City of Lemon Grove
City Council Regular Meeting Agenda

Tuesday, April 21, 2015, 6:00 p.m.
Lemon Grove Community Center
3146 School Lane, Lemon Grove, CA

The City Council also sits as the Lemon Grove Housing Authority, Lemon Grove Sanitation District Board, Lemon Grove Roadway Lighting District Board, and Lemon Grove Successor Agency

Call to Order

Pledge of Allegiance

Changes to the Agenda

Presentation

Introduction of Laureen Ryan Ojeda, Administrative Analyst

2015 San Diego County Fair

Public Comment
(Note: In accordance with State Law, the general public may bring forward an item not scheduled on the agenda; however, the City Council may not take any action at this meeting. If appropriate, the item will be referred to staff or placed on a future agenda.)

1. Consent Calendar

(Note: The items listed on the Consent Calendar will be enacted in one motion unless removed from the Consent Calendar by Council, staff, or the public. Items that are pulled will be considered at the end of the agenda.)

A. Approval of Meeting Minutes

April 7, 2015 – Regular Meeting
Members present: Sessom, Gastil, Jones, Mendoza, and Vasquez

Reference: Susan Garcia, City Clerk
Recommendation: Approve Minutes

B. City of Lemon Grove Payment Demands

Reference: Cathy Till, Finance Director
Recommendation: Ratify Demands

C. Waive Full Text Reading of All Ordinances on the Agenda

Reference: James P. Lough, City Attorney
Recommendation: Waive the full text reading of all ordinances included in this agenda; Ordinances shall be introduced and adopted by title only

D. Claim Denial

The City Council will consider denying a claim received by the City.

Reference: Mike James, Public Works Director
Recommendation: Deny Claim

E. Claim Denial

The City Council will consider denying a claim received by the City.

Reference: Mike James, Public Works Director
Recommendation: Deny Claim

2. Beekeeping

The City Council will consider possible beekeeping regulations and provide feedback and direction to staff.

Reference: Carol Dick, Community Services Director
Recommendation: Provide Feedback

3. 2015 City Council Priorities

The City Council will consider approving its priorities and corresponding goals for 2015.

Reference: Graham Mitchell, City Manager
Recommendation: Approve City Council Priorities for 2015

4. San Diego Pooled Insurance Program Authority

The City Council will consider a resolution providing its written authorization for the dissolution of the San Diego Pooled Insurance Program Authority.

Reference: Mike James, Public Works Director
Recommendation: Adopt Resolution

City Council Oral Comments and Reports on Meetings Attended at the Expense of the City. (GC 53232.3 (d))

(53232.3.(d) states that members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.)

Department Director Reports (Non-Action Items)

Closed Session

Pursuant to Government Code Section 54957.6: Conference with Labor Negotiators
Agency Designated Representative: Graham Mitchell, City Manager
Employee Organization: Local 2728 of the International Association of Firefighters

Pursuant to Government Code Section 54957: Public Employee Performance Evaluation
Title: City Manager

Adjournment

In compliance with the Americans with Disabilities Act (ADA), the City of Lemon Grove will provide special accommodations for persons who require assistance to access, attend and/or participate in meetings of the City Council. If you require such assistance, please contact the City Clerk at (619) 825-3800 or email sgarcia@lemongrove.ca.gov prior to the meeting. A full agenda packet is available for public review at City Hall.

MINUTES OF A MEETING OF
THE LEMON GROVE CITY COUNCIL

The City Council also sits as the Lemon Grove Housing Authority, Lemon Grove Sanitation District Board, Lemon Grove Roadway Lighting District Board, and Lemon Grove Successor Agency

April 7, 2015

Call to Order

Members present: Mary Sessom, George Gastil, Jerry Jones, Jennifer Mendoza, and Racquel Vasquez.
Members absent: None.

City Staff present: Graham Mitchell, City Manager; Carol Dick, Development Services Director; Daryn Drum, Division Fire Chief; Susan Garcia, City Clerk; James P. Lough, City Attorney; Mike James, Public Works Director; Lt. May, Sheriff's Department; Tamara O' Neal, Interim City Engineer; and Cathleen Till, Finance Director.

Presentations

Dave Schumacher, SANDAG, provided a presentation of the Regional Comprehensive Plan.

Melanie Briones, HEAL Zone Director, provide an update presentation.

Public Comment

Steven Melendez reported on a small business he would like to open at his residence.

Michael Collins provided the City Council with a promotional DVD of his business.

Lorenzo Higley, CASA, reported that his agency has provided Lemon Grove businesses with tobacco sales information packets.

Denise Strattman, Analisa Howard, Rosa Carnus, and Elijah Gordon commented on their interest in developing recreation programs in Lemon Grove along with a recreation council.

1. Consent Calendar

- **A. Approval of City Council Minutes**
  March 17, 2015 Regular Meeting
- **B. Ratification of Payment Demands**
- **C. Waive Full Text Reading of All Ordinances and Resolutions on the Agenda**
- **D. Mass Decontamination Unit Agreement**

Action: Motion by Councilmember Jones, seconded by Mayor Pro Tem Vasquez, to approve the Consent Calendar passed, by the following vote:

Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez

Resolution No. 2015-3326: Resolution of the City Council of the City of Lemon Grove, California Approving an Agreement for Temporary Transfer of a Mass Decontamination Unit to the City

2. 2015 City Council Priorities

Graham Mitchell reported that on February 24, 2015, the City Council held a Strategic Planning Retreat, facilitated by Peter B. Stark. Prior to facilitating the retreat, Mr. Stark met individually with Councilmembers and department directors to gauge concerns and interests regarding City Council priorities for the upcoming year. The purpose of the February 24th retreat was to begin a dialogue on common visions shared by City leaders and to identify priorities that garnered consensus.

The City Council discussed the following priorities and tasks for the upcoming year:

Economic Development

- Continue working with the East County Chamber of Commerce and the East County Economic Development Council on business support and attraction;
- Support Lemon Grove businesses and property owners in the formation of an assessment district to provide enhanced services (security, cleaning, marketing);
- Identify niche business types that could be attracted to the heavy commercial/industrial zones.

City Appearance

- Develop and implement a plan to address graffiti more effectively;
- Develop and implement a plan to address litter;
- Conduct City Council discussion regarding potential code enforcement target issues in commercial areas;
- Conduct City Council discussion regarding design standard in commercial areas.

Infrastructure

- Complete existing capital projects;
- Conduct City Council discussion regarding sidewalk incentive program;
- Enhance appearance of the City's Capital Improvement Program.

Public Safety

- Conduct City Council discussion regarding "deemed approved" ordinance, "single serve" policies, and "crime prevention through environmental design" policies;
- Presentation to the City Council from the Sheriff's Department regarding body worn cameras, license plate reader program, and the facial recognition program;
- Promote Crime Free Multi-Housing Program;
- Develop a program and strategies to increase the perception of safety in the City.

General Plan

Provide a City Council presentation regarding the General Plan update process, which will include the required update elements, critical steps, a cost breakdown, and funding opportunities;

Establish a General Plan Advisory Group with Planning Commissioners and other appointees.

Recreational Opportunities

Establish a Focus Group to explore a potential Recreation Council;

Consider a revised Joint Use Agreement between the School District for public use of fields and courts behind the Recreation Center during non-school hours;

Continue to explore recreation partners.

Mr. Mitchell stated that he will bring back a workplan for the upcoming year.

Public Speaker(s)
There were no requests from the public to speak.

3. Rejection of Bids for Sewer CIP Upsizing Project

Tamara O'Neal stated that in 2013, a Capital Improvement Program (CIP) Update was presented, which included the need to create a new project to rehabilitate sanitary sewer mains, including replacement, upsizing and repairs. On January 22, bid documents for the project (Contract No. 2015-02) were advertised in the East County Californian, online at eBidboard, and the City's website.

The engineer's estimate for this project was $1,215,830. The low bid was submitted by MJC Construction Corp. for $1,018,006.50. After staff reviewed the low bid, it was determined that the required reference information was incomplete and that not all projects referenced were within the three-year time frame stipulated in the specifications. Review of the second lowest bid revealed a similar irregularity with respect to the referenced projects being completed outside of the required three-year time frame.

Due to the large dollar amount between the two lowest bidders and the third bidder, staff recommends that all bids received at the February 25 bid opening be rejected, and that the project be re-advertised allowing projects that were completed within the last five years to be submitted for reference.

The Municipal Code and the bid document allows the District to reject all bids and staff believes that this measure will result in a significant savings to the District.

Public Speaker(s)
There were no requests from the public to speak.

Action: Motion by Board Member Jones, seconded by Board Member Vasquez, to approve the Consent Calendar passed, by the following vote:

Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez

Resolution No. 2015-272: Resolution of the Lemon Grove Sanitation District Board of Directors Rejecting All Bids Received for the Sewer CIP Upsizing Project

City Council Oral Comments and Reports on Meetings Attended at the Expense of the City. (GC 53232.3 (d))

Councilmember Jones attended Metro Wastewater and SANDAG meetings.

Councilmember Mendoza attended a meeting at ECEDC, and reported that Padre Dam's Advanced Water Purification Demonstration Facility will be open for tours on April 10th, the Water Conservation Garden Spring Garden Festival is planned for April 25th and the Butterfly Festival for May 9th. She attended the Deputy Sheriff's Association event honor to Bill Kolender, a meeting of the new Lions Club, the San Diego Cesar Chavez Commemoration breakfast, and Thrive Lemon Grove and Lemon Grove Crosswalk meetings. She participated in the Lemon Grove clean-up, spoke at the Mt. Miguel Women's Empowerment Conference and commented on the upcoming Walk to Work Day.

Councilmember Gastil attended a FAST Board meeting and the San Diego Cesar Chavez Commemoration breakfast.

Mayor Pro Tem Vasquez attended meetings of the City County Reinvestment Task Force, Heal Zone Resident Leadership Academy Alumni, Thrive Lemon Grove and LAFCO, and the San Diego Cesar Chavez Commemoration breakfast, and participated in a tour of Heartland Fire Training Facility.

Closed Session

Pursuant to Government Code Section 54957.6: Conference with Labor Negotiators
Agency Designated Representative: Graham Mitchell, City Manager
Employee Organization: Local 2728 of the International Association of Firefighters

Conference with Legal Counsel- Existing Litigation Pursuant to Subdivision (a) of Government Code Section 54956.9:
The Affordable Housing Coalition of San Diego County v. Sandoval
Case No. 34-2012-80001158-CU-WM-GDS

Closed Session Report: No reportable action was taken.

Adjournment

There being no further business to come before the City Council, Housing Authority, Sanitation District Board, Lemon Grove Roadway Lighting District Board, and the Lemon Grove Successor Agency the meeting was adjourned at 9:30 p.m.

