires and programs implemented at the school to better meet the needs of students.

Councilmembers thanked Ms. Gonez for her work in being an advocate for the community and Mayor Fajardo reported that staff will return to Council with a resolution in support of Measure EE.

ADMINISTRATIVE REPORTS (CONTINUED)**7) RECEIVE A PRESENTATION REGARDING THE EXISTING ASSESSMENTS PAID BY DOWNTOWN BUSINESSES**

Mayor Fajardo announced Items No. 7 and 8 would be heard, concurrently.

SAN FERNANDO CITY COUNCIL**MINUTES – April 15, 2019****Page 6**

City Manager Kimball presented the staff report and replied to various questions from Councilmembers.

Discussion followed regarding refocusing on pedestrian areas, adding striping and resurfacing parking lots, appropriating funds from the General Fund to a separate line item for landscaping, installing drought-tolerant landscaping, using City resources for maintenance tasks, adding value to the services provided by the City, and Code Enforcement activity in the area.

8) RECEIVE A PRESENTATION REGARDING PROPERTY BASED IMPROVEMENT DISTRICTS (PBID)

City Manager Kimball introduced Steve Gibson, President, Urban Place Consulting, and deferred to him for a staff report.

Mr. Gibson presented details of the report regarding property based improvement districts. He and City Manager Kimball replied to various questions from Councilmembers.

Discussion followed regarding the difference between a tax and an assessment, passing assessment costs to customers, votes determined by the amount of the assessment, the importance of getting the right mixes/sizes of areas, the City's retention of control and power, the success of PBIDs, benefits of reworking the Mall Association agreement versus implementing a PBID, the possibility of displacing City staff, and the need to begin the process to obtain additional details and data.

Ensuing discussion pertained to continuing the item until the next Council meeting to allow for consideration by the full City Council and petitioning property owners to gauge their interests and preferences.

Mayor Fajardo announced the item would be continued to the next City Council meeting, without objection.

9) DISCUSSION OF MECHANISMS FOR CITY COUNCIL TO RECEIVE TIMELY INFORMATION REGARDING PLANNING COMMISSION DECISIONS AND FOR STAFF TO PROVIDE REGULAR UPDATES TO CITY COUNCIL ON CURRENT CONSTRUCTION IN THE CITY

Mayor Fajardo made a brief presentation and suggested developing "mini minutes" that summarize decisions made by the Planning Commission.

Assistant City Attorney Padilla addressed the feasibility of including tax or benefits the City would receive from projects considered by the Planning Commission and noted the Planning Commission and Council's decisions are constrained by the City's Municipal Code and tax revenue would not be proper grounds for initiating an appeal.

Discussion followed regarding exploring whether additional time, beyond ten days, could be established for Council to initiate an appeal of a Planning Commission decision.

SAN FERNANDO CITY COUNCIL**MINUTES – April 15, 2019****Page 7**

Mayor Fajardo reiterated his request for a summary of Planning Commission decisions and that Council be provided notice of building permits issued and/or projects under construction.

Discussion followed regarding considering best practices from other cities and the possibility of scheduling Planning Commission meetings on alternating weeks so that Council has the full benefit of 13 days to review Planning Commission actions and submit appeals. Brief discussion ensued regarding the possibility of live-streaming Council meetings.

STAFF COMMUNICATION INCLUDING COMMISSION UPDATES

At 10:14 p.m., Councilmember Pacheco briefly stepped away for one minute (quorum lost).

Mayor Fajardo called for a brief recess and reconvened the meeting with three Councilmembers present.

Police Chief Anthony Vairo provided updates on police officer recruitment, provided information regarding the Tip-a-Cop Fundraiser, Law Enforcement Torch Run for the Special Olympics on May 2, and the Special Olympics Tri-Valley Swimming on May 4.

Director of Recreation and Community Services Julian J. Venegas announced Breakfast with the Bunny on April 20, at the Spring Jamboree and invited the community to attend.

Deputy City Manager/Director of Community Development Hou reported that on May 6, staff will present to Council an opportunity to accept a Sustainable Communities grant awarded to the City by Southern California Association of Governments for the Parking Management Master Plan.

Director of Public Works/City Engineer Emrani reported all positions within Public Works have been filled and thanked Council, Department Heads, and colleagues for the opportunity to serve the City and work with him.

City Manager Kimball reported that staff will reach out to each Councilmember to schedule one-on-one meetings regarding Kosmont Companies previous presentation and obtain additional information, budget discussions will be begin in May, and he thanked Director of Public Works/City Engineer Emrani for his service, and reported recruitment for the position will begin soon.

GENERAL COUNCIL COMMENTS

Councilmember Pacheco discussed continuing to work on Film L.A. contract, expressed his condolences for the residents of Paris, France in relation to the burning of Notre Dame and thanked City staff for their work.

Councilmember Lopez thanked Director of Public Works/City Engineer Emrani and wished him well and thanked City staff for their hard work.

SAN FERNANDO CITY COUNCIL**MINUTES – April 15, 2019****Page 8**

At Mayor Fajardo's request, City Attorney Padilla clarified direction relative to the Wild Horse item. He thanked Director of Public Works/City Engineer Emrani and wished him well and thanked City staff for their work.

ADJOURNMENT (10:24 P.M.)

Motion by Councilmember Lopez, seconded by Councilmember Pacheco, to adjourn the meeting. By consensus, the motion carried.

I do hereby certify that the foregoing is a true and correct copy of the minutes of April 15, 2019, meeting as approved by the San Fernando City Council.

Elena G. Chávez, CMC
City Clerk

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**SAN FERNANDO CITY COUNCIL
MINUTES**

**AUGUST 5, 2019 – 6:00 P.M.
REGULAR MEETING**

City Hall Council Chambers
117 Macneil Street
San Fernando, CA 91340

CALL TO ORDER/ROLL CALL

Mayor Joel Fajardo called the meeting to order at 6:01 p.m.

Present:

Council: Mayor Joel Fajardo, Vice Mayor Sylvia Ballin, and Councilmembers Antonio Lopez, Hector A. Pacheco, and Robert C. Gonzales

Staff: City Manager Nick Kimball, Assistant City Attorney Richard Padilla, and City Clerk Elena G. Chávez

PLEDGE OF ALLEGIANCE

Led by City Manager Nick Kimball

APPROVAL OF AGENDA

Motion by Councilmember Gonzales, seconded by Councilmember Lopez, to approve the agenda. By consensus, the motion carried.

PUBLIC STATEMENTS – WRITTEN/ORAL

Sandra Garcia expressed concerns regarding the lack of progress relative to a movie theater that was proposed over three years ago and a cannabis dispensary that was previously proposed.

Egiberto Perla reported approaching the City for a permit to build a fence around his house for added privacy, but stated it was approved for a height of three feet, which is insufficient.

Antonio Moreno said that he previously addressed Council regarding police calls to his house because of a report that his wife was playing a radio too loudly. He thanked Council for following up on the matter noting he has had no additional visits from the police.

SAN FERNANDO CITY COUNCIL**MINUTES – August 5, 2019****Page 2**

Anthony King, Director of The Camp Transformation Center, discussed services provided by his company and police calls for service by his neighbor complaining about loud music. He asked for help from the City indicating they are in compliance with regulations regarding noise.

Arturo Garcia, field representative for Assemblymember Luz Rivas, provided district information and updates on their activities.

Michael Remenih announced National Night Out and urged the public to attend.

David Bernal referenced Item No. 11 and spoke in support of moving the project forward, discussed the need for housing, indicated residents should be included in terms of Item No. 6, and advised residents to always be vigilant.

CITY COUNCIL - LIAISON UPDATES

Councilmember Gonzales gave an update regarding the recent Independent Cities Association Conference, addressed a Census panel on which he participated, and discussed a Census Ad Hoc Committee meeting.

Councilmember Lopez gave an update regarding a recent Library Commission meeting.

Vice Mayor Ballin said that the California Latino Water Coalition hosted an exciting event for the Metropolitan Water District Chair, and she shared a text from relatives that live in El Paso regarding the recent shooting and talked about her concerns.

Mayor Fajardo gave an update regarding a San Fernando Valley Council of Governments meeting and said they discussed Regional Housing Needs Assessment (RHNA) numbers and announced that the City Council Liaison Assignments list will be placed on the next meeting agenda.

CONSENT CALENDAR

Vice Mayor Ballin pulled Item No. 5, and Councilmember Gonzales pulled Item No. 3, for further discussion.

Motion by Mayor Fajardo, seconded by Vice Mayor Ballin, to approve the remaining Consent Calendar Items:

- 1) REQUEST TO APPROVE MINUTES OF JULY 15, 2019 – REGULAR MEETING
- 2) CONSIDERATION TO ADOPT A RESOLUTION APPROVING THE WARRANT REGISTER
- 4) CONSIDERATION TO APPROVE THE PURCHASE OF A 2019 DODGE CHARGER POLICE VEHICLE

SAN FERNANDO CITY COUNCIL**MINUTES – August 5, 2019****Page 3**

By consensus, the motion carried.

Items Pulled for Further Discussion

3) CONSIDERATION TO APPROVE THE UPDATED CITY COUNCIL AD HOC COMMITTEE ASSIGNMENTS

Councilmember Gonzales could not immediately locate his notes on this item and will bring it up at a later day if necessary.

Motion by Mayor Fajardo, seconded by Councilmember Gonzales, to approve the updated City Council Ad Hoc Committee Assignments. By consensus, the motion carried.

5) CONSIDERATION TO APPROVE A RESOLUTION AUTHORIZING THE CITY TO ENTER INTO AN AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION TO PREPARE A SAFE AND ACTIVE STREETS IMPLEMENTATION PLAN

City Manager Kimball presented the staff report and replied to questions from Councilmembers.

Motion by Mayor Fajardo, seconded by Vice Mayor Ballin, to:

- a. Accept a grant award in the amount of \$141,680 from Caltrans to prepare a Safe and Active Streets Implementation Plan;
- b. Approve a Resolution No. 7941 authorizing the City to enter into an agreement with the California Department of Transportation for the preparation of City of San Fernando's Safe and Active Streets Implementation Plan;
- c. Approve Resolution No. 7943 appropriating the grant funds in the FY 2019-2020 Budget; and
- d. Authorize the City Manager to execute the Agreement and all related documents on behalf of the City.

By consensus, the motion carried.

The following item was moved up on the agenda.

ADMINISTRATIVE REPORTS

10) HOMELESS OUTREACH UPDATE IN THE CITY OF SAN FERNANDO

City Manager Kimball deferred to Police Chief Anthony Vairo for a report.

SAN FERNANDO CITY COUNCIL**MINUTES – August 5, 2019****Page 4**

Police Chief Vairo introduced Police Sergeant Irwin Rosenberg who gave an update on homeless outreach in the City.

Discussion ensued and staff replied to questions from Councilmembers.

By consensus, Councilmembers requested an update after every Service Planning Area meeting attended and concurred to receive and file the report.

PUBLIC HEARING

- 6) CONSIDERATION TO ADOPT AN ORDINANCE AND RESOLUTION TO CREATE A SIDEWALK VENDING PROGRAM AND REGULATIONS IN THE CITY OF SAN FERNANDO IN COMPLIANCE WITH SENATE BILL 946

Mayor Fajardo declared the Public Hearing open.

Deputy City Manager/Director of Community Development Timothy Hou gave the staff report and replied to various questions from Councilmembers.

Discussion followed regarding prohibiting the imposition of caps on the number of permits allowed, the need to allow for free movement of pedestrians on sidewalks, permitted hours of operation, effects on vendors at City and nonprofit events, the importance of ADA accessibility, "Ability-to-pay determinations", hand-washing and restrooms, requirements for liability insurance, negative effects on small businesses, additional burdens on Code Enforcement, and consequences of non-compliance.

Mayor Fajardo called for public testimony and requested to incorporate comments made earlier during general public comments.

Michael Remenih stated he is not in favor of the Sidewalk Vending Program but noted it is a state mandate, reported he was extremely impressed with the presentation and questions asked, and indicated he is confident the ordinance will be manageable when it comes to fruition.

Motion by Mayor Fajardo, seconded by Councilmember Gonzales, to close the Public Hearing. By consensus, the motion carried.

Ensuing discussion pertained to the possibility of extending hours of operation for Code Enforcement and amending the budget to allow for same, enforcing regulations relative to being 15' from a fire hydrant, separations from vendor to vendor, beginning discussions to give exclusive use rights to local sports teams, research the use of propane in parks and having a preventative tarp on the ground, and the possibility of charging for pressure washing public areas, if necessary. Additionally, Council requested the hours of operation in residential areas be limited during the week as in the weekend.

Staff will return to Council with a resolution detailing the provisions discussed above along with second reading of the ordinance.

SAN FERNANDO CITY COUNCIL**MINUTES – August 5, 2019****Page 5**

Motion by Vice Mayor Ballin seconded by Councilmember Lopez, to introduce for first reading, in title only, and waive full reading of Ordinance No. 1688, “An Ordinance of the City Council of the City of San Fernando, California, Repealing in Part and Amending in Part Chapter 58 (Peddlers and Solicitors) of the San Fernando Municipal Code to Create a Sidewalk Vending Program in Compliance with Senate Bill 946.”

The motion carried with the following vote:

AYES:	Lopez, Pacheco, Gonzales, Ballin, Fajardo – 5
NOES:	None
ABSENT:	None

7) **CONSIDERATION TO ADOPT A RESOLUTION ESTABLISHING USER FEES FOR FISCAL YEAR 2019-2020 AND RESCIND PRIOR USER FEE RESOLUTIONS**

Mayor Fajardo declared the Public Hearing open.

City Manager Kimball presented a brief staff report.

Mayor Fajardo called for public testimony; there were none.

Motion by Mayor Fajardo, seconded by Vice Mayor Ballin, to close the Public Hearing. By consensus, the motion carried.

Motion by Mayor Fajardo, seconded by Vice Mayor Ballin, to:

- a. Adopt Resolution No. 7944 incorporating all current fees for City services into a FY 2019-20 Annual Fee Schedule, amending certain fees and charges; and
- b. Rescind Resolution No. 7849 and all parts of resolutions in conflict with Resolution No. 7944.

The motion carried with the following vote:

AYES:	Lopez, Pacheco, Gonzales, Ballin, Fajardo – 5
NOES:	None
ABSENT:	None

ADMINISTRATIVE REPORTS (CONTINUED)

8) **CONSIDERATION TO DESIGNATE A VOTING DELEGATE AND ALTERNATE(S) FOR THE 2019 LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE**

City Manager Kimball presented a brief staff report.

SAN FERNANDO CITY COUNCIL**MINUTES – August 5, 2019****Page 6**

Motion by Councilmember Pacheco, seconded by Vice Mayor Ballin to:

- a. Designate Councilmember Pacheco as the Voting Delegate for the 2019 League of California Cities Annual Conference;
- b. Designate Vice Mayor Ballin as the Alternate Voting Delegate (who may vote in the event that the designated Delegate is unable to serve in that capacity);
- c. Authorize the City Clerk to execute and submit the 2019 Annual Conference Voting Delegate/Alternate Form.

By consensus, the motion carried.

9) DISCUSS EFFORTS TO ESTABLISH A PROPERTY BASED IMPROVEMENT DISTRICT (PBID)

City Manager Kimball presented a brief staff report and replied to various questions from Councilmembers.

Discussion ensued regarding allowing the Mall Association to research the matter and provide feedback regarding what the members want in terms of maintenance, focusing on what exists and how to work better, membership participation in the Mall Association, the need for a Mall Association or PBID, compiling a list of extra services mall merchants receive, and changing Council priorities to remove this item from the list.

City Manager Kimball reported an update will be provided to Council within 90 days.

Staff was provided with general direction and no formal action was taken.

11) CONSIDERATION TO APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH KOSMONT & ASSOCIATES, INC., DBA KOSMONT COMPANIES, TO PROVIDE REAL ESTATE ADVISORY SERVICES

Deputy City Manager/Director of Community Development Hou gave the staff report and replied to various questions from Councilmembers.

Discussion followed regarding the importance of serving the needs of the community, creating safe zones and the importance of private/public partnerships.

Motion by Mayor Fajardo, seconded by Councilmember Gonzales, to:

- a. Approve a Professional Services Agreement (Contract No. 1925) with Kosmont & Associates, Inc., dba Kosmont Companies in an amount not-to-exceed \$45,000 to provide real estate advisory services; and
- b. Authorize the City Manager to execute all related documents.

SAN FERNANDO CITY COUNCIL**MINUTES – August 5, 2019****Page 7**

By consensus, the motion carried.

STAFF COMMUNICATION INCLUDING COMMISSION UPDATES

City Clerk Chávez reported effective March 2020, L.A. County will transition from polling places to vote centers (the Los Angeles County Clerk has selected Las Palmas Park as a vote center), and reported that on September 16, Jeff Klein, L.A. County Voter Education Outreach, will attend the City Council meeting to make a presentation on upcoming changes to elections.

Police Chief Vairo announced National Night Out on August 6, and urged the public to participate (noted security will be the Department's major priority), and he provided an update on the officers that were injured during a recent incident.

Director of Recreation and Community Services Julian Venegas announced that the City received grants from Habitat Conservation Fund (to implement the Family Hike Environment Program) and from L.A. Education Partnership (to provide outreach opportunities for parents and service providers targeting the First Five community), and reported that the next meeting of the Parks and Recreation Commission will be on Tuesday, August 13.

Deputy City Manager/Director of Community Development Hou reported that the Planning and Preservation Commission will be meet on Tuesday, August 20.

City Manager Kimball provided updates on the Public Works Director and Finance Director recruitment.

GENERAL COUNCIL COMMENTS

Councilmember Pacheco requested updates on financing the tax revenue and leveraging it for more Public Works funds, on the tree fund and plans for reforestation, and on the status of a Farmers Market. He commended the Police Department on its response to the recent incident.

Councilmember Lopez requested an update on the Public Works pothole repair project and commented positively on the quality of the City's Summer Day Camp program.

Councilmember Gonzales wished a speedy recovery to injured police officers and commended them for their restraint during the recent incident.

Vice Mayor Ballin talked about the loud parties, and City Manager Kimball addressed public outreach to educate the public regarding the City's noise ordinance.

Mayor Fajardo commended the Police Department for its bravery and response during the recent incident, and asked to adjourn in memory of the victims of the recent El Paso and Ohio shootings and in memory of Barbara Torres.

SAN FERNANDO CITY COUNCIL**MINUTES – August 5, 2019****Page 8****RECESS TO CLOSED SESSION (9:31 P.M.)****A) CONFERENCE WITH LABOR NEGOTIATOR**

G.C. §54957.6

Designated City Negotiators:

City Manager Nick Kimball

City Attorney Rick Olivarez

Assistant City Attorney Richard Padilla

Employees and Employee Bargaining Units that are the Subject of Negotiation:

San Fernando Management Group (SEIU, Local 721)

San Fernando Public Employees' Association (SEIU, Local 721)

San Fernando Police Officers Association

San Fernando Police Officers Association Police Management Unit

San Fernando Police Civilian Association

San Fernando Part-time Employees' Bargaining Unit (SEIU, Local 721)

All Unrepresented Employees

B) CONFERENCE WITH REAL PROPERTY NEGOTIATOR

G.C. §54956.8

Property: 13441 Foothill Blvd., Sylmar, City of Los Angeles

Agency Negotiator: City Manager Nick Kimball, Lead Negotiator

City Attorney Rick Olivarez

Assistant City Attorney Richard Padilla

Negotiating Parties: Brian Board and Christina Garay of Rodeo Realty on behalf of Richard C. Patterson, as to an undivided 50% interest in the subject property and David M. Kull and Ronna Kull, Trustees of the David and Ronna Kull Trust dated March 30, 2007, as to an undivided 50% interest in the subject property

Under Discussion: Price and Terms of Payment as relates to Option to Purchase Agreement

C) CONFERENCE WITH LEGAL COUNSEL – CONSIDERATION OF INITIATION OF LITIGATION

G.C. §54956.9(d)(4)

One (1) Matter

RECONVENE/REPORT OUT FROM CLOSED SESSION (10:25 P.M.)

Assistant City Attorney Padilla reported the following:

Items A, B, and C – General updates given by the City Manager and Deputy City Manager, feedback was given by the City Council, but no final action was taken.

ADJOURNMENT (10:25 P.M.)

Motion by Vice Mayor Ballin, seconded by Councilmember Lopez, to adjourn the meeting in memory of Barbara Torres. By consensus, the motion carried.

SAN FERNANDO CITY COUNCIL

MINUTES – August 5, 2019

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I do hereby certify that the foregoing is a true and correct copy of the minutes of August 5, 2019, meeting as approved by the San Fernando City Council.

Elena G. Chávez, CMC
City Clerk

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**SAN FERNANDO CITY COUNCIL
MINUTES**

**SEPTEMBER 3, 2019 – 6:00 P.M.
REGULAR MEETING**

City Hall Council Chambers
117 Macneil Street
San Fernando, CA 91340

CALL TO ORDER/ROLL CALL

Mayor Joel Fajardo called the meeting to order at 6:02 p.m.

Present:

Council: Mayor Joel Fajardo (left at 7:17 p.m.), Vice Mayor Sylvia Ballin, and Councilmembers Robert C. Gonzales (arrived at 6:48 p.m.), and Hector A. Pacheco

Staff: City Manager Nick Kimball, Assistant City Attorney Richard Padilla, and City Clerk Elena G. Chávez

Absent: Councilmember Antonio Lopez

PLEDGE OF ALLEGIANCE

Led by Personnel Manager Michael Okafor

APPROVAL OF AGENDA

Vice Mayor Ballin announced that she would like the meeting to adjourn in memory of Jose Hernandez Martinez and Claudia Garcia.

Motion by Vice Mayor Ballin, seconded by Councilmember Pacheco, to approve the agenda and when adjourning, close in memory of the aforementioned people. By consensus, the motion carried.

City Manager Kimball announced that staff is working on a process to appoint a replacement for Councilmember Antonio Lopez when his seat becomes vacant, pursuant to his upcoming resignation.

Mayor Fajardo asked if there were audience members who wished to speak on the following item that was moved up; there were no public comments.

SAN FERNANDO CITY COUNCIL**MINUTES – September 3, 2019****Page 2****10) CONSIDERATION TO APPOINT A TRANSPORTATION AND SAFETY COMMISSIONER**

Councilmember Pacheco introduced Nicole Mohr who made a few comments.

Motion by Councilmember Pacheco, seconded by Vice Mayor Ballin, to appoint Nicole Mohr as Councilmember Pacheco's representative to the Transportation and Safety Commission and to vacate the incumbent seat. By consensus, the motion carried.

PUBLIC STATEMENTS – WRITTEN/ORAL

Jesse Avila, City Liaison to the Greater L.A. County Vector Control District, gave an update regarding GLACVCD activities.

Christna Ilejay, representing Santa Rosa youth athletics, referenced a letter received from the City, said that she hoped for an opportunity to fix the non-compliance issues, addressed increased participation, and asked Council to consider impacts to the children.

Frank Delgado reported he has been in the Santa Rosa Little League for eight years, commented on the hard work by the Board, spoke about the notice from the City, hoped for an opportunity to address compliance issues, and expressed disappointment regarding termination of the contract.

At this time, Councilmembers took a brief break to allow Martinez family member to take a photo with Councilmembers.

Gilbert Cabral, resident, spoke in support of the Santa Rosa Little League and hoped the City will allow them to resolve compliance issues.

Marcos Martinez, President, Santa Rosa Little League, spoke in support of the league and hoped the City will allow them to resolve compliance issues and permit the program to continue.

Miguel Torres spoke in support of the Santa Rosa Little League, hoped the kids will be given a fair shot, and urged the City to allow the program to continue.

Lupita Gonzales expressed concerns regarding the San Fernando Mall Association and their use of business-owner fees, the needs of the business owners and lack of promotional activities in the mall, and commented on her intent to become a board member and was surprised when she was asked for tax information.

Lupe Garcia spoke in support of the Santa Rosa Little League and urged the City to consider allowing the program to continue.

Marcela Rodriguez spoke in support of the Santa Rosa Little League and urged the City to consider allowing the program to continue.

SAN FERNANDO CITY COUNCIL**MINUTES – September 3, 2019****Page 3**

City Manager Kimball thanked the speakers for attending, said that the City is not shutting down the League (the intent is to resolve contractual compliance issues), that the League has the option to rent the field as is done with other groups, and added that the City is looking to initiate its own baseball league out of Las Palmas Park and he encouraged parents to participate.

At this time (6:48 p.m.), Councilmember Gonzales arrived.

CITY COUNCIL - LIAISON UPDATES

Councilmember Gonzales provided an update on the Metro Service Council, indicated the Independent Cities Association will meet next week and commented on the upcoming Census meeting.

Councilmember Pacheco announced a Southern California Association of Governments meeting on September 5, and stated he will provide a full report at the next City Council meeting.

Vice Mayor Ballin gave an update regarding the Metropolitan Water District meeting on August 19, and reported on several upcoming ad hoc committee meetings. Per her request, City Manager Kimball provided a brief update on the activities of the Water and Sewer Ad Hoc Committee and reported that the item will be on Council's agenda in September.

Mayor Fajardo reported attending the Valley Economic Alliance meeting and thanked staff for their work. He announced he would need to leave tonight's meeting at 7:15 p.m.

CONSENT CALENDAR

Motion by Vice Mayor Ballin, seconded by Councilmember Pacheco, to approve the Consent Calendar Items:

- 1) CONSIDERATION TO ADOPT A RESOLUTION APPROVING THE WARRANT REGISTER
- 2) CONSIDERATION TO ADOPT RESOLUTIONS AMENDING THE FISCAL YEAR (FY) 2019-2020 SALARY PLAN AND TABLE OF ORGANIZATION TO IMPLEMENT CERTAIN CHANGES IN THE APPROVED MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND THE SAN FERNANDO POLICE CIVILIANS' ASSOCIATION, SAN FERNANDO MANAGEMENT GROUP, AND SAN FERNANDO PART-TIME EMPLOYEES' BARGAINING UNIT
- 3) CONSIDERATION TO ADOPT A RESOLUTION APPROVING A NEW JOB SPECIFICATION FOR DEPUTY CITY CLERK/MANAGEMENT ANALYST
- 4) CONSIDERATION TO APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH PUKÚU CULTURAL COMMUNITY SERVICES TO PROVIDE YOUTH DIVERSION PROGRAM SERVICES

SAN FERNANDO CITY COUNCIL**MINUTES – September 3, 2019****Page 4**

- 5) CONSIDERATION TO APPROVE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SAN GABRIEL VALLEY TO IMPLEMENT THE ELDERLY NUTRITION PROGRAM
- 6) CONSIDERATION TO APPROVE THE PURCHASE OF A 2019 FORD F550 4X2 ALTEC ARTICULATING TELESCOPE AERIAL DEVICE FROM ALTEC INDUSTRIES INCORPORATED

By consensus, the motion carried.

ADMINISTRATIVE REPORTS

- 7) RECEIVE A PRESENTATION FROM THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) REGARDING THE SIXTH CYCLE REGIONAL HOUSING NEEDS ASSESSMENT

Ma'Ayn Johnson, Housing & Land Use Planner with SCAG, presented the staff report and replied to questions from Councilmembers.

Discussion followed regarding High Quality Transit Areas, future and planned transit stations, cities complying with the current formula for Regional Housing Needs Assessment numbers, challenges with enforcement, efforts at the State level to increase compliance, and the possibility of having other communities stepping up in terms of building low-income housing, over production in the current cycle, and calculating what other cities are expected to produce.

Mayor Fajardo asked staff to look into the appeals process and networking with other similar cities.

At this time (7:17 p.m.) Mayor Fajardo left the Council Chambers.

Vice Mayor Ballin took over as the presiding officer.

- 8) RECEIVE AND FILE AN UPDATE ON THE CITY'S EMERGENCY PREPAREDNESS EFFORTS AND REVIEW OF THE CITY OF LOS ANGELES SEISMIC RETROFIT PROGRAM

Police Chief Vairo and Police Sergeant Irwin Rosenberg made a brief presentation on the City's Emergency Preparedness Efforts.

Deputy City Manager/Director of Community Development Timothy Hou provided a report on the City of Los Angeles Seismic Retrofit Program.

Discussion followed regarding the importance of CERT teams and an updated contact list, working with Los Angeles Fire Department and the Red Cross, conducting City-wide training, requirements of City employees as disaster workers, the possibility of providing family care

SAN FERNANDO CITY COUNCIL**MINUTES – September 3, 2019****Page 5**

during emergencies, a cyber-ransom trend, Council's consideration of a mandate for seismic retrofits, penalty fees dictated by local agencies, compliance rates, and determining staffing needs to increase compliance and develop a roadmap.

Vice Mayor Ballin asked for a discussion regarding active shooters at upcoming meetings.

Direction was given to staff and there was no formal motion taken.

9) **CONSIDERATION TO ADOPT AN ORDINANCE AND RESOLUTION TO CREATE A SIDEWALK VENDING PROGRAM AND REGULATIONS IN THE CITY OF SAN FERNANDO IN COMPLIANCE WITH SENATE BILL 946**

Deputy City Manager/Director of Community Development Hou presented the staff report. He and Assistant City Attorney Padilla replied to questions from Councilmembers.

Discussion followed regarding relevant violations and fees, requiring mats on the ground and on sidewalks, in the cooking area to avoid grease spills/damage in the resolution, and the possibility of charging for pressure washing.

Motion by Councilmember Gonzales, seconded by Councilmember Pacheco, to:

- a. Waive full reading and adopt Ordinance No. 1688 by title, “An Ordinance of the City Council of the City of San Fernando, California, Repealing in Part and Amending in Part Chapter 58 (Peddlers and Solicitors) of the San Fernando Municipal Code to Create a Sidewalk Vending Program in Compliance with Senate Bill 946, and Amending Related Provisions of the San Fernando Municipal Code”; and
- b. Adopt Resolution No. 7942 to adopt regulations governing sidewalk vending in the as modified to include a requirement to place tarps/mats on the ground, under the cooking area to avoid grease spills/damage.

By consensus, the motion carried.

STAFF COMMUNICATION INCLUDING COMMISSION UPDATES

City Clerk Chávez reminded everyone that a County representative would attend the next meeting to make a presentation and demonstrate the new voting machine and she reported that the Education Commission kicked off their 2019-20 academic year and the Student of the Month Program, and will be holding a Principals’ Brunch on October 25.

Police Chief Vairo asked to adjourn the meeting in memory of boating accident victims off Santa Cruz Island.

Director of Recreation and Community Services Julian Venegas reported the Youth Basketball and Soccer Programs are up and running, addressed upcoming senior programs and events and

SAN FERNANDO CITY COUNCIL**MINUTES – September 3, 2019****Page 6**

noted that the next Parks, Wellness, and Recreation Commission meeting will be held on September 10.

Deputy City Manager/Director of Community Development Hou reported staff is scheduling the next step in the Downtown Economic Development matter and the first community input meeting, and the Planning and Preservation Commission will meet on September 4.

City Manager Kimball reported upcoming agenda items for Council's consideration, noted the City Manager's report has been published, thanked members of the public who provided input regarding the Santa Rosa Little League, and listed upcoming large projects in the City.

GENERAL COUNCIL COMMENTS

At Councilmember Pacheco's request, City Manager Kimball provided an update on the search for a new Director of Public Works. Also at his request, Deputy City Manager/Director of Community Development Hou provided a brief update on the Big Bus operation.

Discussion followed regarding the allocation and plans for trees in the City.

Vice Mayor Ballin said it was a great day in San Fernando (meeting ended early) and thanked everyone who stayed for the meeting.

RECESS TO CLOSED SESSION (8:14 P.M.)**A) CONFERENCE WITH LABOR NEGOTIATOR**

G.C. §54957.6

Designated City Negotiators:

City Manager Nick Kimball

City Attorney Rick Olivarez

Assistant City Attorney Richard Padilla

Employees and Employee Bargaining Units that are the Subject of Negotiation:

San Fernando Management Group (SEIU, Local 721)

San Fernando Public Employees' Association (SEIU, Local 721)

San Fernando Police Officers Association

San Fernando Police Officers Association Police Management Unit

San Fernando Police Civilian Association

San Fernando Part-time Employees' Bargaining Unit (SEIU, Local 721)

All Unrepresented Employees

B) CONFERENCE WITH REAL PROPERTY NEGOTIATOR

G.C. §54956.8

Property:

13441 Foothill Blvd., Sylmar, City of Los Angeles

Agency Negotiator:

City Manager Nick Kimball, Lead Negotiator

City Attorney Rick Olivarez

Assistant City Attorney Richard Padilla

SAN FERNANDO CITY COUNCIL**MINUTES – September 3, 2019****Page 7**

Negotiating Parties: Brian Board and Christina Garay of Rodeo Realty on behalf of Richard C. Patterson, as to an undivided 50% interest in the subject property and David M. Kull and Ronna Kull, Trustees of the David and Ronna Kull Trust dated March 30, 2007, as to an undivided 50% interest in the subject property

Under Discussion: Price and Terms of Payment as relates to Option to Purchase Agreement

RECONVENE/REPORT OUT FROM CLOSED SESSION (8:30 P.M.)

Assistant City Attorney Padilla noted that both Mayor Fajardo and Councilmember Gonzales were absent, and reported the following:

Item A – Update provided by City Manager Kimball, but no final action was taken.

