



City of Lemon Grove
City Council Regular Meeting Agenda
Tuesday, February 21, 2017, 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 Board

Call to Order

Pledge of Allegiance

Changes to the Agenda

Presentations

Recognition of Volunteers for the Homeless Count

Recognition of 2016 City Event Sponsors

Presentation – Update of San Diego International Airport and the San Diego County Regional Airport Authority

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

February 7, 2017 – Regular Meeting

Members present: Vasquez, Arambula, Jones, J. Mendoza, and M. Mendoza

B. City of Lemon Grove Payment Demands

Reference: Gilbert Rojas, Interim 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

D. City of Lemon Grove Investment Policy (2017)

The City Council will consider a resolution adopting the Investment Policy and how the City's funds are invested in 2017.

Reference: Gilbert Rojas, Interim Finance Director

Recommendation: Adopt Resolution

E. Support for Senate Bill 1 (Beall) and Assembly Bill 1 (Frazier)

The City Council will consider a resolution supporting legislative measures that would increase revenue for local jurisdictions to rehabilitate and rejuvenate California's aging infrastructure.

Reference: Lydia Romero City Manager
Recommendation: Adopt Resolution

F. Appointments of HEAL Zone Initiative City Council Representatives

The City Council will consider Appoint Mayor Pro Tem Jennifer Mendoza and Councilmember David Arambula as primary and alternate respectively to serve as the City Council representatives to the HEAL Zone Initiative.

Reference: Lydia Romero City Manager
Recommendation: Appoint representatives to serve as City Council Liaison

G. FY 2016-17 Street Rehabilitation Project (Contract No. 2017-17)

The City Council will consider a resolution awarding a contract to American Asphalt South, and establishing a project budget not to exceed \$315,000 to apply pavement treatments in various locations throughout the City.

Reference: Mike James, Assistant City Manager/ 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) 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

Conference with Real Property Negotiators Government Code Section 54956.8
Address: 8084 Lemon Grove Way, Lemon Grove, California
Agency Negotiators: Lydia Romero and James P. Lough
Negotiating parties: The San Diego Community Land Trust
Under negotiation: Price and Terms of Payment

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**

February 7, 2017

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

City Councilmembers present: Mayor Racquel Vasquez, Councilmember David Arambula, Councilmember Jerry Jones, Mayor Pro Tem Jennifer Mendoza, and Councilmember Matt Mendoza.

City Councilmembers absent: None.

City Staff present: Lydia Romero, City Manager, David De Vries, Development Services Director; Tim Gabrielson, City Engineer; Mike James, Assistant City Manager/Public Works Director; James P. Lough, City Attorney; and Lt. May, Sheriff's Department; Corinne Russell, HR Manager; and Chief Stowell, Heartland Fire and Rescue.

Public Comment

Anita Lopez, Program Manager for Healthy Eating and Active Living Eating, reported that there will be free blood pressure screenings at Mt Vernon and Monterey Heights schools, the Lemon Grove Library and Family Health Center.

John L. Wood commented on potholes on Broadway, flooding at Plaza West, problems with intersections, speeding on Central Avenue, and graffiti on the Toyota dealership fence. He thanked the City's Public Works department for removing trash and junk that was dumped along Central Avenue.

Lani Stacks read a statement on animal rights and welfare of animals.

Teresa Rosiak-Proffit explained that she is interested in becoming a Lemon Grove Sheriff Volunteer, but was informed that the only shifts available were Monday through Friday 10:00 a.m. to 4:00 p.m. and asked if the day and hour requirements could be reviewed. She recommended that a volunteer walking patrol be initiated and asked if term limits for the Mayoral position be agendized.

Mike Richards commented on the locations where the small MTS buses speed and thanked the Lemon Grove Firefighters for assisting residents with sandbags.

1. Consent Calendar

Lydia Romero noted that there was a clerical correction on the Resolutions for items 1.D and 1.H. She added that regarding item 1.F a letter was received from the property owner's representative regarding parking concerns. Ms. Romero noted that primary parking for Healthy Opportunities Progressive Education, Incorporated will be across the street at the Recreation Center at stipulated in the lease agreement.

- A. Approval of City Council Minutes**
January 17, 2017 Regular Meeting
- B. Ratification of Payment Demands**
- C. Waive Full Text Reading of All Ordinances and Resolutions on the Agenda**
- D. Agreement for a Special District Financing Services**
- E. Termination and Equipment Transfer Agreement with Cricket Communications, LLC**
- F. Lease Agreement with Healthy Opportunities Progressive Education, Incorporated for Lemon Grove Community Center Office Space**
- G. Rejection of Claim**
- H. Agreement for a Special District Financing Services**

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

Ayes: Vasquez, Arambula, Jones, J. Mendoza, M. Mendoza

Resolution No. 2017-168: Resolution of the Lemon Grove Roadway Lighting District Awarding a Professional Services Agreement to Psomas for the Special District Financing Services (Contract No. 2017-18)

Resolution No. 2017– 3485: Resolution of the City Council of the City of Lemon Grove, California Approving the Termination and Equipment Transfer Agreement with Cricket Communications, LLC

Resolution No. 2017–3486: Resolution of the City Council of the City of Lemon Grove, California Approving a Lease Agreement between the City of Lemon Grove and Healthy Opportunities Progressive Education, Incorporated for Use of the Lemon Grove Community Center Office Space

Resolution No. 2017-285: Resolution of the Lemon Grove Sanitation District Awarding a Professional Services Agreement to Psomas for the Special District Financing Services (Contract No. 2017-18)

2. Wastewater Rate Case Study

Mike James reported that on November 15, 2017, the District Board (Board) received an update from staff regarding the wastewater rate case. Within that report staff summarized Pure Water cost estimates for all Metro Commission/JPA participating agencies (PA), a summary of existing and proposed reserve funds, and a draft Proposition 218 notice.

The possible Pure Water unanticipated costs are the portion allocated to the participating agencies in Metro Wastewater Commission/Joint Powers Authority. The Lemon Grove Sanitation District (District) makes up approximately 3.6%.

While these costs provided in September 2016 were for preliminary planning purposes only, in October 2016, the City of San Diego's City Council approved two engineering design contracts that support an accelerated Pure Water schedule that will advance expenditures into the next four years. These unanticipated costs equal \$3,728,012.

A critical expenditure that still remains outstanding from the current rate study is the requirement that secondary treatment construction costs may still be required in the future, even if the modified permit is approved for the next five year period. While those costs will fall outside of the next four year rate study, the total impact to the District may be significant.

Mr. James noted that staff will continue to work with the other participating agencies to reduce the costs for future secondary treatment by searching for alternate ways to integrate the Pure Water Program into the existing wastewater infrastructure. As a recent example the District received a letter from the City of San Diego informing it that the costs for FY 17-18 will at least increase from \$65 million to \$70 million due to the Pure Water program.

There are five reserve funds that were presented. Each continues to be a recommendation by NBS Governmental Finance Group (NBS) and supported by District staff. A summary description of each fund is listed below.

1. *Capital Project Reserve Fund (New Fund)* – Establish a new reserve fund that provides a starting point for addressing long-term capital system replacement needs.
 - a. *Pure Water Reserve Fund (New Fund)* – While listed separately, this fund may be considered a part of the Capital Project Reserve Fund because the Pure Water Project is a capital project. This fund sets aside the increased costs that the District is anticipated to realize just for the Pure Water Project moving forward.
2. *Connection Fee Fund (New Fund)* – Establish a separate fund to maintain connection fee revenue pursuant to California Government Code §66013(6)(C). As a reminder, the connection fee analysis is currently being performed by NBS and will be presented later this fiscal year. Those fees will be deposited into this separate fund to help fund the costs for capital projects moving forward.
3. *Operation and Maintenance Reserve Fund (Existing Fund)* – Intended to hold a cash reserve for district operations. This reserve fund is intended to support any short term fluctuation in revenues or unforeseen expenditures.
4. *Rate Stabilization Reserve Fund (Existing Fund)* – This fund sets aside one year's worth of Metro costs. It has been a part of the District's practice to set aside these funds each year.