Susan Garcia

Susan Garcia, City Clerk

City of Lemon Grove Demands Summary
Approved as Submitted:
Cathleen Till, Finance Director
For Council Meeting: 04/21/15

ACH/AP Checks 03/31/15-04/09/15	628,836.65
Payroll - 03/31/15	104,934.17
Total Demands	733,770.82

CHECK NO	INVOICE NO	VENDOR NAME	CHECK DATE	Description	INVOICE AMOUNT	CHECK AMOUNT
ACH	Feb 15	Wex Inc.	03/31/2015	Fuel - Feb'15 Fire Dept.	830.10	830.10
ACH	Apr 15	Pers Health	04/02/2015	Health Insurance - Apr'14	50,825.55	50,825.55
ACH	Mar31 15	Employment Development Dept.	04/02/2015	State Taxes 3/31/15	9,223.16	9,223.16
ACH	274646389	US Bank Equipment Finance	04/02/2015	Defibrillator Lease-Contract Payment 4/11/15	1,817.31	1,817.31
ACH	Mar15	Power Pay Biz	04/02/2015	Online Credit Card Processing - Mar'15	151.94	151.94
ACH	Mar15	Authorize.Net	04/02/2015	Merchant Fees In-Store & Online - Mar'15	48.24	48.24
ACH	Mar15	Bluefin Payment Systems	04/02/2015	Merchant Statement Fee - Mar'15	9.95	9.95
ACH	Mar15	Dharma Merchant Services	04/02/2015	Merchant Fees - Mar'15	331.21	331.21
ACH	Mar15	Colonial Life	04/06/2015	Life Insurance - Feb, Mar 2015	2,093.72	2,093.72
ACH	Mar31 15	US Treasury	04/07/2015	Federal Taxes 3/31/15	33,837.64	33,837.64
ACH	4154920380	SDG&E	04/07/2015	Electric Usage:St Light 2/28/15-3/31/15	2,784.09	2,784.09
ACH	3568860625	SDG&E	04/07/2015	Electric Usage:St Light 2/28/15-3/31/15	1,253.30	1,253.30
ACH	Mar 15	Aflac	04/07/2015	Aflac Insurance - Mar'15	566.02	566.02
ACH	4/7/2015	Pitney Bowes Global Financial Serv	04/08/2015	Postage Usage 4/7/15	250.00	250.00
ACH	Feb 15	SD County Sheriff's Department	04/09/2015	Law Enforcement Services - Feb'15	402,918.16	402,918.16
3587	0191	A Aaron Lock & Key	04/01/2015	Spare Keys	17.96	47.09
	0426			Spare Keys	12.95	
	0430			Spare Keys	16.18	
3588	B8544	A-Pot Rentals	04/01/2015	Portable Restroom Rental- 3/9/15-4/8/15	132.20	132.20
3589	55372	Anthem Blue Cross EAP	04/01/2015	Employee Assistance Program - Apr'15	165.00	165.00
3590	Mar15	AT&T	04/01/2015	Phone Service- 3/1/15-3/31/15	308.66	308.66
3591	14719832	Canon Financial Services Inc.	04/01/2015	Canon Copier Contract Charge - 3/13/15	642.60	642.60
3592	Cataldo	Cataldo, Christina	04/01/2015	Refund/ Dog License- Cataldo, Christina	20.00	20.00
3593	PettyCash 4/1	Cathleen Till or Brenda Wardrip	04/01/2015	Misc Petty Cash Expenses 12/18/14-3/18/15	335.39	335.39
3594	00002286	Clark Telecom & Electric Inc.	04/01/2015	Street Light Repairs- Feb15	687.56	2,730.12
	00002292			Broadway Theft Street Light Repairs	1,905.23	
	2287			Street Light Maintenance- Feb15	137.33	
3595	S-524540-C	Coit	04/01/2015	Carpet Cleaning Services 2/12/15	150.00	150.00
3596	Mar7 15	Cox Communications	04/01/2015	Calsense Modem Line:2259 Washington- 3/6/15-4/5/15	19.53	420.10
	Mar19 15			Phone Service 2873 Skyline - 3/19/15-4/18/15	208.85	
	Mar7 15			Calsense Modem Line:7071 Mt Vernon- 3/6/15-4/5/15	19.53	
	Feb27 15			Community Center Internet Svc- 3/1/15-3/29/15	75.00	
	Mar5 15			Phone Service 3131 School Ln - 3/4/15-4/3/15	97.19	

3597	011204	Discount Specialty Chemical	04/01/2015	Industrial Foam Degreaser	193.58	193.58
3598	0051939-IN	Doggie Walk Bags Inc.	04/01/2015	4,200 Doggie Walk Dispenser Bags	1,140.76	1,140.76
3599	3/23-26/15	Esgil Corporation	04/01/2015	75% Building Fees- 3/23/15-3/26/15	1,212.72	1,212.72
3600	3365-0	Frazee Paint & Wallcovering Inc.	04/01/2015	Painting Supplies	1,048.04	1,051.69
	6365-7			Lid for 5 Gallon Grafitti Paint	3.65	
3601	Uni- 3/16/15	Hayward, Brian	04/01/2015	Uniform Allowance- Hayward 3/16/15	198.70	198.70
3602	Hoffman	Hoffman, Betty	04/01/2015	Refund/ Hoffman, Betty- LBH 3/14/15	300.00	300.00
3603	00029499	Hudson Safe-T- Lite Rentals	04/01/2015	Drive Rivet	152.60	152.60
3604	27	Janazz, LLC	04/01/2015	Computer Maintenance- 3/03-3/04	625.00	2,584.00
	28			Computer Maintenance- 3/11-3/12	584.00	
	33			Computer Maintenance- 3/16, 3/18	500.00	
	36			Computer Maintenance- 3/26	400.00	
	37			Computer Maintenance- 3/30	475.00	
3605	Langham	Langham, Sylina	04/01/2015	Refund/ Langham, Sylina/ CC- 3/22/15	200.00	200.00
3606	310203	M.N. Mauzy Mechanical Inc.	04/01/2015	AC Maintenance - Sheriff Stn	490.00	2,320.00
	310204			AC Maintenance - Fire Stn	210.00	
	310205			AC Maintenance - Community Center	155.00	
	310206			AC Maintenance - Recreation Center	220.00	
	310207			AC Maintenance - Senior Center	320.00	
	310344			AC Repairs: Circuit Board/Drive Belt - City Hall	925.00	
3607	Macias	Macias, Vivian	04/01/2015	Microwave Purchase	25.00	25.00
3608	39866	McNamara Pump and Electric Inc.	04/01/2015	Duplex Sewage Pump Station 6-Mo Maint Svc - 6794 Central	275.00	275.00
3609	187254	Ninyo & Moore	04/01/2015	7128 San Miguel- KD Grove Inspection Svc Through Feb'15	471.50	8,827.50
	187255			San Altos/ Valencia Inspection Svc Through Feb'15	8,356.00	
3610	48812	On-Site Laser	04/01/2015	Printer Repairs - HP2420, HP3050	307.32	307.32
3611	57430	Penske Ford	04/01/2015	Oil & Filter Change/Rotate Tires - '14 Ford Escape	43.56	189.77
	57432			Oil & Filter Change/Rotate Tires/Alignment- '12 Ford F350	97.86	
	57437			Oil & Filter Change/Rotate Tires- '14 Ford F150	48.35	
3612	4507	RapidScale Inc.	04/01/2015	Virtual Hosting- 3/31/15	1,666.63	1,666.63
3613	15011-1	Roof Construction Chambers Inc.	04/01/2015	New Roof System - Senior Center (back bldg)	47,162.00	47,162.00
3614	Salce	Salce, Carly	04/01/2015	Refund/ Dog License/ Salce, Carly	20.00	20.00
3615	Mar17 15	SD County Sheriff's Department	04/01/2015	Cal-ID Program Costs: Jan1,2015 - Jun30,2015	2,948.00	2,948.00
3616	Shoemaker	Shoemaker, Everett	04/01/2015	Refund/ Shoemaker, Everett- LBH 3/15/15	600.00	600.00
3617	691716	Superior Ready Mix Concrete LP	04/01/2015	Emulsion Oil	64.80	1,130.31
	692434			Emulsion Oil	54.00	
	692435			Concrete	76.68	
	693023			Asphalt Cold Mix	691.83	
	693024			Emulsion Oil	64.80	
	693814			Emulsion Oil	91.80	
	693815			Concrete Sheet Mix	86.40	
3618	Sweetman	Sweetman, Kathy	04/01/2015	Refund/Dog License/ Sweetman, Kathy	20.00	20.00
3619	Mar31 15	Vantage Point Transfer Agents-457	04/01/2015	ICMA Deferred Compensation Pay Period Ending 3/31/15	280.77	280.77
3620	9742178905	Verizon Wireless	04/01/2015	Mobile Broadband Access- 02/13/15-03/12/15	76.02	76.02
3621	70704489	Vulcan Materials	04/01/2015	Asphalt	130.14	130.14
3622	75138792	Waxie Sanitary Supply	04/01/2015	Cleaning Supplies	910.33	910.33
3623	Apr2 15	San Diego County Clerk	04/02/2015	County Clerk Processing Fee	50.00	50.00

3624	Apr 15	AT&T	04/08/2015	Phone Service - 4/1/15-4/30/15	318.86	415.92
	Feb 15			Fire Backup Phone Line- 2/1/15-2/28/15	32.06	
	Apr 15			AT&T High Speed Internet Max Plus 3/23/15-4/22/15	65.00	
3625	596962-9	BJ's Rentals	04/08/2015	Propane	3.78	109.44
	604064-9			Propane	26.46	
	605898-9			Equipment Rental - Compactor Plate	79.20	
3626	Boughton	Boughton, BillieKai	04/08/2015	Refund/Spring Daycamp Wk1/Boughton for Solomon	95.00	95.00
3627	Castro	Castro, Brianna	04/08/2015	Refund/Spring Daycamp Wk1/Castro,Brianna	95.00	95.00
3628	16990	City of La Mesa	04/08/2015	Overtime Reimbursement- Mast 1/27/15	1,128.81	3,359.02
	16997			Overtime Reimbursement - Gunter 3/14/15	1,189.55	
	16998			Overtime Reimbursement- Doig 3/11/15	1,040.66	
3629	00025094	Compressed Air Specialties Inc.	04/08/2015	Annual Service- Bauer K100 Air Compressor 1/28/15	850.78	850.78
3630	15CTOFLGN08	County of San Diego- RCS	04/08/2015	800 MHZ Network- Feb15	3,017.50	3,017.50
3631	Apr29 15	Cox Communications	04/08/2015	Community Center Internet Svc- 3/30/15-4/29/15	75.00	2,956.09
	Apr6 15			Fire Backup Phone 3/7/15-4/6/15	29.70	
	Apr29 15			Peg Circuit Svc - 3/30/15-4/29/15	2,851.39	
3632	03150560	DAR Contractors	04/08/2015	Animal Disposal- Mar'15	162.00	162.00
3633	Mar31 15	Division of the State Architect	04/08/2015	State CASP Fee: Jan1-Mar31 2015	260.70	260.70
3634	0313152305	Domestic Linen- California Inc.	04/08/2015	Shop Towels & Safety Mats 3/13/15	72.25	144.50
	0327152305			Shop Towels & Safety Mats 3/27/15	72.25	
3635	10626	ECS Imaging	04/08/2015	Laserfiche Annual Renewal - FY'16	5,680.00	5,680.00
3636	23076	Excell Security, Inc.	04/08/2015	Senior Center Security Guard - 3/28/15	252.00	252.00
3637	38115	Global Power Group Inc.	04/08/2015	Preventative Maintenance - Fire Station	367.00	367.00
3638	6325077	Globalstar USA, Inc.	04/08/2015	Satellite Service- 2/16/15-3/15/15	84.99	84.99
3639	IVC14333	Goodwill Industries of SD County	04/08/2015	Document Destruction Services 3/25/15	28.00	28.00
3640	AR006736	Grossmont Union HS District	04/08/2015	Spring Day Camp Flyers	115.48	115.48
3641	1178	Lemon Grove Truck Body & Equip, Inc.	04/08/2015	Asphalt Truck Repairs	800.00	800.00
3642	Letarte	Letarte, Diane	04/08/2015	Refund/Diversion Deposit/CD14-0006/Letarte	500.00	500.00
3643	310195	M.N. Mauzy Mechanical Inc.	04/08/2015	AC Maintenance - City Hall 2/27/15	230.00	230.00
3644	Marin	Marin, Jacqueline	04/08/2015	Refund/Deposit-LBH 3-28-15/Marin,Jacqueline	300.00	300.00
3645	00610066_SNV	Municipal Emergency Services Inc.	04/08/2015	Fire Jacket Accessories	791.01	791.01
3646	PD-27498	Plumbers Depot Inc.	04/08/2015	Fiber Glass Poles	507.60	507.60
3647	30425330	RCP Block & Brick, Inc.	04/08/2015	1/2 in Steel	9.50	274.21
	30451928			Stone Bond Pathway Stablilizer for LGA Median	264.71	
3648	3/25/2015	SDG&E	04/08/2015	3225 Olive- 2/20/15-3/23/15	84.09	414.38
	3/25/2015			3500 1/2 Main - 2/20/15-3/23/15	265.12	
	3/25/2015			8119 Broadway- 2/20/15-3/23/15	65.17	
3649	12198	Statewide Stripes, Inc.	04/08/2015	Concrete Resurfacing & Basketball Court Restriping	8,775.00	8,775.00
3650	356825	Sun Badge Company	04/08/2015	Captain Badge- Kleist/ La Mesa	99.29	198.58
	356996			Badge- Engineer Lima/ La Mesa	99.29	
3651	7915667-9	Trugreen Landcare	04/08/2015	Landscape Maintenance - Mar'15	9,447.00	9,867.00
	7917487			Install 4 Trees - Berry St Park	420.00	
3652	320150376	Underground Service Alert	04/08/2015	65 New Ticket Charges - Mar'15	97.50	97.50