Item B – Update provided by Deputy City Manager/Director of Community Development Hou, but no final action taken.

ADJOURNMENT (8:30 P.M.)

Motion by Vice Mayor Ballin, seconded by Councilmember Gonzales, to adjourn the meeting in memory of Jose Hernandez Martinez, Claudia Garcia, and the victims of the recent boating accident off Santa Cruz Island. By consensus, the motion carried.

I do hereby certify that the foregoing is a true and correct copy of the minutes of September 3, 2019, meeting as approved by the San Fernando City Council.

*Elena G. Chávez, CMC
City Clerk*

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**SAN FERNANDO CITY COUNCIL
MINUTES**

**NOVEMBER 18, 2019 – 6:00 P.M.
REGULAR MEETING**

City Hall Council Chambers
117 Macneil Street
San Fernando, CA 91340

CALL TO ORDER/ROLL CALL

Mayor Joel Fajardo called the meeting to order at 6:04 p.m.

Present:

Council: Mayor Joel Fajardo, Vice Mayor Sylvia Ballin (arrived at 6:05 p.m.), and Councilmembers Mary Mendoza, and Hector A. Pacheco (left at 9:33 p.m.)

Staff: City Manager Nick Kimball, Assistant City Attorney Richard Padilla, and City Clerk Elena G. Chávez

Absent: Councilmember Robert C. Gonzales

PLEDGE OF ALLEGIANCE

Led by Vintage Magnet Elementary Student Tonantzin Isabel Zarate

APPROVAL OF AGENDA

Motion by Vice Mayor Ballin, seconded by Councilmember Mendoza, to approve the agenda. By consensus, the motion carried.

Mayor Fajardo announced that Item Nos. 14 and 15 would be moved up on the agenda and some items would be moved out of order.

ADMINISTRATIVE REPORTS

15) CONSIDERATION TO APPOINT AN EDUCATION COMMISSIONER

Mayor Fajardo asked if there were audience members who wished to speak on the item; there were no public comments.

Vice Mayor Ballin introduced David Govea who made a few comments.

SAN FERNANDO CITY COUNCIL**MINUTES – November 18, 2019****Page 2**

Motion by Vice Mayor Ballin, seconded by Mayor Fajardo, to appoint David Govea as Vice Mayor Ballin's representative to the Education Commission. By consensus, the motion carried.

14) CONSIDERATION TO APPOINT AN EDUCATION COMMISSIONER

Mayor Fajardo asked if there were audience members who wished to speak on the item; there were no public comments.

Councilmember Mendoza introduced Suzanne Llamas who made a few comments.

Motion by Councilmember Mendoza, seconded by Mayor Fajardo, to appoint Suzanne Llamas as Councilmember Mendoza's representative to the Education Commission effective November 1, 2019. By consensus, the motion carried.

PRESENTATIONS

The following presentations were made:

- a) CERTIFICATES OF RECOGNITION – STUDENT OF THE MONTH
 - Mahika Ahmed – Academy of Scientific Exploration
- b) CERTIFICATE OF ACCOMPLISHMENT – ROXONIE "RIGHT HOOK ROXY" VERDUZCO FOR QUALIFYING FOR THE 2020 U.S. OLYMPIC TRIALS FOR BOXING

PUBLIC STATEMENTS – WRITTEN/ORAL

Juan Salas, Community Services Supervisor, talked about the Teens for a Better Community Program and introduced team members who provided information about the program and addressed upcoming fundraising efforts.

Arturo Garcia, field representative for Assemblymember Luz Rivas, provided district information and updates on their activities.

Kenny Majers, businessowner, spoke in opposition to recent water/sewer rate increases and urged Council to reconsider the matter and develop reasonable increases that will not hurt businesses and residents.

CONSENT CALENDAR

Councilmember Mendoza requested to pull Item No. 2 for further discussion.

Motion by Mayor Fajardo, seconded by Councilmember Pacheco, to approve the remaining Consent Calendar Items:

SAN FERNANDO CITY COUNCIL**MINUTES – November 18, 2019****Page 3**

- 1) REQUEST TO APPROVE MINUTES OF NOVEMBER 4, 2019 – REGULAR MEETING
- 3) CONSIDERATION TO APPROVE A FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH PUKÚU CULTURAL COMMUNITY SERVICES TO PROVIDE YOUTH DIVERSION PROGRAM SERVICES
- 4) CONSIDERATION TO ADOPT AN ORDINANCE TO MERGE THE CULTURAL ARTS COMMISSION AND THE PARKS, WELLNESS AND RECREATION COMMISSION
- 5) CONSIDERATION TO APPROVE A REIMBURSEMENT AGREEMENT WITH PLAINS ALL AMERICAN PIPELINE, L.P. FOR PIPELINE RELOCATION AS PART OF THE GLENOAKS BOULEVARD STREET SEWER AND WATER IMPROVEMENTS PROJECT AND RELATED BUDGET RESOLUTION
- 6) CONSIDERATION TO AUTHORIZE EXECUTION OF AN AGREEMENT WITH THE COUNTY OF LOS ANGELES FOR CENSUS 2020 EDUCATION AND OUTREACH ACTIVITIES
- 7) CONSIDERATION TO AUTHORIZE SUBMITTAL OF AN APPLICATION FOR THE SENATE BILL 2 PLANNING GRANTS PROGRAM TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
- 8) CONSIDERATION TO ADOPT A RESOLUTION APPROVING THE ADOPTION OF THE 2017 UPDATED REGIONAL WATER MANAGEMENT PLAN

By consensus, the motion carried.

Item Pulled for Further Discussion

- 2) CONSIDERATION TO ADOPT A RESOLUTION APPROVING THE WARRANT REGISTER

Councilmember Mendoza inquired about the \$21,500 payment to the San Fernando Mall Association and City Manager Kimball replied to various questions from Councilmembers including the need to renegotiate the outdated MOU (an update will be provided at the December City Council meeting).

Motion by Mayor Fajardo, seconded by Councilmember Mendoza, to adopt Resolution No. 19-112 approving the Warrant Register. By consensus, the motion carried.

PUBLIC HEARING

- 9) CONSIDERATION TO ADOPT PROPOSED WATER AND SEWER RATE INCREASES

SAN FERNANDO CITY COUNCIL**MINUTES – November 18, 2019****Page 4**

Mayor Fajardo declared the Public Hearing open.

Interim Director of Public Works Martin Pastucha made brief comments and introduced Catherine Tseng, Lechowicz and Tseng, who presented the staff report.

Discussion ensued regarding the preferred options, the San Juan Capistrano legal case regarding tiered rates, tiered-structured rates versus uniform-structured rates, increases in commercial rates versus residential rates, creating rates that are equitable and fair versus impacts on the system and commodity versus fixed charges, low-income rebate, the possibility of issuing a notice with the first bill in English and Spanish, clarification of revenue deficits from water and sewer, reserves, existing and upcoming infrastructure and Capital Improvement Projects requiring resources, providing transparency regarding the use of funds, protecting water resources, and providing discounts for seniors and low-income residents.

During discussion of this item, Mayor Fajardo briefly departed the Chambers but returned.

Mayor Fajardo called for public testimony. He noted comments made earlier in the meeting from Mr. Majers would be incorporated into this portion of public testimony.

Claudia Lozano, property owner, spoke in opposition to the proposed increases for single-family properties noting it is not fair they will pay higher rates than multi-family and commercial properties.

Diana Raymond, property owner, spoke in opposition to the proposed increases.

Kenny Majers, business owner, stated during the last increase, it was reported that the City well would be fixed and that did not occur.

Motion by Mayor Fajardo, seconded by Councilmember Mendoza, to close the Public Hearing. By consensus, the motion carried.

Brief discussion ensued amongst Councilmembers and staff.

City Clerk Chávez declared nine written protests have been received, in total.

Motion by Mayor Fajardo, seconded by Vice Mayor Ballin, close the protest portion of the public hearing; direct the City Clerk to count the protests to determine whether a sufficient number of protests have been submitted and defer action on the overall rate increase until the ad hoc committee returns with recommendations to Council.

The motion carried with the following vote:

AYES:	Lopez, Ballin, Fajardo, Mendoza – 4
NOES:	None
ABSENT:	Gonzales – 1

The following item was moved up on the agenda.

SAN FERNANDO CITY COUNCIL**MINUTES – November 18, 2019****Page 5****11) CONSIDERATION TO ADOPT A RESOLUTION AND ORDINANCE TO PLACE ONE OR MORE BALLOT MEASURES ON THE MARCH 2020 BALLOT TO BAN CERTAIN MARIJUANA BUSINESS ACTIVITY**

Mayor Fajardo declared the Public Hearing open.

City Manager Kimball presented the staff report and Assistant City Attorney Padilla also made a brief presentation.

Discussion followed regarding sample ballot questions, the existing Council-implemented ban approved by ordinance, the possibility of a voter-implemented ban, the single-question rule and the need to include a reference to "store fronts" in the ballot question possibly two ballot questions, possibly an all-encompassing ballot question.

RECESS (8:09 P.M.)

Mayor Fajardo called for a brief recess to allow the City Attorney to formulate proper ballot questions.

RECONVENE (8:41 P.M.)

Assistant City Attorney Padilla reviewed three proposed titles for the ballot question and Councilmembers stated their preferred titles and sample questions. Council concurred with the title and question: *Ban all marijuana/cannabis business activities. Shall the City ban marijuana store front dispensaries and all other cannabis business activities in the City?*

Mayor Fajardo called for public testimony, there were no public comments.

Motion by Mayor Fajardo, seconded by Vice Mayor Ballin, to close the Public Hearing. By consensus, the motion carried.

Motion by Mayor Fajardo, seconded by Councilmember Pacheco, to:

- a. Adopt Resolution No. 7965:
 - i. Calling and giving notice of a Special Municipal Election to be held March 3, 2020 to submit to the voters a question relating to the ban of certain marijuana business activity in the City of San Fernando;
 - ii. Requesting consolidation of such election with the Presidential Primary Election to be held on the same day;
 - iii. Requesting the County of Los Angeles to provide specific election services; and
 - iv. Setting priorities for filing written arguments and rebuttals regarding City measures and directing the City Attorney to prepare an impartial analysis; and to use the language decided upon by the Council; and

SAN FERNANDO CITY COUNCIL**MINUTES – November 18, 2019****Page 6**

- b. Introduce for first reading, in title only, and waive further reading of Ordinance No. 1690 “An Ordinance of the People of the City of San Fernando, California, Amending Chapter 22 (Businesses) and Chapter 106 (Zoning) to Expressly Prohibit All Adult-use and Medicinal Commercial Cannabis Activity Throughout the City, Except as Allowed by State Law.”;
- c. Adopt Resolution No. 7966 appropriating \$65,000 in the Election Services Division to cover the estimated cost of the election; and
- d. Request to the County that they designate the measure MJ or B.

The motion carried with the following vote:

AYES:	Pacheco, Mendoza, Ballin, Fajardo – 4
NOES:	None
ABSENT:	Gonzales – 1

10) **CONSIDERATION OF A PROPOSED BALLOT MEASURE TO ADOPT A QUARTER-CENT LOCAL SALES TAX**

City Manager Kimball presented the staff report.

Assistant City Attorney Padilla discussed benefits of placing the measure on the ballot before a County measure is put in place and addressed upcoming deadlines.

Discussion followed regarding the special pension tax levy and the City's ability to increase it, existing County special tax measures, the process for reconciling competing measures and related challenges, effects on staffing and businesses, seeking creative ways to reduce the City's long-term pension liability and the importance of raising funds for critical infrastructure improvements.

Mayor Fajardo commented on the possibility of doing a partial tax that would more-directly impact residents than a sales tax. He discussed getting input from POA and SEIU to gauge their support and get their feedback and directed staff to schedule a special meeting before the next regular meeting to finalize this matter as well as other items.

At this time, Mayor Fajardo briefly stepped away and shortly returned.

ADMINISTRATIVE REPORTS (CONTINUED)

- 12) **CONSIDERATION TO APPROVE AN AGREEMENT TO PURCHASE A CITYWIDE RADIO SYSTEM AND APPROVE A RESOLUTION AUTHORIZING THE EXECUTION OF A LEASE-PURCHASE AGREEMENT WITH MOTOROLA SOLUTIONS, INC.**

SAN FERNANDO CITY COUNCIL**MINUTES – November 18, 2019****Page 7**

Police Chief Anthony Vairo presented the staff report and replied to questions from Councilmembers.

At this time (9:33 p.m.), Councilmember Pacheco exited the Council Chambers.

Motion by Vice Mayor Ballin, seconded by Councilmember Mendoza, to:

- a. Waive formal bid requirements and piggyback on the terms and pricing offered to the County of Los Angeles (County of LA Contract# MA-IS-1740313) for a Citywide Radio System through a competitive bid process pursuant to Section 2-802 of the San Fernando City Code;
- b. Approve Resolution No. 7968 approving the execution of a Municipal Lease-Purchase Agreement with Motorola Solutions, Inc.;
- c. Approve a Purchase Order for a Citywide Radio System and Related Equipment with Motorola Solutions, Inc., pursuant to the proposal dated November 5, 2019;
- d. Approve a 36-month Lease to Purchase Agreement (Contract No. 1936) with Motorola Solutions, Inc.; and
- e. Authorize the City Manager to execute the Purchase Order, Purchase Agreement, and all related documents, with Motorola Solutions, Inc.

By consensus, the motion carried.

13) CONSIDERATION TO AWARD A CONSTRUCTION CONTRACT FOR THE GLENOAKS BOULEVARD STREET RESURFACING AND HIGHWAY SAFETY IMPROVEMENT PROJECT

Interim Public Works Director Pastucha presented the staff report and replied to questions from Councilmembers.

Motion by Vice Mayor Ballin, seconded by Mayor Fajardo, to:

- a. Approve plans and specifications for the Glenoaks Boulevard Street Resurfacing and Highway Safety Improvement Project, Federal Project No. HSIPL-5202(018), Job No. 7595, Plan No. P-728.;
- b. Accept the lowest responsive bid in the amount of \$2,399,784 from All American Asphalt, for construction of these improvements;
- c. Authorize the City Manager to execute a construction contract with All American Asphalt, for an amount of \$2,399,784 (Contract No. 1933);

SAN FERNANDO CITY COUNCIL**MINUTES – November 18, 2019****Page 8**

- d. Establish a construction contingency of 10% of the contract amount, \$239,978, to cover costs of unforeseen conditions and authorize City Manager to execute change orders as necessary up to \$239,978; and
- e. Approve Budget Resolution No. 7953 to amend the Capital Improvements Budget for Fiscal Year 2019-2020.

By consensus, the motion carried.

STAFF COMMUNICATION INCLUDING COMMISSION UPDATES

City Clerk Chávez gave updates regarding the Education Commission activities, reported that the San Fernando Library will be hosting a voter Demo Center from December 2-23, and the City Clerk Department will be reaching out to other departments to review the boxes of records scheduled for destruction.

Police Chief Vairo discussed the Saugus High School shooting and reported San Fernando Police Officer Walter Dominguez participated on-scene and assisted other officers in rescuing students. He commended Officer Dominguez for his actions as well as Detective Cervantes other Officers who helped in the incident.

Director of Recreation and Community Services Julian Venegas reported that the Recreation and Wellness Commission reorganized and changed their meeting time to 6:30 p.m. He announced the Holiday Tree Lighting Ceremony will be held December 5, and commented on the Veterans Banner program.

Deputy City Manager/Director of Community Development Hou reported the next meeting of the Planning and Preservation Commission will be December 9, and commented on his participation on a review panel to interview firms shortlisted to perform the City-wide Parking Management Master Plan.

City Manager Kimball introduced new Director of Finance Diego Ibanez and welcomed him to the City.

Director of Finance Diego Ibanez expressed his appreciation for the opportunity to serve the City and briefly addressed his experience.

Interim Director of Public Works Pastucha presented details of current public works projects and their respective statuses.

GENERAL COUNCIL COMMENTS AND LIAISON UPDATES

Councilmember Mendoza reported participating in Veterans Day events and discussed an upcoming lighted bicycle ride as part of the festivities of the Holiday Tree Lighting Ceremony.

SAN FERNANDO CITY COUNCIL**MINUTES – November 18, 2019****Page 9**

Vice Mayor Ballin requested a letter to the City of Santa Clarita expressing the City's condolences and appreciation to those who stepped up during the recent shooting incident as well as letters of commendations to the San Fernando Police Officers who assisted. She commented positively regarding the upcoming Parking Management Master Plan and added that the Water and Sewer Rate Ad Hoc committee will meet on Friday.

RECESS TO CLOSED SESSION (9:58 P.M.)**A) CONFERENCE WITH LABOR NEGOTIATOR**

G.C. §54957.6

Designated City Negotiators:

City Manager Nick Kimball

City Attorney Rick Olivarez

Assistant City Attorney Richard Padilla

Employees and Employee Bargaining Units that are the Subject of Negotiation:

San Fernando Management Group (SEIU, Local 721)

San Fernando Public Employees' Association (SEIU, Local 721)

San Fernando Police Officers Association

San Fernando Police Officers Association Police Management Unit

San Fernando Police Civilian Association

San Fernando Part-time Employees' Bargaining Unit (SEIU, Local 721)

All Unrepresented Employees

B) PUBLIC EMPLOYEE PERFORMANCE EVALUATION (INFORMAL)

G.C. §54957

Title of Employee: City Manager

C) CONFERENCE WITH LABOR NEGOTIATOR(S) – UNREPRESENTED EMPLOYEE

G.C. §54957.6

Designated City Negotiator: Mayor Joel Fajardo

Unrepresented Employee: City Manager

D) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

G.C. § 54956.9(d)(2) AND 54956.9(e)(2)

One (1) Matter

RECONVENE/REPORT OUT FROM CLOSED SESSION (10:33 P.M.)

Assistant City Attorney Padilla noted that both Councilmembers Pacheco and Gonzales were absent, and reported the following:

Item A – Update was provided by the City Manager, general direction was given by City Council, but no final action was taken.

SAN FERNANDO CITY COUNCIL**MINUTES – November 18, 2019****Page 10**

Items B & C – Update was provided by the City Manager, feedback was given by the City Council, and direction to come back with a proposal in January to be approved in open session.

Item D – The City Council voted 3-0 to approve the terms of the Tolling Agreement BKK Landfill pre-litigation claim issued by various defendants.

ADJOURNMENT (10:35 P.M.)

Motion by Mayor Fajardo, seconded by Councilmember Pacheco, to adjourn the meeting in memory of those who passed away in the recent tragic shooting. By consensus, the motion carried.

I do hereby certify that the foregoing is a true and correct copy of the minutes of November 18, 2019, meeting as approved by the San Fernando City Council.

Elena G. Chávez, CMC
City Clerk

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Nick Kimball, City Manager

Date: January 27, 2020

Subject: Consideration to Adopt a Resolution Setting the Statutory Maximum for City Councilmembers' Salary

RECOMMENDATION:

It is recommended that the City Council adopt Resolution No. 7972 (Attachment "A") setting the statutory maximum for City Councilmembers' salary at the amount of \$730.00 per month.

BACKGROUND:

1. California Government Code Section 36516 authorizes city councils to enact an ordinance providing a salary for each member based the population of the city. The maximum authorized salary prescribed for cities up to and including 35,000 in population is three hundred dollars (\$300) per month.
2. The Government Code also authorizes council member salaries to exceed the prescribed amount by adopting an ordinance, provided the increase does not exceed five percent (5%) simple interest for each calendar year from the effective date of the last salary adjustment.
3. On February 20, 1980, the City Council adopted two ordinances related to compensation (Ordinance Nos. 1158 and 1159) that set monthly compensation at \$282 per month. The effective date of the salary set forth in these Ordinances was April 1, 1980.
4. On September 15, 1986, the City Council adopted Ordinance No. 1292, increasing compensation to \$378 per month. The effective date of this Ordinance was October 15, 1986.
5. On December 18, 1995, the City Council adopted Ordinance No. 1459, increasing compensation to \$476.40 per month. The effective date of this Ordinance was April 1, 1997.
6. On April 3, 2000, the City Council adopted Ordinance No. 1515, increasing compensation to \$579.06 per month. The effective date of this Ordinance was March 13, 2001.

Consideration to Adopt a Resolution Setting the Statutory Maximum for City Councilmembers' SalaryPage 2 of 3

7. On October 6, 2014, the City Council adopted Ordinance No. 1636, which enables a City Council salary and authorizes the amount to be set by resolution pursuant to the amounts authorized in Government Code 36516. Adoption of this Ordinance only changed the process by which City Council salary is set. It did not make any change to the existing salary of \$579.06 per month.
8. On December 1, 2014, the City Council adopted Resolution No. 7662, setting the salary at \$580.00 per month. The effective date of this ordinance was April 1, 2015.

ANALYSIS:

As authorized by state law, San Fernando enables a City Councilmember salary by ordinance and sets the salary by resolution. The maximum salary currently authorized is \$580 per month. Except for a very minor adjustment (i.e., \$0.94) in 2015 to correct a slight miscalculation, the current City Council salary has not been increased since March 2001.

Calculating the statutory salary cap is relatively straight forward, except for determining the number of years between increases to which the five percent (5%) maximum annual increase should be applied. While there is no standard set in the Government Code, the League of California Cities' guidance on city council salaries and benefits¹ states, "the most logical, consistent approach seems to be calculating increases from the effective date of the last increase to the effective date of the new increase."

Staff applied this methodology to calculate the statutory salary cap by dividing the number of days between April 1, 2015 (the effective date of the current salary) and December 1, 2020 (the effective date of the proposed salary) then dividing by 364.25. The statutory maximum per Government Code 36516 calculated by staff is \$732.69 per month (Attachment "B").

The proposed resolution will set the statutory maximum at \$730.00 per month. The proposed salary is slightly less than the statutory maximum to provide flexibility in the event that more clear guidance is provided (through legislation or legal precedent) for calculating the statutory maximum that differs from the best practices approach applied by staff.

Pursuant to Government Code 36516, a change in salary is not effective until the first full month after the next election at which at least one Councilmember will be elected. Therefore, the proposed salary of \$730.00 per month will become effective on December 1, 2020.

¹ Brian Libow, City Council Salaries and Benefits presentation; 2011 League of California Cities Annual Conference; September 22, 2011

Consideration to Adopt a Resolution Setting the Statutory Maximum for City Councilmembers' SalaryPage 3 of 3

BUDGET IMPACT:

Adopting the proposed resolution setting City Councilmember salary at \$730 per month will have no impact to the Fiscal Year (FY) 2019-2020 Adopted Budget as the increase is not effective until December 2020. The total cost of the salary increase is \$9,000, which will be included in the FY 2020-2021 Budget.

CONCLUSION:

Adoption of the proposed Resolution will increase the statutory maximum City Council salary, which has not had a meaningful increase since March 2001.

ATTACHMENTS:

- A. Proposed Resolution No. 7972
- B. Calculation of City Council Maximum Salary per GC 36516

ATTACHMENT "A"**RESOLUTION NO. 7972****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA, SETTING CITY COUNCILMEMBER SALARY PURSUANT TO SECTION 2-31 OF DIVISION 1 OF ARTICLE II OF CHAPTER 2 OF THE SAN FERNANDO CITY CODE****RECITALS**

WHEREAS, pursuant to California Government Code section 36516, a city council may enact an ordinance providing that each member of the city council shall receive a salary; and

WHEREAS, on April 3, 2000, the City of San Fernando ("City") adopted Ordinance No. 1515 amending the San Fernando City Code ("SFCC") to provide that each member of the city council shall receive a salary and setting the amount of such salary at \$579.06 per month; and

WHEREAS, on October 6, 2014, the City Council amended Section 2-31 of Division 1 of Article II of Chapter 2 of the SFCC to provide that City Councilmembers shall receive a salary pursuant to Government Code section 36516 in an amount to be set by resolution of the City Council; and

WHEREAS, on December 1, 2014, the City Council adopted Resolution No. 7662 setting the amount of City Council salary at \$580.00 per month; and

WHEREAS, pursuant to Government Code section 36516, any change in salary set by resolution shall not apply to City Council Members until at least one (1) member of the City Council begins a new term of office.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. Pursuant to Section 2-31 of Division 1 of Article II of Chapter 2 of the SFCC and in accordance with Government Code section 36516, each member of the San Fernando City Council shall receive as salary the sum of \$730.00 per month.

SECTION 2. The monthly salary shall become effective on the first day of the first full calendar month following the date on which one or more members of the City Council begins a new term of office, which will be December 1, 2020.

PASSED, APPROVED, AND ADOPTED this 27th day of January, 2020.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

APPROVED AS TO FORM:

Richard Padilla, Assistant City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF SAN FERNANDO)

I, HEREBY CERTIFY that the foregoing Resolution was approved and adopted a special meeting of the City Council held on the 27th day of January, 2020, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Elena G. Chávez, City Clerk

City Council Statutory Maximum Salary Calculation per Government Code 36516

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Nick Kimball, City Manager

Date: January 27, 2020

Subject: Consideration to Adopt a Resolution Establishing an Executive Compensation Plan for Department Head Classifications Appointed by the City Manager and Rescinding Resolution Nos. 7692 and 7807

RECOMMENDATION:

It is recommended that the City Council:

- a. Adopt Resolution No. 7973 (Attachment "A") establishing the salary and benefits for Department Head classifications (Executive Compensation Plan) that are appointed by the City Manager;
- b. Rescind Resolution Nos. 7692 and 7807 (Attachments "B" and "C" respectively) that set forth the prior Department Head compensation plan; and
- c. Authorize the City Manager to make non-substantive corrections and execute all related documents.

BACKGROUND:

1. On August 3, 2015, the City Council adopted Resolution No. 7692 setting the Executive Compensation Plan for the Department Head classifications appointed by the City Manager, which included: a) Deputy City Manager/Director of Public Works, b) Director of Community Development, c) Director of Finance, and d) Director of Recreation and Community Services.
2. On August 7, 2017, the City Council adopted Resolution No. 7807, amending Resolution No. 7692, to: a) add the Police Chief classification to the Executive Compensation Plan, b) create the Deputy City Manager assignment and related special pay, and c) reduce the accrued annual leave cap from 800 hours to 400 hours.
3. The Executive Compensation Plan included modest salary adjustments through July 1, 2018, as follows:

Consideration to Adopt a Resolution Establishing an Executive Compensation Plan for Department Head Classifications Appointed by the City Manager and Rescinding Resolution Nos. 7692 and 7807Page 2 of 4

- a. July 1, 2015: 0.0% increase to base salary
- b. July 1, 2016: 1.0% increase to base salary
- c. July 1, 2017: 1.5% increase to base salary
- d. July 1, 2018: 2.0% increase to base salary

ANALYSIS:

The City has experienced a significant turnover in Department Head classifications since 2015. The only position that has not turned over at least once since 2015 is the Police Chief. The Director of Public Works position has turned over twice and is currently being filled by an Interim employee while the City actively recruits for a permanent replacement.

Although the City has been fortunate to hire excellent Executive Management during the last few recruitments, it has been a challenge to attract and retain talent as a number of Department Heads have left after relatively short tenures and accepted positions at other cities with better compensation packages.

In an effort to attract and retain talented managers in the highly competitive executive management labor market, staff is proposing amending the existing Executive Compensation Plan to make equity adjustments to Department Head's base salary. Additionally, to avoid compaction issues with subordinate and direct report employees, staff is recommending annual salary adjustments that mirror the salary adjustments recently approved for the Police Officers' Association.

The proposed Executive Compensation Plan addresses some of the City's long-term issues, including continuing the cafeteria health plan with a 4% annual cap, maintaining the 400 hour annual leave accrual cap, decreasing health benefit opt-out payments, and increasing employee contributions toward CalPERS pension benefits while better aligning salaries in the labor market.

The most significant terms are highlighted below:

1. Salary Adjustments (by effective date):

- July 1, 2019: 4.0% with Classic CalPERS employees picking up 1.0% of the City's CalPERS cost (excludes Director of Recreation and Community Services).
- January 1, 2020: Equity adjustments as follows:
 - a) Police Chief: 9.0%
 - b) Director of Public Works: 12.0%
 - c) Director of Community Development: 3.5%
 - d) Director of Finance: 3.5%

Consideration to Adopt a Resolution Establishing an Executive Compensation Plan for Department Head Classifications Appointed by the City Manager and Rescinding Resolution Nos. 7692 and 7807

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- Each July 1st, 2020 through 2022: 4.0% with Classic CalPERS employees picking up an additional 1.0% of the City's CalPERS cost (employee contributing a total of 4% of salary toward CalPERS costs by FY 2021-22).
 - July 1, 2023: 3.0%
2. Continues the full flex cafeteria plan for all Executive Management employees. The flex dollar amount will be adjusted each January 1st based on the average change from the prior year's monthly premiums, not to exceed 4%.
 3. Beginning February 1, 2020, the amount paid to employees that opt out of the City's health benefits (currently \$878 per month) will be reduced to \$845 per month each year. The opt out amount will be reduced by an additional \$50 per month each January 1st.

BUDGET IMPACT:

The total annual net additional cost of the proposed Resolution is outlined in the table below:

Fiscal Year	General Fund	Retirement Fund
2019-2020	\$46,400	\$1,100
2020-2021 Additional Cost	\$34,900	(\$7,880)
2021-2022 Additional Cost	\$36,300	(\$2,100)
2022-2023 Additional Cost	\$37,750	(\$2,455)
2023-2024 Additional Cost	\$29,450	\$3,225

The largest impact to the General Fund is in the first year of the contract due primarily to the equity adjustments to make department head positions more competitive in the labor market, increase retention, and avoid compaction issues. A portion of the increased cost in the General Fund is offset by savings in the Retirement Fund. Sufficient contingency funds and salary savings from vacant positions are included in the Fiscal Year 2019-2020 Adopted Budget to cover the first year of the Resolution.

CONCLUSION:

Staff believes the proposed Resolution between the City and Department Heads represents a balanced agreement that provides fair compensation to Executive Management employees in exchange for concessions that will limit the City's long-term health care exposure and improve the City's long-term stability.

Consideration to Adopt a Resolution Establishing an Executive Compensation Plan for Department Head Classifications Appointed by the City Manager and Rescinding Resolution Nos. 7692 and 7807

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ATTACHMENT:

A. Resolution No. 7973 with Exhibit "1"

ATTACHMENT "A"

RESOLUTION NO. 7973**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA, ESTABLISHING THE SALARY AND BENEFITS FOR CERTAIN EMPLOYEES IN CLASSIFICATIONS DESIGNATED AS DEPARTMENT HEADS**

WHEREAS, under California State law, the City Council is vested with the authority to designate classifications as being Department Heads; and

WHEREAS, the City Council; has established and designated the following classifications as Department Heads: (1) Police Chief, (2) Director of Public Works; (3) Director of Community Development; (4) Director of Finance; and (5) Director of Recreation and Community Service; and

WHEREAS, the classifications designated as Department Heads of the City of San Fernando are critical to the City's efficient and effective operations, the City Council recognizes the management nature and responsibilities of the positions; and

WHEREAS, the City Council desires to provide competitive salary and benefits to its employees; and

WHEREAS, the City of San Fernando intends to provide adjustments effective the first day of the first pay period beginning after July 1, 2019 to employees in Department Head classifications; and

WHEREAS, the City Council has determined that it is appropriate to provide economic adjustments to employees in Department Head classifications that are consistent with negotiated provisions in other recognized bargaining units in the City; and

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. Approve the wages, benefits, and terms and conditions of employment for the employees in Department Head classifications as outlined in the attached "Exhibit 1."

PASSED, APPROVED, AND ADOPTED this 27th day of January, 2020.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a special meeting of the City Council held on the 27th day of January, 2019, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

EXHIBIT “1”

Upon the City Council’s adoption of Resolution 7973, the compensation, benefits plan, and terms and conditions of employment for employees in classifications designated as Department Heads will be as set forth below.

SECTION 1. DEPARTMENT HEAD CLASSIFICATIONS:

- Police Chief
- Director of Public Works
- Director of Community Development
- Director of Finance
- Director of Recreation and Community Services

SECTION 2. SALARY:

The base salary for each employee subject to this Resolution shall be adjusted as follows:

- Effective on the first day of the first pay period beginning after July 1, 2019, the employee’s base salary shall be increased by four percent (4.0%). The Director of Recreation and Community Services (RCS) salary will be y-rated for the first year of this Resolution. Subsequent salary increases will be applied to the Director of RCS salary.
- Effective on the first day of the first pay period beginning after January 1, 2020, equity adjustments as follows:

Classification	Change in Base Salary
Police Chief	9.0%
Director of Public Works	12.0%
Director of Community Development	3.5%
Director of Finance	3.5%

- Effective on the first day of the first pay period beginning after July 1, 2020, the employee’s base salary shall be increased by four percent (4.0%).
- Effective on the first day of the first pay period beginning after July 1, 2021, the employee’s base salary shall be increased by four percent (4.0%).
- Effective on the first day of the first pay period beginning after July 1, 2022, the employee’s base salary shall be increased by four percent (4.0%).
- Effective on the first day of the first pay period beginning after July 1, 2023, the employee’s base salary shall be increased by three percent (3.0%).

SECTION 3. SPECIAL PAY:

Longevity

Department Heads that have completed 10 years of service from date of hire will receive an additional 3% above the base salary step.