NBS created a draft Proposition 218 notice that will be used to notify all district users of the public hearings tentatively scheduled for April 18, 2017 and May 2, 2017. The public hearing notice will be updated based on the option selected by the District Board to implement and mailed to each District user by NBS.

After receiving the report and presentation on November 15th, the District Board directed staff to return with additional information incorporated into the final wastewater study regarding the following items:

1. Compare an escalating fee versus a flat fee.
2. Compare the difference between a 40% and 55% operational reserves in each escalating and flat fee option.
3. Add a reserve fund specifically for the anticipated expenditures related to the City of San Diego's Pure Water program.
4. Insure that all financial safety measures were in place before any of the district reserves were used to offset the amount of any rate increase that the District users may realize.

District staff closely worked with NBS staff to prepare a final report that included the items that the Board requested. Staff felt it important to highlight key pieces of information that is contained in the report in the section below:

With the additional reserve funds created, the 55% operational reserve target is not recommended at this time.

- By establishing a Pure Water Reserve of \$3.7 million, the study concluded that \$5.5 million is available to be released in order to stabilize the rates for the next five year period.
- Staff does not recommend moving forward with an escalating rate increase because of the large difference between beginning and ending rates. So, while the beginning rates are lower than the recommended flat fee increase the ending rates are much larger.
- Due to the uncertainty of the future phases of the Pure Water program staff recommends starting a flat and consistent fee increase will be more sustainable by the rate payers.

If the Board accepts the study as presented, staff recommends that the Board authorize staff to follow the timeline, shown below, to comply with Proposition 218 requirements. In order to adopt the recommended rate structure the Board must first hold two public hearings that are noticed at least 45 days prior to the public hearing. Following the hearings, the Board may proceed to adopt the recommended rates for implementation with the FY 2017-18 tax rolls.

- March 4, 2017 No later than date to provide notices to all District members
- April 18, 2017 Board Meeting – Public hearing to introduce ordinance
- April – May 2017 Board Meeting – Receive the connection fee analysis study
- May 2, 2017 Board Meeting – Second reading and adoption of ordinance
- July 1, 2017 No sooner than July 1st the new rates will take effect

James Lough noted that what is being asked of the Sanitation District Board is approval of the public hearing process.

Greg Henry, NBS Governmental Finance Group, provided a presentation on the rate study.

Mayor Pro Tem J. Mendoza requested that there be clarity in the notice regarding current EDU charges, the maximum of the proposed increase, a summary document prepared by staff, and a statement as to why the increase is necessary.

Councilmember M. Mendoza requested that the notice be translated in Spanish.

Public Speaker(s)

There were no requests from the public to speak.

Action: Motion by Councilmember Jones, seconded by Councilmember M. Mendoza, selecting Alternative One the increase of 40%, directing staff to work with NBS for the Proposition 218 noticing requirements that will include suggestions by Mayor Pro Tem J. Mendoza passed, by the following vote:

Ayes: Vasquez, Arambula, Jones, J. Mendoza, M. Mendoza

3. Ordinance Amending Lemon Grove Municipal Code Chapter 8.64 (Prohibition of Recreational Marijuana Businesses) and Amendment of Lemon Grove Municipal Code Section 17.12.070 (Uncertainty of Use Classifications)

This Ordinance amends Chapter 8.64 to prohibit of recreational marijuana businesses. The Ordinance also amends LGMC Section 17.12.070 to eliminate references to prohibitions against medicinal marijuana businesses. This Ordinance reaffirms the ban on recreational marijuana sales by any means and cultivation under our current zoning rules.

Public Speaker(s)

There were no requests from the public to speak.

Action: Motion by Councilmember Jones, seconded by Mayor Pro Tem J. Mendoza, to adopt Ordinance No. 444 passed, by the following vote:

Ayes: Vasquez, Arambula, Jones, J. Mendoza, M. Mendoza

Ordinance No. 444: An Ordinance of the City Council of the City of Lemon Grove, California, Amending Lemon Grove Municipal Code Chapter 8.64 (Prohibition of Recreational Marijuana Businesses) and Amendment of Lemon Grove Municipal Code Section 17.12.070 (Uncertainty Of Use Classifications)

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

Councilmember Jones reported on a recent California League of Cities Policy Committee meeting where transportation funding and changes in cell site locations were discussed. He attended the East County Chamber meeting and observed the Sheriff's Coffee with the Community. He also commented on attended a SANDAG Board meeting and noted that Mayor Vasquez received appointment as the East County alternate to the SANDAG Borders Committee. He reported on a recent SANDAG Transportation Committee Meeting.

Councilmember Arambula attended the California League of Cities Newly Elected Mayor and Councilmembers Academy.

Councilmember M. Mendoza had no report.

Mayor Pro Tem J. Mendoza reported on a recent East County Economic Development Council meeting, San Diego Chamber of Commerce Cross Borders luncheon, and a MTS Board meeting. She attended a California League of Cities meeting in Sacramento where she was appointed to the Environmental Policy Committee, along with attended the Relay for Life kick-off event, Mexican American Business Professionals luncheon meeting, Heartland Communications meeting, she participated in the Homeless Point in Time count, Alcohol Policy Committee breakfast, and the MTS orientation meeting.

Mayor Vasquez attended the California League of Cities Newly Elected Mayor and Councilmembers Academy, Brother to Brother Leadership Conference, she participated in the City clean-up and expressed appreciation to City staff for coordinating this event. She recognized Mark Horton who is teaches youth basketball at the Lemon Grove recreation center, and she presented a proclamation St. John of the Cross during Catholic Schools Week. She attended the San Diego Chamber 146th Anniversary, Voice and Viewpoint 57th Anniversary Gala, Historical Black College and University event, and LAFCO meeting.

City Manager and Department Director Reports

Dave De Vries expressed appreciation to Malik Tamimi for coordinating the recent City clean-up event.

Lt. May commented on the Coffee with the Community event and provided information related to the recent Law enforcement activity in the City.

Lydia Romero recognized Malik Tamimi for coordinating the recent City clean-up event.

Closed Session

Conference with Legal Counsel - Anticipated Litigation Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One case

Conference with Legal Counsel - Existing Litigation - City of Lemon Grove v. The Grove Collective, et al. San Diego Superior Court Case No.: 37-2016-00015271-CU-BC-CTL

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 8:04 p.m.

Susan Garcia

Susan Garcia, City Clerk

City of Lemon Grove Demands Summary

Approved as Submitted:

Gilbert Rojas, Interim Finance Director
For Council Meeting: 02/21/17

ACH/AP Checks 01/19/17-02/08/17

968,011.28

Payroll - 01/31/17

125,301.82

Total Demands

1,093,313.10

Check No	Vendor No	Vendor Name	Check Date	Vendor Name	Check Amount	Check Amount
CHECK NO	INVOICE NO	VENDOR NAME	DATE	Description	INVOICE AMOUNT	CHECK AMOUNT
ACH	Jan17 17	Employment Development Department	01/19/2017	State Taxes 01/17/17	5,929.44	5,929.44
ACH	Jan17 17	US Treasury	01/24/2017	Federal Taxes 01/17/16	23,532.66	23,532.66
ACH	2007 2010 2014	US Bank - Corporate Trust Services	01/24/2017	2007 Tax Allocation Bond Payment 2010 Tax Allocation Refunding Bond Payment 2014 Tax Allocation Refunding Bond Payment	275,785.81 151,097.55 106,649.54	533,532.90
ACH	Jan4-17 17	Calpers Supplemental Income 457 Plan	01/27/2017	457 Plan 1/4/17-1/17/17	4,090.21	4,090.21
ACH	Refill 1/25/17	Pitney Bowes Global Financial Services LLC	01/27/2017	Postage Usage 1/25/17	250.00	250.00
ACH	Jan17	Power Pay Biz/Evo	02/01/2017	Online Credit Card Processing - Jan'17	58.37	58.37
ACH	Feb 2017	Pers Health	02/02/2017	Pers Health Insurance - Feb 17	51,617.55	51,617.55
ACH	Jan31 17	Employment Development Department	02/02/2017	State Taxes 01/31/17	6,363.09	6,363.09
ACH	Jan17	Dharma Merchant Services	02/02/2017	Merchant Fees - Jan'17	383.40	383.40
ACH	Jan17	Authorize Net	02/02/2017	Merchant Fees In Store & Online - Jan'17	42.49	42.49
ACH	7096165	LEAF	02/02/2017	Ricoh C3502 Copier System-PW Yard - Jan'17	191.84	191.84
ACH	Jan/Feb 2017	Wage Works	02/03/2017	FSA Disbursement 1/25/17-2/10/17	422.38	422.38
ACH	Jan31 17	US Treasury	02/07/2017	Federal Taxes 01/31/16	25,067.71	25,067.71
ACH	Jan18-Jan31 17	Calpers Supplemental Income 457 Plan	02/07/2017	457 Plan 1/18/17-1/31/18	4,090.21	4,090.21
ACH	0625/0217	SDG&E	02/07/2017	Electric Usage: St Lights 12/31/16-1/31/17	866.45	866.45
ACH	Refill 2/7/17	Pitney Bowes Global Financial Services LLC	02/08/2017	Postage Usage 2/7/17	250.00	250.00
ACH	644508	Aflac	02/08/2017	AFLAC Insurance 02/06/17	1,192.80	1,192.80
7061	29990-1	All Access Services	01/25/2017	Boom Lift Rental - 1/10/17	454.19	454.19
7062	5656598845 5656608842 5656610339	AutoZone, Inc	01/25/2017	LGPW #04 - Wiper Blades 4 Way Valve Tool Storage Fuel Stabilizer/Starting Fluid	26.89 1.39 11.11	39.39
7063	10121L-IN	Aztec Landscaping Inc	01/25/2017	Xl Tree Removal	2,682.00	2,682.00
7064	Feb 2017	California Dental Network Inc	01/25/2017	California Dental Insurance - Feb17	295.54	295.54
7065	694299970 694302513	Cintas Corporation #694	01/25/2017	Janitorial Services - 1/12/17 Janitorial Services - 1/19/17	170.10 964.12	1,134.22
7066	1/17/2017 AR137025	City of Chula Vista	01/25/2017	Mileage & Fuel for Animal Control Veh- Dec'16 Animal Control Services- Nov '16	2,265.38 15,384.00	17,649.38
7067	18953	City of La Mesa	01/25/2017	Overtime Reimbursement - Lopez 12/2/16	225.56	225.56
7068	1/1/2017 1/6/2017 1/6/2017 1/12/2017 1/7/2017 1/4/2017	Cox Communications	01/25/2017	Main Phone/Fire- 1/1/17-1/31/17 Calsense Modem Line:2259 Washington Ave 1/6/17-2/5/17 Calsense Modem Line:7071 Mt Vernon- 1/6/17-2/5/17 Calsense Modem Line:8235 Mt Vernon St - 1/9/17-2/8/17 B/U Phone/Fire /7853 Central- 1/7/17-2/6/17 Phone/Rec Ctr/ 3131 School Ln - 1/4/17-2/3/17	436.71 20.87 19.76 94.39 33.63 97.87	703.23
7069	371241 371261	CWEA	01/25/2017	CWEA Certification Renewal FY17- Wilkens CWEA Certification Renewal FY17- Adams	83.00 83.00	166.00
7070	1/17-19/17	Esgill Corporation	01/25/2017	75% Building Fees- 1/17/17-1/19/17	2,986.33	2,986.33
7071	25063	Excell Security, Inc	01/25/2017	Senior Center Security Guard - 1/21/17	279.44	279.44
7072	97774	Fire Etc	01/25/2017	F-500 Encapsulator Suppression Agent	691.20	691.20
7073	FW102462	FirstWatch Solutions, Inc	01/25/2017	Annual Records Support & Maintenance - Fire 12/15/15-12/14/16	132.00	132.00
7074	Guareca	Guareca, Siara	01/25/2017	Refund/Guareca,Siara/Partial Deposit - LBH-7/1/17	100.00	100.00
7075	Herrias	Herrias, Patricia	01/25/2017	Refund/Herrias, Patricia/Deposit- LBH - 1/21/17	300.00	300.00
7076	RnwI-Garcia	International Institute of Municipal Clerks	01/25/2017	Membership Fee/Renewal/Garcia - 4/1/17-3/31/18	200.00	200.00

7077	37601 37602	Kennedy Electric	01/25/2017	Electrical Work/Sheriff's Dept/Computer Room Electrical Work/City Hall/Plotter	990.00 152.00	1,142.00
7078	1/17/17 1/17/17	Knott's Pest Control, Inc	01/25/2017	Monthly Bait Stations- Civic Ctr Park Jan 17 Monthly Bait Stations Sheriff - Jan 17	60.00 45.00	105.00
7079	206	Local Government Consultants, LLC	01/25/2017	State Mandated Cost Svc- FY16-17 Contract 2nd Payment	1,500.00	1,500.00
7080	INV15533	Logiccopy	01/25/2017	Ricoh C3502 Copier Contract Charge- PW Yard- 12/7/16-1/6/17	51.61	51.61