3653	9742178181	Verizon Wireless	04/08/2015	City Phone Charges- 2/13/15-3/12/15	619.57	1,088.60
	9742580763			EOC Router/EMS Tablets- 2/21/15-3/20/15	240.97	
	9742598547			Engine Cell Phones- 2/21/15-3/20/15	190.05	
	9725580764			EMSTablet- 2/21/15-3/20/15	38.01	
3654	70707140	Vulcan Materials	04/08/2015	Asphalt	130.14	1,134.96
	70710335			Asphalt	136.79	
	70710336			Asphalt	130.14	
	70717389			Asphalt	90.22	
	70717390			Asphalt	168.77	
	70718873			Asphalt	95.21	
	70721685			Asphalt	130.14	
	70721686			Asphalt	163.33	
	70725087			Asphalt	90.22	
					628,836.65	628,836.65

LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY

Item No. 1.D
Mtg. Date April 21, 2015
Dept. Public Works

Item Title: **Denial of Claim**

Staff Contact: Mike James, Public Works Director

Recommendation:

Deny a claim submitted by LaVonne Stanley.

Item Summary:

The City of Lemon Grove received a claim from LaVonne Stanley. Staff investigated the claim and based on the finding of the investigation, recommends its denial.

Fiscal Impact:

None.

Environmental Review:

☒ Not subject to review
☐ Negative Declaration
☐ Categorical Exemption, Section
☐ Mitigated Negative Declaration

Public Information:

☒ None
☐ Newsletter article
☐ Notice to property owners within 300 ft.
☐ Notice published in local newspaper
☐ Neighborhood meeting

Attachments:

None.

LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY

Item No. 1.E
Mtg. Date April 21, 2015
Dept. Public Works

Item Title: **Denial of Claim**

Staff Contact: Mike James, Public Works Director

Recommendation:

Deny a claim submitted by Andy Gorman.

Item Summary:

The City of Lemon Grove received a claim from Andy Gorman. Staff investigated the claim and based on the finding of the investigation, recommends its denial.

Fiscal Impact:

None.

Environmental Review:

- ☒ Not subject to review
- ☐ Negative Declaration
- ☐ Categorical Exemption, Section
- ☐ Mitigated Negative Declaration

Public Information:

- ☒ None
- ☐ Newsletter article
- ☐ Notice to property owners within 300 ft.
- ☐ Notice published in local newspaper
- ☐ Neighborhood meeting

Attachments:

None.

LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY

Item No. 2
Mtg. Date April 21, 2015
Dept. Development Services

Item Title: **Beekeeping**

Staff Contact: Carol Dick, Development Services Director

Recommendation:

Provide feedback regarding potential beekeeping regulations.

Item Summary:

During a recent City Council meeting, several citizens spoke about an existing beekeeping activity and their positions regarding that activity. City Council directed staff to prepare an agenda item that would allow the City Council to discuss potential guidelines for beekeeping activities in the City. Staff presents a staff report (**Attachment A**) that introduces existing provisions in the Lemon Grove Municipal Code, other regional programs, and current trends for City Council discussion. Staff recommends that City Council consider the information presented in the staff report and provide feedback.

Fiscal Impact:

None.

Environmental Review:

☒ Not subject to review
☐ Categorical Exemption, Section
☐ Negative Declaration
☐ Mitigated Negative Declaration

Public Information:

☒ None
☐ Newsletter article
☐ Notice to property owners within 300 ft.
☐ Notice published in local newspaper
☐ Neighborhood meeting

Attachments:

A. Staff Report
B. LGMC Section 18.16.060
C. LGMC Section 6.04.430
D. Mitigated Negative Declaration San Diego County Bee Ordinance Amendment

Attachment A

LEMON GROVE CITY COUNCIL
STAFF REPORT

Item No. 2

Mtg. Date April 21, 2015

Item Title: Development Services

Staff Contact: Carol Dick, Development Services Director

Discussion:

During a recent City Council meeting, several citizens spoke about an existing beekeeping activity and their positions regarding that activity. The activity is a current code enforcement case and was brought to the attention of the City Council during the public comment item. The property owner with the bee hives asked that City Council consider implementation of the current provisions and the neighbor asked that the hives be removed because she has small children visiting her home.

City Council directed staff to prepare an agenda item that would allow the City Council to discuss potential guidelines for beekeeping activities in the City. The following information introduces existing provisions in the Lemon Grove Municipal Code, other regional programs, and current trends for City Council discussion. Staff recommends that City Council consider the information presented in the staff report and provide feedback.

Beekeeping

Beekeeping can be a commercial business or a backyard hobby and is commonly referred to as an apiary. There is uniform belief that bees are critical to a successful ecosystem and to California agriculture. This staff report does not provide a discussion on the debate of whether backyard hobbyists are good for the bee population, but serves to identify what concerns should be addressed with the keeping of bees in a residential setting. The staff report does not consider large beekeeping operations that may be the sole use of a commercial site.

Residents set up beekeeping as a hobby for several reasons; some of those are to provide honey for friends and family as well as feeling that they are contributing to the overall health of the environment.

Safety and liability of beekeeping is a concern identified by insurance companies who advise homeowners of what needs to be considered with the hobby. Some of these concerns are noted below:

- Choose where to place bee hives. Make sure it is a safe distance away from other people. Do not place it in public view.
- Use appropriate signage to inform of potential danger of bees present.
- Do not keep a large number of bees on a small property.
- Be extremely careful when moving bees from one location to another. Consider doing this during evening hours. Use proper precautions to protect bystanders.
- Replace any aggressive bees with more docile ones.
- If bees start to frequent neighbors pool or hot tub, provide a water source closer to the hive.

Attachment A

Ordinances of neighboring jurisdictions address many of these concerns, while others do not have any regulations regarding beekeeping or apiaries. The County and State have regulations for the protection of bees to preserve California's agricultural economy.

Municipal Code

The Lemon Grove Municipal Code contains provisions in the Animal Keeping Sections regarding beekeeping (**Attachment B**). The records do not show that any beekeeping permit have ever been issued and staff has concluded that the reason behind this is that the City Council has not adopted, by Resolution, the fee noted in the following section.

> 18.16.060 Exotic Animals.B.1
> The beekeeper shall apply for a beekeeping permit. The permit application shall be filed on a form available in the office of the planning department and shall be accompanied with a nonrefundable fee, as established by resolution of the city council.

The current provisions require neighborhood noticing of a beekeeping permit request and specific standards. The permit is issued at a staff level and upon protest, can be denied provided a written statement is submitted to the City from a medical practitioner licensed by the State of California documenting the existence of severe bee allergy.

The current provisions also reference Section 6.04.430 and Section 6.12 (repealed November 19, 1990) of the Lemon Grove Municipal Code. Section 6.04.430 (**Attachment C**) includes standards and procedures to abate nuisance animals.

If City Council directs staff to implement the current code, staff recommends that a Zoning Clearance Application and fee be utilized to process the application and to recover all costs associated with the application including noticing. Staff also recommends that the requirement for a medical statement be omitted from the provisions (shown italicized in **Attachment B**) as it may be difficult to ensure medical validity.

City staff recalls less than six requests in the past decade for beekeeping activities and less than that in code enforcement activities related to unapproved beekeeping activities.

Other Standards in the Region

Out of the nineteen jurisdictions, four agencies (including Lemon Grove) include existing standards for beekeeping activities in their regulations. National City prohibits beekeeping by ordinance and the City of San Diego established standards. Although the City of San Diego does not require permits, the hives must be registered with the County of San Diego Department of Agriculture, Weights, and Measures.

San Diego regulations establish the appropriate zones, allowable bee species (*Apis mellifera* commonly referred to as a Honey Bee), size and locational requirements, ownership standards, signage, fire safety and fire-fighting materials. The brochure issued by the City of San Diego states that the only type of bee allowed is a docile species and further states:

> "The docile honeybees that are permitted by this ordinance are not aggressive. Beekeeping when done properly poses very limited risks to surrounding properties or property owners."

Chula Vista Municipal Code specifies that beekeeping is unlawful unless 600 feet from any residential structure. Exceptions to the requirement is made for scientific or research purposes.

The County of San Diego is currently undergoing environmental review of an amendment to the Bee Ordinance to implement a three "tiered" approach to setback distances for placement of beehives on public and private property in proximity to dwellings, property lines, roadways and

sensitive sites (small children, elderly, and confined animals and others who might be physically challenged). The tiers are based on the number of hives and requires that if 2 hives are on a site, those hives must be located 25 feet from the road, 25 feet from a property line and 35 feet from a neighboring dwelling. In addition to the clearance requirements, the proposed ordinance includes registration of beekeepers, Best Management Practices, education and outreach. The ordinance requires that the beekeeper monitor the hive for Africanization, installation of a 6-foot high barrier to direct flights, positioning hive entries away from paths and neighboring dwellings, adequate water supplies, and fire prevention provisions (related to smoker equipment). The attached Mitigated Negative Declaration (**Attachment D**) summarizes the major provisions of the proposed ordinance.