Department Heads that have completed 20 years of service from date of hire will receive a total of 4% over and above the base salary.

Department Heads that have completed 30 years of service from date of hire will receive a total of 5% over and above the base salary.

Department Heads on leave of absence without pay, with the exception of Family & Medical Leave (FMLA), shall not have such leave time credited as service time for purposes of calculating the years of service.

Bilingual Pay

Department Heads will receive bilingual pay in the amount of \$100 per month provided he or she has satisfactorily demonstrated to the City his/her fluency in the Spanish language, based on written and/or oral testing procedures as selected by the City.

Acting Pay

Department Heads who, by written assignment, perform the duties of a position with a higher salary classification than that in which they are regularly employed shall receive the compensation specified for the position to which assigned, if performing the duties thereof for a period of fifteen (15) or more consecutive work days. The increased compensation shall be retroactive to the first day of said assignment, and at the step within the higher classification as will accord the employee an increase of at least 5% of his or her current regular compensation.

Deputy City Manager Designation

The City Manager may, at his or her discretion, designate no more than one (1) Department Head as Deputy City Manager. In addition to the duties and responsibilities included in the Department Head's regular classification, the Deputy City Manager designation will be responsible for assisting the City Manager with general City administrative duties, as assigned, and will assume the responsibilities of the City Manager during the City Manager's absence. A Department Head designated as Deputy City Manager will receive ten percent (10%) special assignment pay on top of their base salary.

SECTION 4. EMPLOYEE AND RETIREE INSURANCE BENEFITS:

Medical, Dental and Vision Insurance for Active Employees

The City contracts with the California Public Employees' Retirement System (CalPERS) for medical insurance coverage. Eligible new hires are covered under the program on the first day of the month following enrollment. The City will contribute the Public Employee's Medical and Hospital Care Act (PEMHCA) statutory minimum on behalf of each participant in the program. A participant is defined as:

1. An enrolled employee and eligible dependents;
2. An enrolled retiree and eligible dependents; and
3. A surviving annuitant.

The City will provide Department Heads with a full flex cafeteria plan in accordance with IRS Code Section 125. Department Heads shall receive a monthly flex dollar allowance to purchase medical, dental and vision benefits offered through the City's insurance plans.

For 2020, the monthly flex dollar allowances for employees purchasing benefits under the cafeteria plan, inclusive of the statutory PEMHCA minimum, are as follows:

	January 1, 2020			
Employee only:	\$878.38			
Employee + 1:	\$1,521.10			
Family:	\$2,048.13			

The monthly flex dollar allowance may be used in accordance with the terms of the cafeteria plan to purchase benefits offered under the cafeteria plan and other supplementary products. After enrolling in a mandatory medical insurance plan, or opting out under the "Opt Out" provision below, Department Heads have the option to waive the other benefits and have the excess flex dollars converted to taxable income or purchase other supplementary products.

In the event that premiums and/or costs for the selected benefits exceed the monthly flex dollar allowance, the balance will be paid by the employee through automatic pre-tax payroll deduction, as permitted under IRS Code Section 125.

Beginning January 1, 2021, and each January 1 thereafter, the monthly dollar allowance, inclusive of the statutory PEMHCA minimum, will be adjusted based on the average change from the prior year's monthly premium from CalPERS contracting agencies in the Los Angeles Area Region for all plans. The adjustment will not be less than 0.0% and will not exceed 4.0%.

If any bargaining unit negotiates a flex dollar allowance that exceeds the amounts identified above, the City will adjust the flex dollar allowance for Department Heads to match the higher flex dollar amount.

Opt Out

Department Heads may elect to discontinue participation in the CalPERS Health Plan medical insurance coverage (“Opt Out”), subject to the provisions set forth below. The intent of this provision is to share premium savings that the City will receive as a result of a Department Head canceling City coverage.

1. Department Heads electing to waive City medical insurance coverage for themselves and all eligible family members must annually provide the City with proof of other health/medical insurance coverage that meets the minimum essential coverage requirements, as established by the Affordable Care Act, through another source (other than coverage in the individual market, whether or not obtained through Covered California, and must waive any liability to the City for their decision to cease coverage under the City’s medical insurance plan.
2. Department Heads receiving opt-out pay as of January 1, 2020 will receive \$845 per month through December 31, 2020, or until they elect to enroll in City medical insurance, whichever is earlier.
3. Department Heads that were receiving opt-out pay as of January 1, 2020, and who have continuously received it without interruption will receive \$795 per month beginning January 1, 2021. The opt-out pay will be further reduced by \$50 per month each January 1 thereafter until it is equal to the opt-out pay provided for employees “who opt out after January 1, 2020” as enumerated in provision 5 of this section.
4. Department Heads that were receiving opt-out pay as of January 1, 2020 who subsequently enroll in City medical insurance, then opt out again after January 1, 2020 will receive the opt-out pay provided for employees “who opt out after January 1, 2020” as enumerated in provision 5 of this section.
5. For Department Heads not receiving opt-out pay as of January 1, 2020 and/or who opt out after January 1, 2020, the City shall deposit, on behalf of the employee, an amount equal to the most expensive family level dental and vision premiums (currently \$210/month) each month into Retiree Health Savings Account.
6. After electing to Opt Out, a Department Head who later requests to re-enroll under the City plan can only do so during the open enrollment period or after a qualifying event as permitted by the insurance carrier and Cafeteria Plan regulations.
7. For medical insurance plans, when a unit employee is the spouse of another benefited employee, the affected employees shall have the option of:
 - a. Receiving a flex dollar amount and selecting coverage as a single employee; or

- b. One (1) employee may select a plan and list the spouse as a dependent under the two-party or family coverage, as applicable and the remaining employee may opt-out as outlined above.

Medical Insurance for Retirees

Effective upon approval of the necessary Resolution(s) by CalPERS, the City will create a two (2) tier structure for retiree medical insurance. The City will adopt a Resolution to implement a ten (10) year retiree medical insurance vesting schedule, pursuant to the provisions of California Government Code Section 22893.

1. Retiree Medical Tier I: Department Heads hired on or before June 30, 2015 and retire on or after July 1, 2015:

If the employee meets the vesting schedule set forth in California Government Code Section 22893, 100% paid medical insurance benefits for whatever plan is selected by the employee for himself/herself and eligible dependents, except that if the employee chooses the most expensive plan, the employee will be pay the difference in premiums.

2. Retiree Medical Tier II: Department Heads hired on or after July 1, 2015:

If the employee meets the vesting schedule set forth in California Government Code Section 22893, PEMHCA minimum (currently \$122 per month for 2015).

Retiree Health Savings Account

For Department Heads that are in Retiree Medical Tier II as described above, the City will contribute \$100 per month into a Retiree Medical Trust (RMT) or Retiree Health Savings (RHS) Plan, whichever is designated by the City. An employee may elect to contribute an additional amount to the RMT or RHS, at his or her option. The City will work to implement a RMT or RHS prior to June 30, 2016.

Life Insurance

The City shall provide all Department Heads with a \$50,000 Basic Life and AD&D insurance policy at no cost to the employee.

SECTION 5. RETIREMENT:

The City shall provide retirement benefits to eligible employees through the California Public Employees' Retirement System (CalPERS) as follows: The definition of "new" member and "classic" member are set forth in the Public Employee Pension Reform Act of 2013 (PEPRA).

First Tier: “Classic” members hired prior to November 12, 2005 will receive the 3% at 60, single highest year compensation retirement calculation.

Second Tier: “Classic” members hired on or after November 12, 2005 will receive the 2% at 55, final 36-month average compensation retirement calculation.

Third Tier: “New” members hired on or after January 1, 2013 will receive the 2% at 62, final 36-month average compensation retirement calculation.

In accordance with the existing contracts with CalPERS, the City shall provide the following retirement benefits to employees:

- a. Fourth Level of 1959 Survivor Benefits (Government Code Section 21574).
- b. 5% Cost of Living Allowance (COLA) for employees hired on or before November 12, 2005; and 3% COLA for employees hired after November 12, 2005 (Government Code Section 21335).
- c. Credit for unused sick leave for employees as per CalPERS guidelines (Government Code Section 20965).

Retirement benefits applicable to the Police Chief only are included in Article 3. RETIREMENT BENEFITS, Sections 3.01 – 3.03, of the Memorandum of Understanding between the San Fernando Police Officers Association and the City of San Fernando for the term July 1, 2019 through June 30, 2024.

CalPERS Contributions

1. Employer Paid Members Contributions for Classic Members

The City shall pay 8.0% of the member contribution for First Tier “classic” members and 7.0% of the member contribution for Second Tier “classic” members.

The City’s payments, above, shall be treated as a “pick up” of employee contributions pursuant to IRC 414(h)(2).

The City shall report the value of the Employer Paid Member Contribution (“EPMC”) to CalPERS as compensation earnable on behalf of each Department Head, pursuant to California Government Code Section 20636(c)(4).

2. PEPRA Member Contributions

In accordance with PEPRA, “New” members shall pay, by pre-tax payroll deduction, the full employee contribution of 50% of the total normal cost.

3. CalPERS Cost Sharing

Classic Employees shall pay an additional pension contribution as cost sharing in accordance with Government Code section 20516(f) as follows:

- Effective on the first day of the first full pay period after July 1, 2019: one percent (1%) for a total of 1% cost sharing of the City’s contribution.
- Effective July 1, 2020: an additional one percent (1%) for a total of two percent (2%) cost sharing of the City’s contribution.
- Effective July 1, 2021: an additional one percent (1%) for a total of three percent (3%) cost sharing of the City’s contribution.
- Effective July 1, 2022: an additional one percent (1%) for a total of four percent (4%) cost sharing of the City’s contribution.

SECTION 6. LEAVE BENEFITS:

Management Leave

Management leaves provides a means of compensation for hours worked by exempt employees beyond their normal work schedule. The City shall provide Department Heads with one hundred twenty (120) hours Management Leave per year credited each January 1. Management Leave must be used in the year earned and cannot be carried over from one calendar year to the next. Unused management leave hours will be cashed out in December of each year at the employee’s current rate of pay. At the time of separation, any unused management leave hours will be paid at the employee’s current rate of pay.

Annual Leave

Department Heads earn Annual Leave in lieu of vacation and sick leave. Annual Leave is intended to provide time for an employee to be away from the work environment and to enable such employee to return to work mentally and physically refreshed.

The City shall provide for Annual Leave to accrue on a payroll to payroll basis prorated in accordance with the following rates.

- 0 – 4 years of City service: 6.15 hours per pay period (160/year)
- 5 – 9 years of City service: 7.69 hours per pay period (200/year)
- 10 or more years of City service: 9.23 hours per pay period (240/year)

Department Heads who have pre-existing sick leave and/or vacation accrual balance shall convert sick leave to annual leave at the rate of one hour of sick leave to 0.5 hours of annual leave; and convert vacation to annual leave at the rate of one hour of vacation to one hour of annual leave.

Department Heads may, at the employee's discretion, accrue up to four hundred (400) hours of Annual Leave. Upon separation from City service, the employee shall be compensated for any unused Annual Leave at his or her regular rate of pay.

The incumbent Police Chief will be paid out up to two hundred and fifty (250) hours from existing leave balances (including compensatory time, sick leave, holiday leave, etc.) each July 31st until all other leave balances, excluding Management Leave, are exhausted and annual leave is less than three hundred (300) hours. At that point, the Police Chief will be subject to the four-hundred-hour cap for annual leave. The Police Chief will continue to accrue annual leave at the applicable rate identified in this Resolution.

Holiday Leave

Each Department Head shall be entitled to the following holidays with pay (8 hours per holiday):

- | | |
|--------------------------------------|-----------------------------|
| (1) New Year's Day | (7) Labor Day |
| (2) Martin Luther King, Jr. Birthday | (8) Veteran's Day |
| (3) President's Day | (9) Thanksgiving Day |
| (4) Cesar Chavez's Birthday | (10) Day after Thanksgiving |
| (5) Memorial Day | (11) Christmas Day |
| (6) Independence Day | (12) Floating Holiday |

Floating holiday hours are credited each January 1 and must be used before December 30. Unused floating holiday hours are not carried forward.

Bereavement Leave

Department Heads shall be permitted to use up to five (5) days of paid bereavement leave following the death of an immediate family member and one (1) paid day following the death of an extended family member.

For the purposes of this benefit, "Immediate Family" shall mean grandparent, parent, child, sibling (including step or half), spouse, or registered domestic partner as permitted by California law, or any person living in the household. Proof of residence may be required. "Parent" shall mean biological, foster, or adoptive parent, stepparent, legal guardian or person who has parental rights

to employee. "Child" shall mean a biological, adopted, or foster child, stepchild, legal ward or a child of a person who has parent's rights.

For the purpose of implementing this benefit, "Extended Family" shall mean: Aunts, Uncles, and Cousins, god-parents or god-parent equivalent.

The City Manager may authorize additional days of leave for bereavement purposes on an as-needed basis.

SECTION 7. WORK SCHEDULE:

Department Heads shall devote not less than 40 hours per week to assigned duties. It is recognized that Department Heads may need to devote more time outside of normal office hours for the benefit of the City.

SECTION 8. REIMBURSEMENTS:

Tuition Reimbursements

The City shall reimburse Department Heads for pre-approved courses to a maximum of \$3,000 per fiscal year. Approval must be obtained from the City Manager prior to enrolling in the course. Requests for reimbursement and approval must be in accordance with the City's policy on tuition reimbursement.

Tuition reimbursement shall be contingent upon employee satisfactorily completing course(s) with a minimum of a "B" grade and commit to continued service (employment) to the City of San Fernando for the equivalent of the school units, not to exceed two (2) years.

Wellness Reimbursement

To encourage the health and well-being of employees, the City shall reimburse certain wellness expenses in an amount not to exceed \$600 each fiscal year. Employees must request reimbursement using a City approved form and supply valid receipts at time of reimbursement. Unused funds will not be carried over to the following fiscal year.

The following are reimbursable items under this section:

- a. Medical examination by the health provider of the employee's choice.
- b. Other formal wellness programs provided by professionals (e.g. smoking cessation, weight control, nutrition, or similar programs.)
- c. Reimbursement for employee or eligible dependent medical expenses (deductibles or co-payments) not covered by the employee's health, dental, or vision insurance.

- d. Reimbursement for medical, vision, and dental insurance premiums in excess of the monthly flex dollar allowance, if applicable.
- e. Additional contact lenses, prescription glasses, or prescription sunglasses not covered by medical or vision insurance.
- f. Dental work (included orthodontia) for employee or eligible dependents not covered by medical or dental insurance.
- g. Membership in a health club or fitness center.
- h. Registration fees for health classes (e.g. yoga, cross fit, etc.).
- i. Entrance fees for competitive sporting events (e.g. bicycle or running race, mud run competition, et cetera).

Technology Reimbursement

Department Heads may elect to receive a technology reimbursement of \$100/month in lieu of a City issued cell phone. Department Heads that continue to receive a City issued cell phone will not receive the reimbursement.

SECTION 9. CAR ALLOWANCE:

Department Heads will receive a City-provided vehicle or car allowance of \$300/month as compensation for attendance at off-site meetings, conferences, professional development, and any other business-related travel. Department Heads receiving a City-provided vehicle or car allowance will not be reimbursed for mileage.

SECTION 10. SEVERANCE PAY:

Department Heads are considered at-will employees and serve at the pleasure of the City Manager. If a Department Head is dismissed or discharged without cause, the City will provide the employee up to three (3) months' severance pay. Severance pay shall be calculated on base salary only, and on years of service with the City at a rate of one (1) month per one (1) year of service. In the event a Department Head is dismissed for cause, the City shall have no obligation to pay severance benefits.

After receiving written notice of dismissal from the City, Department Heads may elect to be placed on administrative leave for an amount of time equal to their earned severance pay (i.e. up to three months) instead of receiving a lump-sum payout. The employee must notify the City of their election within three (3) business days of receiving written notice of dismissal.

SECTION 11. EMPLOYMENT CONTRACTS

The City Manager, with the approval as to form by the City Attorney, may execute a separate employment contract with any Department Head provided the benefits included in the contract do not exceed the benefits listed in this Resolution. Benefits listed in this Resolution shall govern unless otherwise provided in the Department Head's employment contract.

SECTION 12. PROVISIONS OF LAW AND SEVERABILITY:

The parties agree that this Resolution is subject to all current and future applicable federal, state, and local laws.

If any article, part, or provision of this Resolution is in conflict with or inconsistent with applicable provisions of federal, state or local law or is otherwise held to be invalid or unenforceable by a court of competent jurisdiction, such article, part, or provision thereof shall be suspended or superseded by such applicable law or regulation, and the remainder of the Resolution shall not be affected thereby.

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Nick Kimball, City Manager
By: Timothy Hou, Deputy City Manager/Director of Community Development

Date: January 27, 2020

Subject: Consideration to Approve a Purchase and Sale Agreement and Joint Escrow Instructions for the Property at 13441 Foothill Boulevard in Los Angeles, California

RECOMMENDATION:

It is recommended that the City Council:

- a. Approve the Purchase and Sale Agreement and Joint Escrow Instructions (hereinafter referred to as "Agreement") by and between the City of San Fernando (City) and Richard C. Patterson, a married man, as his sole and separate property, as to an undivided 50% interest; and David M. Kull and Ronna Kull, Trustees of the David and Ronna Kull Trust dated March 30, 2007, as to an undivided 50% interest collectively as Seller (Attachment "A" – Contract No. 1938);
- b. Adopt Resolution No. 7974 (Attachment "B") to amend the Water Fund budget for Fiscal Year (FY) 2019-2020 to appropriate \$1,250,000 in revenues and expenditures; and
- c. Authorize the City Manager to make non-substantive changes and execute all related documents.

BACKGROUND:

1. The City owns and operates its own water system and is responsible for providing water services to all City residents and businesses in sufficient quantities to meet domestic and fire service demands. This includes maintenance of approximately 66.5 miles of water mains, 5,264 water services and 548 fire hydrants. The system pumps water from the Sylmar Groundwater Basin through four wells, three booster pump stations, four reservoirs and two pressure regulation stations.
2. The City has the need to increase its storage capacity to accommodate future growth and plan for future drought conditions. Consequently, the City has been searching for possible sites and funding sources to increase capacity in existing reservoirs or construct additional reservoirs.

Consideration to Approve a Purchase and Sale Agreement and Joint Escrow Instructions for the Property at 13441 Foothill Boulevard in Los Angeles, CaliforniaPage 2 of 4

3. In July 2018, the City received notice from Senator Robert Hertzberg's Office that San Fernando received a \$5 million grant from the state to construct a new water reservoir to reconstruct an existing reservoir or construct a new reservoir at an alternate site.
4. As a result, the City has been searching for available land that may be suitable as a future water reservoir site. Staff ultimately identified a site available for purchase located at 13441 Foothill Boulevard, Los Angeles, CA in close proximity to two of the City's existing water reservoirs.
5. On March 14, 2019, staff issued a Letter of Intent to the listing broker expressing the City's interest in the property, and the listing broker returned the signed Letter of Intent on April 15, 2019. The Letter of Intent committed the City to working with the Seller to prepare a Purchase Option Agreement for the Site.
6. On May 6, 2019, the City Council approved a Purchase Option Agreement. Under its terms, the City agreed to a purchase price of \$1,000,000, a deposit of \$30,000 which would be applied to the purchase price if the Purchase Option was exercised, and a due diligence period to determine the suitability of the site for a water reservoir, or other public purpose. The City subsequently commenced preliminary due diligence.
7. On August 22, 2019, due to concerns with encumbrances on the Site, the City sent a letter to the Seller notifying them of the City's decision not to execute a notice of acceptance, and intent to terminate the Purchase Option Agreement for the Site. Upon termination, the \$30,000 deposit was returned to the City.
8. On October 1, 2019, the Seller notified staff that the Site was not only still available but also free and clear of any tenancies. The City and the Seller entered into negotiations for the purchase and sale of the Site and have reached tentative agreement on proposed deal terms.

ANALYSIS:

Following several weeks of negotiations between staff and the Seller, an Agreement to purchase the Site has been reached and contains the following major deal points summarized below:

- Location:
Two parcels of Commercial Zoned property with a site area of approximately 39,024 sq. ft. land with site address of 13441 Foothill Boulevard, located on the northeast side of Foothill Boulevard at the intersection of Gridley Street (Assessor's Identification No. 2513-009-043 & 044) (See Attachment "C" – Aerial Image of Site).

Consideration to Approve a Purchase and Sale Agreement and Joint Escrow Instructions for the Property at 13441 Foothill Boulevard in Los Angeles, CaliforniaPage 3 of 4

- Purchase Price:
\$950,000.00, or approximately \$24.34 per sq. ft. (land area) in “as-is” condition.
- Deposit:
The City shall deliver into escrow a deposit of \$28,500.00, which shall be credited and applied to the purchase price at the successful close of escrow.
- Escrow Period:
Closing date on or before March 31, 2020.
- Potential Risks and Sunk Costs:
The City’s deposit (\$28,500.00) would be retained by the Seller as liquidated damages in the event of an uncured default by the City. Additionally, the Seller shall be entitled to retain the deposit if the closing date does not occur on or before March 31, 2020.

Future Use.

The City has not yet determined the nature and extent of the potential public improvements that might ultimately occupy the Site. Due to its relative elevation, size, and proximity to existing water system infrastructure, the Site may be suitable for a future infrastructure project to support the City Water Operations, perhaps as a future reservoir site. However, other uses of the Site to support Public Works operations may be consideration.

California Environmental Quality Act (CEQA).

The environmental impacts associated with the City’s acquisition of the Site were evaluated by Blodgett Baylosis Environmental Planning, an environmental planning consultant, who prepared a CEQA General Rule Exemption (Attachment “D”). Per the findings by Blodgett Baylosis Environmental Planning, the City has reviewed the proposed land acquisition project and has determined that it is categorically exempt and qualifies for a General Rule Exemption, pursuant to the “General Rule” clause located in Section 15061(b)(3) of the CEQA Guidelines, which is the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

CEQA does not apply where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment. The proposed project involves the acquisition of the site for a future public use by the City. This future use has not yet been determined. At such time a use has been identified, the requisite CEQA review will be undertaken.

Next Steps.

Staff has already initiated the following tasks so that due diligence is completed within the escrow timeframe outlined in the Agreement, by March 31, 2020:

Consideration to Approve a Purchase and Sale Agreement and Joint Escrow Instructions for the Property at 13441 Foothill Boulevard in Los Angeles, CaliforniaPage 4 of 4

- Completed Phase I Environmental Site Assessment Report.
- Completed Due Diligence Geotechnical and Environmental Assessment.
- Completed Property Appraisal Report.
- Received preliminary title report and property disclosure reports.
- Met with City of Los Angeles Department of City Planning to determine entitlement and approvals process for redevelopment of Site.

BUDGET IMPACT:

The purchase shall be funded through a private placement financing secured by future Water Fund fee revenues. For this purpose, staff has requested a budget amendment to appropriate Water Bond Proceeds to fund Water Land Acquisition funds in the amount of \$1,250,000. This amount is intended to cover the costs of the purchase price, escrow closing costs and expenses, and any future preliminary site preparation work or engineering. The annual debt service to repay the financing will be included in future Adopted Budgets.

CONCLUSION:

Staff recommends that the City Council approve an Agreement between the City and the Seller to purchase the Site located at 13441 Foothill Boulevard, Los Angeles, California, and adopt Resolution No. 7974 to authorize application for SB 2 Planning Grants Program funds from HCD for one-time funding and ongoing technical assistance.

ATTACHMENTS:

- A. Contract No. 1938
- B. Resolution No. 7974
- C. Aerial Image of Site
- D. CEQA General Rule Exemption

ATTACHMENT "A"
CONTRACT NO. 1938

20____
**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

by and between

RICHARD C. PATTERSON, a married man, as his sole and separate property, as to an undivided 50% interest; and DAVID M. KULL AND RONNA KULL, TRUSTEES OF THE DAVID AND RONNA KULL TRUST dated March 30, 2007, as to an undivided 50% interest, collectively as Seller;

and

CITY OF SAN FERNANDO,
a California municipal corporation, as Buyer,

dated as of

_____, 20____

with respect to:

13441 Foothill Boulevard, Los Angeles, California 91342

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20____
PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS
(13441 FOOTHILL BOULEVARD, LOS ANGELES, CALIFORNIA)

This Purchase and Sale Agreement and Joint Escrow Instructions ("Agreement") is dated as of _____, 20____ for purposes of reference by and between the City of San Fernando, a municipal corporation ("Buyer") and the following, jointly and severally:

1. Richard C. Patterson, a married man, as his sole and separate property, as to an undivided 50% interest ("Co-Seller #1"); and
2. David M. Kull and Ronna Kull, Trustees of the David and Ronna Kull Trust dated March 30, 2007, as to an undivided 50% interest ("Co-Seller #2").

For purposes of this Agreement the capitalized term "Seller" shall be a collective reference to both Co-Seller #1 and Co-Seller #2.

ON THE EFFECTIVE DATE, AS THIS TERM IS DEFINED IN SECTION 1.15, BUYER AND SELLER AGREE AS FOLLOWS:

1. Definitions. For the purposes of this Agreement the following terms will be defined as follows:

1.1 "Approval Notice" means a written notice from Buyer to Seller indicating that City Council Approval (defined below) has been obtained, to the extent necessary, with respect to a particular contingency or Closing condition and Buyer has unconditionally approved the applicable contingency and/or Closing condition for the benefit of Buyer under this Agreement.

1.2 "Assignment of Intangible Property" is defined in Section 7.

1.3 "Buyer Party/Parties" shall collectively mean Buyer and its employees, agents, contractors, consultants, brokers and representatives.

1.4 "Buyer's Proforma Title Policy" is defined in Section 5.

1.5 "Buyer's Title Policy" is defined in Section 6.

1.6 "City Council" shall mean the City Council of the City of San Fernando, California. "City Council Approval" shall mean the City Council's resolution and issuance of all approvals required under applicable laws and regulations to allow for, as applicable, the approval of any actions required by the Buyer hereunder, including the approval or waiver of any Closing conditions or other contingencies for the benefit of Buyer and the approval of Closing in accordance with the terms of this Agreement.

1.7 "Closing Date" shall mean the date selected by Buyer after Buyer has issued its General Approval Notice to Seller which sets forth the specific date for the Closing Date which shall occur within thirty (30) days after the date of such General Approval Notice that all Closing conditions and other contingencies for the benefit of Buyer under this Agreement have been satisfied or waived by Buyer provided, however, that the Closing Date shall occur by a date not later than March 31, 2020.

1.8 “Closing Documents” shall mean the documents and instruments delivered into Escrow by the parties as described in Section 7.

1.9 “Closing”/“Close of Escrow” shall mean and refer to the consummation of the transactions described in this Agreement, and will be deemed to have occurred on that date when the Grant Deed is recorded in the official records of the county in which the Property is located. Closing and Close of Escrow are terms used interchangeably in this Agreement.

1.10 “Conditional Approval Notice” means a written notice from Buyer to Seller indicating that Buyer’s approval of the applicable contingency and/or Closing condition for the benefit of Buyer under this Agreement has been approved by Buyer subject to the satisfaction by Seller of the particular matter set forth in such Conditional Approval Notice in Buyer’s sole discretion, as set forth in such written notice to Seller.

1.11 “Contract Period” shall mean and refer to the period from the Effective Date through and including the Closing Date.

1.12 “Due Diligence Materials” is defined in Section 5.3.

1.13 “Due Diligence Period” shall mean and refer to the period ending at 5:00 p.m. California time on the date which is sixty (60) calendar days following the Effective Date.

1.14 “Effective Date” shall mean and refer to, and shall be, the date upon which this Agreement has been fully executed by both Seller and Buyer. Buyer shall give written notice to Seller, and the Escrow Company, as Escrow holder, which indicates the Effective Date within two (2) business days following the date on which Buyer has confirmed that both Parties have executed this Agreement.

1.15 “Environmental Laws” shall mean all federal, state and local laws, ordinances, rules and regulations now or hereafter in force, whether statutory or common law, as amended from time to time, and all federal and state court decisions, consent decrees and orders interpreting or enforcing any of the foregoing, in any way relating to or regulating human health or safety, or industrial hygiene or environmental conditions, or protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, and includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., and the Clean Water Act, 33 U.S.C. § 1251, et seq.

1.16 “Escrow” is defined in Section 4.

1.17 “FIRPTA Certificate” is defined in Section 6.

1.18 “General Approval Notice” shall mean the written notice from Buyer to Seller that Buyer has: (i) approved all applicable contingencies and Closing conditions for the benefit of Buyer and (ii) specifies a date not more than thirty (30) days following the date on which Buyer may give its General Approve Notice to Seller for the Close of Escrow; provided however that the Closing Date shall occur by a date not later than March 31, 2020.

1.19 “Grant Deed” is defined in Section 6.

1.20 “Hazardous Substances” means any substance or material that is described as a toxic or hazardous substance, waste or material or a pollutant or contaminant, or words of similar import, in any of the Environmental Laws, and includes asbestos, petroleum (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), petroleum-based products and petroleum additives and derived substances, lead-based paint, mold, fungi or bacterial matter, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive matter, medical waste, and chemicals which may cause cancer or reproductive toxicity.

1.21 “Improvements” shall collectively mean and refer to any buildings, structures, and other improvements located on the Real Property.

1.22 “Independent Consideration” is defined in Section 19.

1.23 “Intangible Property” shall collectively mean and refer to Seller’s interest in any and all intangible personal property arising out of or in connection with the ownership and/or operation of the Real Property and/or Improvements, including any easements, appurtenances, development rights, approvals, entitlements, mineral rights, water rights, and air rights that may exist, the right to use the current names of the Real Property, all licenses, permits, and certificates of occupancy issued to Seller by federal, state or local municipal authorities relating to the use, maintenance, occupancy, and/or operation of the Property, and all warranties, guaranties and indemnities made or given by third parties with respect to the Property which are transferable to Buyer; excluding therefrom all Service Contracts and Leases.

1.24 “Leases” shall collectively mean and refer to all lease, license, use and/or occupancy agreements with respect to space in or at the Real Property and/or Improvements.

1.25 “Permitted Exceptions” shall mean: (i) the Title Company’s standard printed conditions, exceptions and exclusions contained in the standard form of ALTA Owner’s Policy of Title Insurance (2006); (ii) a lien for real property taxes and assessments not then delinquent (which are subject to proration under Section 9 hereof); (iii) any matters affecting the condition of title to the Property which are created by Buyer; and (iv) any matters of title respecting the Property which are expressly approved by Buyer pursuant to a Buyer Approval Notice given in accordance with Section 5 of this Agreement, but shall expressly exclude, any and all (a) deeds of trust, (b) mechanics’ liens not arising out of the activities of Buyer, (c) judgment liens, and (d) other monetary encumbrances and obligations other than the liens of non-delinquent real property taxes and assessments (collectively, “Monetary Liens”).

1.26 “Personal Property” shall collectively mean and refer to all of Seller’s right, title and interest, if any, in and to materials, supplies, equipment, fixtures, machinery, and other tangible personal property located now or hereafter at the Real Property.

1.27 “Preliminary Title Report” is defined in Section 5.2.

1.28 “Property” shall mean, collectively, the Real Property, the Intangible Property, and any Improvements.

1.29 “Purchase Price” is and shall be Nine Hundred and Fifty-Thousand Dollars (\$950,000.00), subject to adjustment in accordance with Section 3.

1.30 “Reaffirmation Certificate” is defined in Section 7.

1.31 “Real Property” shall mean an approximately 45,203 square feet parcel of that certain real property located in the City of Los Angeles, County of Los Angeles, State of California and more particularly described in Exhibit A attached hereto.

1.32 “Seller Party/Parties” shall mean Seller and its employees, agents, members, owners, officers and directors.

1.33 Reserved.

1.34 “Service Contracts” shall collectively mean and refer to all service, equipment, maintenance and similar agreements, if any, entered into by Seller or any other Seller Party with respect to the Real Property, including all listing agreements or other agreements with any brokers or other agreements relating to the development or use of the Property.

1.35 “Title Company” shall mean and refer to Progressive Title Company, Inc. with its principal place of business at 801 N. Brand Blvd., #400, Glendale, California 91203, or such other title insurance company as the Parties may hereafter jointly approve.

2. Purchase and Sale. Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller, the Property, including all easements, hereditaments, entitlements and appurtenances thereto. In consideration of Seller’s sale of the Property to Buyer, Buyer will (a) subject to any prorations or credits set forth in this Agreement, pay to Seller the Purchase Price at the Closing, and (b) perform all of Buyer’s other obligations hereunder. The Closing shall occur on the Closing Date.

3. Purchase Price. Subject to the prorations, credits and adjustments set forth in Section 9 below, by no later than such time as is required by Escrow Company or otherwise in order for the Closing to occur on the Closing Date, Buyer will deposit into the Escrow the Purchase Price by confirmed wire transfer of currently available federal funds.

