



City of Lemon Grove  
City Council Regular Meeting Agenda  
Tuesday, February 17, 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

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 3, 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. Fiscal Year 2014-2015 Revised Appropriations Limits

*The City Council will consider a resolution approving revised Appropriations Limits for Fiscal Year 2014-15.*

Reference: Cathy Till, Finance Director

Recommendation: Adopt Resolution

E. Recognized Obligation Payment Schedule (July 1, 2015 – December 31, 2015)

*The Successor Agency Board will consider approving the Recognized Obligation Payment Schedule for the period of July 1, 2015 through December 31, 2015.*

Reference: Cathy Till, Finance Director

Recommendation: Approve ROPS 15-16(A)

F. Denial of Claim

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

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

2. Parking Restrictions on School Lane

*The City Council will consider a resolution designating School Lane (between Central Avenue and Lincoln Street) as a 2-hour parking zone between the hours of 8:00 AM and 4:00 PM on Monday through Friday, excluding holidays.*

Reference: Leon Firsht, City Engineer  
Recommendation: Adopt Resolution

3. Real Estate Purchase and Sale Agreement – APN 480-043-38

*The City Council will consider a resolution approving a Real Estate Purchase and Sale Agreement for APN 480-043-38 between the City and Mr. Mike Burnett.*

Reference: Graham Mitchell, City Manager  
Recommendation: Adopt Resolution

4. Potential Redevelopment Legislation

*The City Council will consider authorizing staff and Councilmembers to communicate with State legislators in opposition of the potential legislation affecting the City's litigation with the State regarding a loan payment from the former Lemon Grove Community Development Agency to the City.*

Reference: Graham Mitchell, City Manager  
Recommendation: Provide Direction

5. Crime Free Multi-Housing

*The City Council will provide feedback and direction to staff regarding the marketing of a Crime Free Multi-Housing program.*

Reference: Graham Mitchell, City Manager  
Recommendation: Provide Direction

6. San Diego Pooled Insurance Program Authority (SANDPIPA)

*The City Council will consider ratifying a notice of intent letter to withdraw from SANDPIPA and direct staff to seek cost estimates for other risk financing options.*

Reference: Mike James, Public Works Director  
Recommendation: Ratify Notice of Withdrawal and Provide Direction

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

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Section 54956.9)

City of Lemon Grove v. Sempra Energy, et al - San Diego Superior Court,  
Case No. 37-2014-00010490-CU-BC-CTL.

Adjournment

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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](mailto:sgarcia@lemongrove.ca.gov) prior to the meeting. A full agenda packet is available for public review at City Hall.

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**MINUTES OF A MEETING OF  
THE LEMON GROVE CITY COUNCIL, LEMON GROVE HOUSING AUTHORITY, LEMON  
GROVE SANITATION DISTRICT BOARD, LEMON GROVE ROADWAY LIGHTING DISTRICT  
BOARD, AND LEMON GROVE SUCCESSOR AGENCY  
February 3, 2015**

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**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; Leon Firsht, City Engineer; Susan Garcia, City Clerk; James P. Lough, City Attorney; Mike James, Public Works Director; Lt. May, Sheriff's Department; Rick Sitta, Fire Chief; and Cathleen Till, Finance Director.

Mayor Sessom presented certificates of recognition to the 2014 City events sponsors.

**Public Comment**

Brenda Hammond commented on seniors and other citizens in the community.

John L. Wood commented on the Toyota dealership's tree trimming project, street lighting, the Planning Commission, and vehicles parked on City streets.

Mike Richards expressed appreciation to Lt. May for meeting with members in the community and reported on the concerts in the Promenade.

Helen Ofield provided an overview of the life of William "Bill" Miller of Miller's Dairy.

**1. Consent Calendar**

- A. Approval of City Council Minutes**  
January 20, 2015 Regular Meeting
- B. Ratification of Payment Demands**
- C. Waive Full Text Reading of All Ordinances and Resolutions on the Agenda**
- D. City of Lemon Grove Investment Policy (2015)**
- E. Determination of Disability for Industrial Disability Retirement**

**Action: Motion by Councilmember Jones, seconded by Councilmember Gastil, to approve the Consent Calendar passed, by the following vote:**

**Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez**

**Resolution No. 2015-3301:** Resolution of the City Council of the City of Lemon Grove California Approving the City of Lemon Grove Investment Policy for 2015

**Resolution No. 2015-3302:** Resolution of the Lemon Grove City Council Certifying its Determination of Incapacity to the Board of Administration of the California Public Employees' Retirement System Pursuant to California Government Code Section 21166

## **2. Groundwork San Diego – Chollas Creek**

Graham Mitchell reported that Groundwork San Diego is working toward creating a regional park designation for areas between La Mesa and the San Diego Bay along Chollas Creek, including Lemon Grove.