Current County regulations require all beekeepers, small and large, to keep hives 100 feet from roads and 600 feet from homes. The County of San Diego is undergoing revisions because of concerns expressed by the San Diego County Beekeeping Society who claim County regulations make it difficult for beekeepers to prosper (San Diego County News Center).

Conclusion:

Staff recommends that the City Council consider the information presented in the staff report and provide feedback.

Attachment B

18.16.060 Exotic animals.

A. The keeping of animals considered to be members of a rare and endangered species, exotic or wild animals, including dangerous or poisonous reptiles, shall not be permitted within the city, except as provided in Section 6.04.430 of the Lemon Grove Municipal Code.

B. Beehives may be kept within the residential low and low/medium zoning districts subject to the following:

1. The beekeeper shall apply for a beekeeping permit. The permit application shall be filed on a form available in the office of the planning department and shall be accompanied with a nonrefundable fee, as established by resolution of the city council

2. Prior to the issuance of a beekeeping permit, the city shall send written notification to the owners and residents of all properties abutting the lot where the bees are to be kept.

a. The owners and residents of the abutting properties may, within ten days of the date of the notice, file with the planning department a written protest against the issuance of a beekeeping permit.

b. *The only acceptable grounds for protest shall be that a resident of a property which abuts the site of the proposed beekeeping suffers from severe allergic reaction for bee stings. Such allergy and its severity shall be documented by a written statement from a medical practitioner licensed by the state of California.*

c. *If the city receives a protest pursuant to this section which included required documentation, no beekeeping permit shall be issued.*

3. Not more than two beehives shall be permitted on a lot or building site with an area of at least ten thousand square feet. Two additional beehives shall be permitted on a lot with an area of at least fifteen thousand square feet. No more than four beehives shall be permitted on any lot or building site.

4. The keeping of bees shall be conducted in accordance with this section and in accordance to the provisions of Chapter 6.12 of the Lemon Grove Municipal Code.

5. Beehives shall be placed at least one hundred feet from the exterior line of the traveled way of any public streets, at least twenty-five feet from the exterior line of any private access easement, at least twenty-five feet from any side or rear lot line, and at least one hundred feet from any dwelling other than that occupied by the owner of the bees.

6. Beekeepers shall keep sufficient open water available near the beehives during hot and dry weather.

7. Beehives shall be well maintained at all times.

6.04.430 Public nuisance.

A. General Provisions. The introduction, possession or maintenance of any animal, or the allowing of any animal to be in contravention of this chapter is, in addition to being a misdemeanor, declared to be a public nuisance. The city or authorized agency, health officer and peace officer may summarily abate any such public nuisance independently of any criminal prosecution or the results thereof by any means reasonably necessary including but not limited to the destruction of the animal or animals involved, or by the imposition of specific reasonable conditions and restrictions for the maintenance of the animal(s). The owner shall reimburse the city or authorized agency for all costs incurred in verifying compliance and enforcing the provisions of this section.

B. Notification of Right to Hearing. At least five working days prior to the impoundment and/or abatement, the owner or custodian of record shall be notified of their right to a hearing to determine whether grounds exist for such impoundment and/or abatement. If the owner or custodian of record requests a hearing prior to impoundment and/or abatement, no impoundment and/or abatement shall take place until the conclusion of the hearing except as noted in subsection C of this section.

C. Immediate Impoundment. When, in the opinion of the city or authorized agency, immediate impoundment is necessary for the preservation of animal or public health, safety or welfare, or if the animal has been impounded under other provisions of this code or state law, the pre-impoundment hearing shall be waived. However, the owner or custodian of record shall be given a notice allowing five working days to request an abatement hearing. If requested a hearing shall be held within five days of the request, and the animal shall not be disposed of prior to the conclusion of the hearing. If, after five working days, no request for a hearing is received from the owner or custodian of record, the animal in question shall be disposed of under applicable provisions of the law. (Ord. 245 § 9, 1995; Ord. 227 § 5, 1994; Ord. 175, 1990).

Attachment D

County of San Diego

HA DANG
AGRICULTURAL COMMISSIONER/
SEALER OF WEIGHTS & MEASURES

DEPARTMENT OF AGRICULTURE, WEIGHTS AND MEASURES
9325 HAZARD WAY, STE. 100, SAN DIEGO, CA 92123-1217
(858) 694-2739
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http://www.sdcawm.org

MEGAN MOORE
ASSISTANT DIRECTOR

MITIGATED NEGATIVE DECLARATION

April 2, 2015

Project Name: San Diego County Bee Ordinance Amendment

Project Number(s): County Code of Regulatory Ordinances Title 6, Division 2, Chapter 9

This Document is Considered Draft Until it is Adopted by the Appropriate County of San Diego Decision-Making Body.

This Mitigated Negative Declaration is comprised of this form along with the Environmental Initial Study that includes the following:

a. Initial Study Form
b. Environmental Analysis Form and attached extended studies for biological resources, historical resources, and a stormwater management plan.

1. California Environmental Quality Act Negative Declaration Findings:

   Find, that this Mitigated Negative Declaration reflects the decision-making body's independent judgment and analysis, and; that the decision-making body has reviewed and considered the information contained in this Mitigated Negative Declaration and the comments received during the public review period, and; on the basis of the whole record before the decision-making body (including this Mitigated Negative Declaration) that there is no substantial evidence that the project will have a significant effect on the environment.

2. Required Mitigation Measures:

   Refer to the attached Environmental Initial Study for the rationale for requiring the following measures:

   A. Hazards/Public Safety

   a. The effectiveness of the proposed ordinance changes depends on four components: registration of beekeepers, the implementation of Best Management Practices (BMPs), outreach/education to the public and beekeepers, and compliance with the revised ordinance. With the incorporation

Attachment D

of these mitigation measures, the impacts to public safety will be less than significant because beekeepers will be educated on how to properly manage their hives to prevent Africanization of those hives; and the County will conduct compliance inspections and enforcement actions to ensure compliance with the ordinance requirements. These mitigation measures are:

Registration: All beekeepers are required to register each year to allow AWM the knowledge of managed beehive locations. The registration process will include newly registered beekeepers taking an online course on how to effectively manage bees and preclude Africanized bees. The beekeepers will be required to complete and sign self-assessment, Best Management Practice (BMP) Checklist, yearly upon registration.

Online Course: Completion of the online course is required for newly registered beekeepers. The course covers various aspects of safe beekeeping, serves as an educational resource for beekeepers, and promotes understanding and compliance.

Re-Queen: All beekeepers will be required to check their hive monthly for signs of Africanization. When Africanization possibility is detected, the beekeepers are required to re-queen or abate the bee hive immediately to discontinue the production of Africanized offspring.

6-foot Flyover Barrier: All beekeepers in residential areas will be required to have a 6-foot high barrier placed on all sides of the hives to direct the bee flight path up and out. Barrier must be a minimum of 6 feet tall and can be manmade such as a fence, or natural such as a dense hedge. Barrier shall closely surround the beehives leaving sufficient space to properly maintain the beehives. Barriers protect public safety by forcing the bees to fly up and over the barrier height to prevent contact with people or animals.

Hive Entry Location: All beekeepers in residential areas will be required to place the openings of the beehives away from any paths used by people and animals, and away from any neighboring dwelling so that the bee flight path does not come in contact with people or animals.

Water Supply: All beekeepers will be required to provide a water supply specifically for bee use. Water is one of the main provisions bees must have to remain healthy. The water supply must be fresh, adequate, and available to bees at all times. The water supply must be equipped with floats or landing areas to prevent bees from drowning. This allows the bees to avoid visiting unintentional water supplies such as neighbor's pet water bowls and swimming pools.

Regular Hive Check by Beekeepers: All beekeepers will be required to open and check their hives at least once a month, looking for behavioral signs of Africanization such as defensiveness, territoriality, agitation, or unpredictability. Frequent health checks allow the beekeepers to notice when the hives may be

taken over by bee pests, diseases, or overly-defensive bees and to take corrective measures in a timely manner. The beekeepers will also be required to notice when a hive is growing too large and swarming may likely occur. If the hive has grown too large, the beekeeper must split the hive or provide additional box space for the colony to grow.

Yearly BMP Checklist: The beekeepers will be required to submit a signed BMP self-assessment checklist as part of their annual registration with AWM. The checklist serves as a reminder list of the required BMPs and ordinance requirements that beekeepers must follow in order to be in compliance.

Fire Prevention Equipment: All beekeepers must prevent their smokers from starting a fire. Fire prevention consists of a secure secondary container for smoker transport, a reasonable fire break and firefighting materials. A fire break is an area cleared of weeds, brush, or flammable materials where the hive is located. Firefighting materials need to be immediately available and consist of a shovel and a fire extinguisher or operable water supply.

Identification Information on Hive: Each hive must display the beekeeper's name and telephone number in clearly visible letters at least 1" tall. Contact information is important to show ownership, prevent theft and serves to facilitate communication if there is a question or complaint about the hives.

Sensitive Sites as Determined by AWM: Sensitive sites will be determined and appropriate setbacks implemented to provide sufficient distance between managed beehives and the possible sensitive site locations. A sensitive site is a location where people or animals, such as the elderly, small children, or confined animals inhabit or frequent, that is more at risk if a stinging incident was to occur. All schools, playgrounds, picnic areas, outdoor sports facilities, daycare centers, kennels, horse boarding facilities, senior care facilities, medical treatment facilities, and hospitals that are known to the County will automatically be considered as designated sensitive sites. Property operators, owners, or residents with documented hyper-sensitivity to bee stings can request their locations to be designated as sensitive sites. AWM will consider designation of sensitive site status if a business or resident applies to AWM for their location to be designated as a sensitive site. Conversely, property operators and owners could remove their sensitive site designations by written notification to AWM.

Outreach and Education Program: A strategic bee outreach program will be implemented by AWM that involves beekeepers, the public and interested parties. The program will be a collaborative effort between the County of San Diego Farm and Home Advisor (FHA), SDBS, commercial beekeepers and AWM to increase hobbyist beekeepers' awareness and expertise on the importance of BMP implementation and compliance with ordinance requirements. Other interested parties may include pest control professionals, land managers, growers, emergency first-responders, and educators. The program includes the development of a website, brochures, factsheets, frequently asked questions,

Attachment D

bee hotline post card, workshops, training demonstrations, video, online training and BMP checklist.

Compliance Monitoring: To promote compliance, AWM proposes to conduct compliance inspections based on beekeepers' requests, complaints, and causes, such as the beehive proximity to sensitive sites and AWM's awareness of possible violations, to ensure compliance with the ordinance requirements. AWM will use available education, outreach, and compliance tools to ensure public safety. Possible compliance tools include San Diego County's Administrative Citation, Administrative Civil Penalties and Public Nuisance Abatement Processes. SDBS has offered to collaborate with AWM and beekeepers when possible to ensure compliance by providing technical assistance to hobbyist beekeepers who are out of compliance.