4. Escrow.

4.1 Opening of Escrow. Within ten (10) days following the Effective Date, Buyer and Seller will open an escrow (the “Escrow”) with the Escrow Company by delivering to the Escrow Company a fully executed copy of this Agreement. For purposes of this Agreement the term “Escrow Company” shall refer to Encore Escrow Company, Inc. whose principal place of business is 17509 Ventura Boulevard, Encino, CA 91316. The purchase and sale of the Property will be completed through the Escrow. As part of their Closing deliveries, Buyer and Seller shall each submit additional supplemental escrow/closing instructions to the Escrow Company which are not in conflict with the terms of this Agreement. The terms and conditions set forth in this Agreement shall control if there is a conflict (i) between any printed escrow instruction provided by the Escrow Company and this Agreement, or (ii) between any supplemental escrow instruction provided by either Party and this Agreement.

4.2 Escrow Fee Deposit. Within fifteen (15) days following the Effective Date, Buyer shall deliver to Escrow Company, by wire transfer, the sum of Twenty-Eight Thousand, Five Hundred Dollars (\$28,500)(the “Escrow Fee Deposit”). The Escrow Fee Deposit shall be credited

against and applied to the Purchase Price upon Closing and shall be deemed part of the Liquidated Damages Amount should the Seller be entitled to liquidated damages as set forth in Section 16.3. The Seller shall be entitled to and retain the Escrow Fee Deposit if the Closing Date does not occur on or before March 31, 2020.

5. Due Diligence Review and Period; Certain Buyer Contingencies.

5.1 Preliminary Title Report and Survey. Within five (5) days following the Effective Date, Buyer shall obtain a preliminary title report (the “Preliminary Title Report”) prepared by the Title Company, together with copies of the documents described in such Preliminary Title Report, including vesting deeds, all listed exceptions to title and all documents referenced in the legal description of the Real Property. By the end of the Due Diligence Period, the Buyer will: (i) complete its review of the Preliminary Title Report, any survey ordered by Buyer, and all documents and information pertaining to either of them; (ii) endeavor to, working in good faith with Seller and the Title Company, obtain from the Title Company a proforma ALTA owner’s policy of title insurance (the “Buyer’s Proforma Title Policy”) for the Real Property, in such form as may be approved by Buyer in its sole discretion and including only the Permitted Exceptions; and (iii) deliver to Seller an Approval Notice or Conditional Approval Notice with respect to such matters. Buyer’s failure to deliver an Approval Notice or Conditional Approval Notice to Seller with respect to such matters by the end of the Due Diligence Period, shall be deemed that Buyer has disapproved the condition of title to the Real Property, this Agreement and the Escrow established hereunder shall automatically terminate, and the parties shall have no further obligations to one another hereunder except those that, by their terms, expressly survive the termination hereof.

5.2 Due Diligence Materials. Within five (5) business days following the Effective Date, Seller shall deliver to Buyer or make reasonably available to Buyer for inspecting, true, correct, and complete copies of all material documents, reports, and information in Seller’s actual possession relating to the ownership, use, development and operation of the Property, including without limitation (i) all permits, entitlements, warranties, licenses, and other approvals pertaining to the Real Property and Improvements, (ii) all reports, studies, and assessments with respect to the physical condition and/or operation of the Real Property and Improvements, including, without limitation, seismic reports, engineering reports, surveys, environmental reports, traffic circulation, operating methods, flood control and drainage plans, design renderings, shop drawings, feasibility studies, documents relating to any special use, conforming use or zoning variance and all correspondence with governmental agencies and their personnel concerning the same, (iii) any correspondence with any governmental or quasi- governmental authority with respect to zoning, legal compliance, variances, investigations, and/or potential eminent domain actions, (iv) all maintenance records, property condition reports, work proposals and other documents with respect to the physical condition and state of repair of the Real Property and Improvements, (v) a list and description of any lawsuits, formal complaints or investigations which relate to the Real Property, the Improvements, and/or Seller’s ownership, management or operation thereof, if any, and (vi) a property disclosure report containing the natural hazard disclosures, if any, which may be required under applicable laws including the California Public Resources Code, California Government Code, and/or California Health and Safety Code (collectively, the “Due Diligence Materials”); except in no event shall the Due Diligence Materials include nor shall Seller be required to provide to Buyer any information which is privileged or confidential. By the end of the Due Diligence Period, the Buyer will (i) complete its review of the Due Diligence Materials, and (ii) deliver to Seller an Approval Notice or Conditional Approval Notice with respect to such matters. Buyer’s failure to deliver an Approval Notice or Conditional Approval Notice to Seller with respect to such

matters by the end of the Due Diligence Period, shall be deemed that Buyer has disapproved the Due Diligence Materials and Property, this Agreement and the Escrow established hereunder shall automatically terminate, and the parties shall have no further obligations to one another hereunder except those that, by their terms, expressly survive the termination hereof.

5.3 Physical Inspections. During the Due Diligence Period, Buyer may make any and all inspections of the Property which it desires to conduct, including soils, seismic, and environmental reports and studies, and Seller agrees to reasonably cooperate with all such inspections as may be needed. All inspections will be at Buyer's sole cost and expense, and the persons or entities performing such tests and investigations will be properly licensed and qualified. Buyer will advise Seller in advance of the dates of all tests and investigations and will schedule all tests and investigations during normal business hours whenever feasible. Seller will have the right to have a representative of Seller accompany Buyer and Buyer's representatives, agents or designees while they are on the Property. Buyer shall not, and shall cause the other Buyer Parties to not unreasonably interfere with the Seller's use of the Property during the course of any entry or investigation/testing. Subject to the terms set forth below, the Seller shall have the right to approve, in Seller's reasonable discretion, any proposed borings or other intrusive sampling and testing. If the Closing does not occur, Buyer will restore any damage to the Property caused by Buyer's inspections at Buyer's sole cost and expense. Nothing in this paragraph shall be construed to as create any liability or responsibility for Buyer or any other Buyer Party with respect to the discovery of any condition, including without limitation any Hazardous Materials or other environmental condition, except only to the extent that any such condition was actually worsened as a direct result of the negligent or improper acts of Buyer or a Buyer Party in connection with an investigation. By the end of the Due Diligence Period, the Buyer will: (i) complete its review of the physical condition of the Real Property and Improvements; and (ii) deliver to Seller an Approval Notice or Conditional Approval Notice with respect to such matters. Buyer's failure to deliver an Approval Notice or Conditional Approval Notice to Seller with respect to such matters by the end of the Due Diligence Period, shall be deemed that Buyer has disapproved the physical condition of the Real Property and/or Improvements, this Agreement and the Escrow established hereunder shall automatically terminate, and the parties shall have no further obligations to one another hereunder except those that, by their terms, expressly survive the termination hereof.

5.4 CEQA Compliance; Property Appraisal; Public Transit Funds.

(a) Within forty-five (45) days following the Effective Date, Buyer shall prepare and complete at its sole expense an "Initial Study" as this term is defined at 14 California Code of Regulation Section 15063 as relates to Buyer's acquisition of the Property. Thereafter, Buyer shall complete the action indicated by such Initial Study to satisfy the requirements of the California Environmental Quality Act ("CEQA") as applicable to Buyer's acquisition of the Property at the earliest feasible time; provided however, that City Council approval of such CEQA action, based upon the Initial Study, shall have been accomplished prior to close of escrow. The Issuance by Buyer of its General Approval Notice shall be subject to the completion by Buyer of the applicable CEQA review of the acquisition of the Property.

(b) Within sixty (60) days following the Effective Date, Buyer shall have obtained at its sole expense and approved an appraisal report of the market value of the Property which confirms that the Purchase Price payable by Buyer for the Property is not materially more than the market value of the Property as indicated in such written appraisal of the market value of the Property, and Buyer failure to deliver such an Approval Notice or Conditional Approval Notice to Seller shall be deemed to confirm that the Purchase Price is not materially more than the

market value of the Property, and this Agreement and the Escrow established hereunder shall automatically terminate, and the Parties shall have no further obligation to the other hereunder except those that, by their terms, expressly survive the termination hereof.

6. Conditions to the Close of Escrow.

6.1 Precedent to Buyer's Obligations. The Close of Escrow and Buyer's obligations with respect to the transactions set forth in this Agreement are subject to the following conditions precedent:

(a) General Approval Notice and Other Approvals. Buyer shall have delivered a General Approval Notice to Seller and each of the other contingencies set forth in Section 5 above shall have been satisfied by the applicable date and time set forth in Section 5 above.

(b) Buyer's Title Policy. Seller shall have caused all Monetary Liens to be removed from title on or before the Closing Date, and on the Closing Date the Title Company shall issue, or be unconditionally committed to issue to Buyer an ALTA Owner's Policy of Title Insurance (2006) effective as of the date and time of recording of the Grant Deed, with liability in an amount equal to the Purchase Price, showing title to the Property vested in Buyer subject only to the Permitted Exceptions, and otherwise in the form of the Buyer's Proforma Title Policy ("Buyer's Title Policy").

(c) Representations, Warranties and Covenants of Seller. Seller will have duly performed each and every agreement and covenant to be performed by Seller hereunder and Seller's representations and warranties set forth in this Agreement will be true and correct as of the Closing Date, as evidenced by the Reaffirmation Certificate to be delivered into Escrow by Seller at Closing.

(d) Seller's Deliveries. Seller will have delivered into Escrow all of the items described in Sections 7.1 and 7.3 below.

(e) Service Contracts. Seller shall have terminated all Service Contracts, if any, as of, or before the Closing Date.

(f) Leases. Seller shall have terminated any and all Leases with respect to any portion of the Real Property, as of, or before the Closing Date.

(g) Removal of Personal Property. Seller shall have caused all Personal Property belonging to Seller or any other party to be removed from the Property as of, or before the Closing Date.

(h) Legal Compliance; Litigation. There shall be no litigation or administrative agency or other governmental proceeding of any kind whatsoever, pending or threatened, which after Closing would materially and adversely affect the value of the Property or the ability of Buyer to develop and construct the parking garage on the Real Property as intended by Buyer.

(i) No Material Adverse Change. From and after the end of the Due Diligence Period, there shall not have occurred any events or changes to the physical, legal, environmental, or economic condition of the Property which have a material adverse impact on Buyer's ability to use, develop or operate the Property after Closing, in Buyer's sole discretion.

(j) City Council Approval. Buyer shall have obtained City Council Approval of all contingencies and Closing conditions for the benefit of Buyer, and, to the extent needed, City Council Approval to proceed with Closing. The conditions set forth in this Section 6.1 are solely for the benefit of Buyer and may be waived only by Buyer with written notice to the Seller, and a copy of such notice to the Escrow Company (which copy may be sent via fax or email). If any of the foregoing conditions are not satisfied on or before the Closing Date, and Buyer has not waived the unsatisfied conditions, the Escrow and this Agreement and the Escrow established hereunder shall automatically terminate, and the parties shall have no further obligations to one another hereunder except those that, by their terms, expressly survive the termination hereof.

6.2 Conditions Precedent to Seller's Obligations. The Close of Escrow and Seller's obligations with respect to the transactions set forth in this Agreement are subject to the following conditions precedent:

(a) Approval Notices and Other Approvals. Buyer shall have delivered an Approval Notice to Seller and each of the other contingencies for Seller's benefit set forth in Section 5 above shall have been satisfied by the applicable date and time set forth in Section 5 above.

(b) Representations, Warranties and Covenants of Buyer. Buyer will have duly performed each and every agreement and covenant to be performed by Buyer hereunder and Buyer's representations and warranties set forth in this Agreement will be true and correct as of the Closing Date, as evidenced by the Reaffirmation Certificate to be delivered into Escrow by Buyer at the Closing.

(c) Buyer's Deliveries. Buyer will have delivered into Escrow the Purchase Price and the other items described in Sections 7.2 and 7.3 below. The conditions set forth in this Section 6.2 are solely for the benefit of Seller and may be waived only by Seller with written notice to the Buyer, and a copy of such notice to the Escrow Company (which copy may be sent via fax or email). If any of the foregoing conditions are not satisfied on or before the Closing Date, and Seller has not waived the unsatisfied conditions, the Escrow and this Agreement shall automatically terminate, and the parties shall have no further obligations to one another hereunder except those that by their terms expressly survive the termination hereof.

7. Deliveries to Escrow Company.

7.1 By Seller. On or prior to the Closing Date, Seller will deliver or cause to be delivered to Escrow Company the following items:

(a) A Grant Deed for the Property in the form attached to this Agreement as Exhibit B, duly executed and acknowledged by Seller and in recordable form ("Grant Deed").

(b) Two (2) counterparts of an Assignment of Intangible Property in the form attached to this Agreement as Exhibit C, duly executed by Seller ("Assignment of Intangible Property") transferring Seller's interest in the Intangible Property to Buyer.

(c) A Transferor's Certificate of Non-Foreign Status attached to this Agreement as Exhibit D ("FIRPTA Certificate") duly executed by Seller.

(d) A duly executed California Form 593-C or other evidence sufficient to establish that Buyer is not required to withhold any portion of the Purchase Price from Seller pursuant to the California Revenue and Taxation Code (the “593-C”).

(e) An Owner’s/Seller’s Affidavit and Indemnity as reasonably required by the Escrow Company in connection with the issuance of the Buyer’s Title Policy.

(f) A written statement, in the form attached to this Agreement as Exhibit E, where Seller reaffirms that its representations and warranties contained in this Agreement remain true and correct as of the Closing Date (“Reaffirmation Certificate”).

(g) Instructions to the Escrow Company to proceed with Closing in accordance with this Agreement.

7.2 By Buyer. On or prior to the Closing Date, Buyer will deliver or cause to be delivered to Escrow Company the following items:

(a) Subject to the closing costs and prorations allocated and computed in accordance with Section 9 below, the Purchase Price.

(b) Two (2) duly executed counterparts of the Assignment of Intangible Property.

(c) A Preliminary Change in Ownership Report in the form required by the County of Los Angeles.

(d) A Reaffirmation Certificate whereby Buyer reaffirms that its representations and warranties contained in this Agreement remain true and correct as of the Closing Date.

(e) Instructions to the Escrow Company to proceed with the Closing in accordance with this Agreement.

7.3 By Both Buyer and Seller. Buyer and Seller will each deposit such other documents and instruments consistent with this Agreement as are reasonably required by Escrow Company or otherwise required to close Escrow; provided no such documents or instruments may materially increase a party’s obligations or materially decrease a party’s rights under this Agreement. In addition, Seller and Buyer hereby designate Escrow Company as the “Reporting Person” for the transaction pursuant to Section 6045(e) of the Internal Revenue Code.

8. “AS-IS” Purchase. Buyer hereby agrees that, except as otherwise expressly provided in this Agreement and/or the Closing Documents, Seller disclaims the making of any representations or warranties, express or implied, regarding the Property or matters affecting the Property, including, without limitation, the physical condition of the Real Property and any Improvements, title to or the boundaries of the Real Property, soil condition, hazardous waste, toxic substance or other environmental matters, compliance with building, health, safety, land use and zoning laws, regulations and orders, or the ability to develop the Real Property for any purpose. Buyer acknowledges that it has not received from Seller any accounting, tax, legal, environmental, architectural, engineering or other advice with respect to this transaction or Buyer’s proposed ownership, use, management or development of the Real Property and is relying solely upon the

advice of its own accounting, tax, legal, environmental, architectural, engineering and other advisors. Subject to the Seller's covenants, representations or warranties set forth in this Agreement and the Closing Documents, Buyer shall purchase the Real Property in its "AS IS" condition as of the Closing Date, and Buyer expressly acknowledges that, in consideration of the agreements of Seller herein, and except as otherwise expressly set forth herein, SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, AND BUYER ASSUMES THE RISK THAT ADVERSE PHYSICAL, ENVIRONMENTAL, ECONOMIC OR LEGAL CONDITIONS MAY NOT HAVE BEEN REVEALED BY ANY INVESTIGATION OF THE REAL PROPERTY.

9. Closing Costs and Expenses; Prorations.

9.1 Seller's Closing Costs. Seller will pay and/or be responsible for:

- (a) all City and County documentary transfer taxes;
- (b) ½ of all fees and charges for recording the Grant Deed.

9.2 Buyer's Closing Costs. Buyer will pay and/or be responsible for:

- (a) all escrow fees and costs;
- (b) the premium for the Buyer's Title Policy
- (c) ½ of all fees and charges for recording the Grant Deed; and
- (d) the additional costs of any ALTA policy and all endorsements requested or required by Buyer.

9.3 Other Costs. Buyer and Seller will each pay all legal and professional fees and fees of other consultants incurred by Buyer and Seller, respectively. All other normal costs and expenses will be allocated between Buyer and Seller in accordance with the customary practice in Los Angeles County.

9.4 Prorations. At Closing, all real property taxes and assessments, water, sewer and utility charges, and other recurring expenses normal to the operation and maintenance of the Property shall be prorated as of midnight on the day before the Closing Date on the basis of a 360-day year (i.e. 30-day months). Seller shall be solely responsible for the payment of all supplemental taxes levied, assessed or otherwise accrued prior to the Closing Date. Notwithstanding any other provision of this Agreement to the contrary, if Buyer shall become liable after the Closing for payment of any property taxes or assessments, supplemental or otherwise, assessed against the Property for any period of time prior to the Closing Date, Seller shall pay the same to Buyer within thirty (30) days following written demand. The provisions of this paragraph shall survive the Closing.

10. Disbursements and Other Actions by Escrow Company. At the Close of Escrow, the Escrow Company will promptly undertake all of the following:

10.1 Funds. Disburse all funds deposited with the Escrow Company by Buyer in payment of the Purchase Price for the Property as follows:

(a) deliver to Seller the Purchase Price, less the net amount of all items, costs and prorations chargeable to the account of Seller; and

(b) disburse the remaining balance, if any, of the funds deposited by Buyer with the Escrow Company, back to Buyer, less any amounts chargeable to Buyer.

10.2 Recording. Cause the Grant Deed to be recorded with the County Recorder for the County of Los Angeles and obtain a conformed copy thereof for distribution to Buyer.

10.3 Buyer's Title Policy. Issue the Buyer's Title Policy to Buyer.

10.4 Delivery of Documents to Buyer or Seller.

(a) Deliver to Buyer: (i) a conformed copy of the Grant Deed, (ii) one (1) original counterpart of the Assignment of Intangible Property, (iii) the FIRPTA Certificate, (iv) the 593-C, (v) Seller's Reaffirmation Certificate, and (vi) any other documents (or copies thereof) deposited into Escrow by Seller.

(b) Deliver to Seller: (i) one (1) original counterpart of the Assignment of Intangible Property, and (ii) any other documents (or copies thereof) deposited into Escrow by Buyer.

11. Joint Representations and Warranties. Seller represents and warrants to Buyer, and Buyer represents and warrants to Seller (subject to Buyer's obtaining City Council Closing Approval), as follows as of the Effective Date and again as of the Closing Date:

11.1 Authority. Such party has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated herein.

11.2 Actions. All requisite action (governmental, corporate, trust, partnership or otherwise) has been taken by such party in connection with the entering into of this Agreement, the instruments referenced herein, and the consummation of the transactions contemplated herein. No further consent of any partner, member, shareholder, creditor, investor, judicial or administrative body, governmental or quasi-governmental authority, or other party is required.

11.3 Due Execution. The individual(s) executing this Agreement and the instruments referenced herein on behalf of such party has/have the legal power, right, and actual authority to bind such party to the terms and conditions of this Agreement and all other instruments, documents and agreements contemplated or required in connection with the transactions set forth herein.

11.4 Valid and Binding. This Agreement and all other documents required for Closing this transaction, including the Closing Documents, are and will be valid, legally binding obligations of such party, and enforceable against such party in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally.

The representations and warranties set forth in this Section 11 shall survive the Closing.

12. Seller's Additional Representations, Warranties, and Covenants.

12.1 Pre-Closing Covenants.

(a) Seller shall operate and maintain the Property in the same manner as Seller has been operating the Property as of the Effective Date, shall keep the Property free from waste and neglect, and shall maintain the Property in full compliance with all applicable laws and all easements covenants and other encumbrances of record.

(b) Seller shall not enter into any contract or agreement unless such contracts or agreements are not binding on Buyer or the Property and can be terminated without penalty to Buyer by the Closing Date, without prior written consent of Buyer, in Buyer's sole discretion, and Seller shall, on or before the Closing Date, terminate all Service Contracts.

(c) Seller shall not enter into any Leases pertaining to the Property unless such Leases can be terminated without penalty to Buyer by the Closing Date, without prior written consent of Buyer, in Buyer's sole discretion, and Seller shall, on or before the Closing Date, terminate all Leases.

(d) Seller shall not convey any interest in the Property and shall not cause or allow any liens, encumbrances, covenants, conditions, easements, rights of way or similar matters to be recorded against any portion of the Real Property after the Effective Date, without prior written consent of Buyer, in Buyer's sole discretion.

(e) Seller shall not make any alterations or improvements to the Real Property, without prior written consent of Buyer, which consent will not be unreasonable, conditioned or delayed.

(f) Seller shall cause the Monetary Liens to be removed from title at or before Closing.

(g) Seller shall not cancel any hazard or liability insurance carried by Seller with respect to the Property or its operation, and shall maintain Seller's current insurance for the Property in full force and effect until Closing.

(h) If Seller has agreed in writing to correct any title issues, or to otherwise correct, cure or address any other issues raised by Buyer in any Conditional Approval Notice, then Seller shall perform all such actions and obligations which may be required in connection therewith, as and when agreed to, and in all events before the Closing Date.

12.2 Third-Party Rights. Neither Seller nor any other Seller Party has granted to any third party any option to purchase, right of first refusal, right of first offer or other similar right with respect to all or any portion of the Property that remains in effect, and neither Seller nor any other Seller Party has entered into any other contract for the sale of all or any portion of the Property with any third party that remains in effect. From and after the Effective Date, neither Seller nor any other Seller Party will enter into any contract for the sale or transfer of any right or interest of Seller or any Seller Party in any portion of the Property.

12.3 Litigation. Neither Seller nor any Seller Party is a party to any pending lawsuit or proceeding before a court or administrative agency which affects or could affect the Property or Seller's ability to enter into this Agreement or perform any of its obligations hereunder. Seller has not received written notice of, nor to Seller's knowledge, is there any litigation, arbitration or other legal or administrative suit, action, proceeding or investigation of any kind pending or threatened in writing against or involving Seller or any other Seller Party relating to the Property or any part thereof, including, but not limited to, any condemnation action relating to the Property or any part thereof.

12.4 Non-Foreign Entity. Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code.

12.5 Leases. There any currently no Leases with respect to the Real Property or Improvements other than any such agreements delivered as part of the Due Diligence Materials, and Seller shall terminate all such Leases, at Seller's sole cost and expense, at or before the Closing Date.

12.6 Compliance. All building permits, certificates of occupancy, business licenses and other approvals required in connection with the construction, use and/or occupancy of the Real Property has been obtained and are in effect and in good standing. The Real Property, and the use and operation thereof, is in full compliance with all applicable municipal and other governmental laws, ordinances, regulations, codes, licenses, permits and authorizations. Seller has no knowledge of, and has not received any written notice from any governmental agency that the Real Property or any condition existing thereon or any present use thereof violates any law or regulations applicable thereto, and Seller shall notify Buyer promptly of any such proceedings, pending changes, or violations of which Seller receives notice of during the Contract Period.

12.7 Bankruptcy. Seller has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by its creditors, (iii) suffered the appointment of a receiver to take possession of all or substantially all of its assets, (iv) suffered the attachment or other judicial seizure of all or substantially all of its assets, or (v) admitted in writing its inability to pay its debts as they become due.

12.8 Environmental. Except as expressly set forth in any environmental reports included in the Due Diligence Materials provided to Buyer: (i) to Seller's actual knowledge there are no Hazardous Substances present at the Real Property in violation of any applicable Environmental Laws, (ii) neither Seller nor any other Seller Party, nor to the best of Seller's knowledge any third party, has used, manufactured, generated, treated, stored, disposed of, or released any Hazardous Substances on, under or about the Real Property, (iii) neither Seller nor any other Seller Party, nor, to the best of Seller's knowledge, any third party, has installed, used or removed any storage tank on, from or in connection with the Real Property, and (iv) to the best of Seller's knowledge there are no storage tanks or wells (whether existing or abandoned) located on, under or about the Real Property.

12.9 No Conflict. Neither the execution of this Agreement nor the performance of any of the terms or provisions hereof by Seller violates or conflicts in any respect with, or constitutes a default under, any judgment, order, injunction, decree, regulation or ruling of any court or governmental entity, the organizational documents of Seller, or any mortgage, deed of trust or indenture, any contract, or instrument to which Seller, any other Seller Party, or the Property is

subject.

12.10 Personal Property. The Personal Property shall be removed from the Property at or before Closing by Seller, at Seller's sole cost and expense.

12.11 Reports and Due Diligence Items. Seller has delivered to Buyer true, correct and complete copies of all Due Diligence Materials, all of which were prepared by or for Seller in the ordinary course of its business in the same manner as it prepares or obtains such items for its other properties and are used and relied upon by Seller in connection with its ownership, management, development and operation of the Property.

12.12 Office of Foreign Asset Control/Patriot Act. Neither Seller nor any other Seller Party is included on the List of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Asset Control, does not reside in, and is not organized or chartered under the laws of (i) a jurisdiction that has been designated by the U.S. Secretary of the Treasury under Section 311 or 312 of the Patriot Act as warranting special measures due to money laundering concerns or (ii) any foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur.

12.13 Subsequent Changes. If Seller becomes aware of any fact or circumstance which would materially and adversely change one of its foregoing representations or warranties, then Seller shall promptly give written notice of such changed fact or circumstance to Buyer.

12.14 Seller's Knowledge. Whenever phrases such as "*to the best of Seller's knowledge*", "*to Seller's knowledge*", or "*Seller has no knowledge*" or similar phrases are used in the foregoing representations and warranties, they will be deemed to refer to matters within the actual current knowledge of (i) David M. Kull and Ronna Kull, the co-Trustees of the David and Ronna Kull Trust dated March 30, 2007; and (ii) Richard C. Patterson, with reasonable and customary inquiry and investigation. Seller represents and warrants that such individual(s) is(are) the employee(s) of Seller most knowledgeable regarding the present operation and condition of the Property and the subject matters set forth above in this Section 12.

13. Reserved.

14. Notices. Except for those notices which, pursuant to the express terms of this Agreement may be sent via fax or email, all notices or other communications required or permitted hereunder must be in writing, and must be personally delivered (including by means of professional messenger service), sent by overnight courier, or sent by registered or certified mail, postage prepaid, return receipt requested to the addresses set forth below, or such other addresses that a party may designate from time to time during the Contract Period with written notice to the other party. Notices will be sent as follows to:

Buyer:

City of San Fernando
San Fernando City Hall
117 Macneil Street
San Fernando, CA 91340

Attn: City Manager

with a copy to: Olivarez Madrugá Lemieux O'Neill, LLP
3513 Johnson Avenue
El Monte, CA 91731
Attn: Richard Padilla
Email: rpadilla@omlaw.com
Phone: (626) 627-1194

Co-Seller #1: Richard C. Patterson
8048 SW 54th Avenue
Portland, OR 97219

Co-Seller #2: Ronna & David Kull
1637 San Gabriel Avenue
Glendale, CA 91208

with a copy : Brian Bord
Rodeo Realty, Inc.
17501 Ventura Blvd.
Encino, CA, 91316
Email: Brian@BrianBord.com
Phone: (818) 207-2100

Title Company: at the address specified in the definition thereof.

Escrow Company: at the address specified in Section 4.1.

15. Brokers. The Parties acknowledge and agree that real estate broker, Brian Bord, with Rodeo Realty, Inc. whose principal place of business is 17501 Ventura Boulevard, Encino, California ("Broker") has been engaged by Seller and that Broker is and shall at all times remain an agent of Seller. The payment of any and all fees, charges, commissions or other compensation payable to Broker or any other real estate agent engaged by Seller incident to the transaction contemplated under this Agreement shall be the responsibility of Seller at Seller's sole cost and expense. Seller will indemnify, save harmless and defend Buyer from any liability, cost, or expense arising out of or connected with any claim for any fee, charge, commission or compensation made by any person or entity claiming to have been retained by Seller in connection with this transaction. This indemnity provision will survive the Closing or any earlier termination of this Agreement.

16. Default.

16.1 Notice and Cure Period. If either party fails to perform any of its obligations hereunder as and when required, or if one of the representations and warranties made by a party is discovered to be or becomes untrue during the Contract Period, then the non-defaulting party shall give written notice of such default to the defaulting party, with a copy to the Escrow Company (which copy may be sent via fax or email), and the defaulting party shall have until the later of (i) the Closing Date and (ii) ten (10) business days after receipt of such notice to cure such default. A non-defaulting party may elect to waive any such default with written notice to both the defaulting

party and the Escrow Company (which waiver may be sent via fax or email so long as an original hardcopy is concurrently delivered via one of the other methods provided for herein).

16.2 Seller's Default. If Seller is in default under this Agreement, beyond all applicable notice and cure periods, then Buyer shall be entitled to exercise all of its remedies which may be available under this Agreement and/or applicable laws, including without limitation a suit for specific performance. If the Closing does not occur by the Closing Date because of a Seller default, beyond the notice and cure periods set forth above, then, in addition to any remedies which may be available to Buyer under applicable laws, Buyer may cancel the Escrow and terminate this Agreement with written notice to Seller and a copy of such notice to the Escrow Company (which copy may be sent via fax or email). Upon the issuance of such notice, (i) this Agreement and the Escrow established hereunder shall terminate, (iii) the parties shall have no further obligations to one another hereunder except those that, by their terms, expressly survive the termination hereof, (iv) all costs of cancellation, if any, will be paid by the Seller, and (v) Buyer shall be entitled to reimbursement of its reasonable out-of-pocket expenses incurred in connection with the transaction. Buyer's rights and Seller's obligations under subclause (v) above shall survive the termination of this Agreement.

16.3 Buyer's Default. If Buyer is in default under this Agreement, beyond all applicable notice and cure periods, then Seller shall be entitled to exercise all of its remedies which may be available under this Agreement and/or applicable laws. If the Closing does not occur by the Closing Date because of a Buyer default, beyond the notice and cure periods set forth above, then, in addition to any remedies which may be available to Seller under applicable laws, Seller may cancel the Escrow and terminate this Agreement with written notice to the Buyer, and a copy of such notice to the Escrow Company (which copy may be sent via fax or email). Upon the issuance of such notice, (i) this Agreement and the Escrow established hereunder shall terminate, (ii) the parties shall have no further obligations to one another hereunder except those that, by their terms, expressly survive the termination hereof, (iii) all costs of cancellation, if any, will be paid by the Buyer, and (iv) as Seller's sole and exclusive remedy under this Agreement, Seller hereby agreeing to waive any additional or other remedies it may have under applicable laws, Seller shall be entitled to an amount equal to TWENTY-EIGHT THOUSAND, FIVE HUNDRED DOLLARS (\$28,500) (the "Liquidated Damage Amount") as liquidated damages.

IN CONNECTION THEREWITH, THE PARTIES AGREE THAT SELLER'S ACTUAL DAMAGES AS A RESULT OF BUYER'S BREACH OF THIS AGREEMENT WOULD BE DIFFICULT OR IMPOSSIBLE TO DETERMINE, AND THE LIQUIDATED DAMAGE AMOUNT IS THE BEST ESTIMATE OF THE AMOUNT OF DAMAGES SELLER WOULD SUFFER AS A RESULT OF SUCH DEFAULT; PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT LIMIT SELLER'S RIGHT TO OBTAIN REIMBURSEMENT FOR ATTORNEYS' FEES AND COSTS, OR WAIVE OR AFFECT BUYER'S INDEMNITY OBLIGATIONS AND SELLER'S RIGHTS TO THOSE INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT. THE PAYMENT OF THE LIQUIDATED DAMAGE AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. SELLER HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389. THE PARTIES WITNESS THEIR AGREEMENT TO THIS LIQUIDATED DAMAGES PROVISION BY INITIALING THIS SECTION:

Co-Seller #1: _____ **Buyer:** _____
Co-Seller #2: _____
Co-Seller #2: _____

16.4 Limitation on Liability. Notwithstanding anything to the contrary herein, but excluding any tort claims, criminal action or fraud, Buyer hereby agrees that in no event or circumstance shall any of the shareholders, members, partners, employees, representatives, officers, directors, affiliated or related entities of Seller have any personal liability under this Agreement.

17. Assignment. Buyer will not assign this Agreement without first obtaining Seller's prior written consent thereto, which consent may be withheld by Seller in its reasonable discretion. Any attempted assignment without Seller's required prior written consent will, at Seller's option, be voidable and constitute a material breach of this Agreement.

18. Miscellaneous.

18.1 Counterparts. This Agreement may be executed in counterparts. Facsimile signatures or signatures sent via e-mail in ".pdf" format shall be valid so long as wet signature originals are delivered not later than three (3) business days after the delivery of the facsimile/e-mail signature version of the Agreement.

18.2 Partial Invalidity. If any term or provision of this Agreement will be deemed to be invalid or unenforceable to any extent, the remainder of this Agreement will not be affected thereby, and each remaining term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.

18.3 Possession of the Property. Seller will deliver possession of the Property to Buyer upon the Close of Escrow, subject only to the rights of parties pursuant to the Permitted Exceptions.

18.4 Waivers. No waiver of any breach of any covenant or provision contained herein will be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision contained herein. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act except those of the waiving party, which will be extended by a period of time equal to the period of the delay.