Vicki Estrada, Groundwork San Diego – Chollas Creek, provided a presentation that included background information and details of their goals to create regional bike/walking paths that connect the communities within the Chollas Creek watershed through a regional park designation.

### Public Speaker(s)

John L. Wood stated that he is in favor of this project.

**Action: Motion by Councilmember Jones, seconded by Councilmember Gastil, to provide Groundwork San Diego letter of support for the Chollas Creek project passed, by the following vote:**

**Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez**

## **3. Annual Financial Report for Fiscal Year 2013-2014**

Ahmed Badawi, Badawi & Associates, provided a presentation of the annual Financial Report for the Fiscal Year ending on June 30, 2014 and was available to answer City Council questions.

### Public Speaker(s)

There were no requests from the public to speak.

## **4. CityMark Communities Real Estate Purchase and Sale Agreement**

Graham Mitchell explained that on September 2, 2014, the City Council adopted a resolution accepting a Letter of Intent from CityMark Communities to purchase City-owned parcels.

The Letter of Intent identified the purchase price as \$527,022. Since that time, staff and CityMark have negotiated terms related to environmental clean up and liability after the close of escrow. In order to ensure that the City has no environmental liability in the future, staff recommends reducing the total purchase price by \$75,000. The Purchase Agreement currently indicates a total purchase price of \$462,022. After fees and commissions, the net proceeds of the sale will be approximately \$435,000.

The Letter of Intent identified that \$100,000 would be held in reserve for clean up that is required during the construction of the project. Staff and CityMark have negotiated this amount down to \$75,000, given the reduced purchase price.

### Public Speaker(s)

There were no requests from the public to speak.

**Action: Motion by Councilmember Jones, seconded by Mayor Pro Tem Vasquez, to adopt the resolution passed, by the following vote:**

**Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez**

**Resolution No. 2015-3303:** Resolution of the City Council of the City of Lemon Grove, California Approving a Real Estate Purchase and Sale Agreement with Citymark Communities, LLC

## **5. Housing-Related Parks Program Grant**

Graham Mitchell reported that in December 2014, the California Department of Housing and Community Development released a notice of a grant opportunity. This non-competitive grant is provided to cities that developed affordable housing between 2010 and 2014. The grant proceeds are to be used for park development, expansion or rehabilitation.

Given the criteria established by the State, staff recommends that the funds be used to pay for the following projects: 1) enhancements at the Main Street Promenade, 2) expansion and installation of “skateable” art at the skatespot, and 3) completion of one segment of the “Connect Main Street” project. Staff believes that the grant could fund all three projects. In the event additional funds are made available (up to an additional \$200,000), staff recommends that the City Council, at a later date, consider including another segment of “Connect Main Street” to the project list. The following sections describe the proposed grant projects.

### Public Speaker(s)

There were no requests from the public to speak.

**Action: Motion by Councilmember Jones, seconded by Councilmember Mendoza, to adopt the resolution passed, by the following vote:**

**Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez**

**Resolution No. 2015-3304:** Resolution of the City Council of the City of Lemon Grove, California Authorizing Application for Housing Related Parks Grant

## **6. Fiscal Year 2014-2015 Mid-Year Budgets**

Cathy Till stated that on January 20, 2015, the City Council discussed the draft Fiscal Year 2014-15 (FY 2014-15) Mid-Year budgets for the City, Lighting District, Sanitation District, and Successor Agency. At that meeting, the City Council directed staff to provide more information regarding the implications of paying down the PERS Unfunded Actuarial Liability (UAL) in the coming years.

On May 21, 2014 the PERS Board made structural changes to risk pooling, which caused a major change in the way PERS charges the City for its annual share of the pool’s liability. Under the old methodology, a percentage of payroll was designated as the City’s share of both the unfunded (side fund) liability, as well as the pension liability of current staff. The liability was expressed as a percentage of anticipated payroll. Under the new methodology, there are two components that make up the City’s PERS payment:

A percentage of payroll is designated as the “Employer Normal Cost Rate” (i.e. the cost of current employees’ future benefits); and

A fixed amount is designated as the payoff of the pre-May 21, 2014 liability of both current and past employees. This amount is fixed at the beginning of the year, and is based on PERS investment results for the prior year and any new actuarial assumptions that might arise.