Bee Hotline: A Bee Hotline has been set up where the public can call if they have questions or comments about bees BEE/INSECT HOTLINE 1-800-200-2337 (BEES). This Hotline is available during regular business hours to answer non-emergency public concerns about managed and feral bees. The Hotline directs the public to the correct jurisdiction and/or forwards managed bee complaints to AWM to be addressed.

Adaptive Management: AWM will implement a two calendar year adaptive management program to evaluate the success of the bee ordinance amendments. The adaptive management program will consist of an active evaluation of program success by collecting information on the number of registrants, complaints, and compliance actions during the two calendar year period after the ordinance changes are implemented. Improvements and changes may be made on aspects of the ordinance to meet safety goals.

ADOPTION STATEMENT: This Negative Declaration was adopted and above California Environmental Quality Act findings made by the:

_____

on _____

Thomas Duffy, Environmental Planning Manager

LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY

Item No. 3
Mtg. Date April 21, 2015
Dept. City Manager's Office

Item Title: **2015 City Council Priorities**

Staff Contact: Graham Mitchell, City Manager

Recommendation:

Approve the City Council Priorities for 2015 (**Attachment A**).

Item Summary:

On April 7, 2015, the City Council discussed potential priorities established at its February 24, 2015 workshop. During the discussion, the City Council reiterated the six priorities identified during the workshop:

1) Economic Development,
2) City Appearance,
3) Infrastructure,
4) Public Safety,
5) General Plan, and
6) Recreational Opportunities.

The City Council, during the April 7th agenda item, provided direction to staff in terms of priority definitions and specific goals that it wishes to accomplish in 2015. The purpose of this agenda item is to present the goals identified for each priority, identify the lead City department, and recommend target completion dates. A matrix of priorities, goals, and other information is included as an attachment to this staff report (**Attachment A**).

Those priorities and goals that require budget considerations have been included in the draft budget, which will be presented to the City Council on May 5, 2015.

Fiscal Impact:

None.

Environmental Review:

☒ Not subject to review
☐ Negative Declaration
☐ Categorical Exemption, Section
☐ Mitigated Negative Declaration

Public Information:

☐ None
☒ Newsletter article
☐ Notice to property owners within 300 ft.
☐ Notice published in local newspaper
☐ Neighborhood meeting

Attachments:

A. 2015 City Council Priorities

2015 CITY COUNCIL PRIORITIES

Priority: Economic Development

Goals/Tasks	Department	Target Completion Date
1) Continue working with the East County Chamber of Commerce and the East County Economic Development Council on business support and attraction.	City Manager	Ongoing
2) Support Lemon Grove businesses and property owners in the formation of an assessment district to provide enhanced services (security, cleaning, marketing) - work with larger property owners and other interested parties that will spearhead the effort - provide data and analysis for business group	City Manager	Ongoing
3) Building on the success of attracting businesses to the City's heavy commercial/industrial zones, work with the East County Chamber of Commerce and the East County Economic Development Council to identify niche business types that could be also be attracted to the City's heavy commercial/industrial zones. City Council to receive a report with an update regarding this effort.	City Manager	Nov-15

NOTES:

Attachment A

Priority: City Appearance

Goals/Tasks	Department	Target Completion Date
1) Develop and implement a plan to address graffiti more effectively -research actual numbers and high areas of graffiti incidents -create a plan to proactively address problem areas -determine if additional staff/volunteers are required to mitigate all graffiti within 24 hours	Public Works	Sep-15
2) Develop and implement a plan to address litter in the City - discuss as a City/School District Collaboration Committee topic - develop a marketing campaign around littering - work with commercial property owners to keep property litter-free - support volunteer groups that provide litter abatement throughout the community - work with local businesses regarding shopping cart litter	City Manager/ Public Works/ Dvlp Srv	Dec-15
3) City Council discussion regarding potential code enforcement target issues in commercial areas	Dvlp Srv	Aug-15
4) City Council discussion regarding design standards in commercial areas - solicit concepts from business community through East County Chamber and surveys - City Council to receive a report regarding feedback and options	Dvlp Srv	Nov-15

NOTES:

Attachment A

Priority: Infrastructure

Goals/Tasks	Department	Target Completion Date
1) Complete existing capital and planning projects	Dvlp Srv	
- Lemon Grove Avenue Realignment (begin construction)		Feb-16
- Connect Main Street (complete planning stage)		Oct-15
- Sewer rehabilitation project		Sep-15
- Additional grant funded projects		Unknown
2) City Council discussion regarding sidewalk incentive program	City Manager	Jul-15
3) Enhance appearance of the City's Capital Improvement Program	City Manager	May-15

NOTES:

Attachment A

Priority: Public Safety

Goals/Tasks	Department	Target Completion Date
1) City Council discussion regarding "deemed approved" ordinance, "single serve" policies, and "crime prevention through environmental design" (landscape, lighting, and design) policies	Dvlp Srv	Sep-15
2) Presentation to the City Council from the Sheriff's Department regarding:	Sheriff's Dept.	
- Body worn camera policy		May-15
- License plate reader and facial recognition programs		Jul-15
3) Promote Crime Free Multi-Housing Program	City Manager	Aug-15
- City Council presentation regarding the success of the marketing effort and an analysis regarding a crime free multi-housing ordinance		
4) Develop a program/strategies to increase the perception of safety in the City.	City Manager	May-15

NOTES:

Attachment A

Priority: General Plan

Goals/Tasks	Department	Target Completion Date
1) City Council presentation regarding the General Plan update process (which elements require updates, critical steps, a cost breakdown, and funding opportunities)	Dvlp Srv	Aug-15
2) Establish a General Plan Advisory Group, consisting of Planning Commissioners and other appointees	City Manager/ Dvlp Srv	
- City Council discussion about recruiting for the Advisory		Aug-15
- City Council appointment to the Advisory Group		Sep-15
- Initial meeting with the Advisory Group		Oct-15
- Presentation of initial Advisory Group meetings to the City Council		Dec-15

NOTES:

Attachment A

Priority: Recreation Opportunities

Goals/Tasks	Department	Target Completion Date
1) Establish a Focus Group to explore a potential Recreation Council (form, purpose, staff time, funding issues/opportunities)	City Manager/ Public Works	
- City Council discussion about recruiting for the Focus Group		Jun-15
- City Council appointment to the Focus Group		Jul-15
- Focus Group meeting(s)		Sep-15
- Focus Group report to the City Council		Oct-15
2) Consider a revised Joint Use Agreement between the City and the School District for public use of the fields and courts behind the Recreation Center during non-school hours	City Manager	Jun-15
3) Continue to explore recreation partners	Public Works	Ongoing

NOTES:

LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY

Item No. 4
Mtg. Date April 21, 2015
Dept. Public Works

Item Title: **San Diego Pooled Insurance Program Authority**

Staff Contact: Mike James, Public Works Director

Recommendation:

Adopt a resolution (**Attachment B**) providing its written authorization to the dissolution of the San Diego Pooled Insurance Program Authority.

Item Summary:

On March 26, 2015, the San Diego Pooled Insurance Program Authority (SANDPIPA) Board of Directors held a meeting to decide to continue the SANDPIPA model or to move forward with the dissolution process with a planned run-off of all outstanding liability and join the California State Association of Counties Excess Insurance Authority (CSAC) for excess liability coverage. A vote was held after a thorough discussion and it was unanimously decided to move forward with the dissolution process.

The staff report (**Attachment A**) describes in greater detail the March 26th Board meeting, liability coverage for the City in its new model, and future excess liability coverage options.

Fiscal Impact:

In Fiscal Year 2015/16 there will be a nominal decrease to the City's annual premium. For future years there may be savings and return of equity with the potential dissolution of SANDPIPA.

Environmental Review:

- ☒ Not subject to review
- ☐ Categorical Exemption, Section
- ☐ Negative Declaration
- ☐ Mitigated Negative Declaration

Public Information:

- ☒ None
- ☐ Newsletter article
- ☐ Notice to property owners within 300 ft.
- ☐ Notice published in local newspaper
- ☐ Neighborhood meeting

Attachments:

A. Staff Report

B. Resolution

Attachment A

LEMON GROVE CITY COUNCIL
STAFF REPORT

Item No. 4

Mtg. Date April 21, 2015

Item Title: **San Diego Pooled Insurance Pooled Authority**

Staff Contact: Mike James, Public Works Director

Background:

Since April 1, 1986, the City of Lemon Grove entered into a joint powers agreement with various other cities, entitled "San Diego County Cities Joint powers Agreement creating the San Diego Pooled Insurance Protection Authority (SANDPIPA) for Municipal Entities," to provide for and administer a risk management and insurance program.

Discussion:

Since 2014, in light of the General Manager's retirement announcement, the SANDPIPA Board of Directors (Board) has been discussing options for moving forward. Options may include backfilling the General Manager position, implementing a different management process, or dissolving the organization and each city will find a different risk management and insurance program. Each of the options were previously presented and discussed at the City Council meetings on February 17th and March 17th.

On March 26, 2015, the SANDPIPA Board held a meeting to come to a final decision to continue with the SANDPIPA model or to move forward with the dissolution process with a planned run-off of all outstanding liability while also encouraging each individual member city to join the California State Association of Counties Excess Insurance Authority (CSAC) for excess liability coverage for a minimum one-year period. After receiving a presentation from the General Manager and the consulting team, the Board voted unanimously (12-0) to move forward with the dissolution process.

In light of the SANDPIPA's Board decision, staff recommends that the City rescind its notice of intent to withdraw from SANDPIPA and enter into agreement CSAC as the City's excess liability insurance coverage provider. The change in excess liability insurance coverage does not negatively impact the level of service or coverage that the City will have in FY 2015/16. The City will continue to receive the same coverage (e.g. general liability, crime, cyber, pollution, and property). The only noticeable change that will occur is the City's general liability self-insured retention which will reduce from $125,000 to $100,000. Staff anticipates that in FY 2015/16 there will be a nominal decrease in the City's annual premium. Furthermore, the City will likely begin to receive a portion of its share of equity in the form of dividends during the dissolution process. It is also important to note that the SANDPIPA Board Council recommended two amendments to the SANDPIPA by-laws that were created to protect each member's right to its share of equity. Those changes are shown on page 21 of **Attachment B – Exhibit 1**.

In looking forward to FY 2016/17 and beyond, staff recommends moving forward with soliciting proposals to provide general liability and workers compensation excess insurance coverage as well as third party administrative services. Based on the responses received, staff will return to the City Council with a recommendation for approval that may or may not include continuing with CSAC as its excess insurance liability coverage provider beyond the initial one-year term.

Attachment A

Conclusion:

Staff recommends that the City Council adopt a resolution (**Attachment B**) providing its written authorization to the dissolution of the San Diego Pooled Insurance Program Authority.