18.5 Successors and Assigns. This Agreement is binding upon and inures to the benefit of the heirs, personal representatives, successors and permitted assigns of the parties hereto.

18.6 Entire Agreement. This Agreement (including all Exhibits attached hereto) constitute the entire agreement between the parties hereto with respect to the subject matter hereof and may not be modified except by an instrument in writing signed by the party to be charged.

18.7 Time of Essence; Dates. Seller and Buyer hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof. If the Closing Date or any other date which serves as a deadline for performance hereunder occurs on a day other than a business day, then such date(s) shall automatically be deemed extended until the next occurring business day.

18.8 Construction. This Agreement has been prepared by Buyer and its professional

advisors and reviewed by Seller and its professional advisers. Seller and Buyer and their respective advisors believe that this Agreement is the product of all of their efforts, that it expresses their agreement and that it should not be interpreted in favor of or against either Buyer or Seller, and the principle of law set forth in California Civil Code §1654 (or its successor) that contracts are construed against the drafter shall not apply. The parties further agree that this Agreement will be construed to effectuate the normal and reasonable expectations of a sophisticated Seller and Buyer.

18.9 Governing Law. The parties hereto expressly agree that this Agreement will be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California.

18.10 Survival. All obligations of the parties contained herein which by their terms do not arise until after the Close of Escrow and any other provisions of this Agreement which by their terms survive the Close of Escrow, shall survive the Close of Escrow.

18.11 Captions. Section titles or captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

18.12 Confidentiality. Unless otherwise agreed to in writing by Seller and Buyer, each party will keep confidential all documents, financial statements, reports or other information provided to, or generated by the other party relating to the Property, including this Agreement and all Due Diligence Materials, and will not disclose any such information to any person other than (i) those employees and agents of Seller or Buyer with a need to know; (ii) those who are actively and directly participating in the evaluation of the Property and the negotiation and execution of this Agreement or financing of the purchase of the Property; (iii) governmental, administrative, regulatory or judicial authorities in the investigation of the compliance of the Property with applicable legal requirements; and (iv) pursuant to valid legal process or as may be required by law. Notwithstanding anything herein to the contrary, Buyer is legally mandated to provide records in response to a request for records under the California Public Records Act (Cal. Gov. Code section 6250 et seq.) to any and all parties that request such records, unless such information falls under an exemption provided for under California law. The disclosure of confidential information pursuant to Buyer's obligations under the Public Records Act shall not constitute a violation of this Agreement. The provisions of this paragraph will survive the termination of this Agreement other than by Closing.

19. Independent Consideration. Concurrent with its delivery of a fully executed copy of the Agreement, Buyer shall deliver to Seller in cash the sum of One Hundred and No/100 Dollars (\$100.00) (the "Independent Consideration") which amount has been bargained for and agreed to as consideration for Buyer's exclusive option to purchase the Property and the Buyer's Due Diligence Period provided herein, and for Seller's execution and delivery of the Agreement. The Independent Consideration is not part of the Purchase Price, is in addition to and independent of all other consideration provided in the Agreement, and is nonrefundable to Buyer in all events.

*Remainder of page intentionally left blank.
Signatures on following page*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

SELLER (CO-SELLER #1):

Richard C. Patterson, a married man, as his sole and separate property, as to an undivided 50% interest in the Property, defined below ("Co-Seller #1"); and

By: _____

Name: _____

Title: _____

Date: _____

SELLER (CO-SELLER #2)

David M. Kull and Ronna Kull, Trustees of the David and Ronna Kull Trust dated March 30, 2007, as to an undivided 50% interest in the Property, defined below ("Co-Seller #2").

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

CITY OF SAN FERNANDO

By: _____
Nick Kimball, City Manager

Date: _____

APPROVED AS TO FORM:

By: _____
Richard Padilla, Asst. City Attorney

EXHIBIT A

PARCEL MAP

Property Address: 13441 Foothill Boulevard, Los Angeles, CA 91342.

Assessor's Identification Numbers: 2513-009-043 & 2513-009-044.

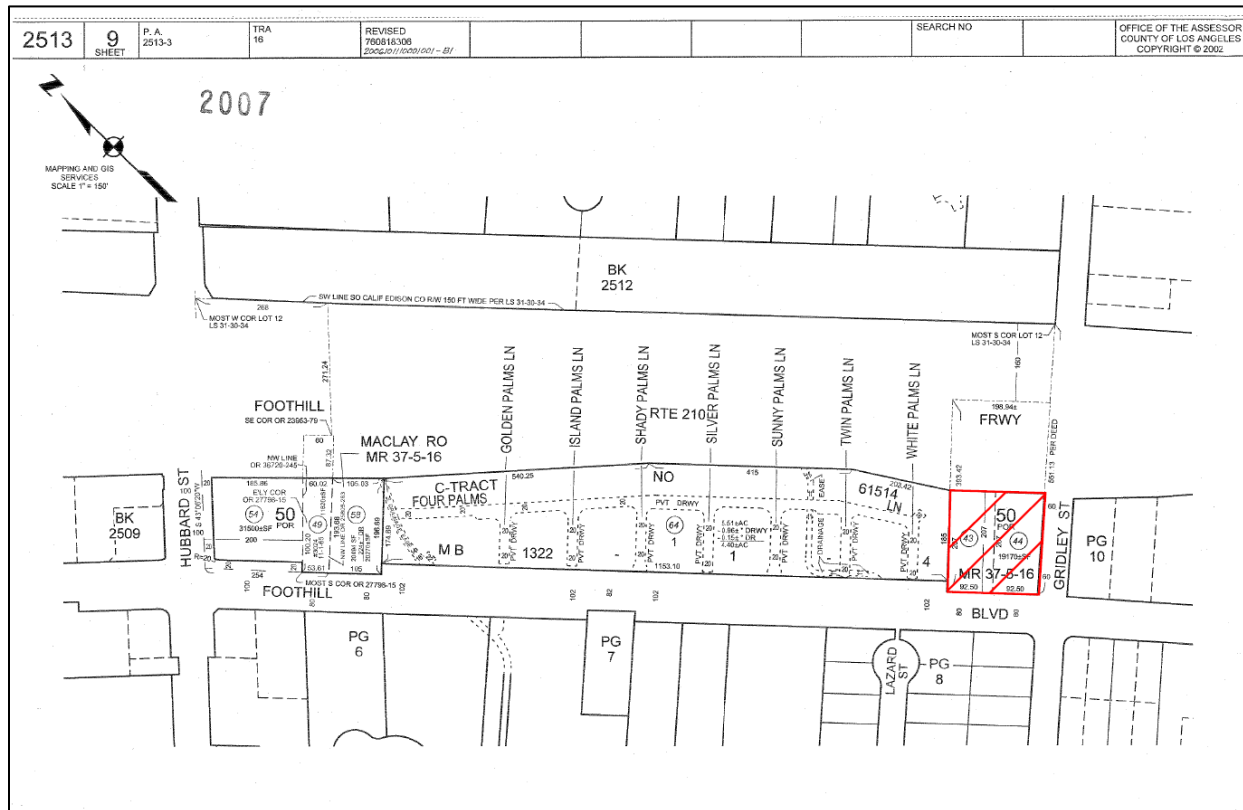


Exhibit A
(Parcel Map)

EXHIBIT B

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
DOCUMENT AND TAX STATEMENT TO:

THIS SPACE ABOVE FOR RECORDER'S USE

GRANT DEED

(Real Property Commonly Identified as 13441 Foothill Boulevard, Los Angeles, California)
(Assessor's Identification Numbers: 2513-009-043 & 2513-009-044)

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Grantor, as defined below, hereby remises, transfers and grants to the City of San Fernando, a municipal corporation organized under the laws of the State of California (hereinafter, "City") all of the right, title and interest of Grantor in certain lands and improvements situated in the City of Los Angeles, California (hereinafter, referred to as the "Property") which are more particularly described as follows:

See Exhibit 1 attached hereto and incorporated herein by this reference.

For purposes of this Grant Deed, the term "Grantor" is a collective reference to the following parties jointly and severally: RICHARD C. PATTERSON, a married man, as his sole and separate property, as to an undivided 50% interest in the Property ("Co-Grantor #1"); and DAVID M. KULL AND RONNA KULL, TRUSTEES OF THE DAVID AND RONNA KULL TRUST dated March 30, 2007, as to an undivided 50% interest in the Property ("Co-Grantor #2").

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Grantor has caused this Grant Deed to be executed this ____ day of _____ 20____.

CO-GRANTOR #1

Richard C. Patterson, a married man, as his sole and separate property, as to an undivided 50% interest in the Property

By:_____

Name:_____

Title:_____

Date:_____

CO-GRANTOR #2

David M. Kull and Ronna Kull, Trustees of the David and Ronna Kull Trust dated March 30, 2007, as to an undivided 50% interest in the Property

By:_____

Name:_____

Title:_____

Date:_____

By:_____

Name:_____

Title:_____

Date:_____

Notary Acknowledgement – Grant Deed

[Append Notary Form]

Exhibit 1**Legal Description****PARCEL 1:**

THAT PORTION OF BLOCK 50 OF MACLAY RANCHO, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 37 PAGE 5 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWESTERLY LINE OF SAID BLOCK DISTANT NORTHWESTERLY THEREON 92.50 FEET FROM THE MOST SOUTHERLY CORNER OF SAID BLOCK, SAID POINT BEING THE MOST WESTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO GLADWIN S. ELLIS AND WIFE RECORDED ON OCTOBER 17, 1956 AS INSTRUMENT NO. 484 IN BOOK 52603 PAGE 64 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF SAID LAND OF ELLIS A DISTANCE OF 207 FEET; THENCE NORTHWESTERLY PARALLEL WITH SAID SOUTHWESTERLY LINE OF SAID BLOCK A DISTANCE OF 92.50 FEET, MORE OR LESS, TO A POINT IN A LINE WHICH IS PARALLEL WITH AND 185 FEET NORTHWESTERLY, MEASURED ALONG SAID NORTHWESTERLY LINE OF BLOCK 50; THENCE SOUTHWESTERLY ALONG SAID LAST MENTIONED PARALLEL LINE A DISTANCE OF 207 FEET TO A POINT IN THE SOUTHWESTERLY LINE OF SAID BLOCK; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE 92.50 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

THAT PORTION OF BLOCK 50 OF MACLAY RANCHO, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 37 PAGE 5 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

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END OF LEGAL DESCRIPTION

EXHIBIT CASSIGNMENT OF INTANGIBLE PROPERTY

THIS ASSIGNMENT OF INTANGIBLE PROPERTY (this "Assignment") is dated _____, 20__ and is made and executed by _____, a(n) _____ [state] _____ [entity type] ("Seller"), with reference to the following facts:

WHEREAS, concurrently herewith, Seller is conveying to _____, a(n) _____ [state] _____ [entity type] ("Buyer"), in accordance with the terms of that certain Purchase and Sale Agreement and Joint Escrow Instructions dated _____, 201__ (the "Agreement"), certain real property legally described on Exhibit 1 attached hereto and incorporated herein by this reference (the "Real Property"), as well as all improvements and betterments, if any, located thereon and expressly described in the Agreement (the "Improvements"); and

WHEREAS in accordance with the Agreement, Seller desires to assign, transfer and convey to Buyer, as of the Closing, all of Seller's interest in and to the Intangible Property (as defined in the Agreement).

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration in hand paid by Buyer to Seller, the receipt and sufficiency of which are hereby acknowledged, Seller does hereby ASSIGN, TRANSFER and CONVEY to Buyer all of the Seller's interest in and to the Intangible Property.

THE INTANGIBLE PROPERTY IS ASSIGNED, TRANSFERRED AND CONVEYED TO BUYER SUBJECT TO ALL OF THE TERMS AND CONDITIONS OF THE AGREEMENT, AND SELLER IS NOT MAKING ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE WHATSOEVER, WHETHER EXPRESSED OR IMPLIED, WITH RESPECT TO THE INTANGIBLE PROPERTY, EXCEPT TO THE EXTENT EXPRESSLY SET FORTH IN THE AGREEMENT.

This Assignment shall be effective as of the Closing Date, as such term is defined in the Agreement. Capitalized terms not defined herein shall have the meanings given to them in the Agreement. The Seller represents that the signatory below has the full and complete authority to bind Seller to this Assignment and that no other consent is necessary or required in order for him/her to execute and deliver this Assignment on behalf of Seller.

Seller

_____,
a(n) _____ [state] _____ [entity type]

By: _____

Name: _____

Its: _____

Exhibit 1

Legal Description

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END OF LEGAL DESCRIPTION

EXHIBIT DCERTIFICATE REGARDING FOREIGN INVESTMENT
IN REAL PROPERTY TAX ACT

Section 1445 of the Internal Revenue Code provides that a transferee (purchaser) of a U.S. real property interest must withhold tax if the transferor (seller) is a foreign person. To inform the transferee (purchaser) that withholding of tax is not required upon the disposition of a U.S. real property interest by _____, a(n) _____ (“Transferor”) Transferor hereby certifies:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue code and Income Tax Regulations).
2. Transferor’s Federal Employer Identification Number is: _____
3. Transferor’s office address is:

4. The address or description of the property which is the subject matter of the disposition is described in Exhibit 1 attached hereto.
5. Transferor is not a disregarded entity as defined in Section 1.445-2(b)(2)(iii).

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Transferor declares that it has examined this certification and to the best of its knowledge and belief, it is true, correct and complete, and further declares that the individual executing this certification on behalf of Transferor has full authority to do so.

_____,
a(n) _____

By: _____

Name: _____

Its: _____

Exhibit 1

Legal Description

PARCEL 1:

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END OF LEGAL DESCRIPTION

EXHIBIT EReaffirmation Certificate

This Reaffirmation Certificate is made and delivered by _____, a(n) _____
_____ [state] _____ [entity type] [("Seller" OR "Buyer")] with reference
to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated _____
_____, 20____ ([as amended], the "Agreement") entered into between [Seller OR Buyer] and ____
_____, a(n) _____ [state] _____ [entity type].

[Seller OR Buyer] hereby restates and reaffirms its representations and warranties set forth
in Section ____ of the Agreement with full force and effect as if set forth fully herein and made
and delivered on the date hereof without any exception or qualification.

[Seller OR Buyer]

_____ ,

a(n) _____

By: _____

Name: _____

Its: _____

Date: _____

ATTACHMENT “B”**RESOLUTION NO. 7974****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA, AUTHORIZING THE ACQUISITION OF REAL PROPERTY LOCATED AT 13441 FOOTHILL BOULEVARD, LOS ANGELES, CALIFORNIA AND AMENDING THE BUDGET FOR THE FISCAL YEAR 2019-20 ADOPTED ON JUNE 1, 2019 FOR THE PURCHASE OF THE SAME**

WHEREAS, cities are statutorily authorized to acquire property in any number of ways, including negotiated purchase (See Government Code Section 37350 and California Code of Civil Procedures 1240.130)

WHEREAS, the City of San Fernando (“City”) wishes to undertake a negotiated purchase of vacant real property located in the City of Los Angeles, California commonly identified as 13441 Foothill Boulevard, Los Angeles, California (“Property”); and

WHEREAS, City’s proposed purchase price of \$950,000 for the Property is within the appraisal undertaken for the Property by Nagasaki and Associated dated July 25, 2019; and

WHEREAS, the City of Council has received and considered the proposed adjustment to the budget for Fiscal Year 2019-20, commencing July 1, 2019, and ending June 30, 2020; and

WHEREAS, the City Council has determined that it is necessary to amend the revenues and expenditures of the current City budget; and

WHEREAS, the City Council has determined it necessary to exchange Water Bond Proceeds funds with Water Land Acquisition funds for the acquisition of real property located at 13441 Foothill Boulevard in Los Angeles, California; and

WHEREAS, an annual budget for the City of San Fernando for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020, a copy of which is on file in the City Clerk’s Office, was adopted on June 1, 2019.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. The City Council hereby authorizes City staff to complete the purchase of the Property subject to the terms and conditions set forth in that certain purchase and sale agreement, the form of which is attached hereto as Exhibit “1” (the “Purchase and Sale Agreement”). The City Manager is hereby authorized to execute all such additional instruments as may be necessary to complete the purchase of the Property provided such instruments are consistent with the terms, conditions and requirements of the Purchase and Sale Agreement.

SECTION 2. In compliance with the California Environmental Quality Act (CEQA) codified at Public Resources Code Section 21000 et seq., the City reviewed the proposed land acquisition project and has determined that it is categorically exempt and qualifies for a General Rule Exemption, pursuant to the “General Rule” clause located in Section 15061(b)(3) of the CEQA Guidelines, which is the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

SECTION 3. The following adjustments are made to the City Budget:

Purchase of Real Property Located at 13441 Foothill Boulevard in Los Angeles, California

WATER FUND:

Increase in Revenues	\$1,250,000.00
070-3945-0000 – Bond Proceeds	

Increase in Expenditures	\$1,250,000.00
070-385-0000-4615 – Land Acquisition	

SECTION 4. This Resolution shall take effect immediately upon its adoption by the City Council and the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED, AND ADOPTED this 27th day of January, 2020.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a special meeting of the City Council held on the 27th day of January, 2020, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

ATTACHMENT "B"
EXHIBIT "1"

20____
**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

by and between

RICHARD C. PATTERSON, a married man, as his sole and separate property, as to an undivided 50% interest; and DAVID M. KULL AND RONNA KULL, TRUSTEES OF THE DAVID AND RONNA KULL TRUST dated March 30, 2007, as to an undivided 50% interest, collectively as Seller;

and

CITY OF SAN FERNANDO,
a California municipal corporation, as Buyer,

dated as of

_____, 20____

with respect to:

13441 Foothill Boulevard, Los Angeles, California 91342

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**PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS
(13441 FOOTHILL BOULEVARD, LOS ANGELES, CALIFORNIA)**

This Purchase and Sale Agreement and Joint Escrow Instructions ("Agreement") is dated as of _____, 20__ for purposes of reference by and between the City of San Fernando, a municipal corporation ("Buyer") and the following, jointly and severally:

1. Richard C. Patterson, a married man, as his sole and separate property, as to an undivided 50% interest ("Co-Seller #1"); and
2. David M. Kull and Ronna Kull, Trustees of the David and Ronna Kull Trust dated March 30, 2007, as to an undivided 50% interest ("Co-Seller #2").

For purposes of this Agreement the capitalized term "Seller" shall be a collective reference to both Co-Seller #1 and Co-Seller #2.

ON THE EFFECTIVE DATE, AS THIS TERM IS DEFINED IN SECTION 1.15, BUYER AND SELLER AGREE AS FOLLOWS:

1. Definitions. For the purposes of this Agreement the following terms will be defined as follows:

1.1 "Approval Notice" means a written notice from Buyer to Seller indicating that City Council Approval (defined below) has been obtained, to the extent necessary, with respect to a particular contingency or Closing condition and Buyer has unconditionally approved the applicable contingency and/or Closing condition for the benefit of Buyer under this Agreement.

1.2 "Assignment of Intangible Property" is defined in Section 7.

1.3 "Buyer Party/Parties" shall collectively mean Buyer and its employees, agents, contractors, consultants, brokers and representatives.

1.4 "Buyer's Proforma Title Policy" is defined in Section 5.

1.5 "Buyer's Title Policy" is defined in Section 6.

1.6 "City Council" shall mean the City Council of the City of San Fernando, California. "City Council Approval" shall mean the City Council's resolution and issuance of all approvals required under applicable laws and regulations to allow for, as applicable, the approval of any actions required by the Buyer hereunder, including the approval or waiver of any Closing conditions or other contingencies for the benefit of Buyer and the approval of Closing in accordance with the terms of this Agreement.

1.7 "Closing Date" shall mean the date selected by Buyer after Buyer has issued its General Approval Notice to Seller which sets forth the specific date for the Closing Date which shall occur within thirty (30) days after the date of such General Approval Notice that all Closing conditions and other contingencies for the benefit of Buyer under this Agreement have been satisfied or waived by Buyer provided, however, that the Closing Date shall occur by a date not later than March 31, 2020.

1.8 “Closing Documents” shall mean the documents and instruments delivered into Escrow by the parties as described in Section 7.

1.9 “Closing”/“Close of Escrow” shall mean and refer to the consummation of the transactions described in this Agreement, and will be deemed to have occurred on that date when the Grant Deed is recorded in the official records of the county in which the Property is located. Closing and Close of Escrow are terms used interchangeably in this Agreement.

1.10 “Conditional Approval Notice” means a written notice from Buyer to Seller indicating that Buyer’s approval of the applicable contingency and/or Closing condition for the benefit of Buyer under this Agreement has been approved by Buyer subject to the satisfaction by Seller of the particular matter set forth in such Conditional Approval Notice in Buyer’s sole discretion, as set forth in such written notice to Seller.

1.11 “Contract Period” shall mean and refer to the period from the Effective Date through and including the Closing Date.

1.12 “Due Diligence Materials” is defined in Section 5.3.

1.13 “Due Diligence Period” shall mean and refer to the period ending at 5:00 p.m. California time on the date which is sixty (60) calendar days following the Effective Date.

1.14 “Effective Date” shall mean and refer to, and shall be, the date upon which this Agreement has been fully executed by both Seller and Buyer. Buyer shall give written notice to Seller, and the Escrow Company, as Escrow holder, which indicates the Effective Date within two (2) business days following the date on which Buyer has confirmed that both Parties have executed this Agreement.

1.15 “Environmental Laws” shall mean all federal, state and local laws, ordinances, rules and regulations now or hereafter in force, whether statutory or common law, as amended from time to time, and all federal and state court decisions, consent decrees and orders interpreting or enforcing any of the foregoing, in any way relating to or regulating human health or safety, or industrial hygiene or environmental conditions, or protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, and includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., and the Clean Water Act, 33 U.S.C. § 1251, et seq.

1.16 “Escrow” is defined in Section 4.

1.17 “FIRPTA Certificate” is defined in Section 6.

1.18 “General Approval Notice” shall mean the written notice from Buyer to Seller that Buyer has: (i) approved all applicable contingencies and Closing conditions for the benefit of Buyer and (ii) specifies a date not more than thirty (30) days following the date on which Buyer may give its General Approve Notice to Seller for the Close of Escrow; provided however that the Closing Date shall occur by a date not later than March 31, 2020.

1.19 “Grant Deed” is defined in Section 6.

1.20 “Hazardous Substances” means any substance or material that is described as a toxic or hazardous substance, waste or material or a pollutant or contaminant, or words of similar import, in any of the Environmental Laws, and includes asbestos, petroleum (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), petroleum-based products and petroleum additives and derived substances, lead-based paint, mold, fungi or bacterial matter, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive matter, medical waste, and chemicals which may cause cancer or reproductive toxicity.

1.21 “Improvements” shall collectively mean and refer to any buildings, structures, and other improvements located on the Real Property.

1.22 “Independent Consideration” is defined in Section 19.

1.23 “Intangible Property” shall collectively mean and refer to Seller’s interest in any and all intangible personal property arising out of or in connection with the ownership and/or operation of the Real Property and/or Improvements, including any easements, appurtenances, development rights, approvals, entitlements, mineral rights, water rights, and air rights that may exist, the right to use the current names of the Real Property, all licenses, permits, and certificates of occupancy issued to Seller by federal, state or local municipal authorities relating to the use, maintenance, occupancy, and/or operation of the Property, and all warranties, guaranties and indemnities made or given by third parties with respect to the Property which are transferable to Buyer; excluding therefrom all Service Contracts and Leases.

1.24 “Leases” shall collectively mean and refer to all lease, license, use and/or occupancy agreements with respect to space in or at the Real Property and/or Improvements.

1.25 “Permitted Exceptions” shall mean: (i) the Title Company’s standard printed conditions, exceptions and exclusions contained in the standard form of ALTA Owner’s Policy of Title Insurance (2006); (ii) a lien for real property taxes and assessments not then delinquent (which are subject to proration under Section 9 hereof); (iii) any matters affecting the condition of title to the Property which are created by Buyer; and (iv) any matters of title respecting the Property which are expressly approved by Buyer pursuant to a Buyer Approval Notice given in accordance with Section 5 of this Agreement, but shall expressly exclude, any and all (a) deeds of trust, (b) mechanics’ liens not arising out of the activities of Buyer, (c) judgment liens, and (d) other monetary encumbrances and obligations other than the liens of non-delinquent real property taxes and assessments (collectively, “Monetary Liens”).

1.26 “Personal Property” shall collectively mean and refer to all of Seller’s right, title and interest, if any, in and to materials, supplies, equipment, fixtures, machinery, and other tangible personal property located now or hereafter at the Real Property.

1.27 “Preliminary Title Report” is defined in Section 5.2.

1.28 “Property” shall mean, collectively, the Real Property, the Intangible Property, and any Improvements.

1.29 “Purchase Price” is and shall be Nine Hundred and Fifty-Thousand Dollars (\$950,000.00), subject to adjustment in accordance with Section 3.

1.30 “Reaffirmation Certificate” is defined in Section 7.

1.31 “Real Property” shall mean an approximately 45,203 square feet parcel of that certain real property located in the City of Los Angeles, County of Los Angeles, State of California and more particularly described in Exhibit A attached hereto.

1.32 “Seller Party/Parties” shall mean Seller and its employees, agents, members, owners, officers and directors.

1.33 Reserved.

1.34 “Service Contracts” shall collectively mean and refer to all service, equipment, maintenance and similar agreements, if any, entered into by Seller or any other Seller Party with respect to the Real Property, including all listing agreements or other agreements with any brokers or other agreements relating to the development or use of the Property.

1.35 “Title Company” shall mean and refer to Progressive Title Company, Inc. with its principal place of business at 801 N. Brand Blvd., #400, Glendale, California 91203, or such other title insurance company as the Parties may hereafter jointly approve.

2. Purchase and Sale. Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller, the Property, including all easements, hereditaments, entitlements and appurtenances thereto. In consideration of Seller’s sale of the Property to Buyer, Buyer will (a) subject to any prorations or credits set forth in this Agreement, pay to Seller the Purchase Price at the Closing, and (b) perform all of Buyer’s other obligations hereunder. The Closing shall occur on the Closing Date.

3. Purchase Price. Subject to the prorations, credits and adjustments set forth in Section 9 below, by no later than such time as is required by Escrow Company or otherwise in order for the Closing to occur on the Closing Date, Buyer will deposit into the Escrow the Purchase Price by confirmed wire transfer of currently available federal funds.

4. Escrow.

4.1 Opening of Escrow. Within ten (10) days following the Effective Date, Buyer and Seller will open an escrow (the “Escrow”) with the Escrow Company by delivering to the Escrow Company a fully executed copy of this Agreement. For purposes of this Agreement the term “Escrow Company” shall refer to Encore Escrow Company, Inc. whose principal place of business is 17509 Ventura Boulevard, Encino, CA 91316. The purchase and sale of the Property will be completed through the Escrow. As part of their Closing deliveries, Buyer and Seller shall each submit additional supplemental escrow/closing instructions to the Escrow Company which are not in conflict with the terms of this Agreement. The terms and conditions set forth in this Agreement shall control if there is a conflict (i) between any printed escrow instruction provided by the Escrow Company and this Agreement, or (ii) between any supplemental escrow instruction provided by either Party and this Agreement.

4.2 Escrow Fee Deposit. Within fifteen (15) days following the Effective Date, Buyer shall deliver to Escrow Company, by wire transfer, the sum of Twenty-Eight Thousand, Five Hundred Dollars (\$28,500)(the “Escrow Fee Deposit”). The Escrow Fee Deposit shall be credited

against and applied to the Purchase Price upon Closing and shall be deemed part of the Liquidated Damages Amount should the Seller be entitled to liquidated damages as set forth in Section 16.3. The Seller shall be entitled to and retain the Escrow Fee Deposit if the Closing Date does not occur on or before March 31, 2020.

5. Due Diligence Review and Period; Certain Buyer Contingencies.

5.1 Preliminary Title Report and Survey. Within five (5) days following the Effective Date, Buyer shall obtain a preliminary title report (the “Preliminary Title Report”) prepared by the Title Company, together with copies of the documents described in such Preliminary Title Report, including vesting deeds, all listed exceptions to title and all documents referenced in the legal description of the Real Property. By the end of the Due Diligence Period, the Buyer will: (i) complete its review of the Preliminary Title Report, any survey ordered by Buyer, and all documents and information pertaining to either of them; (ii) endeavor to, working in good faith with Seller and the Title Company, obtain from the Title Company a proforma ALTA owner’s policy of title insurance (the “Buyer’s Proforma Title Policy”) for the Real Property, in such form as may be approved by Buyer in its sole discretion and including only the Permitted Exceptions; and (iii) deliver to Seller an Approval Notice or Conditional Approval Notice with respect to such matters. Buyer’s failure to deliver an Approval Notice or Conditional Approval Notice to Seller with respect to such matters by the end of the Due Diligence Period, shall be deemed that Buyer has disapproved the condition of title to the Real Property, this Agreement and the Escrow established hereunder shall automatically terminate, and the parties shall have no further obligations to one another hereunder except those that, by their terms, expressly survive the termination hereof.

5.2 Due Diligence Materials. Within five (5) business days following the Effective Date, Seller shall deliver to Buyer or make reasonably available to Buyer for inspecting, true, correct, and complete copies of all material documents, reports, and information in Seller’s actual possession relating to the ownership, use, development and operation of the Property, including without limitation (i) all permits, entitlements, warranties, licenses, and other approvals pertaining to the Real Property and Improvements, (ii) all reports, studies, and assessments with respect to the physical condition and/or operation of the Real Property and Improvements, including, without limitation, seismic reports, engineering reports, surveys, environmental reports, traffic circulation, operating methods, flood control and drainage plans, design renderings, shop drawings, feasibility studies, documents relating to any special use, conforming use or zoning variance and all correspondence with governmental agencies and their personnel concerning the same, (iii) any correspondence with any governmental or quasi- governmental authority with respect to zoning, legal compliance, variances, investigations, and/or potential eminent domain actions, (iv) all maintenance records, property condition reports, work proposals and other documents with respect to the physical condition and state of repair of the Real Property and Improvements, (v) a list and description of any lawsuits, formal complaints or investigations which relate to the Real Property, the Improvements, and/or Seller’s ownership, management or operation thereof, if any, and (vi) a property disclosure report containing the natural hazard disclosures, if any, which may be required under applicable laws including the California Public Resources Code, California Government Code, and/or California Health and Safety Code (collectively, the “Due Diligence Materials”); except in no event shall the Due Diligence Materials include nor shall Seller be required to provide to Buyer any information which is privileged or confidential. By the end of the Due Diligence Period, the Buyer will (i) complete its review of the Due Diligence Materials, and (ii) deliver to Seller an Approval Notice or Conditional Approval Notice with respect to such matters. Buyer’s failure to deliver an Approval Notice or Conditional Approval Notice to Seller with respect to such

matters by the end of the Due Diligence Period, shall be deemed that Buyer has disapproved the Due Diligence Materials and Property, this Agreement and the Escrow established hereunder shall automatically terminate, and the parties shall have no further obligations to one another hereunder except those that, by their terms, expressly survive the termination hereof.

5.3 Physical Inspections. During the Due Diligence Period, Buyer may make any and all inspections of the Property which it desires to conduct, including soils, seismic, and environmental reports and studies, and Seller agrees to reasonably cooperate with all such inspections as may be needed. All inspections will be at Buyer's sole cost and expense, and the persons or entities performing such tests and investigations will be properly licensed and qualified. Buyer will advise Seller in advance of the dates of all tests and investigations and will schedule all tests and investigations during normal business hours whenever feasible. Seller will have the right to have a representative of Seller accompany Buyer and Buyer's representatives, agents or designees while they are on the Property. Buyer shall not, and shall cause the other Buyer Parties to not unreasonably interfere with the Seller's use of the Property during the course of any entry or investigation/testing. Subject to the terms set forth below, the Seller shall have the right to approve, in Seller's reasonable discretion, any proposed borings or other intrusive sampling and testing. If the Closing does not occur, Buyer will restore any damage to the Property caused by Buyer's inspections at Buyer's sole cost and expense. Nothing in this paragraph shall be construed to as create any liability or responsibility for Buyer or any other Buyer Party with respect to the discovery of any condition, including without limitation any Hazardous Materials or other environmental condition, except only to the extent that any such condition was actually worsened as a direct result of the negligent or improper acts of Buyer or a Buyer Party in connection with an investigation. By the end of the Due Diligence Period, the Buyer will: (i) complete its review of the physical condition of the Real Property and Improvements; and (ii) deliver to Seller an Approval Notice or Conditional Approval Notice with respect to such matters. Buyer's failure to deliver an Approval Notice or Conditional Approval Notice to Seller with respect to such matters by the end of the Due Diligence Period, shall be deemed that Buyer has disapproved the physical condition of the Real Property and/or Improvements, this Agreement and the Escrow established hereunder shall automatically terminate, and the parties shall have no further obligations to one another hereunder except those that, by their terms, expressly survive the termination hereof.

5.4 CEQA Compliance; Property Appraisal; Public Transit Funds.

(a) Within forty-five (45) days following the Effective Date, Buyer shall prepare and complete at its sole expense an "Initial Study" as this term is defined at 14 California Code of Regulation Section 15063 as relates to Buyer's acquisition of the Property. Thereafter, Buyer shall complete the action indicated by such Initial Study to satisfy the requirements of the California Environmental Quality Act ("CEQA") as applicable to Buyer's acquisition of the Property at the earliest feasible time; provided however, that City Council approval of such CEQA action, based upon the Initial Study, shall have been accomplished prior to close of escrow. The Issuance by Buyer of its General Approval Notice shall be subject to the completion by Buyer of the applicable CEQA review of the acquisition of the Property.