Beginning with the June 30, 2013 valuations, PERS will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period, with the increases or decreases in the rate spread directly over a 5-year period. In addition, all pooled plans will be combined into two active pools—one for all miscellaneous groups and one for all safety groups.

Ms. Till noted that staff recommends making an additional average payment of approximately \$175,000 to PERS in FY 2015-16. This would require a UAL payroll deduction of approximately 4 percent of salary—a 4 percent deduction would result in a General Fund cost of approximately \$108,500 in FY 2015-16. The proceeds from this deduction would be placed in a separate fund to pay for the early payoff of the PERS liability. The one-time payment of \$300,000 and an average annual payment of approximately \$175,000 will reduce the term of the default plan of 30 years by approximately 15 to 17 years, based on the current PERS assumptions.

In addition, staff also recommends that the City Council establish the Unfunded Actuarial Liability Fund as a separate fund operated by the City.

After the discussion, the City Council directed staff to present the 20 year payoff proposal of the PERS Unfunded Actuarial Liability during the May budget discussion.

**Action: Motion by Councilmember Jones, seconded by Councilmember Gastil, to adopt the resolution passed, by the following vote:**

**Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez**

**Resolution No. 2015-3305:** Resolution of the City Council of the City of Lemon Grove, California Approving the City of Lemon Grove Mid-Year Budget for Fiscal Year 2014-2015 and Authorizing Expenditures Thereto

**Action: Motion by Board Member Jones, seconded by Board Member Vasquez, to adopt the resolution passed, by the following vote:**

**Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez**

**Resolution No. 2015-162:** Resolution of the Board of Directors of the Lemon Grove, California Roadway Lighting District Approving the Mid-Year Budget for Fiscal Year 2014-2015 and Authorizing Expenditures Thereto

**Action: Motion by Board Member Mendoza, seconded by Board Member Gastil, to adopt the resolution passed, by the following vote:**

**Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez**

**Resolution No. 2015-269:** Resolution of the Board of Directors of the Lemon Grove, California Sanitation District Approving the Mid-Year Budget for Fiscal Year 2014-2015 and Authorizing Expenditures Thereto

**Action: Motion by Board Member Vasquez, seconded by Board Member Jones, to adopt the resolution passed, by the following vote:**

**Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez**

**Resolution No. 2015-8:** Resolution of the Board of Directors of the Lemon Grove Successor Agency Approving the Mid-Year Budget for Fiscal Year 2014-2015 and Authorizing Expenditures Thereto

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

Councilmember Jones attended the annual SANDAG Regional Planning Committee retreat.

Councilmember Mendoza attended the Valencia Hills Single Family Home project grand opening, Deputy Fire Chief Tim Smith retirement party, Thrive Lemon Grove, and San Diego Regional Chamber meetings, and met with Supervisor Diane Jacob.

Councilmember Gastil attended Deputy Fire Chief Tim Smith retirement party, the clergy breakfast, and was appointed to the LOSSAN Board. He noted that Councilmember Mendoza, as a newly elected official, was recognized by the Mexican-American business professional association.

Mayor Pro Tem Vasquez attended a Heartland Communication Authority meeting, the Valencia Hills Single Family Home project grand opening and a Thrive Lemon Grove meeting where she and Councilmember Mendoza excused themselves during the digital billboard discussion. She also attended a LAFCO meeting, the Lemon Grove Library "Frozen" and Thrive Lemon Grove's "Indoctrinated" movie event, and the St. John of the Cross school assembly where she presented a Catholic Schools Week proclamation on behalf of the City.

Mayor Sessom attended the annual SANDAG retreat, an Airport Authority meeting, and the Valencia Hills Single Family Home project grand opening.

**City Manager and Department Director Reports**

Mike James reported that the grand opening for the Lemon Grove Farmers Market will be on February 14<sup>th</sup>.

**Closed Session**

Conference with Legal Counsel – Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9:

One Case

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 8:40 p.m.