Attachment B

RESOLUTION NO. 2015 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA PROVIDING ITS WRITTEN AUTHORIZATION TO THE DISSOLUTION OF THE SAN DIEGO POOLED INSURANCE PROGRAM AUTHORITY

WHEREAS, on April 1, 1986, the City entered into a joint powers agreement with other San Diego County cities, entitled "San Diego County Cities Joint Powers Agreement Creating the San Diego Pooled Insurance Protection Authority for Municipal Entities (SANDPIPA)"; and

WHEREAS, the purpose of participating in the joint powers authority was to provide for and administer a risk management and insurance programs; and

WHEREAS, the SANDPIPA Board, representing the member agencies, has determined that it is in the best interest of SANDPIPA members and in the public interest that SANDPIPA should be terminated, and its assets distributed to members per the joint powers agreement; and

WHEREAS, the City hereby provides its written consent to the termination of SANDPIPA per Article 25 of the joint powers agreement, effective July 1, 2016, with SANDPIPA to continue to exist for the purpose of disposing of all claims, distribution of assets, and all other functions necessary to wind up the affairs of the Authority; and

WHEREAS, the City hereby agrees to an amendment the joint powers agreement (**Exhibit 1**), substituting "the Board of Directors" for "the Executive Committee" in Article 25.B of the joint powers agreement, so that powers of the Authority will be vested in the Board of Directors; and

WHEREAS, the City hereby agrees to an amendment of the joint powers agreement in Article 25.A adding "distribution of dividends," after "disposing of all claims," so that the Board of Directors is expressly authorized to continue to distribute dividends, in accordance with the "plan document" referenced in Article 26, during the period of winding up and dissolving the business affairs of the Authority. The following language is added to Section 25.A: "Withdrawn or cancelled members are entitled to participate in dividend distributions after accounting for their Board determined share of administrative expenses.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

1. Directs the City Manager or designee to rescind the notice of intent to withdraw; and
2. Authorizes the City's Board representative to facilitate the dissolution process; and
3. Directs the City Clerk to communicate this resolution to the SANDPIPA.

/ / / / /
/ / / / /

Attachment B – Exhibit 1

SAN DIEGO COUNTY CITIES JOINT POWERS AGREEMENT
FOR RISK MANAGEMENT AND RELATED INSURANCE COVERAGES
CREATING THE SAN DIEGO POOLED INSURANCE PROGRAM
AUTHORITY FOR MUNICIPAL ENTITIES
(SANDPIPA)

WHEREAS, certain signatory members of the San Diego County Cities Joint Powers Agreement for Risk Management and Related Insurance Coverages desire to create a separate and independent joint powers authority for the purpose of establishing and administering an insurance program involving risk sharing; and

WHEREAS, participation by eligible municipal entities shall be wholly voluntary; and

WHEREAS, Government Code Section 6500 et seq. provides that two or more public agencies may, by agreement, jointly exercise any power common to the contracting parties; and

WHEREAS, Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, Government Code section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4; and

WHEREAS, each of the parties to this agreement desires to join together with the other parties for the purpose of pooling certain self-insured claims and losses, as provided in Government Code Section 990.8, and jointly purchasing excess insurance and administrative services in connection with an insurance program for said parties;

NOW, THEREFORE, for and in consideration of the mutual advantages to be derived therefrom and in consideration of the execution of this agreement by other public entities, it is hereby agreed that San Diego Pooled Insurance Program Authority For Municipal Entities be created as follows:

SAN DIEGO POOLED INSURANCE PROGRAM
AUTHORITY FOR MUNICIPAL ENTITIES

This agreement is made and entered into the County of San Diego, State of California, by and among the cities organized and existing under the laws of the State of California, hereinafter referred to collectively as "cities" and individually as "city," which are parties signatory to this agreement. Said cities are sometimes referred to herein as "parties."

Attachment B – Exhibit 1

ARTICLE 1
DEFINITIONS

The following definitions shall apply to the provisions of this agreement:

A. "Assessment" shall mean the amount due and payable by the city in excess of the premium for valid claims.

B. "Auditor" shall mean that person appointed by the board who is required to draw warranties on behalf of the authority and provide for an annual audit, in accordance with the law and the bylaws.

C. "Authority" or "SANDPIPA" shall mean the San Diego Pooled Insurance Program Authority for Municipal Entities created by this agreement.

D. "Board of Directors" or "Board" shall mean governing body of the Authority.

E. "City" or "cities" shall mean general law or charter cities, established under the laws of the State of California, which are signatory members of the authority; provided, however, that this definition shall not be construed to prevent the Authority from extending insurance coverage to any subsidiary, conditions approved by the board.

F. "Claim" shall mean demands made against the cities which are within the Authority's insurance program.

G. "Clerk" shall mean the person of the Authority who is so appointed by the board under the bylaws.

H. "Earned premium" shall mean earned premium as defined in the California Insurance Code.

I. "Excess Insurance" shall mean that insurance which may be purchased on behalf of the Authority to protect the funds of the cities against catastrophic losses or an unusual frequency of losses during a single year.

J. "Executive Committee" shall mean the Executive Committee of the board of Directors of the Authority.

K. "Fiscal Year" shall mean that period of twelve months which is established as the fiscal year of the Authority.

L. "Incurred Loss" shall mean total expenses for payment of a claim, including reserves therefore.

M. "Insurance" shall mean self-insurance through risk-pooling funded program, and/or any commercial insurance contract, and the context requires.

N. "Insurance Program" shall mean insurance and risk management programs offered by or through the Authority.

O. "Insurance Year" shall mean a period of time, usually twelve (12) months, determined by the Executive Committee into which each element of the insurance program is segregated for ease in determining premiums, incurred losses, and assessments.

P. "Memorandum of Insurance" shall mean the basic liability self-insurance program funded by risk-sharing, issued through the Authority in policy form.

Q. "Premium" shall mean the amount determined by the Board annually as necessary to fund the insurance program of the Authority.

R. "Pro forma statement" shall mean a projection of estimated losses, expenses, premiums, assessments, and other revenues for a reasonable period, for any insurance offered by the Authority.

S. "Program Underwriter" shall mean an individual or legal entity, either under contract or employed by SANDPIPA, to provide underwriting services.

T. "Reserves" shall mean funds not yet committed to the payment of a valid claim but held for the payment of the claims.

U. "Risk Management" shall mean the process of identifying, evaluating, reducing, transferring, sharing, and eliminating risk. Risk management includes various elements of insurance, law, administration, technology, accounting, and general business to effectively manage hazards and losses to which member cities may be exposed.

V. "Risk Manager" shall mean the manager of day-to-day affairs of the authority, appointed by the board.

W. "Risk pooling or sharing" shall mean any common fund: (1) which is composed of cash, investments permitted by Government Code Section 53601 et seq., or other assets; (2) to which two or more members of the Authority have agreed to contribute in accordance with the terms of the contract or memorandum of insurance of insurance in which participation is voluntary; (3) from which claims and risk management costs of any contributor to that common fund shall be paid; and (4) which operates in accordance with this joint powers agreement.

X. "Self-insurance" shall mean providing for claims, losses, and risk management by risk-pooling and the maintenance of reserve funds by the city.

Y. "Self-insured retention" or "retained limit" shall mean the amount below which a city is

liable, at its own expense, under the Memorandum of Insurance.

Z. "Underwriting Committee" shall mean standing committee to be established by the Board, comprised of a chairman (elected from the Board) and two or more members-at-large from participating agencies.

ARTICLE 2
PURPOSES

This agreement is entered into by cities pursuant to the provisions of the Government Code Sections 990.4, 990.8, and 6500 et seq. in order to provide comprehensive and economical public liability coverage and coverage for other risks to which the Board of Directors may agree. Additional purposes are to reduce the amount of frequency of losses and to decrease the cost incurred by cities in the handling and litigation of claims. These purposes shall be accomplished through the exercise of the power of such cities jointly in the creation of a separate entity, the San Diego Pooled Insurance Program Authority For Municipal Entities (the "Authority"), to administer an insurance program pursuant to which the cities will pool certain losses, claims, and funds, jointly purchase excess insurance (if available) and administrative and other services, including claims adjusting, data processing, risk management consulting, loss prevention, legal, and related services.

It is also the purpose of this agreement to provide, to the extent permitted by law, for the inclusion, at a subsequent date, of such additional cities as may desire to become parties to this agreement and members of the Authority, subject to approval by the Board of Directors.

ARTICLE 3
PARTIES TO THE AGREEMENT

Each party to this agreement certifies that it intends to and does contract with all other parties who are signatories of this agreement and, in addition, which such other parties as may later be added as parties to and signatories of this agreement pursuant to Article 21. Each party to this agreement also certifies that the deletion of any party from this agreement, pursuant to articles 22 and 23, shall not affect this agreement nor such party's intent to contract, as described above, with the other parties to the agreement then remaining.

ARTICLE 4
TERMS OF THE AGREEMENT

This agreement shall become effective upon the first day it has been executed by two cities.

ARTICLE 5
CREATION OF AUTHORITY

Pursuant to section 6500 et seq. of the Government Code, there is hereby created a public entity, separate and apart from the parties hereto, to be known as the San Diego Pooled Insurance

Program Authority For Municipal Entities. Pursuant to Government Code Section 6508.1, the debts, liabilities, and obligations of the Authority shall not constitute debts, liabilities, or obligations of any party to this agreement or to any city.

ARTICLE 6
POWERS OF AUTHORITY

A. The Authority shall have the powers common to cities and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:

1. To make and enter into contracts, including contracts of insurance and self-insurance for it's members providing the risk-pooling or sharing, whether or not subject to regulation under the insurance code, to the extent and in the manner permitted under Government Code Sections 990.4, 990.8, and 6508, or any other provisions of law;

2. To incur debts, liabilities, or obligations;

3. To acquire, hold, or dispose of property, contributions and donations of property, funds, services, or other forms of assistance from persons, firms, corporations, and governmental entities;

4. To sue and be sued in its own name; and

5. To exercise all powers necessary and proper to carry out the terms and provisions of this agreement, or otherwise authorized by law.

B. Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

ARTICLE 7
BOARD OF DIRECTORS

A. The Authority shall be governed by the board of Directors which is hereby established and which shall be composed of one representative from each city, who shall be selected by the city manager of that city. Each city in addition to appointing its members of the Board, shall appoint at least one alternate. Each director and each alternate shall have a staff employee of that city. The alternate appointed by a city shall have the authority to attend, participate in, and vote at any meeting of the Board when the regular member for whom he or she is an alternate is absent from said meeting.

B. Each director or alternate of the board shall serve until a successor is appointed. Each director or alternate shall serve at the pleasure of the city by which he or she has been appointed.

C. Each director or alternate shall have one vote.

ARTICLE 8
POWERS OF THE BOARD OF DIRECTORS

The Board of Directors of the Authority shall have the following powers and functions:

A. The Board shall elect from its members, pursuant to Article 10 of this agreement, an Executive Committee.

B. The Board may review all acts of the Executive Committee and shall have the power to modify and/or override any decision or action of the Executive Committee upon a majority vote of the entire Board of Directors.

C. The Board shall review, modify, if necessary, and approve the annual operating budget of the Authority prepared by the Executive Committee, pursuant to Article 11(d).

D. The Board shall receive and review periodic accounting of all funds under Articles 16 and 17 of this agreement.

E. The Board shall have the power to conduct, on behalf the Authority, all business of the Authority, including that assigned to the Executive Committee which the Authority may conduct under the provisions hereof and pursuant to law.

F. The Board shall have such other powers and functions as are provided for in this agreement or in the bylaws.

ARTICLE 9
MEETINGS OF THE BOARD OF DIRECTORS

A. Meetings. The Board shall provide for it's regular adjourned regular, and special meetings upon call of the president of the Board; provided, however, that it shall hold at least one regular meeting annually, as set forth in the bylaws.