(b) Within sixty (60) days following the Effective Date, Buyer shall have obtained at its sole expense and approved an appraisal report of the market value of the Property which confirms that the Purchase Price payable by Buyer for the Property is not materially more than the market value of the Property as indicated in such written appraisal of the market value of the Property, and Buyer failure to deliver such an Approval Notice or Conditional Approval Notice to Seller shall be deemed to confirm that the Purchase Price is not materially more than the

market value of the Property, and this Agreement and the Escrow established hereunder shall automatically terminate, and the Parties shall have no further obligation to the other hereunder except those that, by their terms, expressly survive the termination hereof.

6. Conditions to the Close of Escrow.

6.1 Precedent to Buyer's Obligations. The Close of Escrow and Buyer's obligations with respect to the transactions set forth in this Agreement are subject to the following conditions precedent:

(a) General Approval Notice and Other Approvals. Buyer shall have delivered a General Approval Notice to Seller and each of the other contingencies set forth in Section 5 above shall have been satisfied by the applicable date and time set forth in Section 5 above.

(b) Buyer's Title Policy. Seller shall have caused all Monetary Liens to be removed from title on or before the Closing Date, and on the Closing Date the Title Company shall issue, or be unconditionally committed to issue to Buyer an ALTA Owner's Policy of Title Insurance (2006) effective as of the date and time of recording of the Grant Deed, with liability in an amount equal to the Purchase Price, showing title to the Property vested in Buyer subject only to the Permitted Exceptions, and otherwise in the form of the Buyer's Proforma Title Policy ("Buyer's Title Policy").

(c) Representations, Warranties and Covenants of Seller. Seller will have duly performed each and every agreement and covenant to be performed by Seller hereunder and Seller's representations and warranties set forth in this Agreement will be true and correct as of the Closing Date, as evidenced by the Reaffirmation Certificate to be delivered into Escrow by Seller at Closing.

(d) Seller's Deliveries. Seller will have delivered into Escrow all of the items described in Sections 7.1 and 7.3 below.

(e) Service Contracts. Seller shall have terminated all Service Contracts, if any, as of, or before the Closing Date.

(f) Leases. Seller shall have terminated any and all Leases with respect to any portion of the Real Property, as of, or before the Closing Date.

(g) Removal of Personal Property. Seller shall have caused all Personal Property belonging to Seller or any other party to be removed from the Property as of, or before the Closing Date.

(h) Legal Compliance; Litigation. There shall be no litigation or administrative agency or other governmental proceeding of any kind whatsoever, pending or threatened, which after Closing would materially and adversely affect the value of the Property or the ability of Buyer to develop and construct the parking garage on the Real Property as intended by Buyer.

(i) No Material Adverse Change. From and after the end of the Due Diligence Period, there shall not have occurred any events or changes to the physical, legal, environmental, or economic condition of the Property which have a material adverse impact on Buyer's ability to use, develop or operate the Property after Closing, in Buyer's sole discretion.

(j) City Council Approval. Buyer shall have obtained City Council Approval of all contingencies and Closing conditions for the benefit of Buyer, and, to the extent needed, City Council Approval to proceed with Closing. The conditions set forth in this Section 6.1 are solely for the benefit of Buyer and may be waived only by Buyer with written notice to the Seller, and a copy of such notice to the Escrow Company (which copy may be sent via fax or email). If any of the foregoing conditions are not satisfied on or before the Closing Date, and Buyer has not waived the unsatisfied conditions, the Escrow and this Agreement and the Escrow established hereunder shall automatically terminate, and the parties shall have no further obligations to one another hereunder except those that, by their terms, expressly survive the termination hereof.

6.2 Conditions Precedent to Seller's Obligations. The Close of Escrow and Seller's obligations with respect to the transactions set forth in this Agreement are subject to the following conditions precedent:

(a) Approval Notices and Other Approvals. Buyer shall have delivered an Approval Notice to Seller and each of the other contingencies for Seller's benefit set forth in Section 5 above shall have been satisfied by the applicable date and time set forth in Section 5 above.

(b) Representations, Warranties and Covenants of Buyer. Buyer will have duly performed each and every agreement and covenant to be performed by Buyer hereunder and Buyer's representations and warranties set forth in this Agreement will be true and correct as of the Closing Date, as evidenced by the Reaffirmation Certificate to be delivered into Escrow by Buyer at the Closing.

(c) Buyer's Deliveries. Buyer will have delivered into Escrow the Purchase Price and the other items described in Sections 7.2 and 7.3 below. The conditions set forth in this Section 6.2 are solely for the benefit of Seller and may be waived only by Seller with written notice to the Buyer, and a copy of such notice to the Escrow Company (which copy may be sent via fax or email). If any of the foregoing conditions are not satisfied on or before the Closing Date, and Seller has not waived the unsatisfied conditions, the Escrow and this Agreement shall automatically terminate, and the parties shall have no further obligations to one another hereunder except those that by their terms expressly survive the termination hereof.

7. Deliveries to Escrow Company.

7.1 By Seller. On or prior to the Closing Date, Seller will deliver or cause to be delivered to Escrow Company the following items:

(a) A Grant Deed for the Property in the form attached to this Agreement as Exhibit B, duly executed and acknowledged by Seller and in recordable form ("Grant Deed").

(b) Two (2) counterparts of an Assignment of Intangible Property in the form attached to this Agreement as Exhibit C, duly executed by Seller ("Assignment of Intangible Property") transferring Seller's interest in the Intangible Property to Buyer.

(c) A Transferor's Certificate of Non-Foreign Status attached to this Agreement as Exhibit D ("FIRPTA Certificate") duly executed by Seller.

(d) A duly executed California Form 593-C or other evidence sufficient to establish that Buyer is not required to withhold any portion of the Purchase Price from Seller pursuant to the California Revenue and Taxation Code (the “593-C”).

(e) An Owner’s/Seller’s Affidavit and Indemnity as reasonably required by the Escrow Company in connection with the issuance of the Buyer’s Title Policy.

(f) A written statement, in the form attached to this Agreement as Exhibit E, where Seller reaffirms that its representations and warranties contained in this Agreement remain true and correct as of the Closing Date (“Reaffirmation Certificate”).

(g) Instructions to the Escrow Company to proceed with Closing in accordance with this Agreement.

7.2 By Buyer. On or prior to the Closing Date, Buyer will deliver or cause to be delivered to Escrow Company the following items:

(a) Subject to the closing costs and prorations allocated and computed in accordance with Section 9 below, the Purchase Price.

(b) Two (2) duly executed counterparts of the Assignment of Intangible Property.

(c) A Preliminary Change in Ownership Report in the form required by the County of Los Angeles.

(d) A Reaffirmation Certificate whereby Buyer reaffirms that its representations and warranties contained in this Agreement remain true and correct as of the Closing Date.

(e) Instructions to the Escrow Company to proceed with the Closing in accordance with this Agreement.

7.3 By Both Buyer and Seller. Buyer and Seller will each deposit such other documents and instruments consistent with this Agreement as are reasonably required by Escrow Company or otherwise required to close Escrow; provided no such documents or instruments may materially increase a party’s obligations or materially decrease a party’s rights under this Agreement. In addition, Seller and Buyer hereby designate Escrow Company as the “Reporting Person” for the transaction pursuant to Section 6045(e) of the Internal Revenue Code.

8. “AS-IS” Purchase. Buyer hereby agrees that, except as otherwise expressly provided in this Agreement and/or the Closing Documents, Seller disclaims the making of any representations or warranties, express or implied, regarding the Property or matters affecting the Property, including, without limitation, the physical condition of the Real Property and any Improvements, title to or the boundaries of the Real Property, soil condition, hazardous waste, toxic substance or other environmental matters, compliance with building, health, safety, land use and zoning laws, regulations and orders, or the ability to develop the Real Property for any purpose. Buyer acknowledges that it has not received from Seller any accounting, tax, legal, environmental, architectural, engineering or other advice with respect to this transaction or Buyer’s proposed ownership, use, management or development of the Real Property and is relying solely upon the

advice of its own accounting, tax, legal, environmental, architectural, engineering and other advisors. Subject to the Seller's covenants, representations or warranties set forth in this Agreement and the Closing Documents, Buyer shall purchase the Real Property in its "AS IS" condition as of the Closing Date, and Buyer expressly acknowledges that, in consideration of the agreements of Seller herein, and except as otherwise expressly set forth herein, SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, AND BUYER ASSUMES THE RISK THAT ADVERSE PHYSICAL, ENVIRONMENTAL, ECONOMIC OR LEGAL CONDITIONS MAY NOT HAVE BEEN REVEALED BY ANY INVESTIGATION OF THE REAL PROPERTY.

9. Closing Costs and Expenses; Prorations.

9.1 Seller's Closing Costs. Seller will pay and/or be responsible for:

- (a) all City and County documentary transfer taxes;
- (b) ½ of all fees and charges for recording the Grant Deed.

9.2 Buyer's Closing Costs. Buyer will pay and/or be responsible for:

- (a) all escrow fees and costs;
- (b) the premium for the Buyer's Title Policy
- (c) ½ of all fees and charges for recording the Grant Deed; and
- (d) the additional costs of any ALTA policy and all endorsements requested or required by Buyer.

9.3 Other Costs. Buyer and Seller will each pay all legal and professional fees and fees of other consultants incurred by Buyer and Seller, respectively. All other normal costs and expenses will be allocated between Buyer and Seller in accordance with the customary practice in Los Angeles County.

9.4 Prorations. At Closing, all real property taxes and assessments, water, sewer and utility charges, and other recurring expenses normal to the operation and maintenance of the Property shall be prorated as of midnight on the day before the Closing Date on the basis of a 360-day year (i.e. 30-day months). Seller shall be solely responsible for the payment of all supplemental taxes levied, assessed or otherwise accrued prior to the Closing Date. Notwithstanding any other provision of this Agreement to the contrary, if Buyer shall become liable after the Closing for payment of any property taxes or assessments, supplemental or otherwise, assessed against the Property for any period of time prior to the Closing Date, Seller shall pay the same to Buyer within thirty (30) days following written demand. The provisions of this paragraph shall survive the Closing.

10. Disbursements and Other Actions by Escrow Company. At the Close of Escrow, the Escrow Company will promptly undertake all of the following:

10.1 Funds. Disburse all funds deposited with the Escrow Company by Buyer in payment of the Purchase Price for the Property as follows:

(a) deliver to Seller the Purchase Price, less the net amount of all items, costs and prorations chargeable to the account of Seller; and

(b) disburse the remaining balance, if any, of the funds deposited by Buyer with the Escrow Company, back to Buyer, less any amounts chargeable to Buyer.

10.2 Recording. Cause the Grant Deed to be recorded with the County Recorder for the County of Los Angeles and obtain a conformed copy thereof for distribution to Buyer.

10.3 Buyer's Title Policy. Issue the Buyer's Title Policy to Buyer.

10.4 Delivery of Documents to Buyer or Seller.

(a) Deliver to Buyer: (i) a conformed copy of the Grant Deed, (ii) one (1) original counterpart of the Assignment of Intangible Property, (iii) the FIRPTA Certificate, (iv) the 593-C, (v) Seller's Reaffirmation Certificate, and (vi) any other documents (or copies thereof) deposited into Escrow by Seller.

(b) Deliver to Seller: (i) one (1) original counterpart of the Assignment of Intangible Property, and (ii) any other documents (or copies thereof) deposited into Escrow by Buyer.

11. Joint Representations and Warranties. Seller represents and warrants to Buyer, and Buyer represents and warrants to Seller (subject to Buyer's obtaining City Council Closing Approval), as follows as of the Effective Date and again as of the Closing Date:

11.1 Authority. Such party has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated herein.

11.2 Actions. All requisite action (governmental, corporate, trust, partnership or otherwise) has been taken by such party in connection with the entering into of this Agreement, the instruments referenced herein, and the consummation of the transactions contemplated herein. No further consent of any partner, member, shareholder, creditor, investor, judicial or administrative body, governmental or quasi-governmental authority, or other party is required.

11.3 Due Execution. The individual(s) executing this Agreement and the instruments referenced herein on behalf of such party has/have the legal power, right, and actual authority to bind such party to the terms and conditions of this Agreement and all other instruments, documents and agreements contemplated or required in connection with the transactions set forth herein.

11.4 Valid and Binding. This Agreement and all other documents required for Closing this transaction, including the Closing Documents, are and will be valid, legally binding obligations of such party, and enforceable against such party in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally.

The representations and warranties set forth in this Section 11 shall survive the Closing.

12. Seller's Additional Representations, Warranties, and Covenants.

12.1 Pre-Closing Covenants.

(a) Seller shall operate and maintain the Property in the same manner as Seller has been operating the Property as of the Effective Date, shall keep the Property free from waste and neglect, and shall maintain the Property in full compliance with all applicable laws and all easements covenants and other encumbrances of record.

(b) Seller shall not enter into any contract or agreement unless such contracts or agreements are not binding on Buyer or the Property and can be terminated without penalty to Buyer by the Closing Date, without prior written consent of Buyer, in Buyer's sole discretion, and Seller shall, on or before the Closing Date, terminate all Service Contracts.

(c) Seller shall not enter into any Leases pertaining to the Property unless such Leases can be terminated without penalty to Buyer by the Closing Date, without prior written consent of Buyer, in Buyer's sole discretion, and Seller shall, on or before the Closing Date, terminate all Leases.

(d) Seller shall not convey any interest in the Property and shall not cause or allow any liens, encumbrances, covenants, conditions, easements, rights of way or similar matters to be recorded against any portion of the Real Property after the Effective Date, without prior written consent of Buyer, in Buyer's sole discretion.

(e) Seller shall not make any alterations or improvements to the Real Property, without prior written consent of Buyer, which consent will not be unreasonable, conditioned or delayed.

(f) Seller shall cause the Monetary Liens to be removed from title at or before Closing.

(g) Seller shall not cancel any hazard or liability insurance carried by Seller with respect to the Property or its operation, and shall maintain Seller's current insurance for the Property in full force and effect until Closing.

(h) If Seller has agreed in writing to correct any title issues, or to otherwise correct, cure or address any other issues raised by Buyer in any Conditional Approval Notice, then Seller shall perform all such actions and obligations which may be required in connection therewith, as and when agreed to, and in all events before the Closing Date.

12.2 Third-Party Rights. Neither Seller nor any other Seller Party has granted to any third party any option to purchase, right of first refusal, right of first offer or other similar right with respect to all or any portion of the Property that remains in effect, and neither Seller nor any other Seller Party has entered into any other contract for the sale of all or any portion of the Property with any third party that remains in effect. From and after the Effective Date, neither Seller nor any other Seller Party will enter into any contract for the sale or transfer of any right or interest of Seller or any Seller Party in any portion of the Property.

12.3 Litigation. Neither Seller nor any Seller Party is a party to any pending lawsuit or proceeding before a court or administrative agency which affects or could affect the Property or Seller's ability to enter into this Agreement or perform any of its obligations hereunder. Seller has not received written notice of, nor to Seller's knowledge, is there any litigation, arbitration or other legal or administrative suit, action, proceeding or investigation of any kind pending or threatened in writing against or involving Seller or any other Seller Party relating to the Property or any part thereof, including, but not limited to, any condemnation action relating to the Property or any part thereof.

12.4 Non-Foreign Entity. Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code.

12.5 Leases. There any currently no Leases with respect to the Real Property or Improvements other than any such agreements delivered as part of the Due Diligence Materials, and Seller shall terminate all such Leases, at Seller's sole cost and expense, at or before the Closing Date.

12.6 Compliance. All building permits, certificates of occupancy, business licenses and other approvals required in connection with the construction, use and/or occupancy of the Real Property has been obtained and are in effect and in good standing. The Real Property, and the use and operation thereof, is in full compliance with all applicable municipal and other governmental laws, ordinances, regulations, codes, licenses, permits and authorizations. Seller has no knowledge of, and has not received any written notice from any governmental agency that the Real Property or any condition existing thereon or any present use thereof violates any law or regulations applicable thereto, and Seller shall notify Buyer promptly of any such proceedings, pending changes, or violations of which Seller receives notice of during the Contract Period.

12.7 Bankruptcy. Seller has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by its creditors, (iii) suffered the appointment of a receiver to take possession of all or substantially all of its assets, (iv) suffered the attachment or other judicial seizure of all or substantially all of its assets, or (v) admitted in writing its inability to pay its debts as they become due.

12.8 Environmental. Except as expressly set forth in any environmental reports included in the Due Diligence Materials provided to Buyer: (i) to Seller's actual knowledge there are no Hazardous Substances present at the Real Property in violation of any applicable Environmental Laws, (ii) neither Seller nor any other Seller Party, nor to the best of Seller's knowledge any third party, has used, manufactured, generated, treated, stored, disposed of, or released any Hazardous Substances on, under or about the Real Property, (iii) neither Seller nor any other Seller Party, nor, to the best of Seller's knowledge, any third party, has installed, used or removed any storage tank on, from or in connection with the Real Property, and (iv) to the best of Seller's knowledge there are no storage tanks or wells (whether existing or abandoned) located on, under or about the Real Property.

12.9 No Conflict. Neither the execution of this Agreement nor the performance of any of the terms or provisions hereof by Seller violates or conflicts in any respect with, or constitutes a default under, any judgment, order, injunction, decree, regulation or ruling of any court or governmental entity, the organizational documents of Seller, or any mortgage, deed of trust or indenture, any contract, or instrument to which Seller, any other Seller Party, or the Property is

subject.

12.10 Personal Property. The Personal Property shall be removed from the Property at or before Closing by Seller, at Seller's sole cost and expense.

12.11 Reports and Due Diligence Items. Seller has delivered to Buyer true, correct and complete copies of all Due Diligence Materials, all of which were prepared by or for Seller in the ordinary course of its business in the same manner as it prepares or obtains such items for its other properties and are used and relied upon by Seller in connection with its ownership, management, development and operation of the Property.

12.12 Office of Foreign Asset Control/Patriot Act. Neither Seller nor any other Seller Party is included on the List of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Asset Control, does not reside in, and is not organized or chartered under the laws of (i) a jurisdiction that has been designated by the U.S. Secretary of the Treasury under Section 311 or 312 of the Patriot Act as warranting special measures due to money laundering concerns or (ii) any foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur.

12.13 Subsequent Changes. If Seller becomes aware of any fact or circumstance which would materially and adversely change one of its foregoing representations or warranties, then Seller shall promptly give written notice of such changed fact or circumstance to Buyer.

12.14 Seller's Knowledge. Whenever phrases such as "*to the best of Seller's knowledge*", "*to Seller's knowledge*", or "*Seller has no knowledge*" or similar phrases are used in the foregoing representations and warranties, they will be deemed to refer to matters within the actual current knowledge of (i) David M. Kull and Ronna Kull, the co-Trustees of the David and Ronna Kull Trust dated March 30, 2007; and (ii) Richard C. Patterson, with reasonable and customary inquiry and investigation. Seller represents and warrants that such individual(s) is(are) the employee(s) of Seller most knowledgeable regarding the present operation and condition of the Property and the subject matters set forth above in this Section 12.

13. Reserved.

14. Notices. Except for those notices which, pursuant to the express terms of this Agreement may be sent via fax or email, all notices or other communications required or permitted hereunder must be in writing, and must be personally delivered (including by means of professional messenger service), sent by overnight courier, or sent by registered or certified mail, postage prepaid, return receipt requested to the addresses set forth below, or such other addresses that a party may designate from time to time during the Contract Period with written notice to the other party. Notices will be sent as follows to:

Buyer:	City of San Fernando
	San Fernando City Hall
	117 Macneil Street
	San Fernando, CA 91340

Attn: City Manager

with a copy to: Olivarez Madruga Lemieux O'Neill, LLP
3513 Johnson Avenue
El Monte, CA 91731
Attn: Richard Padilla
Email: rpadilla@omlowlaw.com
Phone: (626) 627-1194

Co-Seller #1: Richard C. Patterson
8048 SW 54th Avenue
Portland, OR 97219

Co-Seller #2 Ronna & David Kull
1637 San Gabriel Avenue
Glendale, CA 91208

with a copy : Brian Bord
Rodeo Realty, Inc.
17501 Ventura Blvd.
Encino, CA, 91316
Email: Brian@BrianBord.com
Phone: (818) 207-2100

Title Company: at the address specified in the definition thereof.

Escrow Company: at the address specified in Section 4.1.

15. Brokers. The Parties acknowledge and agree that real estate broker, Brian Bord, with Rodeo Realty, Inc. whose principal place of business is 17501 Ventura Boulevard, Encino, California ("Broker") has been engaged by Seller and that Broker is and shall at all times remain an agent of Seller. The payment of any and all fees, charges, commissions or other compensation payable to Broker or any other real estate agent engaged by Seller incident to the transaction contemplated under this Agreement shall be the responsibility of Seller at Seller's sole cost and expense. Seller will indemnify, save harmless and defend Buyer from any liability, cost, or expense arising out of or connected with any claim for any fee, charge, commission or compensation made by any person or entity claiming to have been retained by Seller in connection with this transaction. This indemnity provision will survive the Closing or any earlier termination of this Agreement.

16. Default.

16.1 Notice and Cure Period. If either party fails to perform any of its obligations hereunder as and when required, or if one of the representations and warranties made by a party is discovered to be or becomes untrue during the Contract Period, then the non-defaulting party shall give written notice of such default to the defaulting party, with a copy to the Escrow Company (which copy may be sent via fax or email), and the defaulting party shall have until the later of (i) the Closing Date and (ii) ten (10) business days after receipt of such notice to cure such default. A non-defaulting party may elect to waive any such default with written notice to both the defaulting

party and the Escrow Company (which waiver may be sent via fax or email so long as an original hardcopy is concurrently delivered via one of the other methods provided for herein).

16.2 Seller's Default. If Seller is in default under this Agreement, beyond all applicable notice and cure periods, then Buyer shall be entitled to exercise all of its remedies which may be available under this Agreement and/or applicable laws, including without limitation a suit for specific performance. If the Closing does not occur by the Closing Date because of a Seller default, beyond the notice and cure periods set forth above, then, in addition to any remedies which may be available to Buyer under applicable laws, Buyer may cancel the Escrow and terminate this Agreement with written notice to Seller and a copy of such notice to the Escrow Company (which copy may be sent via fax or email). Upon the issuance of such notice, (i) this Agreement and the Escrow established hereunder shall terminate, (iii) the parties shall have no further obligations to one another hereunder except those that, by their terms, expressly survive the termination hereof, (iv) all costs of cancellation, if any, will be paid by the Seller, and (v) Buyer shall be entitled to reimbursement of its reasonable out-of-pocket expenses incurred in connection with the transaction. Buyer's rights and Seller's obligations under subclause (v) above shall survive the termination of this Agreement.

16.3 Buyer's Default. If Buyer is in default under this Agreement, beyond all applicable notice and cure periods, then Seller shall be entitled to exercise all of its remedies which may be available under this Agreement and/or applicable laws. If the Closing does not occur by the Closing Date because of a Buyer default, beyond the notice and cure periods set forth above, then, in addition to any remedies which may be available to Seller under applicable laws, Seller may cancel the Escrow and terminate this Agreement with written notice to the Buyer, and a copy of such notice to the Escrow Company (which copy may be sent via fax or email). Upon the issuance of such notice, (i) this Agreement and the Escrow established hereunder shall terminate, (ii) the parties shall have no further obligations to one another hereunder except those that, by their terms, expressly survive the termination hereof, (iii) all costs of cancellation, if any, will be paid by the Buyer, and (iv) as Seller's sole and exclusive remedy under this Agreement, Seller hereby agreeing to waive any additional or other remedies it may have under applicable laws, Seller shall be entitled to an amount equal to TWENTY-EIGHT THOUSAND, FIVE HUNDRED DOLLARS (\$28,500) (the "Liquidated Damage Amount") as liquidated damages.

IN CONNECTION THEREWITH, THE PARTIES AGREE THAT SELLER'S ACTUAL DAMAGES AS A RESULT OF BUYER'S BREACH OF THIS AGREEMENT WOULD BE DIFFICULT OR IMPOSSIBLE TO DETERMINE, AND THE LIQUIDATED DAMAGE AMOUNT IS THE BEST ESTIMATE OF THE AMOUNT OF DAMAGES SELLER WOULD SUFFER AS A RESULT OF SUCH DEFAULT; PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT LIMIT SELLER'S RIGHT TO OBTAIN REIMBURSEMENT FOR ATTORNEYS' FEES AND COSTS, OR WAIVE OR AFFECT BUYER'S INDEMNITY OBLIGATIONS AND SELLER'S RIGHTS TO THOSE INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT. THE PAYMENT OF THE LIQUIDATED DAMAGE AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. SELLER HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389. THE PARTIES WITNESS THEIR AGREEMENT TO THIS LIQUIDATED DAMAGES PROVISION BY INITIALING THIS SECTION:

Co-Seller #1: _____ **Buyer:** _____
Co-Seller #2: _____
Co-Seller #2: _____

16.4 Limitation on Liability. Notwithstanding anything to the contrary herein, but excluding any tort claims, criminal action or fraud, Buyer hereby agrees that in no event or circumstance shall any of the shareholders, members, partners, employees, representatives, officers, directors, affiliated or related entities of Seller have any personal liability under this Agreement.

17. Assignment. Buyer will not assign this Agreement without first obtaining Seller's prior written consent thereto, which consent may be withheld by Seller in its reasonable discretion. Any attempted assignment without Seller's required prior written consent will, at Seller's option, be voidable and constitute a material breach of this Agreement.

18. Miscellaneous.

18.1 Counterparts. This Agreement may be executed in counterparts. Facsimile signatures or signatures sent via e-mail in ".pdf" format shall be valid so long as wet signature originals are delivered not later than three (3) business days after the delivery of the facsimile/e-mail signature version of the Agreement.

18.2 Partial Invalidity. If any term or provision of this Agreement will be deemed to be invalid or unenforceable to any extent, the remainder of this Agreement will not be affected thereby, and each remaining term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.

18.3 Possession of the Property. Seller will deliver possession of the Property to Buyer upon the Close of Escrow, subject only to the rights of parties pursuant to the Permitted Exceptions.

18.4 Waivers. No waiver of any breach of any covenant or provision contained herein will be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision contained herein. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act except those of the waiving party, which will be extended by a period of time equal to the period of the delay.

18.5 Successors and Assigns. This Agreement is binding upon and inures to the benefit of the heirs, personal representatives, successors and permitted assigns of the parties hereto.

18.6 Entire Agreement. This Agreement (including all Exhibits attached hereto) constitute the entire agreement between the parties hereto with respect to the subject matter hereof and may not be modified except by an instrument in writing signed by the party to be charged.

18.7 Time of Essence; Dates. Seller and Buyer hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof. If the Closing Date or any other date which serves as a deadline for performance hereunder occurs on a day other than a business day, then such date(s) shall automatically be deemed extended until the next occurring business day.

18.8 Construction. This Agreement has been prepared by Buyer and its professional

advisors and reviewed by Seller and its professional advisers. Seller and Buyer and their respective advisors believe that this Agreement is the product of all of their efforts, that it expresses their agreement and that it should not be interpreted in favor of or against either Buyer or Seller, and the principle of law set forth in California Civil Code §1654 (or its successor) that contracts are construed against the drafter shall not apply. The parties further agree that this Agreement will be construed to effectuate the normal and reasonable expectations of a sophisticated Seller and Buyer.

18.9 Governing Law. The parties hereto expressly agree that this Agreement will be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California.

18.10 Survival. All obligations of the parties contained herein which by their terms do not arise until after the Close of Escrow and any other provisions of this Agreement which by their terms survive the Close of Escrow, shall survive the Close of Escrow.

18.11 Captions. Section titles or captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

18.12 Confidentiality. Unless otherwise agreed to in writing by Seller and Buyer, each party will keep confidential all documents, financial statements, reports or other information provided to, or generated by the other party relating to the Property, including this Agreement and all Due Diligence Materials, and will not disclose any such information to any person other than (i) those employees and agents of Seller or Buyer with a need to know; (ii) those who are actively and directly participating in the evaluation of the Property and the negotiation and execution of this Agreement or financing of the purchase of the Property; (iii) governmental, administrative, regulatory or judicial authorities in the investigation of the compliance of the Property with applicable legal requirements; and (iv) pursuant to valid legal process or as may be required by law. Notwithstanding anything herein to the contrary, Buyer is legally mandated to provide records in response to a request for records under the California Public Records Act (Cal. Gov. Code section 6250 et seq.) to any and all parties that request such records, unless such information falls under an exemption provided for under California law. The disclosure of confidential information pursuant to Buyer's obligations under the Public Records Act shall not constitute a violation of this Agreement. The provisions of this paragraph will survive the termination of this Agreement other than by Closing.

19. Independent Consideration. Concurrent with its delivery of a fully executed copy of the Agreement, Buyer shall deliver to Seller in cash the sum of One Hundred and No/100 Dollars (\$100.00) (the "Independent Consideration") which amount has been bargained for and agreed to as consideration for Buyer's exclusive option to purchase the Property and the Buyer's Due Diligence Period provided herein, and for Seller's execution and delivery of the Agreement. The Independent Consideration is not part of the Purchase Price, is in addition to and independent of all other consideration provided in the Agreement, and is nonrefundable to Buyer in all events.

*Remainder of page intentionally left blank.
Signatures on following page*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

SELLER (CO-SELLER #1):

Richard C. Patterson, a married man, as his sole and separate property, as to an undivided 50% interest in the Property, defined below ("Co-Seller #1"); and

By: _____

Name: _____

Title: _____

Date: _____

SELLER (CO-SELLER #2)

David M. Kull and Ronna Kull, Trustees of the David and Ronna Kull Trust dated March 30, 2007, as to an undivided 50% interest in the Property, defined below ("Co-Seller #2").

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

CITY OF SAN FERNANDO

By: _____
Nick Kimball, City Manager

Date: _____

APPROVED AS TO FORM:

By: _____
Richard Padilla, Asst. City Attorney

EXHIBIT APARCEL MAP

Property Address: 13441 Foothill Boulevard, Los Angeles, CA 91342.

Assessor's Identification Numbers: 2513-009-043 & 2513-009-044.

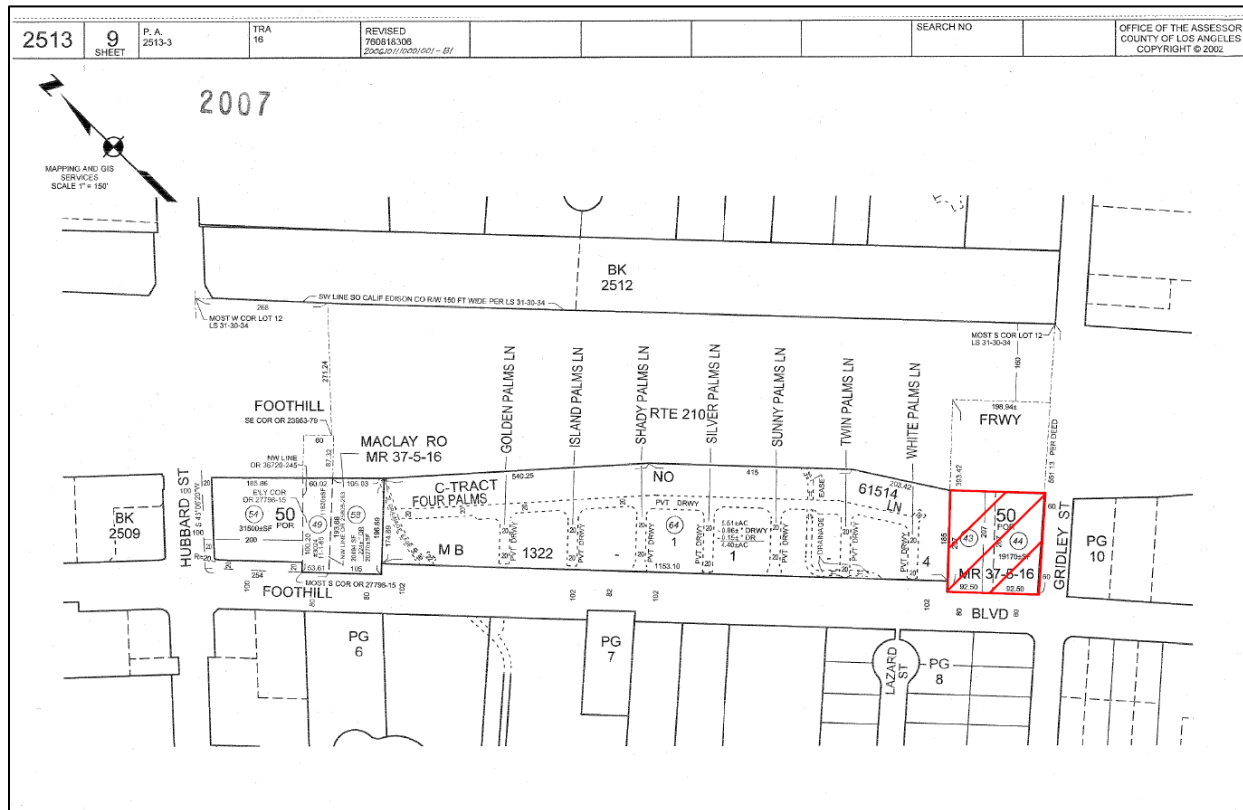


EXHIBIT B

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
DOCUMENT AND TAX STATEMENT TO:

THIS SPACE ABOVE FOR RECORDER'S USE

GRANT DEED

(Real Property Commonly Identified as 13441 Foothill Boulevard, Los Angeles, California)
(Assessor's Identification Numbers: 2513-009-043 & 2513-009-044)

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Grantor, as defined below, hereby remises, transfers and grants to the City of San Fernando, a municipal corporation organized under the laws of the State of California (hereinafter, "City") all of the right, title and interest of Grantor in certain lands and improvements situated in the City of Los Angeles, California (hereinafter, referred to as the "Property") which are more particularly described as follows:

See Exhibit 1 attached hereto and incorporated herein by this reference.