7081	Dec 16 Dec 16 Dec 16 Dec 16 Dec 16	Lounsberry Ferguson Altona & Peak LLP	01/25/2017	General 01163-00002 - Dec '16 Code Enforcement 01163-00003 - Dec '16 Cost-Share Agreement 00023 - Dec '16 7741 Broadway 01163-00028 - Dec '16 1440 San Altos Pl 01163-00033 - Dec '16 Jesse Lane, Minor 01163-00034 - Dec '16	11,786 00 1,731 67 4,400 68 98 05 149 40 199 20	18,365 00
7082	4191171 4191172 4201773 4201774	Mallory Safety and Supply, LLC	01/25/2017	Nitrile Gloves Disposable Gloves Drivers Gloves Disposable Gloves	168 48 120 42 106 02 240 29	635 21
7083	102416-15	MJC Construction	01/25/2017	Rehabilitate & Install AC berms 2600 LF on MacArthur Dr	14,321 50	14,321 50
7084	WO-33467-1	Office Advantage, Inc	01/25/2017	Office Supplies - Fire	154 80	154.80
7085	17-00035	Pacific HVAC Service	01/25/2017	AC Repair - Replace Motor - City Hall Units 11&14 1/17/17	2,025 00	2,025 00
7086	Jan2017	PLIC - SBD Grand Island	01/25/2017	Dental Insurance - Jan17	5,047 90	5,047 90
7087	31014682 31028830	RCP Block & Brick, Inc	01/25/2017	Bulk Concrete Sand - Fire Station Bulk Concrete Sand - Fire Station	47 63 190.07	237.70
7088	0051575	Rick Engineering Company	01/25/2017	Prof Svc: CLG DVSP Update 8/27/16-9/30/16	1,248 40	1,248.40
7089	01/17/17	San Diego County Fire Chief's Association	01/25/2017	SDCFCA Membership - Gay - 7/1/16-6/30/17	30 00	30 00
7090	Jan-Jun 17	San Diego County Sheriff's Department	01/25/2017	Cal-ID Program Costs - 1/1/17-6/30/17	3,088 00	3,088 00
7091	12/21/2016 12/21/2016 12/20/2016	SDG&E	01/25/2017	3225 Olive - 11/17/16-12/19/16 Re-issue 3500 1/2 Main - 11/17/16-12/19/16 Re-issue Gas & Electric 11/18/16-12/20/16	101 08 215 84 20,425 03	20,741 95
7092	836530 837225	Superior Ready Mix Concrete LP	01/25/2017	Recycled Class II Asphalt - Pothole Repair	326 84 699 50	1,026 34
7093	9778066901	Verizon Wireless	01/25/2017	Models-Cardiac Monitors - 12/4/16-1/3/17	14 16	14.16
7094	71275051 71284074 71305322 71329038 71340439 71340440 71340929 71343800	Vulcan Materials Company	01/25/2017	Asphalt Asphalt Asphalt Asphalt Asphalt Asphalt Asphalt Asphalt	110 89 220 84 133 27 1,343 30 92.45 92.45 92.45 91.59	2,177 24
7095	121956	West Coast Arborists, Inc.	01/25/2017	Tree Survey & Report - Firefighters Skate Park	399 55	399 55
7096	48328407	WEX Bank	01/25/2017	Fuel - Fire Dept - Dec'16	728 53	728 53
7097	Reimb-8/31/16	Wrisley, Chris	01/25/2017	Travel/Lodging - Gas - Mileage/Wrisley- 8/25/16-8/31/16	415 49	415 49
7098	0168540	Zumar Industries, Inc	01/25/2017	Special St Name Signs- Clabby Court/Tom's Way	104 68	104 68
7099	1952025	American Fence Company Inc	02/01/2017	Partial Removal North & Olive Temp Fence/Repair Damaged Panels	500 00	500 00
7100	9130284 9175446	AT&T	02/01/2017	Fire Telephone 12/13/16-1/12/17 Fire Backup Phone Line- 12/22/16-1/21/17	78 32 37 39	115 71
7101	29901-IN	Aztec Landscaping Inc	02/01/2017	Landscape Mgmt Svc - Dec '16	9,629 00	9,629 00
7102	4170 4259 4260	Bear Electrical Solutions, Inc	02/01/2017	Traffic Signal Inspection- Radar Signs- Madera /Canton Traffic Signal Maintenance Svc - Response - Dec 2016 Traffic Signal Maintenance Svc - Routine - Dec 2016	428 00 1,059 50 1,214 00	2,701 50
7103	749714-9	Bl's Rentals	02/01/2017	Propane	26 40	26 40
7104	98640269	BSN Sports, LLC	02/01/2017	Backboard Padding - Rec. Ctr Gym	318 06	318 06
7105	16898093	Canon Financial Services Inc	02/01/2017	Canon Copier Contract Charge 2/1/17	642 60	642 60
7106	694302512 694305040	Cintas Corporation #694	02/01/2017	Janitorial Supplies - Fire - 1/19/17 Janitorial Supplies - 1/26/17	362 59 170 10	532 69
7107	FR50000031 HCA0000167 HFTA000027	City of El Cajon	02/01/2017	Overtime Reimb- Aliano/Case/Pearson/Saffer/Silano-12/17/16 HCEA Assessments - QTR 3 FY16/17 HFTA Fees - QTR 3 FY16/17	5,917 76 62,483 50 4,887 00	73,288 26
7108	81762151	Corelogic Solutions, LLC	02/01/2017	Image Requests - Dec '16	5 50	5 50
7109	1/19/2017 1/18/2017	Cox Communications	02/01/2017	Phone/PW Yard/2873 Skyline- 1/19/17-2/18/17 City Manager Fax Line- 1/18/17-2/17/17	210 83 3 43	214 26
7110	1/23-26/17	Esgill Corporation	02/01/2017	75% Building Fees- 1/23/17-1/26/17	2,355 44	2,355 44
7111	12547538	Fresno City College	02/01/2017	Registration & Parking/Background Invq/Hales - 11/7-10/16	120 00	120 00

7112	108002178	Globalstar USA, Inc	02/01/2017	Satellite Service 12/16/16-1/15/17	100 90	100 90
7113	61333	House of Automation	02/01/2017	Proximity Cards/Onsite Programming for PW Yard Security Gate	196 00	196 00
7114	9540	Infrastructure Engineering Corporation	02/01/2017	Prof Svc: LGA Realignment - 11/26/16-12/30/16	15,018 78	15,018 78
7115	31165	31165	02/01/2017	Prof Svc: SSARP Grant Procurement Svc - Dec '16	910 00	910 00
7116	INV16072	Logiccopy	02/01/2017	Ricoh C3502 Copier Contract Charge- PW Yard- 1/7/17-2/6/17 Ricoh C3502 Copier Contract Usage- PW Yard- 10/7/16-1/6/17	51 61 86 42	138 03
7117	Advance-1/19	Maxfield, Brad	02/01/2017	Per Diem Advance/EMS Conf/Salt Lake City-2/22-25/17-Maxfield	206 50	206 50
7118	204507 204508 204509 204510 204511	Ninyo & Moore	02/01/2017	100 Celsius Project Inspection Services thru 12/30/16 Hilltop Condo Project Inspection Services thru 12/30/16 Lincoln Homes Project Inspection Services thru 12/30/16 CIP Sewer Upsizing Project- Materials Testing Svc thru 12/30/16 Starbucks Project Inspection Services thru 12/30/16	2,876 75 2,193 50 2,078 75 9,108 25 1,057 50	17,314 75
7119	123678 123706	Orange Commercial Credit- Best Tire Buy	02/01/2017	Flat Repair - LGPW Vehicle #26 Flat Repair - LGPW Facilities Vehicle #20	19 23 20 31	39 54
7120	31029286 31029287 31029289 31029289 31029560 31029588 31029588 31030077 31030715 31033167 31033168 31033173	RCP Block & Brick, Inc	02/01/2017	Bulk Concrete Sand - Fire Station Bulk Concrete Sand - Fire Station Bulk Concrete Sand - Fire Station Rain boots/PW/McDonald Bulk Concrete Sand - Fire Station Bulk Concrete Sand - Fire Station Flood Control Bags - Fire Station Bulk Concrete Sand - Fire Station Dirt Tamp 8 x 8 Bulk Concrete Sand - Fire Station Bulk Concrete Sand - Fire Station Replacement Rain Boots - Dumas	142 55 142 55 142 55 27 96 142 55 142 88 403 73 285 11 52 74 142 55 171 65 27 96	1,824 78
7121	1/23/2017 1/23/2017	SDG&E	02/01/2017	3225 Olive- 12/19/16-1/19/17 3500 1/2 Main- 12/19/16-1/19/17	100 93 215 53	316 46
7122	0131545-IN	Vavrinek, Trlne, Day & Co , LLP	02/01/2017	Accounting Svc- GASB 68 Pension- Dec'16	1,900 00	1,900 00
7123	9778605542 9778606152 9779012310 0 977899519 9778605543	Verizon Wireless	02/01/2017	City Phone Charges- 12/13/16-1/12/17 Mobile Broadband Access- 12/13/16-1/12/17 MDC Engine Tablets- 12/21/16-1/20/17 EOC Router/Emer Phone Lines/Tablets- 12/21/16-1/20/17 PW Tablets -- 12/13/16-1/12/17	357 06 76 02 190 07 361 05 188 78	1,172 98
7124	71349232 71352837	Vulcan Materials Company	02/01/2017	Asphalt Asphalt	139 86 133 83	273 69
7125	2016-04-006	West Coast General Corporation	02/01/2017	LGA Realignment Proj- 12/1/16-12/31/16	29,852 99	29,852 99
7126	Advance-1/19	Wisley, Chris	02/01/2017	Per Diem Advance/EMS Conf/Salt Lake City-2/22-25/17-Wisley	206 50	206 50
7127	C2448	A-Pot Rentals	02/08/2017	Portable Restroom Rental 1/9/17-2/8/17	132 10	132 10
7128	INV0016232	AEP California	02/08/2017	Headlight Flasher Installation/Fire/Ford F350	201 50	201 50
7129	01650-2007-RI-	Air Pollution Control District	02/08/2017	Emission Fee Renewal - Engine	309 00	309 00
7130	L1072895RB	American Messaging	02/08/2017	Pager Replacement Program - 2/1/17-2/28/17	40 68	40 68
7131	1/22/2017	AT&T	02/08/2017	Backup City Hall Internet - 12/23/16-1/22/17	56 67	56 67
7132	4554010	Bearcom	02/08/2017	Portable Radios Monthly Contract 1/22/17-2/21/17	150 00	150 00
7133	6045305	Bob Stall Chevrolet	02/08/2017	Oil & Filter Change/2014 Chevy Van	42 34	42 34
7134	16959171	Canon Financial Services Inc	02/08/2017	Canon Copier Contract Charge Feb '17 Basement Canon Copier Contract Charge Feb '17 Plotter	81 35 225 20	306 55
7135	694307604	Cintas Corporation #694	02/08/2017	Janitorial Supplies - 2/2/17	235 96	235 96
7136	18983	City of La Mesa	02/08/2017	OverTime Reimbursement - Saghera 12/24/16	1,249 65	1,249 65
7137	1000188627	City of San Diego	02/08/2017	Municipal Sewer Transportation - 2nd Qtr 10/1/16-12/31/16	6,966 66	6,966 66
7138	81767670 81772237	Corelogic Solutions, LLC	02/08/2017	Image Requests - Jan '17 RealQuest Graphics Package- Jan '17	11 00 300 00	311 00
7139	17CTOFLGN07	County of San Diego- RCS	02/08/2017	800 MHZ Network - Jan '17	2,860 00	2,860 00
7140	1/30/2017	Cox Communications	02/08/2017	Peg Circuit Svc - 1/30/17-2/28/17	2,888 46	2,888 46
7141	0127172305	Domestic Linen- California Inc	02/08/2017	Shop Towels & Safety Mats 1/27/17	96 40	96 40
7142	1/30/17-2/2/17	Esgil Corporation	02/08/2017	75% Building Fees- 1/30/17-2/2/17	4,112 65	4,112 65
7143	25082	Excell Security, Inc	02/08/2017	Senior Center Security Guard - 1/28/17	279 44	279 44
7144	0023352-IN 0023596-IN	HDL Coren & Cone	02/08/2017	Contract Services Property Tax - Oct-Dec 2016 Contract Services Property Tax - Jan-Mar 2017	2,073 06 2,073 06	4,146 12
7145	165 167	Janazz, LLC SD	02/08/2017	Firewall Upgrade/Linksys/Netgear/Rackshell - Fire Stn - Jan '17 Computer Maintenance - Jan 17	1,671 46 2,721 36	4,392 82