B. Minutes. The clerk of the Authority shall cause minutes of regular, adjourned regular, and special meetings to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to each city.

C. Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. A vote of the majority of those members present at a meeting shall be sufficient to constitute action by the Board, except as otherwise specifically set forth in this agreement or in the bylaws.

D. Compliance with the Brown Act. All meetings of the Board, including, without limitation, regular, adjourned regular, and special meetings, shall be called, noticed, held, and conducted in accordance with the provisions for the Ralph M. Brown Act, Government Code section 54950 et seq.

ARTICLE 10
EXECUTIVE COMMITTEE

A. There shall be an Executive Committee of the Board of Directors which shall consist of at least three members, as provided in the bylaws. The members of the Executive Committee shall include the president of the Board of Directors; the remainder of the members shall be elected by the Board of Directors from its members, as provided in the bylaws.

B. Vacancies on the Executive Committee shall be filled as provided in the bylaws.

ARTICLE 11
POWERS OF THE EXECUTIVE COMMITTEE

The Executive Committee may be delegated the following powers:

A. Determine details of and select the insurance program of the Authority.

B. Determine and select all insurance, including excess insurance, necessary to carry out the programs of the Authority.

C. Have Authority to contract for or develop various services for the Authority, including, but not limited to, claims adjusting, loss control, legal defense, and risk management consulting.

D. Cause to be prepared the operating budget of the Authority for each fiscal year, subject to review, modification, and approval by the Board, as provided for in Article 8(c).

E. Receive and act upon reports of the risk manager and committees of the Authority, as provided in the bylaws.

F. The authority to hire persons as the Executive Committee deems necessary for the administration of the Authority.

G. Exercise general supervisory and policy control over the risk manager.

H. Direct investment of funds collected by the Authority.

I. Such other powers and functions as are provided for pursuant to this agreement.

Attachment B – Exhibit 1

ARTICLE 12
MEETINGS OF THE EXECUTIVE COMMITTEE

The meetings of the Executive Committee shall be held and conducted as provided in the bylaws. The Committee shall make periodic reports to the Board of Directors, advising the Board of its decisions and activities.

ARTICLE 13
OFFICERS OF THE AUTHORITY

A. President and Vice President. The Board shall elect a president and vice president of the Authority at its first meeting in January of even-numbered years, each to hold office until a successor is elected. In the event the president or vice president so elected ceases to be a member of the Board, the resulting vacancy in the office of president or vice president shall be filled at the next regular meeting of the Board held after such vacancy occurs. The Executive Committee may appoint an interim president or vice president pending action by the Board of Directors. In the absence or inability of the president to act, the vice president shall act as president. The president, or in his or her absence the vice president, shall preside at and conduct all meetings of the Board and shall chair the Executive Committee.

B. Treasurer. The treasurer shall be appointed by the Board. The duties of the treasurer are set forth in Articles 16 and 17 of this agreement.

C. Attorney. The Board shall appoint an attorney for the Authority.

D. Other Officers. The Board shall have the power to appoint, or to delegate to the Executive Committee the power to appoint, the auditor and clerk and such other officers as may be necessary to carry out the purpose of this agreement.

ARTICLE 14
INSURANCE COVERAGE

A. The Authority shall maintain levels of insurance coverage for cities determined by the Board of Directors to be reasonably adequate.

B. The insurance coverages provided by the Authority may include protection for motor vehicle, personal injury, property damage, errors and omissions, contractual, or comprehensive general liability, or such other areas of coverage as the Executive Committee may recommend to the Board.

C. Upon Request, a city tendering a claim under any risk sharing insurance program of the Authority shall be entitled to select a legal defense firm from among those acceptable to under contract with the Authority.

D. The Board may arrange for a group policy to be issued for cities interested in obtaining additional coverage at an additional cost to those cities.

E. The Board may arrange for the purchase of excess insurance. The Board may discontinue purchase of excess insurance if no longer available or needed to protect the Authority's funds.

ARTICLE 15
IMPLEMENTATION OF THE INSURANCE PROGRAM

A. Program Formation; Appointments. As soon as practicable after the effective date of this agreement, the Board of Directors shall determine the insurance coverages to be provided as permitted in Article 14, the amount of premiums therefore, established precise cost allocation plans and formulas, provide for the handling of claims, establish pro forma statements of each risk-pooling or other type of insurance program, and specify the amounts and types of excess insurance, if any, to be procured. In addition, the Board shall appoint an Underwriting Committee, Claims Review Committee, and Program Underwriter as soon as practicable. Vacancies on such committees shall be filled by action of the Executive Committee on an interim basis until such time as the Board acts to fill such vacancies.

B. Premiums and Assessments. The premiums and assessments for each city for any risk-pooling program shall be recommended by the Underwriting Committee and approved by the Board.

C. Annual Adjustments. The cost allocation plans and formulas adopted by the Board shall provide for an adjustment in each cities premiums following the first year of operation of each program, and annually thereafter, to produce a premium for each year, for each city, for each risk-pooling program, which shall consider the following five items:

1. The city's incurred losses for each risk pooling program; and

2. The city's share of such losses and other expended for each risk pooling program as a proportion of all cities such losses; and

3. The city's contribution to reserves, including reserves for incurred-but-not reported losses, for each risk-pooling program; and

4. The city's share of costs to purchase excess insurance, if any; and

5. The city's share of costs to purchase any additional coverage, as provided in article 14(c).

D. Notice of Premiums. Premium adjustments shall be made annually, and notices of premiums shall be distributed at least sixty (60) days prior to the close of each insurance

year. All premiums shall be due at payable within thirty (30) days after the effective date of coverage, except as provided in Article 20.

E. Payment of premiums or Assessments Over Time. Inasmuch as some cities may experience an unusual frequency of losses during a single insurance year which would increase their subsequent premium substantially above the premium for that risk sharing program for the insurance year, or result in an assessment, and cause budgetary problems, the Board may allow for payment of a portion of such subsequent premium or assessment to be made over a period of time not to exceed five years, with reasonable interest.

F. Underwriting Practices. Underwriting practices shall be generally consistent with industry standards in order to stabilize premiums and permit purchases of excess coverage, and other coverages supplemental to the Memorandum of Insurance.

1. Underwriting Committee. All matters dealing with the scope of coverage and limits of liability provided under the Memorandum of Insurance shall be the primary responsibility of the standing committee established by the Board called the "Underwriting Committee." The Committee shall also be responsible for recommending premiums and assessments to the Board. The Underwriting Committee shall receive advice from the Program Underwriter Decisions of the Underwriting Committee will be reviewed and acted upon by the Board. A majority of vote of the entire Board shall be required to overrule a decision if the Underwriting Committee in all matters.

2. Program Underwriter. The program Underwriter selected by the board shall be independent of any broker or insurer with contracts with the Authority and shall not be a staff employee of any party. The Program Underwriter shall advise the Authority concerning its underwriting decisions.

3. Limits. The limits of liability offered under the Memorandum of Insurance shall be established by the underwriting committee, using the following general guidelines:

a. Per-occurrence limits shall approximate two times the annual premiums collected under the program. The limits of liability shall be established annually (at each anniversary) and shall not be amended with mid-term addition or deletion of insurance.

b. Annual aggregate limits shall approximate four times the annual premiums collected under the Memorandum of Insurance. The purpose of this limitation is to assure that potential assessments are limited to a maximum relative to the annual aggregate exposure.

The program Underwriter shall recommend limits of liability to the Underwriting Committee. The Underwriting Committee shall approve, disapprove, or modify such recommendation with just cause.

4. Assessments. In the event assessments are necessary, the Program Underwriter shall make recommendations to the Underwriting Committee. The committee, with good cause, may amend, reject, or accept the proposed assessment, and make a recommendation to the board. In the event a recommended assessment is reduced or rejected, and alternate funding mechanism shall be adopted by the Board as necessary to assure solvency of the program.

The assessment amount shall be allocated based on the following criteria:

1. The extent by which any city's losses have exceeded its contribution to the insurance program.

2. In any insurance year, the ratio of a city's claims pending to all cities' claims pending.

3. In any insurance year, the ratio of a city's premiums and other contributions to the total therefore of all cities.

G. Assessment Payment. Assessments are due and payable within 30 days of date of mailing of notice by the Board.

H. Exhaustion of Annual Aggregate Limits. In the event annual aggregate limits ate reached for any insurance year, claims payments shall be made proportionally, based on the ratio total claims under the program bear to the annual aggregate limits under the Memorandum of Insurance.

ARTICLE 16
ACCOUNTS AND RECORDS

A. Annual Budget. The Authority shall annually adopt an operating budget, pursuant to Article 8(c) of this agreement.

B. Funds and Accounts. The treasurer of the Authority shall establish and maintain such funds and accounts as required by the Executive Committee and as required by good accounting practice. Books and records of the Authority in the hands of the treasurer shall be open to any inspection at all reasonable times by authorized representatives of cities and as otherwise required by law.

C. Treasurer's Report. The treasurer, within 120 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each city.

D. Annual Audit. The auditor shall provide for a certified, annual audit of the accounts and records of the Authority, which audit shall be made by a certified public accountant and shall conform to generally acceptable auditing standards. A report thereof shall be filed as a public record with each of the cities. Such report shall be filed within six months of the end of the year under examination.

ARTICLE 17
RESPONSIBILITY FOR MONIES

A. The treasurer of the Authority shall have the custody of and disburse the Authority's funds. He or she shall have the authority to delegate the signatory function of treasurer to such persons as are authorized by the Board.

B. A bond in the amount determined adequate by the Board shall be required of all officers and personnel authorized to disburse funds of the Authority, such as bonds to be paid for by the Authority.

C. The treasurer of the Authority shall assume the duties described in Government Code Section 6505.5, including:

1. Receive and acknowledge receipt for all money of the Authority and place it in the treasury of the Authority.

2. Be responsible, upon his and her official bond, for the safekeeping and disbursement of all of the Authority money so held by him or her;

3. Pay, when due, out of money of Authority so held by him or her, all sums payable on outstanding bonds and coupons of the Authority;

4. Pay any other sums due from Authority money only upon warrants approved by the presidents of the Board or his or her designee and the risk manager. The warrants shall be drawn by the auditor, who shall be selected by the Board in accordance with the bylaws and laws.

5. Verify and report monthly to the Authority and to cities the amount of money held for the Authority, the amount of receipts since the last report, and the amount paid out since the last report.

D. The treasurer shall deposit the funds of the Authority in accordance with the investment policy required by law, and approved by the Board, in those instituting and investments permitted pursuant to Government Code section 53601 et seq.

ARTICLE 18
RESPONSIBILITIES OF THE AUTHORITY

The Authority shall perform the following functions in discharging its responsibilities under this agreement:

A. Provide an insurance program, as necessary, including, but not limited to, a self-insurance risk sharing fund, and commercial insurance (which may include excess coverage and umbrella insurance), by negotiation, bid, or purchases.

B. Assist cities in obtaining insurance coverage for risks not included within the insurance program of the Authority, as permitted in Article 14(C).

C. Assist each city with the implementation of risk management programs related to risks covered by the Authority's insurance program within the city.