For purposes of this Grant Deed, the term "Grantor" is a collective reference to the following parties jointly and severally: RICHARD C. PATTERSON, a married man, as his sole and separate property, as to an undivided 50% interest in the Property ("Co-Grantor #1"); and DAVID M. KULL AND RONNA KULL, TRUSTEES OF THE DAVID AND RONNA KULL TRUST dated March 30, 2007, as to an undivided 50% interest in the Property ("Co-Grantor #2").

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Grantor has caused this Grant Deed to be executed this ____ day of _____ 20____.

CO-GRANTOR #1

Richard C. Patterson, a married man, as his sole and separate property, as to an undivided 50% interest in the Property

By:_____

Name:_____

Title:_____

Date:_____

CO-GRANTOR #2

David M. Kull and Ronna Kull, Trustees of the David and Ronna Kull Trust dated March 30, 2007, as to an undivided 50% interest in the Property

By:_____

Name:_____

Title:_____

Date:_____

By:_____

Name:_____

Title:_____

Date:_____

Notary Acknowledgement – Grant Deed

[Append Notary Form]

Exhibit 1**Legal Description****PARCEL 1:**

THAT PORTION OF BLOCK 50 OF MACLAY RANCHO, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 37 PAGE 5 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWESTERLY LINE OF SAID BLOCK DISTANT NORTHWESTERLY THEREON 92.50 FEET FROM THE MOST SOUTHERLY CORNER OF SAID BLOCK, SAID POINT BEING THE MOST WESTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO GLADWIN S. ELLIS AND WIFE RECORDED ON OCTOBER 17, 1956 AS INSTRUMENT NO. 484 IN BOOK 52603 PAGE 64 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF SAID LAND OF ELLIS A DISTANCE OF 207 FEET; THENCE NORTHWESTERLY PARALLEL WITH SAID SOUTHWESTERLY LINE OF SAID BLOCK A DISTANCE OF 92.50 FEET, MORE OR LESS, TO A POINT IN A LINE WHICH IS PARALLEL WITH AND 185 FEET NORTHWESTERLY, MEASURED ALONG SAID NORTHWESTERLY LINE OF BLOCK 50; THENCE SOUTHWESTERLY ALONG SAID LAST MENTIONED PARALLEL LINE A DISTANCE OF 207 FEET TO A POINT IN THE SOUTHWESTERLY LINE OF SAID BLOCK; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE 92.50 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

THAT PORTION OF BLOCK 50 OF MACLAY RANCHO, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 37 PAGE 5 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

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END OF LEGAL DESCRIPTION

EXHIBIT CASSIGNMENT OF INTANGIBLE PROPERTY

THIS ASSIGNMENT OF INTANGIBLE PROPERTY (this "Assignment") is dated _____, 20__ and is made and executed by _____, a(n) _____ [state] _____ [entity type] ("Seller"), with reference to the following facts:

WHEREAS, concurrently herewith, Seller is conveying to _____, a(n) _____ [state] _____ [entity type] ("Buyer"), in accordance with the terms of that certain Purchase and Sale Agreement and Joint Escrow Instructions dated _____, 201__ (the "Agreement"), certain real property legally described on Exhibit 1 attached hereto and incorporated herein by this reference (the "Real Property"), as well as all improvements and betterments, if any, located thereon and expressly described in the Agreement (the "Improvements"); and

WHEREAS in accordance with the Agreement, Seller desires to assign, transfer and convey to Buyer, as of the Closing, all of Seller's interest in and to the Intangible Property (as defined in the Agreement).

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration in hand paid by Buyer to Seller, the receipt and sufficiency of which are hereby acknowledged, Seller does hereby ASSIGN, TRANSFER and CONVEY to Buyer all of the Seller's interest in and to the Intangible Property.

THE INTANGIBLE PROPERTY IS ASSIGNED, TRANSFERRED AND CONVEYED TO BUYER SUBJECT TO ALL OF THE TERMS AND CONDITIONS OF THE AGREEMENT, AND SELLER IS NOT MAKING ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE WHATSOEVER, WHETHER EXPRESSED OR IMPLIED, WITH RESPECT TO THE INTANGIBLE PROPERTY, EXCEPT TO THE EXTENT EXPRESSLY SET FORTH IN THE AGREEMENT.

This Assignment shall be effective as of the Closing Date, as such term is defined in the Agreement. Capitalized terms not defined herein shall have the meanings given to them in the Agreement. The Seller represents that the signatory below has the full and complete authority to bind Seller to this Assignment and that no other consent is necessary or required in order for him/her to execute and deliver this Assignment on behalf of Seller.

Seller

_____,
a(n) _____ [state] _____ [entity type]

By: _____

Name: _____

Its: _____

Exhibit 1

Legal Description

PARCEL 1:

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END OF LEGAL DESCRIPTION

EXHIBIT DCERTIFICATE REGARDING FOREIGN INVESTMENT
IN REAL PROPERTY TAX ACT

Section 1445 of the Internal Revenue Code provides that a transferee (purchaser) of a U.S. real property interest must withhold tax if the transferor (seller) is a foreign person. To inform the transferee (purchaser) that withholding of tax is not required upon the disposition of a U.S. real property interest by _____, a(n) _____ (“Transferor”) Transferor hereby certifies:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue code and Income Tax Regulations).
2. Transferor’s Federal Employer Identification Number is: _____
3. Transferor’s office address is:

4. The address or description of the property which is the subject matter of the disposition is described in Exhibit 1 attached hereto.
5. Transferor is not a disregarded entity as defined in Section 1.445-2(b)(2)(iii).

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Transferor declares that it has examined this certification and to the best of its knowledge and belief, it is true, correct and complete, and further declares that the individual executing this certification on behalf of Transferor has full authority to do so.

_____,
a(n) _____

By: _____

Name: _____

Its: _____

Exhibit 1

Legal Description

PARCEL 1:

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END OF LEGAL DESCRIPTION

EXHIBIT EReaffirmation Certificate

This Reaffirmation Certificate is made and delivered by _____, a(n) _____
 _____ [state] _____ [entity type] [(“Seller” OR “Buyer”)] with reference
 to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated _____
 _____, 20____ ([as amended], the “Agreement”) entered into between [Seller OR Buyer] and _____
 _____, a(n) _____ [state] _____ [entity type].

[Seller OR Buyer] hereby restates and reaffirms its representations and warranties set forth
 in Section ____ of the Agreement with full force and effect as if set forth fully herein and made
 and delivered on the date hereof without any exception or qualification.

[Seller OR Buyer]

_____ ,

a(n) _____

By: _____

Name: _____

Its: _____

Date: _____

ATTACHMENT "C"

13441 FOOTHILL BOULEVARD
SYLMAR, CALIFORNIA



ATTACHMENT "D"

CEQA GENERAL RULE EXEMPTION

LAND ACQUISITION PROJECT 13441 FOOTHILL BOULEVARD

**LEAD AGENCY:**

**CITY OF SAN FERNANDO
COMMUNITY DEVELOPMENT DEPARTMENT
117 MACNEIL STREET
SAN FERNANDO, CALIFORNIA 91340**

PREPARED BY:

**BLODGETT BAYLOSIS ENVIRONMENTAL PLANNING
16388 E. COLIMA ROAD, SUITE 206J
HACIENDA HEIGHTS, CALIFORNIA 91745**

JANUARY 21, 2020

SANF 029

CEQA GENERAL RULE EXEMPTION
LAND ACQUISITION PROJECT, 13441 FOOTHILL BLVD.
CITY OF SAN FERNANDO, SAN FERNANDO, CALIFORNIA



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CEQA GENERAL RULE EXEMPTION
LAND ACQUISITION PROJECT, 13441 FOOTHILL BLVD.
CITY OF SAN FERNANDO, SAN FERNANDO, CALIFORNIA



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CEQA GENERAL RULE EXEMPTION
LAND ACQUISITION PROJECT, 13441 FOOTHILL BLVD.
CITY OF SAN FERNANDO, SAN FERNANDO, CALIFORNIA



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CEQA GENERAL RULE EXEMPTION
LAND ACQUISITION PROJECT, 13441 FOOTHILL BLVD.
CITY OF SAN FERNANDO, SAN FERNANDO, CALIFORNIA



CEQA GENERAL RULE EXEMPTION FOR THE LAND ACQUISITION PROJECT, 13441 FOOTHILL BLVD.

1. INTRODUCTION

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, an Exemption may be prepared and a Notice of Exemption (NOE) may be filed if the City of San Fernando, in its capacity as the Lead Agency, determines that a proposed action or project is exempt from the environmental review requirements of CEQA. According to the CEQA Guidelines, an NOE must contain the following:

- A brief description of the proposed action or project;
- A finding that the proposed action or project is exempt, including a citation to the State CEQA Guidelines section or statute under which the project is found to be exempt; and,
- A brief statement in support of the finding.

This Exemption and NOE provides a description of the proposed Land Acquisition Project ("the Project"), indicates the applicable sections of CEQA that support the findings for a CEQA exemption, and discusses the Lead Agency's findings that are applicable to the proposed project. While this Exemption has been prepared with the assistance of an environmental consultant, the findings of the analysis represent the independent judgment of the City of San Fernando, in its capacity as Lead Agency for the proposed project. Questions and/or comments should be submitted to the following contact person:

Mr. Timothy Hou, Deputy City Manager
Community Development Department, City of San Fernando
San Fernando, California 91340

This environmental document and all comments received shall be a part of the Environmental Record and review of the project.

2. PROJECT DESCRIPTION

The City of San Fernando is seeking to acquire two parcels of land (referred to as Parcel 1 and Parcel 2) located on the northwest corner of Foothill Boulevard and Gridley Street (a "paper street"). The site's address is 13441 Foothill Boulevard within the corporate boundaries of the City of Los Angeles. The combined land area of the two parcels is 38,295 square feet or 0.88 acres. The City has not yet determined the nature and extent of the potential public improvements that might ultimately occupy the site. In the long term, the City believes the site may be suitable for a future infrastructure project to support the City's Water Operations, perhaps as a future reservoir site. The City has an agreement, in principle, to acquire the property. The City Council must approve the purchase agreement.

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The site is occupied by a single housing unit that is situated on top of the hill that occupies the property. The site's local relief is dominated by the aforementioned hill. The remainder of the site, not occupied by the aforementioned building, consists of ruderal vegetation. The Foothill Freeway (I-210) right-of-way extends along the property's north side. The parcels are located in the midst of a residential neighborhood that includes both single-family and multiple-family residential development.

3. APPLICABLE CEQA EXEMPTION (GENERAL RULE EXEMPTION)

The City of San Fernando has reviewed the proposed Land Acquisition Project and has determined that it is categorically exempt and qualifies for a *General Rule Exemption*. The City of San Fernando has reviewed the proposed project and has determined that it is exempt from CEQA pursuant to the "General Rule" clause located in Section 15061(b)(3) of the CEQA Guidelines. According to Guidelines §15061(b)(3):

"An activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA."

4. FINDINGS SUPPORTING THE APPLICABLE CEQA EXEMPTION(S)

The City of San Fernando, determined following a preliminary evaluation of the proposed project would not result in any significant effects on the environment. This determination is based on the following:

- The proposed project will not result in any inconsistency with either the City of Los Angeles General Plan land use designation that is applicable to the site or the City of Los Angeles Zoning Ordinance and Map. No General Plan Amendment or Zone Change will be required to accommodate the proposed site acquisition.
- The affected area is relatively small with a total land area of approximately 0.88 acres. The two parcels that will be subject to the proposed acquisition are surrounded on all sides by urban uses.
- The affected area's relatively small size and its isolation from other natural open space areas limit its utility as a habitat or an animal migration corridor. No native or natural habitats are found within the affected property or on the adjacent parcels.
- The approval of the proposed project would not result in any significant effects relating to traffic, noise, air quality, or water quality. The project involves the land acquisition of two parcels for a yet undetermined public use.
- The project site can be adequately served by all required utilities and public services. The site currently uses a septic system for waste water disposal. No significant adverse cumulative impacts will result from the proposed project's implementation.

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Furthermore, the City of San Fernando makes the following additional findings in support of a CEQA exemption for the Project.

- No dislocation of any off-site uses will be required to accommodate the proposed improvements.
- The two affected parcels do not contain any sensitive native or natural environmental resources. The surrounding areas have been disturbed as part of previous development including the construction of the adjacent I-210 Freeway.
- The two affected parcels are located within an urbanized area of the City of Los Angeles. No scenic resources or scenic corridors will be affected by the proposed project.
- The two affected parcels are not located within an area, nor does it include a site, the Department of Toxic Substances Control (DTSC) and the Secretary for Environmental Protection has identified as being affected by hazardous wastes.
- The proposed project will not result in any adverse impacts on historic resources.
- The proposed project will not require any approvals by a State trustee or responsible agency as they relate to the environmental review of the Project.

The City of San Fernando may make the following findings with regard to the propose project's exemption from the environmental review requirements outlined in CEQA:

- The proposed project involves the acquisition of two parcels totaling 0.88 acres for a future public use by the City of San Fernando. This future use has not yet been determined. At such time a use has been identified, the requisite CEQA review will be undertaken.
- The proposed project does not have a possibility of creating any significant environmental effects. The proposed project involves the acquisition of two parcels totaling 0.88 acres for a future public use by the City of San Fernando. This future use has not yet been determined. At such time a use has been identified, the requisite CEQA review will be undertaken.
- The proposed project will not result in any impacts to sensitive resources. The proposed project involves the acquisition of two parcels totaling 0.88 acres for a future public use by the City of San Fernando. This future use has not yet been determined. At such time a use has been identified, the requisite CEQA review will be undertaken.
- The proposed project will not result in any impacts on sensitive resources; result in any cumulative impacts; have the potential for damaging scenic resources; involve the placement of a project over a site the Department of Toxic Substances Control (DTSC) and the Secretary for Environmental Protection has identified as being affected by hazardous waste; or result in any impacts on historic resources.



- The City of San Fernando, in its capacity as Lead Agency for the Project, has determined that there is no possibility” that the Project will result in significant effects.

5. ENVIRONMENTAL ASSESSMENT IN SUPPORT OF FINDINGS

AESTHETIC IMPACTS

The proposed renovation and improvements will be confined to the two parcels that are subject to the proposed acquisition. The dominant scenic vistas from the project site and the surrounding area include the views of the Santa Susana Mountains located to the west and the San Gabriel Mountains located to the north. The City is located in the northeastern portion of the San Fernando Valley near the south-facing base of the San Gabriel Mountains. There are no designated scenic vistas or resources present within the vicinity of the project. No protected views are present in the immediate area that could be affected by the proposed project. As a result, no view shed impacts are anticipated to occur.

AGRICULTURAL & FORESTRY RESOURCES IMPACTS

No agricultural activities are located within the project site or on adjacent parcels, nor does the City of San Fernando General Plan or Zoning Ordinance provide for any agricultural land use designation. As a result, the proposed project’s implementation will not impact any protected farmland soils. In addition, the affected parcels are not subject to a Williamson Act contract. As a result, no impacts on existing or future Williamson Act contracts will result from the proposed project’s implementation. The affected parcels are located in the midst of a larger urban area and no forest lands are located within the City or in the surrounding area.

AIR QUALITY IMPACTS

The proposed acquisition of the two parcels will not result in an increase in short-term or long term emissions. Long-term emissions refer to those air quality impacts that will occur once the development is operational and these impacts will continue over the operational life of the proposed project. Since no future development has been identified at this time, no short-term or long-term emissions will result from the City’s acquisition of the two parcels.

BIOLOGICAL RESOURCES IMPACTS

As indicated in the preceding sections, the affected parcels are located in an urbanized area. Native habitat in the vicinity of the project site has been removed as part of past development. Urban development surrounds the property on all sides. The affected area’s small size (0.88-aces) and its isolation from other open space areas restrict its utility as a habitat or an animal migration corridor. No mature trees will be removed as part of the proposed site acquisition. There are no native or natural riparian plant habitats found within the project site or in the adjacent properties. No “blue line” streams are located within the project site.



CULTURAL RESOURCES IMPACTS

The proposed project's implementation will have no impact on culturally significant resources because the project is a request to purchase two parcels. No development is contemplated as part of this proposal. In addition, the site acquisition will be restricted to the two parcels and will not affect any historical resources located in the City.

HAZARDS & HAZARDOUS MATERIALS IMPACTS

The project site is not included on a hazardous sites list compiled pursuant to California Government Code Section 65962. Additionally, no impacts will occur with respect to locating the areas subject to improvement being located on a site included on a hazardous list pursuant to the government code.

NOISE IMPACTS

The proposed project's implementation will not lead to an increase in ambient noise levels since no development will occur. The CEQA exemption is only concerned with the acquisition of the two properties. The nature and extent of future development is unknown at this time. As a result, the proposed project's implementation will not result in any noise impacts.

POPULATION & HOUSING IMPACTS

Growth-inducing impacts are generally associated with the provision of urban services to an undeveloped or rural area, such as utilities, improved roadways, and expanded public services. The proposed project would not result in any significant additional population growth. The utility connections and other infrastructure will continue to serve the project site only. As a result, no growth inducing impacts are anticipated.

TRANSPORTATION & CIRCULATION IMPACTS

The proposed project's implementation will not result in any trip generation since it involves the acquisition of two parcels totaling 0.88 acres by the City of San Fernando. As a result, no change in traffic volumes will occur.

UTILITIES IMPACTS

The proposed project's implementation will not result in an increase in local employment or population. As a result, no additional wastewater or solid waste will be generated project and no impacts will transpire.

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Nick Kimball, City Manager
By: Julian J. Venegas, Director of Recreation and Community Services

Date: January 27, 2020

Subject: Farmers Market Update

RECOMMENDATION:

It is recommended that the City Council:

- a. Receive a presentation from staff regarding the status of the Farmers Market; and
- b. Provide staff direction, as appropriate.

BACKGROUND:

1. During the Fiscal Year (FY) 2014-2015, the City Council included exploration of implementing a Farmers Market (Market) program as a City Council Priority.
2. In FY 2016-2017, the City submitted a grant application to the United States Department of Agriculture (USDA) for the Food Insecurity Nutrition Incentive (FINI) Corner and Farmers Markets Incentive Program. Staff received notice the City was not awarded the grant.
3. During FY 2018-2019, staff met with the Mall Association and California Fruits, a farmers market management firm, to develop a strategy for implementing a Market and to identify funding that would support the operation of a Market.
4. On February 4, 2019, the City submitted a grant to the Healthy Food Financing Initiative Program to fund the establishment and operation of a Market. The Market would be a collaboration between the City, the Mall Association and California Fruits.
5. On August 23, 2019, staff received notice that the City was not selected for funding.
6. As part of the FY 2019-2020 Adopted Budget work plan, Recreation and Community Services Department staff is continuing to research other grant opportunities to fund a Farmers Market in the City.

Farmers Market UpdatePage 2 of 3

ANALYSIS:

A Market is a valuable community resource that can promote healthy eating by making fresh and in-season fruits and vegetables readily available to residents and surrounding community members. According to the Los Angeles County Department of Health, farmers markets reduce the propensity of food insecurity among surrounding households by approximately 19%.

Pursuant to City Council direction, staff has been exploring various options to establishing a Market since FY 2014-2015. The primary obstacle to establishing a Market is the initial cost for permitting and equipment purchases as well as ongoing operating costs, including the cost of an experienced Farmers Market manager, restroom rentals, and marketing supplies. Establishing a Market requires licensing and permit fees from several regulatory agencies such as the Los Angeles County Department of Public Health, the USDA Agricultural Agency and the City of San Fernando. The regulatory agencies ensure that the Market vendors abide by all applicable federal, state, and local health regulations and that the vendors are licensed to sell their produce and goods.

There are other costs associated with operating a Market, including the equipment needed to shut down the street where the Market is being held and the staff time needed to operate the Market. The site for the Market that has been proposed in the past is on San Fernando Road between Brand Boulevard and Maclay Avenue. The Market would require traffic control devices, traffic warning signs and barricades to close both ends of San Fernando Road. There will also be a need to rent portable restrooms and sinks for the patrons and vendors.

In addition to the equipment cost, the City will need to hire, or contract with, an experienced Market Manager to handle the administrative responsibilities and several Recreation Leaders to assist the Manager on the day the market is open. The Market will also need operational supplies to promote and advertise the program.

The cost analysis (Attachment "A") shows the initial startup cost of approximately \$32,000 and an annual cost of approximately \$27,000. Although the cost analysis only accounts for the initial startup cost of a Market, it is prudent to budget for a three-year-period as a Market typically needs a three-year time span to establish itself in the community and become a self-sustaining program.

The Healthy Food Financing Initiative was a highly competitive national grant. There were 240 applicants requesting approximately \$42 million in grant funds. However, only \$1.4 million were available through this funding cycle. Although, the City's Farmers Market application met the grant criteria, funding farmers market startup efforts was a low priority for the grantors. Ultimately, only ten of the 240 applicants were selected for funding. The projects selected include the development of market cooperatives, grocery store explanations, and establishing food banks in rural communities.

Farmers Market UpdatePage 3 of 3

Staff is continuing to explore funding sources that may fund a Farmers Market. The USDA will be releasing two Requests For Proposals (RFP) that support the development, coordination, and expansion of direct-producer-to-consumer markets to help increase access and availability to locally and regionally produced agricultural products. One is the Farmers Market Promotion Program and the other is the Farmers Market and Local Food Promotion Program. Both are expected to be released in February 2020. Recreation and Community Services Department staff has subscribed to their newsletter in order to get a notification when the RFPs become available.

Barring any grant or general funds to initiate a Market, the City may consider contracting with a private Farmers Market Management Firm. These firms are usually for-profit and run markets like a business. The risk with this option is that such firms may abandon a struggling market. The average time frame a Market needs to become self-sustaining is three years. If a private firm is not meeting its bottom line, it is likely to halt operations. Food prices are usually higher with a for-profit firm managing the market because the vendors are paying higher fees to the managing firm. Although hiring a managing firm reduces the initial operating cost, the City would still need to waive encroachment permit fees and staff time needed to close down and reopen the streets.

BUDGET IMPACT:

Researching funding opportunities for a Market was included in the Recreation and Community Services Department's FY 2019-2020 Adopted Budget work program. The estimated cost to operate a Market for one year would be, at a minimum, \$32,000 in general fund allocation, unless an alternate funding source is identified. This figure is based on operating the Market year-round, one day a week, for four hours. An itemized list of the cost is detailed in Attachment "A".

CONCLUSION:

It is recommended that the City Council receive and file this report and provide staff direction, as appropriate.

ATTACHMENT:

A. Itemized Cost Analysis

ATTACHMENT "A"

**San Fernando Farmers Market
Cost Analysis**

Street Closure Equipment

Item	Frequency	Unit Cost	No.	Total
Water Barricades	Onetime	\$ 365.00	6	\$ 2,190.00
A-Frame Barricade	Onetime	\$ 86.45	4	\$ 345.80
Type II Barricade	Onetime	\$ 55.50	15	\$ 832.50
No Right Turn Sign	Onetime	\$ 104.99	3	\$ 314.97
No Left Turn Sign	Onetime	\$ 104.99	3	\$ 314.97
Road Closed Sign	Onetime	\$ 78.79	4	\$ 315.16
Sub-Total				\$ 4,313.40

Permits and Licensing

Item	Frequency	Unit Cost	No.	Total
USDA Agricultural	Bi-Annually	\$ 408.00	2	\$ 816.00
LA County Pulic Health	Annually	\$ 323.00	1	\$ 323.00
City Business License	Annually	\$ 11.00	15	\$ 165.00
Sub-Total				\$ 1,304.00

Rental Equipment

Item	Frequency	Unit Cost	No.	Total
Portable Restrooms	Monthly	\$ 173.00	12	\$ 2,076.00
Portable Sinks	Monthly	\$ 32.00	12	\$ 384.00
				\$ -
Sub-Total				\$ 2,460.00

Promotional Supplies

Item	Frequency	Unit Cost	No.	Total
Poster Board	Annually	\$ 68.00	6	\$ 408.00
Easel	Onetime	\$ 160.00	4	\$ 640.00
Pens	Annually	\$ 20.00	6	\$ 120.00
Markets	Annually	\$ 11.00	6	\$ 66.00
Postage	Annually	\$ 0.55	1500	\$ 825.00
Clipboards	Onetime	\$ 42.00	6	\$ 252.00
Paper	Annually	\$ 68.00	6	\$ 408.00
Sub-Total				\$ 2,719.00

Staff Time

Position	Frequency	Rate	Hours	Months	Total
Program Speiclist-Market Manager	Monthly	\$ 26.58	40	12	\$ 12,758.40
Rec. Leader II - Assistant Manager	Monthly	\$ 14.92	24	12	\$ 4,296.96
Rec. Leader I - Market Aide	Monthly	\$ 14.15	24	12	\$ 4,075.20
Sub-Total					\$ 21,130.56
Grand Total					\$ 31,926.96

The operational cost will be lowed to \$26,722 the second year, because the onetime items were part of the initial start up cost.

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Nick Kimball, City Manager
By: Richard Padilla, Assistant City Attorney

Date: January 27, 2020

Subject: Discussion of Election and Ballot Related Information

RECOMMENDATION:

It is recommended that the City Council:

- a. Receive a presentation from staff regarding guidelines for providing ballot and election related information to the community;
- b. Discuss ballot and election related information to be provided to the community;
- c. Consider adopting Budget Resolution No. 7979 (Attachment "A") appropriating funds to produce ballot and election related information; and
- d. Provide direction to staff, as appropriate.

BACKGROUND:

1. On November 8, 2019, the City Council adopted Resolution No. 7965 calling a Special Municipal Election on March 3, 2020 to submit to the voters a question relating to the ban of marijuana dispensaries and all other cannabis business activity in the City.
2. On December 12, 2019, the City Council authorized the Cannabis Ad Hoc (Mayor Fajardo and Vice Mayor Pacheco) to draft and submit an "Argument For" the ballot measure and authorized staff to include factual information on Measure MJ in the City's January 2020 and February 2020 utility bills (Attachment "B"). City Council also requested staff to return in January with an agenda item to discuss additional ballot and election related information to be provided to the community.
3. Pursuant to City Council direction, the "Argument For" Measure MJ was submitted to the County Registrar/Recorder by the City Clerk's Office prior to the December 13, 2019 deadline.

Discussion of Election and Ballot Related InformationPage 2 of 3

ANALYSIS:

Public agencies play an important and ongoing, but impartial, role in contributing to the public's information on important issues affecting the community. The flow of factual, unbiased information back and forth between public agencies and constituents, as well as among constituents, is vital to effective decision making.

Both statutes and case law define the legal parameters of what public agencies may and may not do to communicate their views on ballot measures with public resources. "Public resources" include not only money, but things paid for with public money, including staff time, agency facilities, materials and equipment, and agency communication channels.

California courts have, in essence, created three categories of activities: 1) those that are usually impermissible campaign activities, 2) those that are usually permissible informational activities, and 3) those that may require further analysis under the "style, tenor and timing" test.

Impermissible activities include using public funds for communications that expressly advocate a particular result in an election (e.g., "Vote YES on..." or "Vote NO on..."), or to purchase campaign materials such as bumper stickers, posters, advertising "floats," television and radio spots, and billboards. Another improper activity is using public resources to disseminate advocacy materials prepared by others. The production and mailing of "promotional campaign brochures" is also not allowed, even when those documents contain some useful factual information for the public.

Permissible activities include:

- Preparing impartial staff reports and other analyses to assist decision-makers in determining the impact of the measure and what position to take.
- Responding to inquiries about ballot measures in ways that provide a fair presentation of the facts about the measure and the agency's view of the merits of a ballot measure including.
- Accepting invitations to present the agency's views before organizations interested in the ballot measure's effect.

Any activity or expenditure that does not fall into either the "usually impermissible" or "usually permissible" category must be evaluated by a "style, tenor and timing" standard against the backdrop of the overarching concern for fairness and non-distortion in the electoral process.

Additional information regarding ballot related information is included as Attachment "C."

Discussion of Election and Ballot Related InformationPage 3 of 3

BUDGET IMPACT:

Discussion of permissible and impermissible ballot related activities are part of City Attorney's annual work plan. The cost to provide ballot related information to the community will be determined based on City Council direction. In general, social media posts and providing information through the City's website require dedicated staff time and a city-wide mailing has an estimated cost of approximately \$3,500 plus staff time to develop the information.

ATTACHMENTS:

- A. Budget Resolution No. 7979
- B. Measure MJ information included in the City's Utility Bills
- C. Memo re: Guidelines for the Distribution of Information Materials for City Ballot Measures

ATTACHMENT “A”**RESOLUTION NO. 7979****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SAN FERNANDO, CALIFORNIA, AMENDING THE BUDGET
FOR THE FISCAL YEAR 2019-20 ADOPTED ON JULY 1, 2019**

WHEREAS, the City of Council has received and considered the proposed adjustment to the budget for Fiscal Year 2019-20, commencing July 1, 2019, and ending June 30, 2020; and

WHEREAS, the City Council has determined that it is necessary to amend the revenues and expenditures of the current City budget; and

WHEREAS, an annual budget for the City of San Fernando for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020, a copy of which is on file in the City Clerk’s Office, has been adopted on July 1, 2020.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO,
DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:**

Section 1. The following adjustments are made to the City Budget:

General Fund:

Fund 001-116-0000-4230:

Increase in Expenditures: \$_____

PASSED, APPROVED, AND ADOPTED this 27th day of January, 2020.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a special meeting of the City Council held on the 27th day of January, 2020, by the following vote to wit:

AYES:

NOES:

ABSENT:

Elena G. Chávez, City Clerk

CITY HAPPENINGS

Essential Information for San Fernando Residents & Businesses



*Election Day is
 Tuesday, March 3, 2020*

CONSIDERATION TO BAN ALL MARIJUANA/ CANNABIS BUSINESS ACTIVITIES

A **"YES"** vote will ban the City Council from permitting marijuana storefront dispensaries and other cannabis business activities in the City.

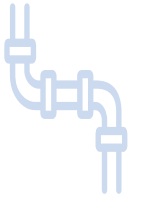
A **"NO"** vote will maintain City Council authority to permit marijuana storefront dispensaries and other cannabis business activities.

*BILL ASSISTANCE FOR LOW-INCOME CUSTOMERS

Financial assistance will be available for low-income customers who qualify via SoCal Edison/The Gas Company low-income bill assistance programs. The City will provide more information on this program in the coming months.



2020 WATER AND SEWER RATE ADJUSTMENTS



The San Fernando City Council recently considered proposed adjustments to Water and Sewer Rates **that will go into effect January 1, 2020**. The rate adjustments the City Council ultimately adopted were less than the amount proposed on the Notice of Public Hearing on Proposed Water and Sewer Rate Adjustment that was sent to all City utility customers in October 2019 and include a new **bill assistance program for low-income customers*** to offset a portion of the rate increase. The following example shows the current bill, the originally proposed rate, and the rate ultimately adopted by City Council for a typical San Fernando single family residence (3/4" meter with average use of 26 HCF); your actual bill will vary based on usage.

WATER RATES for Average Single Family Residential Home

	Current Bill	Proposed Rate	City Council Adopted Rate
Fixed Meter Charge	\$37.37	\$41.11	\$40.11
Commodity Charge	\$44.94	\$54.92	\$54.60
Total Bi-Monthly Bill	\$82.31	\$100.13	\$94.71
Change from Current Bill		\$17.82 22%	\$12.40 15%

The annual increase for the next 4 years (2021-2024) is between 8% to 10% per year.

The additional rate revenue will be used to cover the on-going cost of operating the City's new nitrate removal system at City Well No. 2, which allows the City to avoid purchasing much higher cost water from Metropolitan Water District of Southern California. It will also allow the City to continue to replace water main pipelines throughout San Fernando.

SEWER RATES for Average Single Family Residential Home

	Current Bill	Proposed Rate	City Council Adopted Rate
Flat Rate	\$65.40	\$78.35	\$72.59
Change from Current Bill		\$12.95 20%	\$7.19 11%

The annual increase for 2021 is 10%, then 2% annual increase in 2022 to 2024.

The change reflects the City Council's desire to lessen the impact to single family residential rates in the first year of the 5 year rate schedule. This revenue will allow the City to invest in rehabilitation and repair of aging sewer lines and covers the increased costs of sewage treatment performed on the City's behalf by the City of Los Angeles.