7146	784187	Miracle Recreation Equipment Co	02/08/2017	Age Stickers for Playground Eq/LG Park-Berry St Park-Kunkel Park	42.33	42.33
7147	203807	Ninyo & Moore	02/08/2017	CIP Sewer Upsizing Project- Materials Testing Svc thru 11/25/16	1,922.00	1,922.00
7148	17-0106 17-0111 17-0116	Pacific HVAC Service	02/08/2017	AC Repairs - Sheriff Stn Unit 4 - 1/25/17 AC Repairs - Rec Ctr 1/25/17 AC Repairs - Fire Stn 1/25/17	692.81 105.00 362.05	1,159.86
7149	3010245243	Parkhouse Tire Inc	02/08/2017	E10- Tire Replacement	1,860.97	1,860.97
7150	Feb2017	PLIC- SBD Grand Island	02/08/2017	Dental Insurance - Feb17	4,420.40	4,420.40
7151	31037998	RCP Block & Brick, Inc	02/08/2017	Bulk Concrete Sand	142.55	142.55
7152	Rico-Schlegel	Rico-Schlegel, Carmen	02/08/2017	Refund/Rico-Schlegel, Carmen/Deposit/LBH-1/28/17	300.00	300.00
7153	San AltosLG	San Altos Lemon Grove LLC	02/08/2017	Refund/San Altos-LG LLC/Deposit- Models Phase I Refund/San Altos-LG LLC/Deposit- Phase 5	1,500.00 1,000.00	2,500.00
7154	0299700	SCS Engineers	02/08/2017	Env Consulting Svc: LGA Realignment 12/1/16-12/31/16	2,360.00	2,360.00
7155	Feb2017	Standard Insurance Company	02/08/2017	Long Term Disability Insurance - Feb17	1,890.28	1,890.28
7156	841505	Superior Ready Mix Concrete LP	02/08/2017	Asphalt	885.07	885.07
7157	48588	The East County Californian	02/08/2017	Ordinance No 444 - Recreational Marijuana 1/26/17	94.50	94.50
7158	120170381	Underground Service Alert of Southern Ca	02/08/2017	48 New Ticket Charges - Jan '17	72.00	72.00
7159	3055852-CA	US HealthWorks Medical Group,PC	02/08/2017	Annual DMV Medical Exam - 1/11/17, 1/13/17	198.00	198.00
7160	Jan31 17	Vantage Point Transfer Agents-457	02/08/2017	ICMA Deferred Compensation Pay Period Ending 1/31/17	580.77	580.77
7161	71358418 71358419 71360207	Vulcan Materials Company	02/08/2017	Asphalt Asphalt Asphalt	133.83 92.45 134.69	360.97
7162	0168617	Zumar Industries, Inc	02/08/2017	Signs/Keep Right & Speed Limit	1,042.22	1,042.22
					968,011.28	968,011.28

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.D
Mtg. Date February 21, 2017
Dept. Finance

Item Title: City of Lemon Grove Investment Policy (2017)

Staff Contact: Gilbert Rojas, Interim Finance Director

Recommendation:

Adopt a resolution (**Attachment B**) approving the City's Investment Policy for 2017.

Item Summary:

Each year, staff prepares an Investment Policy for City Council review. The staff report (**Attachment A**) provides a description of how the City's funds are invested and a summary of the proposed policy dictating how the City's funds are to be invested in 2017.

Fiscal Impact:

None.

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

- A. Staff Report
- B. Resolution (includes City of Lemon Grove Investment Policy for 2017)

Attachment A

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 1.D

Mtg. Date February 21, 2017

Item Title: **City of Lemon Grove Investment Policy (2017)**

Staff Contact: Gilbert Rojas, Interim Finance Director

Discussion:

The City of Lemon Grove's Investment Policy directs the City Treasurer to invest for safety, liquidity and yield. Using the current policy, the following table shows a summary from the City, Sanitation District, Roadway Lighting District and former Community Development Agency (now known as the Successor Agency) at the end of December 2016.

	BOOK VALUE	% OF TOTAL	YIELD
Local Agency Investment Fund (LAIF)	\$14,725,912	69.88%	0.58%
Multi-Bank Securities, Inc.	\$ 4,534,723	21.52%	1.75%
US Bank	\$ 1,812,113	8.60%	0.03%
TOTAL	\$21,072,748	100.00%	

In the past, the City divided its surplus funds between the San Diego County Pool and LAIF. Beginning in January 2015, the City expanded its investment portfolio to include Multi-Bank Securities, Inc. (MBS), a national fixed income institutional broker-dealer. The advantage to MBS Securities is that it has an online bond platform in which staff can view, transact and compare bond inventory from over 100 brokers. In that way, staff will be able to take advantage of longer investment periods, which will result in a better yield than the City is currently realizing. However, it should be noted that interest rates continue to be low and are not projected to increase significantly in the near term.

The City has sufficient funds in short-term investments to be able to meet its financial obligations for the next six months.

While the City invests in LAIF, and MBS for the majority of its surplus funds, the required Successor Agency bond reserves are invested in US Bank, which currently offers minimal interest and are subject to market gains and losses. The bond holders require these funds to be held by US Bank.

The City of Lemon Grove Investment Policy states that "the City Treasurer shall annually render a statement of investment policy to the City Council for consideration at a public meeting." The policy sets guidelines for prudent investment of the City's surplus funds and requires City Council authorization for non-approved investments. The City of Lemon Grove Investment Policy for 2017 is presented for the City Council's consideration.

Conclusion:

Staff recommends that Council adopt the resolution (**Attachment B**) approving the attached investment policy.