D. Provide loss prevention and safety consulting services to cities, as required.

E. Provide claims adjusting and subrogation services for claims covered by the Authority's insurance program, as required.

F. Provide loss analysis and control by the use of statistical analysis, data processing, and record and file-keeping services, in order to identify high exposure operations and to evaluate proper levels of self-insured retention (as to risk-sharing programs) and deductibles (as to commercial insurance).

G. Conduct risk management audits to review the participation of each city in the insurance program.

H. The Authority shall have such other responsibilities as deemed necessary by the Board of Directors in accordance with this agreement.

ARTICLE 19
RESPONSIBILITIES OF CITIES

Cities shall have the following responsibilities:

A. Each city shall appoint a representative and at least one alternate to the Board of Directors, pursuant to Article 7 of this agreement.

B. Each city shall maintain an active safety program and shall consider all recommendations of the Authority concerning unsafe practices.

C. Each city shall maintain its own set of records in all categories of risk covered by the insurance program of the Authority to insure accuracy of the Authority's loss reporting system until no longer deemed necessary by the Board.

D. Each city shall pay its premium, and any assessment, within thirty (30) days of the invoice date. After withdrawal or termination, each city shall pay promptly to the Authority its share of any additional assessment when and if required of it by the Executive Committee under Article 24 or 25 of this agreement.

E. Each city shall provide the Authority with such other information or assistance as may be necessary for the Authority to carry out the insurance program under this agreement.

F. Each city shall, in any and all ways, cooperate with assist and assist the Authority, and any insurer of the Authority, in all matters relating to this agreement and covered claims and will comply with all bylaws, rules, and regulations adopted or approved by the Board of Directors.

ARTICLE 20
INTERIM PERIOD AND EFFECTIVE DATE OF PROGRAM

A. Interim Period. Concurrently with approval of this agreement, each city shall approve and accept the proposed premium, fee quote, and Memorandum of Insurance from Driver Insurance. Such approval and acceptance shall be conditioned upon the formation of the Authority and the Authority's approval of the proposed premium fee and Memorandum of Insurance. Each city shall have thirty (30) days from the date of receiving such items in writing to consent by resolution to enter the Authority and accept the provisions of the Memorandum of Insurance.

B. Effective Date. The proposed Memorandum of Insurance shall state that it shall be effective as of April 1, 1986.

ARTICLE 21
NEW MEMBERS

The Authority shall allow entry into its insurance program by new members only upon approval by the Board, or by the Executive Committee if specifically delegated such authority by resolution of the Board, which resolution may impose such conditions or limitations upon such authority of the Executive Committee as the Board deems appropriate. Cities entering under this article shall be required to pay their share of the organizational expenses, as determined by the Board, including expenses necessary to analyze their loss data and determine their premiums.

ARTICLE 22
WITHDRAWAL

After an initial one-year, noncancellable commitment to the Memorandum of Insurance, a city may withdraw, provided it has given the Authority a six-month written notice of its intent to withdraw from this agreement and the Memorandum of Insurance.

ARTICLE 23
CANCELLATION

Notwithstanding the provisions of Article 22, the Authority shall have the right to cancel, for good cause, any city's participation in the Authority and Memorandum of Insurance upon a two-thirds vote of the entire Board of Directors, provided that a reasonable time shall be afforded, in the discretion of the Board of Directors, to place coverage elsewhere.

ARTICLE 24
EFFECT OF WITHDRAWAL

A. The withdrawal of any city from this agreement shall not terminate the same, and a city, by withdrawing, shall not be entitled to payment or return of any earned premium, consideration, or property paid or donated by the city to the Authority, or to any distribution of assets, except as provided in Article 25(c).

B. The withdrawal or cancellation of any city after the effective date of the Memorandum of Insurance or other elements of the insurance program shall not terminate its responsibility to contribute its share of premium or funds to the insurance program of the Authority, until all claims or other unpaid liabilities covering the period the city was a participant have been finally resolved and a determination of the final amount of payments due by the city or credits to the city for such period has been made by the Executive Committee. In connection with this determination, the Executive Committee may exercise similar powers to those provided for in Article 25(b) of this agreement.

ARTICLE 25
TERMINATION AND DISTRIBUTION

A. This agreement may be terminated any time during the first year by the written consent of all cities and thereafter by the written consent of three-fourths of the cities; provided, however, that this agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of dividends, distribution of assets, and all other functions necessary to wind up the affairs of the authority. Withdrawn or cancelled members are entitled to participate in dividend distributions after accounting for their Board determined share of administrative expenses.

B. The ~~Executive Committee~~ Board of Directors is vested with all powers of the Authority for the purpose of winding up and dissolving the business affairs of the Authority. These powers shall include the power to require cities, including those which were signatory

hereto at the time a claim arose or was incurred, to pay their share of any additional assessment, in accordance with loss allocation formulas for final disposition of all claims and losses covered by this agreement. A city's share of such assessment shall be determined on the same basis as that provided for assessments in Article 15(c) and (d) of this agreement.

C. Upon termination of this agreement, all assets of the Authority shall be distributed only among the parties that have been signatories hereto, including any of the cities which previously withdrew pursuant to Article 22 or were canceled pursuant to Article 23 of this agreement, in accordance with and proportionate to their cash contributions (including premium payments and property at market value when received) made during the term of this agreement. The Executive Committee shall determine such distribution within six months after disposal of the last pending claim or loss covered by this agreement.

D. In the absence of an Executive Committee, the Risk Manager shall exercise all powers and authority under this Article. The decision of the Executive Committee or Risk Manager under this article shall be final.

ARTICLE 26
PROVISION FOR BYLAWS AND PLAN DOCUMENT

As soon as practicable after the first meeting of the Board of Directors, the Board shall cause to be developed and shall adopt Authority bylaws and a plan document to govern the day-to-day operations of the Authority. Each city shall receive a copy of any bylaws, plan document, or other document developed under this article.

ARTICLE 27
NOTICES

Notices to cities hereunder shall be sufficient if delivered to the clerk of the respective city.

ARTICLE 28
ENFORCEMENT

The Authority shall have the right to enforce this agreement. If any suit or other proceeding or arbitration is brought by the Authority, or any member, to enforce this agreement, the prevailing party shall be entitled to recover costs and expenses, including reasonable attorneys' fees. No court proceedings shall be initiated by the Authority, affected member, or withdrawn member agency, other than for the collection or return of assessments or premiums. Other disputes shall be resolved as provided in the bylaws.

ARTICLE 29
INVALIDITY

Should any portion, term, condition, or provision of this agreement be determined by a court of competent jurisdiction to be illegal and in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portion, terms, conditions, and provisions shall not be affected thereby.

ARTICLE 30
TORT LIABILITY

Section 895.2 of the Government Code imposes certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined in Section 895 of said Code. Therefore, the parties hereto, as between themselves pursuant to the authorization contained in Sections 895.4 and 895.6 of the Government Code, each assumes the full liability imposed upon it or any of its officers, agents or employees by law for injury caused by a negligent or wrongful act or omission occurring in the performance of the Agreement, to the same extent that such liability would be imposed in the absence of Section 895.2 of said Code. To achieve this purpose each party indemnifies and hold harmless the other party for any loss, cost or expense that may be imposed upon such other party solely by virtue of Section 895.2 of the Government Code.

Upon exhaustion of aggregate policy limits, as described in Article 15, under the Memorandum of Insurance (and excess insurance, if obtained) for any insurance year, no city or party shall be assessed or held in any way responsible for the claims or losses of any other city which are excess of such limits; and any expenses that may reasonably be incurred as a result of such excess claims. Accordingly, this agreement does not affect city claims processing or payment after exhaustion of aggregate policy limits; however, such claims management procedures may be considered by the Authority in evaluating the conformance of city risk management practices with Authority standards.

ARTICLE 31
CLAIMS, LITIGATION, OR JUDGMENTS AGAINST THE AUTHORITY

A. Defense of Claims. As to any claim or action against the Authority which is based on or arises out of an occurrence involving an officer or employee of the Authority during the course and in the scope of such duties, who is also an officer or employee of a city, such claim or action against the Authority will be defended by the Authority to the extent required by law. Such claims or actions shall not be considered claims or actions against such city solely as a result of employment by the Authority.

B. Claims and Judgment Against the Authority. Claims and judgments against the Authority shall be paid from, or charged to, the appropriate coverages or self-insured funds the Authority has established against such claims, judgments or losses. Such amounts shall be paid from the Authority's own coverage or self-insured funds.

C. Arbitration. Any differences, claims or matters in dispute arising between or among members shall, if such differences arise out of this agreement or the bylaws, be submitted by such members to arbitration by the American Arbitration Association or its successor under the pertinent provisions of the laws of the State of California relating to arbitration, except as provided below. The decision of the arbitrator(s) may be entered as a judgment in any court of the State of California or elsewhere. Costs of arbitration, including reasonable attorneys' fees, shall be recoverable in arbitration.

D. Authority Representation Conflicts. Any differences, claims or matters in dispute arising between or among members shall, if such differences do not arise out of this agreement or the bylaws, be handled as follows:

1. After being notified in writing that one member agency has filed a formal claim against another in accordance with provisions of the Government Code, the Authority can no longer act on behalf of either member insofar as the case giving rise to the claim is concerned if the claim involves a risk covered by the Memorandum of Insurance, or other risk-sharing insurance policy of the Authority in which each of the involved members is a participating member.

2. Conversely, the Authority may continue to act on behalf of a participating member, even after receipt of written notice of a formal claim filed by one member agency against another, provided the claim only involves a risk-sharing insurance policy of the Authority in which only one of the involved member agencies is participating.

In any case falling within the boundaries of (1) or (2) above, the Authority may, in its discretion, act on behalf of one or all involved members, provided that the Authority first obtains the written consent of each involved member; provided that the failure of the Authority to act on behalf of any member under this section shall not affect the Authority's obligation to provide coverage, including coverage of legal defense costs under the Memorandum of Insurance or other risk-sharing insurance of the Authority.

ARTICLE 32
PROHIBITION AGAINST ASSIGNMENT

No city may assign any right, claim, or interest it may have under this agreement, and no creditor, assignee or third-party beneficiary of any city shall have any right, claim, or title to any part, interest, fund, premium, or asset of the Authority.

ARTICLE 33
AGREEMENT COMPLETE

The foregoing constitutes the full and complete agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

Attachment B – Exhibit 1

IN WITNESS WHEREOF, the parties hereto have first executed this agreement by authorized officials thereof on the date indicated below:

City of Chula Vista
By:

Authorized by Resolution No.

City of Coronado
By:

Authorized by Resolution No.

City of Del Mar
By:

Authorized by Resolution No.

City of Encinitas
By:

Authorized by Resolution No.

City of Escondido
By:

Authorized by Resolution No.

City of Imperial Beach
By:

Authorized by Resolution No.

City of Lemon Grove
By:

Authorized by Resolution No.

City of National City
By:

Authorized by Resolution No.

City of Oceanside
By:

Authorized by Resolution No.

City of Santee
By:

Authorized by Resolution No.

City of Solana Beach
By:

Authorized by Resolution No.

City of Vista
By:

Authorized by Resolution No.