ACONTECIMIENTOS DE LA CIUDAD

Información Esencial para los Residentes y Comercios de San Fernando



*El Día de las Elecciones es
Martes, 3 de Marzo del 2020*

CONSIDERACION PARA ELIMINAR TODAS LAS ACTIVIDADES DE MARIJUANA/ CANNABIS

Un voto de **"SI"** prohibirá que el Concilio de la Ciudad permita dispensarios de marijuana y otras actividades similares en la Ciudad.

Un voto de **"NO"** le seguira dando la autoridad al Concilio de la Ciudad de permitir dispensarios de marijuana y otras actividades similares en la Ciudad.

*ASISTENCIA PARA CLIENTES DE BAJOS INGRESOS

Habrà ayuda financiera disponible para clientes de bajos ingresos que califiquen por medio de los programas de asistencia de SoCal Edison/The Gas Company. La Ciudad ofrecerà más información de este programa en los próximos meses.

HOJA DE DATOS DE AJUSTE DE LAS TARIFAS DE AGUA Y ALCANTARILLADO 2020

Recientemente, el Concilio de la Ciudad de San Fernando tomó en consideración ajustes a las tarifas de agua y alcantarillado **que entraran en efecto el 1^{ro} de Enero del 2020**. Las nuevas tarifas que el concilio adoptó son menos que las cantidades que fueron propuestas en el Aviso de Audiencia Pública Sobre Los Ajustes Propuestos en Las Tarifas de Agua y Alcantarillado que fue enviada a todos los clientes en Octubre del 2019 e **incluye un programa nuevo de bajos ingresos para ayudar a los clientes***. El siguiente ejemplo muestra su factura actual, la tarifa propuesta, y la tarifa adoptada para una casa residencial con un medidor de 3/4" y un uso de 26 unidades de agua.

TARIFAS DE AUGA Residencial, Unifamiliar

	Factura Actual	Tarifa Propuesta	Tarifa Adoptada
Carga Fija de Medidor	\$37.37	\$41.11	\$40.11
Cargos por Producto	\$44.94	\$54.92	\$54.60
Factura Bi-Mensual Total	\$82.31	\$100.13	\$94.71
Cambio de la Factura Actual		\$17.82 22%	\$12.40 15%

Los aumentos anuales serán del 8-10% durante los próximos 4 años (2021-2024).

Los costos que deben ser recuperados a través de esta tarifa como fuente de ingresos para cubrir los gastos continuos del sistema de eliminación de nitrato y prevenir tener que comprar agua del Distrito Metropolitano de Agua (MWD). El comprar agua del MWD sería más costoso para los usuarios. Esta tarifa también permitirá que la Ciudad continúe remplazando pipas de agua del sistema.

TARIFAS DEL ALCANTILLARDO, Unifamiliar

	Factura Actual	Tarifa Propuesta	Tarifa Adoptada
Cargo Fijo	\$65.40	\$78.35	\$72.59
Cambio de la Factura Actual		\$12.95 20%	\$7.19 11%

El aumento anual del alcantarillado será de 10% en el año 2021 y 2% anualmente del 2022-2024.

Este aumento refleja el deseo del Concilio de minimizar el impacto de las nuevas tarifas durante los primeros 5 años. Las nuevas tarifas del alcantarillado ayudaran con la rehabilitación y reparación de las líneas del alcantarillado y cubren el costo del servicio de desagüe del que se encarga la Ciudad de Los Ángeles.

ATTACHMENT “C”

ATTORNEYS AT LAW



OLIVAREZ MADRUGA LEMIEUX O'NEILL, LLP

A LIMITED LIABILITY PARTNERSHIP

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MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Office of the City Attorney

Date: January 23, 2020

Subject: Guidelines for the Distribution of Information Materials for City Ballot Measures

This memorandum responds to a query of the San Fernando City Council (“City Council”) concerning the ability of the City of San Fernando (“City”) to distribute impartial information regarding a City-initiated ballot measure set to go before San Fernando voters at the Presidential Primary Election of March 3, 2020.

EXECUTIVE SUMMARY

The City should send the informational materials in a manner consistent with the general practices of the City. In other words, if the City normally delivers information to all City residents through a regular channel of communication (e.g., City’s existing newsletter), then in order to avoid the risk of engaging in impermissible campaign activity, the information should be disseminated to City residents through that same communication channel.

ANALYSIS:

Both statutes and case law define the legal parameters of what public agencies may and may not do to communicate their views on ballot measures with public resources. That being said,

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courts have also recognized the role of public agencies in ensuring that the public has the factual, impartial information it needs to make informed decisions.¹

California courts have, in essence, created three categories of activities in determining which actions by public agencies are proper informational activities or improper campaigning:

- Those that are usually impermissible campaign activities;
- Those that are usually permissible informational activities; and
- Those that may require further analysis under the “style, tenor and timing” test.²

Impermissible activities include: using public funds for communications that expressly advocate a particular result in an election, or to purchase campaign materials such as bumper stickers, posters, advertising “floats,” television and radio spots and billboards.³ Another improper activity is using public resources to disseminate advocacy materials prepared by others.⁴ The production and mailing of “promotional campaign brochures” is also not allowed, even when those documents contain some useful factual information for the public.⁵

Permissible activities include: the governing body of the agency taking a position on a ballot measure in an open and public meeting where all perspectives may be shared;⁶ preparing impartial staff reports and other analyses to assist decision-makers in determining the impact of the measure and what position to take;⁷ responding to inquiries about ballot measures in ways that provide a fair presentation of the facts about the measure and the agency’s view of the merits of a ballot measure including, if applicable, the governing body’s position on the measure.⁸ Accepting invitations to present the agency’s views before organizations interested in the ballot measure’s effects including, if applicable, the governing body’s position on the measure.⁹

Any activity or expenditure that does not fall into either the “usually impermissible” or “usually permissible” category must be evaluated by a “**style, tenor and timing**” standard against the backdrop of the overarching concern for fairness and non-distortion in the electoral process.¹⁰

In determining whether a particular activity may be permissible it is important to consider whether the activity is undertaken as part of a regular City communication. In *Vargas v. City of Salinas*, the California Supreme Court examined a city’s mailing of informational articles on a proposed tax measure to city residents through a quarterly newsletter. The *Vargas* Court noted that “under some circumstances **the mailing of material relating to a ballot measure to a large**

¹ See *Stanson v. Mott* (1976) 17 Cal.3d 206, 210-11; *Vargas v. City of Salinas* (2009) 46 Cal.4th 1, 31-32.

² *Vargas*, 46 Cal.4th at 7, citing *Stanson*, 17 Cal.3d at 222, n. 8.

³ *Vargas*, 46 Cal.4th at 24, 32, 42.

⁴ *Vargas*, 46 Cal.4th at 24, 35.

⁵ *Vargas*, 46 Cal.4th at 39 n. 20.

⁶ *Vargas*, 46 Cal.4th at 37; see also *Choice-In-Education League v. Los Angeles Unified Sch. Dist.* (1993) 17 Cal. App.4th 415, 429-30 (1993).

⁷ *Vargas*, 46 Cal.4th at 36-37.

⁸ *Vargas*, 46 Cal.4th at 24-25, 33.

⁹ *Vargas*, 46 Cal.4th at 25, 36, citing *Stanson*, 17 Cal. 3d at 221.

¹⁰ *Vargas*, 46 Cal.4th at 7, 30, 40.

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number of potential voters shortly before an upcoming election unquestionably would constitute campaign activity that may not properly be paid for by public funds.”¹¹ In that case, however, the Court pointed to a number of factors supporting the conclusion that the City’s mailing of the newsletter at issue constituted informational rather than campaign activity.”¹² Among those factors were:

- The newsletter was a regular edition of a newsletter that as a general practice was mailed to all city residents, rather than a special edition created and sent to would-be voters specifically because of the upcoming election;¹³
- The style and tenor of the newsletter was consistent with an ordinary municipal newsletter and “readily distinguishable from traditional campaign material”;¹⁴
- The article provided city residents with important information about the tax in “an objective and nonpartisan manner.”¹⁵

In short, the Court explained in part that the City’s actions were proper informational activities rather than improper campaigning because “the information provided and the manner in which it was disseminated were consistent with *established practice*” by the City.¹⁶

Other potentially problematic efforts include the following:

- The hiring of a communications strategist, to interpret polling data and to develop messaging strategies specifically for a ballot measure effort;
- Posting links to advocacy groups on the city website – whether for or against;
- Using public agency e-mail to distribute viewpoint material concerning the ballot measure (better practice for officials is to use personal e-mail accounts);
- Using public agency-provided letterhead to engage in advocacy.

CONCLUSION AND RECOMMENDATIONS:

In so far as the City wishes to distribute purely informational materials, the City should disseminate such material in a manner consistent with the general communication and outreach practices of the City. The safest approach would be to deliver the information through regular agency communications channels (e.g., the City’s existing website and newsletter), rather than sending stand alone mailers to residents of the City in anticipation of the election. To the extent the City routinely distributes information in the City’s water bill that to may be acceptable so long as the cost of doing so does not significantly differ from the cost associated with other similar information distribution efforts and does not amount to express advocacy. Simply providing

¹¹ *Vargas*, 46 Cal.4th at 38.

¹² *Vargas*, 46 Cal.4th at 38.

¹³ *Vargas*, 46 Cal.4th at 38.

¹⁴ *Vargas*, 46 Cal.4th at 38-39.

¹⁵ *Vargas*, 46 Cal.4th at 39.

¹⁶ *Vargas*, 46 Cal.4th at 40.

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information about the date of the election and what the proposed measure would do if approved is acceptable. Such materials should avoid statements that urge support or opposition or that offer opinion as to whether or not approval or defeat of the measure is “a good thing” or a “bad thing”.

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AGENDA REPORT

To: Mayor Joel Fajardo and City Councilmembers

From: Councilmember Sylvia Ballin

Date: January 27, 2020

Subject: Consideration to Allocate Independent Cities Finance Authority's Community Outreach Program Funds

RECOMMENDATION:

It is recommended that City Council:

- a. Discuss the recommended allocation of Independent Cities Finance Authority's (ICFA) Community Outreach Program funds; and
- b. Adopt Resolution No. 7975 appropriating the funds in the Fiscal Year (FY) 2019-2020 Adopted Budget.

BACKGROUND:

1. On July 1st of every year, the ICFA provides an annual FY allocation of \$7,500 to eligible Board Members (i.e., those that have attended at least two-thirds of the prior year's ICFA meetings). Through the ICFA's Community Outreach Program, eligible Board Members may contribute all, or part, of their annual allocation to one or more organizations in their community. As the City's appointed Board Member (i.e., City liaison to the ICFA), I have made recommendations to City Council regarding the use of these monies for specific purposes.
2. Past organizations and programs that have received allocations include: the Education Commission for scholarships (\$11,500) and the City's Veteran's Recognition program (\$3,500).
3. In January 2020, the City received notice that Councilmember Ballin attended the required number of meetings in FY 2018-2019 to receive the Community Outreach Program funds.

ANALYSIS:

I am recommending that the FY 2018-2019 ICFA grant of \$7,500 be allocated in the following manner:

Consideration to Allocate Independent Cities Finance Authority's Community Outreach Program Funds
Page 2 of 2

- Parks, Recreation and Community Services Department to continue and enhance the Veteran's Pole Banner Recognition Program: \$1,500
- Parks, Recreation and Community Services Department to support the San Fernando Open Streets event to be held in November 2020: \$3,500
- Las Palmas Senior Club to support programs and dances: \$2,500

Total recommended allocation: \$7,500

BUDGET IMPACT:

ICFA funds will be allocated and tracked in the Community Investment Fund (Fund 053). Subsequent to City Council approval of funding allocations, staff will send a request to ICFA to draw down funds.

ATTACHMENT:

A. Resolution No. 7975

ATTACHMENT “A”**RESOLUTION NO. 7975****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA, AMENDING THE BUDGET FOR THE FISCAL YEAR 2019-2020 ADOPTED ON JULY 1, 2019**

WHEREAS, the City of Council has received and considered the proposed adjustment to the budget for Fiscal Year 2019-2020, commencing July 1, 2019, and ending June 30, 2020; and

WHEREAS, the City Council has determined that it is necessary to amend the revenues and expenditures of the current City budget; and

WHEREAS, the Independent Cities Finance Authority (ICFA) provides an annual Fiscal Year allocation of \$7,500 to eligible Board Members (i.e., those that have attended at least two-thirds of the prior year’s ICFA meetings); and

WHEREAS, an annual budget for the City of San Fernando for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020, a copy of which is on file in the City Clerk’s Office, was adopted on July 1, 2019.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. The following adjustments are made to the City Budget:

VETERAN RECOGNITION PROGRAM

Increase in Revenues	
053-3607-1355	\$1,500

Increase in Expenditures	
053-420-1355-4300	\$1,500

SAN FERNANDO OPEN STREETS EVENT (NOVEMBER 2020)

Increase in Revenues	
053-3607-3711	\$3,500

Increase in Expenditures	
053-420-3711-4260	\$3,500

LAS PALMAS SENIOR CLUB (PROGRAMS AND DANCES)**Increase in Revenues**

053-3607-1380	\$2,500
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Increase in Expenditures

053-420-1380-4300	\$2,500
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PASSED, APPROVED, AND ADOPTED this 27th day of January 2020.

Joel Fajardo, Mayor

ATTEST:

Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a special meeting of the City Council held on the 27th day of January 2020, by the following vote to wit:

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

Elena G. Chávez, City Clerk

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Councilmember Sylvia Ballin

Date: January 27, 2020

Subject: Update on Statewide Tenant Protection Act of 2019 AB 1482 (Rent Control)

RECOMMENDATION:

I have placed this item on the agenda for City Council discussion and consideration.

BACKGROUND/ANALYSIS:

1. On April 2, 2019, the City Council received an updated report on regulatory options for rent control, rent stabilization and dispute resolution.
2. On October 8, 2019, Governor Newsom signed Assembly Bill No. 1428, the Tenant Protection Act of 2019 (AB 1482), into law.
3. Subsequent to the Governor signing the bill into law, then Vice Mayor Ballin requested an update from staff to provide information regarding the impact of AB 1482 on San Fernando.
4. On October 21, 2019, an informational update was included on the City Council agenda, but was not discussed due to time constraints.
5. The statewide law became effective January 1, 2020.


BUDGET IMPACT:

There is no impact to the budget by discussing this item. Additional future costs to be determined based on City Council direction.

ATTACHMENT:

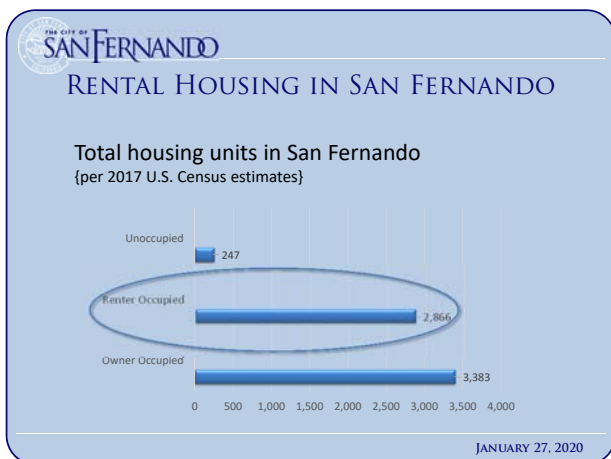
A. Presentation






**TENANT PROTECTION ACT OF 2019
AB 1482**

PRESENTED BY:
TIMOTHY HOU
DEPUTY CITY MANAGER/DIRECTOR OF COMMUNITY DEVELOPMENT




 **SAN FERNANDO**

HISTORY OF STATE RENTAL HOUSING LAW

Costa-Hawkins Rent Housing Act (1995)

1. Housing constructed after 1995 exempt from local rent control regulation
2. New housing already exempt from local rent control laws in place before Feb. 1, 1995, remain exempt
3. Single family residences, condos exempt
4. Owners can establish new rental rates when tenancy changes

JANUARY 27, 2020

 **SAN FERNANDO**

HISTORY OF STATE RENTAL HOUSING LAW

Ellis Act (1986)

- Gave landlords the right to withdraw their property from rental markets and evict tenants by repurposing their property for some other use (e.g., condos, hotels, dirt lots)
- Jurisdiction can impose requirements on property owners who repurpose property:
 - Relocation assistance for displaced tenants
 - Specific noticing period requirements

JANUARY 27, 2020

 **SAN FERNANDO**


STATE RENTAL HOUSING LAW

Costa-Hawkins + Ellis Act =
Limited the scope and efficacy of rent control law:

- Reduced number of units subject to local rent control
- Allows landlords to reset rents upon vacancy
- Incentivized landlords to take rent-controlled units off the market by repurposing properties



JANUARY 27, 2020

 **SAN FERNANDO**

"JUST CAUSE" EVICTIONS

Under prior State law:

- Written 30-day or 60-day notice on the tenant
- **Not required** to state reason for ending the tenancy
- "Just cause," e.g., default, breach of lease terms, criminal activity, intent to occupy by owner, withdrawal from rental market
- Some reasons for eviction are unlawful (e.g., retaliatory or discriminatory eviction)

JANUARY 27, 2020

 **SAN FERNANDO**

TENANT PROTECTION ACT OF 2019

Assembly Bill No. 1428, Chiu

- Signed by Gov. Newsom on Oct. 8, 2019
- Effective Jan. 1st until Jan. 1, 2030
- California now the 3rd state with statewide rent control program



JANUARY 27, 2020

 **SAN FERNANDO**


TENANT PROTECTION ACT OF 2019

1. Evictions

- Prohibits evictions without "just cause"
- Written notice for tenants of ≥ 12 months
- Opportunity to cure violation
- If violation not cured, can issue 3-day notice to quit




JANUARY 27, 2020


 **SAN FERNANDO**
TENANT PROTECTION ACT OF 2019

2. Tenant Relocation Assistance

- No-fault just cause termination triggers tenant relocation assistance
- Two methods (choose one):
 - Direct payment of one month's rent to tenant
 - Waive rent for the final month of tenancy



JANUARY 27, 2020


 **SAN FERNANDO**
TENANT PROTECTION ACT OF 2019

3. Rent Caps

- Rent increase capped at whichever is lower:
 - 1) 5 percent + percentage change in cost of living, or
 - 2) 10 percent
- Rent increases based on the lowest gross rental rate charged for preceding 12 months
- Only two rent increases in a 12-month period, no restriction following vacancy
- Retroactive to rents since March 15, 2019

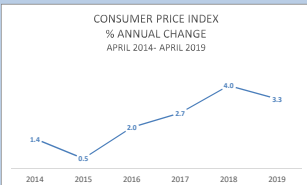
5% + CPI

JANUARY 27, 2020


 **SAN FERNANDO**
TENANT PROTECTION ACT OF 2019

3. Rent Caps

- "Percentage change in the cost of living" = Percentage change in the regional Consumer Price Index
- Average over past 5 years = 2.5%



JANUARY 27, 2020

 **SAN FERNANDO**
TENANT PROTECTION ACT OF 2019

4. Required Notice

- Just Cause and Rent Caps provisions require notice from owners to tenants
- For tenancy commenced after July 1, 2020, as addendum to rental agreement, or written notice signed by tenant
- For tenancy prior to July 1, 2020, by written notice or as addendum to rental agreement by August 1, 2020

JANUARY 27, 2020


 **SAN FERNANDO**
TENANT PROTECTION ACT OF 2019

5. Applicability of Just-Cause Protections

Excludes:

- 1) Hotels
- 2) Hospitals, religious facilities, extended care facilities, adult residential facilities
- 3) Dormitories
- 4) Housing with shared tenant/landlord bathroom/kitchen


JANUARY 27, 2020

 **SAN FERNANDO**
TENANT PROTECTION ACT OF 2019


5. Applicability of Just-Cause Protections

Excludes:

- 5) Single-family owner occupied residences, including accessory dwelling units ("granny flats")
- 6) Duplex, if owner occupied
- 7) Deed restricted affordable housing
- 8) Housing with separate title NOT owned by a REIT, corporation, or LLC




JANUARY 27, 2020

 **SAN FERNANDO**
TENANT PROTECTION ACT OF 2019

5. Applicability of Just-Cause Protections


Excludes:

9) Housing built in the last 15 years is exempt, on a rolling basis



Ex:
Unit A issued C of O on Jan. 26, 2005 = **Not exempt.**
Unit B issued C of O on Jan. 26, 2006 = **Exempt**, but only until January 2021


JANUARY 27, 2020

 **SAN FERNANDO**
TENANT PROTECTION ACT OF 2019


5. Applicability of Rent Caps

Excludes:

- 1) Housing restricted by deed as affordable
- 2) Dormitories
- 3) Housing subject to existing local rent control provisions
- 4) Housing built in the last 15 years are exempt, on a rolling basis




JANUARY 27, 2020

 **SAN FERNANDO**
TENANT PROTECTION ACT OF 2019


5. Applicability of Rent Caps

Excludes:

- 5) Housing with separate title NOT owned by a REIT, corporation, or LLC
- 6) Duplex, if owner occupied



JANUARY 27, 2020

 **SAN FERNANDO**


TENANT PROTECTION ACT OF 2019

6. Enforcement

- Law creates defenses for individual tenants who may be subjected to tenancy and rent cap violations
- Law creates a new crime or infraction
- Up to the tenant to invoke these protections via court actions




JANUARY 27, 2020

 **SAN FERNANDO**

RECOMMENDATION

- Receive and file the report.

JANUARY 27, 2020



**THE CITY OF
SAN FERNANDO**

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AGENDA REPORT

To: Vice Mayor Hector A. Pacheco and Councilmembers

From: Mayor Joel Fajardo

Date: January 27, 2020

Subject: Consideration to Appoint a City Council Ad Hoc Committee Regarding the Recruitment Process for a City Clerk and Other Matters Pertaining to the City Clerk Department

RECOMMENDATION:

I have placed this item on the agenda for discussion and recommend that the City Council appoint Councilmember Sylvia Ballin and myself to an Ad Hoc Committee to work with staff regarding the recruitment process for a City Clerk and other matters pertaining to the City Clerk Department.

BACKGROUND:

On January 6, 2020, City Clerk Elena G. Chávez submitted a resignation letter to City Council reporting that she would be retiring in April and I expressed my concern regarding the brief timeframe and announced that an Ad Hoc would be created regarding the selection of a new City Clerk.

ANALYSIS:

The Ad Hoc scope would be to expedite the recruitment process for the new City Clerk, establish an ad hoc support system for the Deputy City Clerk/Management Analyst, and assure the deputy's timely six-month evaluation.

It is anticipated that the Ad Hoc Committee will meet as-needed to receive regular updates from staff regarding the recruitment process and from the Deputy City Clerk/Management Analyst regarding her workload.

BUDGET IMPACT:

There is no budget impact associated with discussing and approving the City Clerk Recruitment Ad Hoc Committee.

Consideration to Appoint a City Council Ad Hoc Committee Regarding the Recruitment Process for a City Clerk and Other Matters Pertaining to the City Clerk DepartmentPage 2 of 2

CONCLUSION:

I recommend that the City Council appoint a City Clerk Recruitment Ad Hoc Committee to work with staff regarding the recruitment process for a City Clerk and other matters pertaining to the City Clerk Department during this transition. The Ad Hoc Committee would be dissolved upon the hiring of the new City Clerk.

ATTACHMENTS:

- a. 2015 City Clerk Job Spec
- b. Proposed Recruitment Timeline

ATTACHMENT "A"

RESOLUTION NO. 7712

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF SAN FERNANDO AMENDING RESOLUTION NO. 4144,
ADOPTED DECEMBER 12, 1966 BY THE ADDITION OF
SUPPLEMENT NO. 172 THERETO**

**THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY
RESOLVE AS FOLLOWS:**

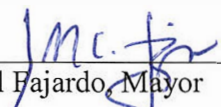
SECTION 1: That Resolution No. 4144, adopted on December 12, 1966 and the Position Classification Plan prepared by Griffenhagen-Kroeger, Inc. bearing date of April 1966, as amended by the City Council, be the same as amended by adding thereto Supplement No. 172 (Exhibit "A") covering important and essential duties, job-related and essential qualifications for the following position and classification:

CITY CLERK

Supplement No. 172 is hereby adopted and approved as the new official job classification and definition, describing job-related and essential qualifications for the position and classification set forth above. Copies of Supplement No. 172 are now on file in the office of the City Clerk. Said Supplement No. 172 is hereby incorporated in and made a part of the Position Classification and Salary Plan for the City of San Fernando.

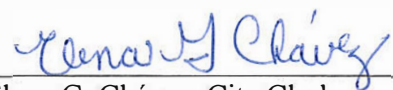
SECTION 2: The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND APPROVED this 16th day of November, 2015.



Joel Fajardo, Mayor

ATTEST:



Elena G. Chávez, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 16th day of November, 2015, by the following vote to wit:

AYES: Fajardo, Ballin, Gonzales, Lopez - 4

NOES: None

ABSENT: None

ABSTAIN: Soto - 1



Elena G. Chávez, City Clerk

EXHIBIT “A”

Supplement No. 172
Adopted by Res. No. 7712
Effective: 11/16/2015

CITY CLERK**DEFINITION**

Under the direction of the City Council, independently plans and organizes the daily activities of the City Clerk's Department. Has a critical role in service delivery administering Federal, State, and local laws pertaining to the Brown Act, the Public Records Act, campaign finance, and Fair Political Practices Act filings. The City Clerk is responsible for election management and City records management. Traditional legislative support functions include the preparation of agendas and minutes, processes, prepares, records and maintains all City Council legislative actions, safeguards the City Seal, and performs a variety of other administrative duties in support of the City Council.

DISTINGUISHING CHARACTERISTICS

The City Clerk position is "at-will" and a member of the City's executive management team who is responsible for day-to-day operations of the City Clerk's Department.

Incumbents will be required to exercise considerable independent judgment, establish priorities, be detail-oriented, well-organized, a problem solver, well-rounded and have considerable knowledge of the principles and practice of the City Clerk function. S/he must understand and be experienced in the procedures and the preparation of agendas, parliamentary procedure, the Brown Act, have significant knowledge in the laws and regulations governing the election process, municipal budgeting and accounting, practices and techniques of effective supervision in a team environment, time management, ability to investigate and analyze administrative and technical problems, reach practical and logical conclusions and make effective recommendations. S/he must have strong communication and interpersonal skills to effectively interact with City Elected Officials, commissions, community representatives, business organizations, staff and the public.

IMPORTANT AND ESSENTIAL FUNCTIONS

- 1) Serves as City Elections Official ensuring conformance to Election and Government Codes.
- 2) Organizes, and manages all aspects of the City's General Municipal and Special Elections including but not limited to the following:
 - a. Coordinates, and interfaces closely, with outside agencies such as:
 - California Secretary of State
 - County of Los Angeles Registrar-Recorder/County Clerk

City Clerk
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- City of Los Angeles Elections Division
- Election Vendors
- b. Processes petitions relating to initiatives, recalls, and referendums.
- c. Oversees the preparation, distribution, and receipt of candidate packets.
- d. Supervises the nomination verification process for all candidates and incumbents.
- e. Informs candidates of their election responsibilities and disclosure requirements.
- f. Prepares all resolutions requiring City Council approval and action (before, during, and after election).
- g. Coordinates vote by mail ballot processing.
- h. Prepares, publishes, and posts all required notices (before, during, and after election).
- i. Responds to election questions.
- j. Procures all election supplies and equipment.
- k. Recruits precinct workers and (after elections) processes payroll.
- l. Provides for training of poll workers.
- m. Designates and secures polling places.
- n. Manages the election material processing operation (order, assemble and distribute materials and supplies for polling locations).
- o. Supervises all poll workers and City employees working Election Day and Night.
- p. Canvasses and certifies the election results, conducts City Council reorganization, and coordinates the Oath of Office Ceremony.

Other local elections (i.e., State Primary, Presidential):

- Assists with securing polling places, poll worker training, and central ballot counting locations within City boundaries and assist with other election matters deemed necessary.
- 3) Attends City Council and other meetings, as assigned.
 - 4) Attends and participates in Department Head meetings.
 - 5) Supervises the preparation and distribution of the City Council and Successor Agency agendas (ensures that the agenda packets are compiled, assembled, and distributed to the appropriate officials, interested parties, and can be immediately accessed by the public).
 - 6) Prepares Agenda Forecasts for distribution to Elected Officials and staff.
 - 7) Takes and transcribes the minutes.
 - 8) Administers the City's Conflict of Interest Code regarding Economic Interest Statements of the City Council, City Treasurer, City Attorney, Planning Commission, and all designated employees as required by the State Political Reform Act; and maintains documents and logs as required by law for public inspection.
 - 9) Serves as City's Filing Officer for the Fair Political Practices Commission for campaign statements.
 - 10) Assists staff in complying with requirements imposed by AB1234 Mandatory Ethics Training and maintains updated list.
 - 11) Serves as custodian of the official records and archives of the City including ordinances, resolutions, contracts, minutes, agendas, agreements, encroachments, liens, deeds, easements.
 - 12) Maintains custody of City Seal.

City Clerk
Page 3 of 4

- 13) Supervises the preparation and distribution of the City's Municipal Code (i.e., attest, publish, index, and codify adopted ordinances).
- 14) Prepares and processes contracts for Mayor, City Manager, and City Attorney's signature and distributes as necessary.
- 15) Conducts research and provides necessary documentation in response to inquiries from the public in compliance with the California Public Records Act.
- 16) Receives bids and officiates at bid openings.
- 17) Serves as secretary to the Education Commission.
- 18) Maintains updated roster of all commissions, boards, and committees.
- 19) Complies with annual requirements of the Maddy Act – Local Appointments List.
- 20) Files Affidavits of Completion with the County Recorder's Office.
- 21) Administers oaths of office to various individuals including City officials.
- 22) Develops policies and procedures for departmental operations; assists in developing short- and long-range planning for departmental activities.
- 23) Responsible for the City Records Retention Program.

OTHER JOB-RELATED DUTIES

Duties may include, but are not limited to, the following:

- 1) Participates in the development of the City Clerk's Department and Election budget by preparing documentation, estimating cost increases, submitting budget data for review and tracking expenditures.
- 2) Supervises City Clerk Department staff and delegates tasks accordingly.
- 3) Responds to a variety of inquiries and requests for information from employees and City Officials regarding past City Council actions and documents.
- 4) Publishes legal notices required by the offices of the City Council and City Clerk and may assist City departments regarding publishing notices.
- 5) Communicates effectively in both oral and written form.
- 6) Operates office and document imaging equipment including computer hardware and software.
- 7) Operates computer systems and other common office equipment.
- 8) Utilizes standard word processing, spreadsheet and database applications.
- 9) Prepares and composes reports, memoranda, and other documents.
- 10) May schedule and coordinate tours of City Hall for local schools.
- 11) Performs related duties and responsibilities as assigned.

JOB RELATED AND ESSENTIAL QUALIFICATIONS**Knowledge of:**

Modern municipal administrative methods and procedures, organizations and functions; applicable local, State and Federal laws, rules and regulations regarding local government and election operations; purposes, policies and procedures of City Council and municipal commissions, record keeping and management; budget development and administration;

City Clerk
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management and supervision practices; and business English usage, spelling, grammar, and punctuation.

Ability to:

Perform legislative duties under stressful circumstances where it is required to observe and enforce deadlines, prepare and analyze complex reports of a general or technical nature, supervise and direct multiple and diverse functions at the same time with attention to accuracy and detail. Effectively interpret and apply policies, laws, rules, regulations and procedures and make appropriate decisions; interact with Elected Officials and members of the community; establish and maintain cooperative relationships with those contacted in the course of work; review organizational and administrative problems and recommend and implement solutions; prepare agendas, minutes, reports and correspondence; prioritize and work independently; exercise independent judgment in the day-to-day operations of the office; understand and speak Spanish (highly desirable).

Experience and Training Guidelines:

A typical way to obtain the knowledge, skills, and abilities would be the following:

Experience:

Three (3) years of progressively responsible work experience in a City Clerk's office including local government elections and supervisory experience is required.

Education:

A bachelor's degree from an accredited college or university in public administration, business administration or related field and/or certification by the International Institute of Municipal Clerks (CMC or MMC) is required.

Special Requirements

Must possess a valid California Class C Driver's License. Must stay current in field, and acquire all necessary training that new technological changes may present.

Physical Requirements

Essential duties require the following physical abilities and environmental conditions: Ability to sit, stand for long periods, walk, kneel, reach, twist, lean, climb and lift supplies/forms, operate a computer keyboard, calculator, and telephone for long periods, and tolerate exposure to vibration, pitch and glare from a computer.

ATTACHMENT "B"**Tentative Recruitment Schedule****City Clerk****Event****Scheduled Dates**

Detailed Job Flyer Ready	Wednesday, January 29, 2020
Final Filing Date	Friday, February 28, 2020
Oral Panel Interviews	Wednesday, March 18, 2020
Final Interviews/Selection	Wednesday, March 25, 2020
Begin Background Process	Monday, March 30, 2020
Pre-Employment Physical Exam	Monday, April 13, 2020
Tentative Start Date	Monday, April 27, 2020

Note: All scheduled dates are tentative and subject to change.