Attachment B

RESOLUTION NO. 2017-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE CALIFORNIA APPROVING THE CITY OF LEMON GROVE INVESTMENT POLICY FOR 2017

WHEREAS, the City of Lemon Grove and its component units (the Lemon Grove Roadway Lighting District, the Lemon Grove Sanitation District, and the Successor Agency) retain surplus funds for operational purposes; and

WHEREAS, it is prudent to invest these surplus funds in interest bearing investments; and

WHEREAS, the California Government Code Sections 53600-53686 allow municipal agencies to invest in various instruments; and

WHEREAS, the City Council desires to maximize the safety, liquidity and yield of its investments; and

WHEREAS, the City Council has reviewed the 2017 Investment Policy (Exhibit 1) to assure the best financial plan for the City's surplus funds.

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

1. Approves the City of Lemon Grove Investment Policy 2017 (Exhibit 1); and
2. Directs the City Treasurer to make investments in accordance with said policy.

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EXHIBIT 1

CITY OF LEMON GROVE INVESTMENT POLICY 2017

POLICY STATEMENT

This policy is intended to provide guidelines for the prudent investment of surplus funds, those monies not immediately needed to pay demands against the City of Lemon Grove, the Lemon Grove Roadway Lighting District and the Lemon Grove Sanitation District (collectively referred to below as "City") by vendors and other claimants. The City Treasurer is responsible for investing the surplus funds in accordance with the California Government Code, Sections 53601, 53607, and 53635.

This policy is based upon state law, City ordinance and prudent money management.

SCOPE

This policy applies to all funds under the control of the City Treasurer. The funds are accounted for in the City's Annual Financial Report and include all funds of the City.

PRUDENCE

In accordance with California Government Code Section 53600.3, investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

INVESTMENT OBJECTIVES

The cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City Treasurer to invest funds to the fullest extent possible. The overall investment objective is to enhance the economic condition of the City while insuring the safety of funds invested.

The three criteria for selecting investments, in order of priority are: safety, liquidity and yield. These are to be taken into consideration when making investment decisions in accordance with California Government Code Section 53600.5.

- A) SAFETY: Safety of principal is the primary objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- B) LIQUIDITY: Liquidity is the secondary objective. The investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated.
- C) YIELD: Yield is the third objective. The highest yield possible shall be sought, provided that the basic criteria of safety and liquidity have been met.

Attachment B

AUTHORIZED INVESTMENT INSTRUMENTS

Sections 53601, 53635, 53637, 53638, 53652, and 53653 of the California Government Code permit the option of investing in various instruments. The City Treasurer will limit investments to the following:

- A) STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF): LAIF is a diversified investment pool administered by the California State Treasurer, allowing the investment of funds through the Pooled Money Investment Account and subject to the State's annual investment policy. Maximum investment, subject to State regulation, is currently \$40 million per account. Monies invested with LAIF are pooled with State monies in order to earn the maximum rate of return consistent with safe and prudent treasury management.
- B) CERTIFICATES OF DEPOSIT (CD's): Timed CD's shall meet the requirements for deposit under Government Code Section 53635 et. seq. The City Treasurer, for deposits up to \$100,000, may waive collateral requirements if the institution insures its deposits with the Federal Deposit Insurance Corporation (FDIC). Additionally, if funds are placed through a deposit placement service, the CD's shall meet the requirements under Government Code Section 536601.8.
- C) OTHER: Investments that are, or may become, legal investments through the State of California Government Code, with prior approval of the City Council.

INTERNAL CONTROL

An annual independent review by an external auditor will provide internal control by assuring compliance with policies and procedures.

REQUIRED REPORTING

- A) The City Treasurer shall submit a semi-annual investment report to the City Manager and City Council. The report shall list the information required by law regarding all investments held. The report shall state whether the investments comply with the investment policy and whether the City will be able to meet its needs for cash for the next six months.
- B) The City Treasurer shall annually render a statement of investment policy to the City Council for consideration at a public meeting.
- C) The City Treasurer shall annually present the external audit to the City Council.

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.E
Mtg. Date February 21, 2017
Dept. City Manager's Office

Item Title: **Support for Senate Bill 1 (Beall) and Assembly Bill 1 (Frazier)**

Staff Contact: Lydia Romero, City Manager

Recommendation:

Adopt a resolution (**Attachment B**) supporting Senate Bill 1 (Beall) and Assembly Bill 1 (Frazier) related to increased transportation funding introduced this legislative session.

Item Summary:

Senate Bill (SB) 1 introduced by State Senator Jim Beall and Assembly Bill (AB) 1 introduced by Assembly Member Jim Frazier are legislative measures that would increase revenue for local jurisdictions to rehabilitate and rejuvenate California's aging infrastructure.

The staff report (**Attachment A**) provides an analysis of how these measures would increase the state allocation to the City of Lemon Grove for street repair and rehabilitation. Staff recommends that the City Council support both measures by way of resolution (**Attachment B**) as they move through the legislative process.

Fiscal Impact:

If either measure is passed and signed by Governor Brown, Lemon Grove will see an annual estimated increase of \$900,000 in the funding received for road repair and rehabilitation once all proposed increases are fully implemented.

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 500 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

- A. Staff Report
- B. Resolution 2017-

Attachment A

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 1.E

Mtg. Date February 21, 2017

Item Title: **Support for Senate Bill 1 (Beall) and Assembly Bill 1 (Frazier)**

Staff Contact: Lydia Romero, City Manager

Discussion:

Senate Bill (SB) 1 introduced by State Senator Jim Beall and Assembly Bill (AB) 1 introduced by Assembly Member Jim Frazier are legislative measures that would increase revenue for local jurisdictions to rehabilitate and rejuvenate California's aging infrastructure. This is the third year in which the Governor and State Legislature have grappled with trying to create additional revenue to address the approximate \$130 billion maintenance backlog of the State's highways, bridges and local roads. The backlog is comprised of approximately \$59 billion for State highways and \$73 billion for local streets, roads and bridges. The Governor, Senate President Pro Tem and Assembly Speaker are committed to moving this funding measure by the April 6 deadline.

Both SB 1 and AB 1 are similar measures that would raise about \$6 billion annually by raising revenue with:

- A 12-cent increase to the gas tax (SB 1 would phase this increase in over three years);
- Ending the Board of Equalization's "true up" process on the unreliable price based excise tax on gas;
- A \$38 increase to the vehicle registration fee;
- A \$100 vehicle registration fee on zero emission vehicles;
- A 20-cent increase to the diesel excise tax;
- \$300 million from existing Cap-and-Trade funds; and
- \$500 million in vehicle weight fees phased in over five years.

In addition to generating revenue, the proposal includes a series of reforms to improve efficiency, transparency and accountability, such as restoring independence to the California Transportation Commission, creating the Office of the Transportation Inspection General with audit and investigation authority over the State's transportation spending, and establishing local reporting requirements on local transportation spending. To streamline roadwork, the bill permanently extends and expands on the limited exemptions to California's Environmental Quality Act (CEQA) for repair, maintenance and minor alteration projects on existing roadways to cities and counties with populations greater than 100,000.

The annual allocation for Lemon Grove would be close to \$900,000 once all revenue increases are fully implemented. These additional funds would be critical in providing financial assistance to address the City's aging infrastructure, such as the backlog of our pothole-ridden streets.

Conclusion:

Staff recommends that the City Council adopt the resolution (**Attachment B**) supporting SB 1 (Beall) and AB 1 (Frazier) as both of these legislative measures move through the legislative process.

Attachment B

RESOLUTION NO. 2017-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA SUPPORTING SENATE BILL 1 (BEALL) AND ASSEMBLY BILL 1 (FRAZIER)

WHEREAS, State Senator Beall introduced Senate Bill 1, a measure related to transportation funding; and

WHEREAS, Assembly Member Frazier introduced Assembly Bill 1, a measure related to transportation funding; and

WHEREAS, State and local roads have a maintenance backlog of \$130 billion, with \$73 billion belonging to local communities lacking adequate revenue to properly maintain their communities streets and roads; and

WHEREAS, SB 1 and AB 1, as proposed, will increase revenue dedicated to addressing the backlog by raising about \$6 billion annually, with \$2.2 billion going to local communities to address their failing streets and roads infrastructure; and

WHEREAS, if these measures are approved and signed by Governor Brown, Lemon Grove may get an allocation of approximately \$900,000 annually to help address our local streets and roads maintenance and repair backlog.

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

1. Supports Senate Bill 1 (Beall) and Assembly Bill 1 (Frazier) in the 2017 legislative session; and
2. Instructs staff to prepare the necessary letters to be signed by the Mayor that expresses the City of Lemon Grove's support for SB 1 and AB 1.

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**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.F
Mtg. Date February 21, 2017
Dept. City Manager's Office

Item Title: **Appointments of HEAL Zone Initiative City Council Representatives**

Staff Contact: Lydia Romero, City Manager

Recommendation:

Appoint Mayor Pro Tem Jennifer Mendoza and Councilmember David Arambula as primary and alternate respectively to serve as the City Council representatives to the HEAL Zone Initiative.

Item Summary:

The Healthy Eating Active Living (HEAL) Zone Initiative, a Kaiser Permanente program designed to help make healthy choices more accessible to people in underserved communities, is completing the first year of its three-year grant cycle. An integral part of the HEAL Zone Initiative is the interaction with policymakers on issues of importance to Lemon Grove residents who participate in the Initiative. At this juncture in the HEAL Zone Initiative, it is imperative that the City Council formally appoint a representative to attend the HEAL Zone meetings and serve as a liaison for the City Council.

Mayor Pro Tem Mendoza has been involved in the HEAL Zone Initiative prior to her election to the Lemon Grove City Council in 2014. Councilmember Arambula was attending both the Resident and Systems Leadership Team meetings prior to his election to the City Council in 2016. Staff recommends that Mayor Pro Tem Mendoza be appointed as the primary representative with Councilmember Arambula serving as the alternate representative to the HEAL Zone Initiative. The City Manager and Assistant City Manager will continue their involvement with The HEAL Zone and the System Leadership Team meetings.

Fiscal Impact:

None.

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 500 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.G
Mtg. Date February 21, 2017
Dept. Public Works

Item Title: FY 2016-17 Street Rehabilitation Project (Contract No. 2017-17)

Staff Contact: Mike James, Assistant City Manager / Public Works Director

Recommendation:

Adopt a resolution (**Attachment B**) awarding a contract for the FY 2016-17 Street Rehabilitation Project (Contract No. 2017-17).

Item Summary:

In support of the City's Five-Year Capital Improvement Program, the City invited sealed bids for the FY 2016-17 Street Rehabilitation Project (Contract No. 2017-17) in December 2016.

On January 12, 2017, the City received five sealed bids. Staff determined that of the bids received, American Asphalt South was the lowest responsive and responsible bidder at \$221,111.14.

Staff recommends awarding a contract (Contract No. 2017-17) to American Asphalt South, and establishing a project budget not to exceed \$299,019.12.

Fiscal Impact:

TransNet funds were budgeted for this project as part of the Five-Year Capital Improvement Program.

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section 15304 | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

- A. Staff Report
- B. Resolution

Attachment A

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 1.G

Mtg. Date February 21, 2017

Item Title: **FY 2016-17 Street Rehabilitation Project (Contract No. 2017-17)**

Staff Contact: Mike James, Assistant City Manager / Public Works Director

Discussion:

In December 2016, the City advertised on eBidboard and invited sealed bids for the FY 2016-17 Street Rehabilitation Project (Contract No. 2017-17) to apply various street treatments at the follow locations throughout the City.

Location		
Street	To	From
Alberdi Drive	El Prado Avenue	San Altos Place
Arcadia Avenue	Citronella Avenue	Mt. Vernon Street
Brock Court	Myra Street	E Cul-de-sac
Burnell Avenue	Olive Street	Main Street
Corta Del Sur	Primera Street	E Cul-de-sac
Deborah Place	Longdale Drive	Longdale Drive
Deville Drive	Watwood Road	East City Limits
El Prado Avenue	Massachusetts Avenue	Alberdi Drive
Eldora Street	Lemon Grove Avenue	Alton Drive
Java Lane	N CDS	Sarawak Drive
La Corta Circle	La Corte Street	La Corta Street
La Corta Street	Massachusetts Avenue	La Corta Circle
Lebuan Drive	Sarawak Drive	Blossom Lane
Longdale Drive	Citronella Avenue	Skyline Drive
New Jersey Ave.	Broadway	San Miguel Avenue
Nina Road	San Miguel Avenue	S Cul-de-sac
Patero Court	W CDS	El Prado Avenue
Placentia Street	El Prado Avenue	San Altos Place
Plata Court	Primera Street	E Cul-de-sac
Primera Street	Massachusetts Avenue	Madera Street
Ramon Street	Madera Street	La Corta Street
Roy Street	Kempf Street	Washington Street
Sarawak Drive	Labuan Drive	W Cul-de-sac
Vista Avenue	North Avenue	Broadway

Attachment A

In addition to the base bid schedule, staff added three additional alternative (Add Alts) bid items in the bid package. The three locations are Montana Street between Lemon Grove Avenue and Citronella Avenue, Lincoln Street between Lemon Grove Avenue and Citronella Avenue, and Central Avenue between Lemon Grove Avenue and School Lane. These streets were scheduled to be treated earlier years listed in the Pavement Management Program; however, each street was postponed because they were smaller sections in good condition and staff determined to allocate those funds for street sections in worse condition.

On January 12, 2017, the City received five sealed bids. Each company is listed below with its location and project bid total.

Bidder's Name	Location	Base Bid	Add Alts	Total
American Asphalt South	Fontana, CA	\$221,111.14	\$37,377.43	\$258,488.57
Pavement Coatings	Mira Loma, CA	\$253,268.76	\$34,139.59	\$287,408.35
Kirk Paving	Lakeside, CA	\$262,132.30	\$28,303.89	\$290,436.19
All American Asphalt	Corona, CA	\$280,539.59	\$32,383.00	\$312,922.59
Sealright Paving	Spring Valley, CA	\$296,730.89	\$38,609.11	\$335,340.00

The project's cost estimate for the base bid was \$262,471.00. The lowest responsive and responsible base bid was submitted by American Asphalt South in the amount of \$221,111.14. American Asphalt South remained the lowest responsive and responsible bidder when the base bid and Add Alts were combined with a total bid of \$258,488.57.

Staff reviewed American Asphalt South's project work history, references, and construction license. Its project work history and reference checks were positive. American Asphalt South has successfully performed similar work for other local governments. American Asphalt South's license is current and in good standing with the State of California.

Therefore, staff concluded that American Asphalt South is both a responsive and responsible bidder, and recommends the award of this contract (**Attachment B – Exhibit 1**). Based on the project scope of work, staff recommends the following project budget:

Description	Amount
Construction Costs	\$221,111.14
Add Alt #1	\$12,485.25
Add Alt #2	\$2,699.18
Add Alt #3	\$22,193.00
Total Construction Costs	\$258,488.57
Material Testing	\$13,347.00
Subtotal	\$271,835.57
Contingency – 10%	\$27,183.55
Total	\$299,019.12

Attachment A

It is important to note that the project budget does not include inspection services that historically have been included in prior public works construction projects. Due to the relatively smaller scope of work and simplistic, routine roadway construction work, City staff will manage all inspection services in-house.

Conclusion:

Staff recommends that the City Council adopts a resolution (**Attachment B**) awarding the "FY 2016-17 Street Rehabilitation Project" (Contract No. 2017-17) to American Asphalt, South and establish a project budget not to exceed \$299,019.12 (**Attachment B – Exhibit 1**).

Attachment B

RESOLUTION NO. 2017 - _____

**RESOLUTION OF THE LEMON GROVE CITY COUNCIL
AWARDING A CONTRACT FOR THE FY 2016-17 CIP STREET REHABILITATION
PROJECT (CONTRACT NO. 2017-07)**

WHEREAS, the City of Lemon Grove's Five-Year Capital Improvement Program earmarks funding for the FY 2016-17 Street Rehabilitation Project (Contract No. 2017-17); and

WHEREAS, bids were solicited and five sealed bids were received for the FY 2016-17 Street Rehabilitation Project (Contract No. 2017-17); and

WHEREAS, bids were opened and read aloud and the lowest responsive and responsible bidder was American Asphalt South; and

WHEREAS, the City Council finds it in the public interest that a contract for said services be awarded.

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

1. Awards a contract to American Asphalt South in the amount of \$221,111.14 and establishes a project budget not to exceed \$299,019.12; and
2. Authorizes the City Manager or her designee to execute said contract (**Exhibit 1**).

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/////

Attachment B – Exhibit 1

CONTRACT (Page 1 of 4)

FY 2016-17 Street Rehabilitation Project (Contract #2017-17)

THIS CONTRACT, made and entered into on the date of the last signature, by and between the City of Lemon Grove, California, herein after designated as the "City", and American Asphalt South hereinafter designated as the "Contractor".

WITNESSETH: that the parties hereto do mutually agree as follows:

1. For and in consideration of the payments and agreements hereinafter mentioned to be made and performed by the City, the Contractor agrees with the City to furnish all materials and labor for the FY 2016-17 Street Rehabilitation Project (Contract #2017-17) and to perform and complete in a good and workmanlike manner all the work pertaining thereto shown on the plans and specifications therefore; to furnish at his own proper cost and expense all tools, equipment, labor and materials necessary therefore; and to do everything required by this agreement and the said plans and specifications.
2. For furnishing all said materials and labor, tools and equipment, and doing all the work contemplated and embraced in this Contract, also for all loss and damage arising out of the nature of the work aforesaid, or from the action of the elements, or from any unforeseen difficulties which may arise or be encountered in the prosecution of the work until its acceptance by the City and for all risks of every description connected with the work; also, for all expenses incurred by or in consequence of the suspension or discontinuance of work, except such as in said specifications are expressly stipulated to be borne by the City and for well and faithfully completing the work and the whole thereof, in the manner shown and described in the said plans and specifications, the City will pay and the Contractor shall receive in full compensation therefore the sum of two hundred twenty-one thousand one hundred eleven dollars and eleven cents (\$221,111.14).
3. The City hereby promises and agrees to employ, and does hereby employ said Contractor to provide the materials and to do the work according to the terms and conditions herein contained and referred to for the price aforesaid and hereby conditions set forth in the specification; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.
4. The Notice Inviting Bids, Instructions To Bidders, Bid Forms, Agreement and Bond Forms, Construction Administration Forms, Completion of the Project Forms, General Requirements and General Conditions, Drawings, Plans and Specifications, Addenda, Allowances, and all amendments thereof, are hereby incorporated in and made part of this Contract.

Attachment B - Exhibit 1

CONTRACT (Page 2 of 4)
F'Y 2016-17 Street Rehabilitation Project (Contract #2017-17)

5. The City, the City's representative, City Consultants and authorized volunteers shall not be answerable or accountable in any manner for any loss or damage that may happen to the work or any part thereof, or for any of the materials or other things used or employed in performing the work, or for injury or damage to any person or persons, either workers, employees of Contractor or its subcontractors or the public, or for damage to adjoining or other property, from any cause whatsoever arising out of or in connection with the performance of the work. The Contractor shall be responsible for any damage or injury to any person or property resulting from defects or obstructions or from any cause whatsoever arising out of or in connection with the performance of the work, provided, however, that the Contractor shall not be liable for the sole established negligence, willful misconduct or active negligence of the City, its representatives, employees, agents and authorized volunteers who are directly responsible to the City.
 - a. Contractor shall indemnify the City, City Council, City officials, City employees, City representatives, and authorized volunteers against and will hold and save them and each of them harmless from any and all actions, claims, damages to persons or property, penalties, obligations or liabilities that may be asserted or claimed by any person, firm, entity, corporation, political subdivision or other organization arising out of or in connection with the work, operation or activities of Contractor, its agents, employees, subcontractors or invitees, provided for herein, whether or not there is concurrent passive or active negligence on the part of the City, City Council, City officials, City employees, City representatives, and authorized volunteers, but excluding such actions, claims, damages to persons or property penalties, obligations or liabilities arising from the sole established negligence, willful misconduct or active negligence of the City, City Council, City officials, City employees, City representatives, authorized volunteers, or those who are directly responsible to them; and in connection therewith:
 - I) Contractor will defend any action or actions filed in connection with any of said claims, damages, penalties, obligations or liabilities and will pay all costs and expenses, including attorney's fees incurred in connection therewith.
 - II) Contractor will promptly pay any judgment rendered against Contractor, the City, City Council, City officials, City employees, City representatives, and authorized volunteers covering such claims, damages, penalties, obligations and liabilities arising out of or in connection with such work, operations, or activities of Contractor hereunder and Contractor agrees to save and hold the City, City Council, City officials, City employees, City representatives, and authorized volunteers harmless there from.

Attachment B – Exhibit 1

CONTRACT (Page 3 of 4)
FY 2016-17 Street Rehabilitation Project (Contract #2017-17)

- III) In the event the City, City Council, City officials, City employees, City representatives, and authorized volunteers are made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the Work, or operation or activities of Contractor hereunder, Contractor agrees to pay to the City, City Council, City officials, City employees, City representatives, and authorized volunteers any and all costs and expenses incurred by the City, City Council, City officials, City employees, City representatives, and authorized volunteers in such action or proceeding together with reasonable attorney's fees.
 - IV) The City may retain, to the extent it deems necessary, the money due to the Contractor under and by virtue of the Contract Documents until disposition has been made of such actions or claims for damages as specified herein above.
6. Claims, disputes and other matters in question between the parties to this Contract, arising out of or relating to this Contract or the breach thereof, may be decided by arbitration if both parties to this Contract consent in accordance with the rules of the American Arbitration Association then obtaining unless the parties mutually agree otherwise. No arbitration arising out of or relating to this Contract, shall include, by consolidation, joinder or in any other manner, any additional person not a party to this Contract except by written consent containing a specific reference to this Contract and signed by CONTRACTOR, CITY, and any other person sought to be joined. (Any Consent to arbitration involving an additional person or persons shall not constitute consent of any dispute not described therein or with any person not named or described therein.) This agreement to arbitrate and any agreement to arbitrate with an additional person or persons duly consented to by the parties to this Contract shall be specifically enforceable under the prevailing arbitration law.
- Notice of the demand for arbitration is to be filed in writing with the other party to this Contract and with the American Arbitration Association. The demand is to be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event is the demand for arbitration to be made after the date when institution of legal or equitable proceedings based on such claim; dispute or other matter in question would be barred by the applicable statute of limitations. The award rendered by the arbitrators shall be final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.
7. The Contractor agrees to comply with all Local, State and Federal regulations and with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 1857 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) as amended.
8. If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all costs and expenses of suit, including attorney's fees.

Attachment B - Exhibit 1

CONTRACT (Page 4 of 4)
FY 2016-17 Street Rehabilitation Project (Contract #2017-17)

9. Each and every provision of law and clause required to be inserted in this Contract shall be deemed to be inserted herein and this Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted or is not inserted correctly, then upon application of either party the Contract shall forthwith be physically amended to make such insertion or correction.
10. In accordance with Government Code, Section 8546.7, records of both the City and the Contractor shall be subject to examination and audit for a period of three (3) years after final payment.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed in three counterparts, each of which shall be deemed an original the day and year first above written.

CONTRACTOR:

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

Federal ID Number: _____

CITY:

By: _____

Title: City Manager, City of Lemon Grove

Date: _____

ATTEST:

By: _____

Title: City Clerk, City of Lemon Grove

(Notaries acknowledgement of execution by all PRINCIPALS OF CONTRACTOR shall be attached.)