*Susan Garcia*  
\_\_\_\_\_  
Susan Garcia, City Clerk

**City of Lemon Grove Demands Summary**

Approved as Submitted:

Cathleen Till, Finance Director

For Council Meeting: 02/17/15

ACH/AP Checks 01/23/15-02/04/15 1,471,603.33

Payroll - 02/04/15 122,205.51

**Total Demands 1,593,808.84**

CHECK NO	INVOICE NO	VENDOR NAME	CHECK DATE	Description	INVOICE AMOUNT	CHECK AMOUNT
ACH	Jan23 15	US Bank	01/23/2015	Debt Service Payment - 2007 Tax Allocation Bond	284,011.01	284,011.01
ACH	Jan23 15	US Bank	01/23/2015	Debt Service Payment - 2010 Tax Allocation Refunding Bond	154,740.28	154,740.28
ACH	Jan23 15	US Bank	01/23/2015	Debt Service Payment - 2014 Tax Allocation Refunding Bond	112,909.43	112,909.43
ACH	Jan20 15	US Treasury	01/27/2015	Federal Taxes	21,150.89	21,150.89
ACH	Dec 14	Wex Inc.	01/28/2015	Fuel - Dec'14 Fire Dept.	1,770.58	1,770.58
ACH	Dec10-Jan6	CA Public Empl Retirement System	02/03/2015	Pers Retirement 12/10/14-1/6/15	126,257.95	126,257.95
ACH	Jan 15	Dharma	02/03/2015	Bankcard Merchant Fees - Jan'15	617.26	617.26
ACH	Jan 15	Power Pay Biz	02/03/2015	Online Credit Card Processing Fee - Jan'15	51.43	51.43
ACH	Jan 15	Authorize.Net	02/03/2015	Merchant Fees - Jan'15	44.05	44.05
ACH	Jan 15	Bluefin	02/03/2015	Merchant Statement Fee - Jan'15	9.95	9.95
ACH	Feb 15	Pers Health	02/03/2015	Health Insurance - Jan'14	56,200.92	56,200.92
ACH	Feb3 15	Pitney Bowes Inc.	02/04/2015	Postage Usage 2/3	200.00	200.00
ACH	1000125369	City of San Diego	02/04/2015	Metro Sewer System FY15 3rd Qtr	577,627.00	577,627.00
ACH	Feb3 15	Pitney Bowes Global Financial	02/04/2015	Postage Usage 2/3/15	200.00	200.00
3324	4819	Aguirre & Associates	01/29/2015	Vista Sereno Map Review - Cert of Correction	115.00	115.00
3325	1177	Badawi & Associates	01/29/2015	2014 Interim Audit	8,565.15	8,565.15
3326	Brown	Brown, Ramona	01/29/2015	Refund/Brown,Ramona/Deposit Comm Ctr 01/18/15	200.00	200.00
3327	14532903	Canon Financial Services Inc.	01/29/2015	Canon Copier Contract Charge - Jan'15	642.60	642.60
3328	1288773	Cascade Subscription Service, Inc.	01/29/2015	Fire Engineering Magazine- 48 Issues	179.00	179.00
3329	AR135878	City of Chula Vista	01/29/2015	Animal Control Services - Dec'14	16,300.15	16,300.15
3330	16906 16909 16911	City of La Mesa	01/29/2015	Lemon Grove's Share of Fire Prevention Forms Overtime Reimbursement - Hubert 12/27/14 Overtime Reimbursement - Sergeant 12/31/14	92.50 977.13 897.72	1,967.35
3331	2764	D- Max Engineering Inc.	01/29/2015	WQTR 1stRvwBDJM Prop/TMO-059/PDP14-001/ 2011 Shirley Ln/Rcpt37:	1,085.00	1,085.00
3332	2965 3232	Dispatch Tech	01/29/2015	07/18/14-Setup New Printer; 07/22/14-Worked on Printer Fixed PC with Admin & GIS Issues - James 12/12/14	190.00 95.00	285.00
3333	FY 15	EC Economic Development Council	01/29/2015	Membership 07/01/14-06/30/15	1,500.00	1,500.00
3334	01/19-22/15	Esgil Corporation	01/29/2015	75% Building Fees-01/19/15-01/22/15	1,684.16	1,684.16
3335	6196258	Globalstar USA, Inc.	01/29/2015	Satellite Service 12/16/14-1/15/15	84.99	84.99
3336	Jan-Jun15	McReynolds, Mildred	01/29/2015	Retiree Health Benefits for Mildred McReynolds: Jan'15-Jun'15	1,200.00	1,200.00

3337	0020975-IN	National Signal, Inc.	01/29/2015	Lock, Trailer w/ Key for Portable Traffic Sign	114.35	114.35
3338	185422 185423 185920 185921	Ninyo & Moore	01/29/2015	KD Grove/Insp Svc through Nov'14/ 7128 San Miguel Valencia Insp Svc through Nov'14/San Altos KD Grove/Insp Svc through Dec '14/7128 San Miguel Valencia Insp Svc through Dec'14/San Altos	4,538.00 4,619.75 1,497.00 2,577.00	13,231.75
3339	14120354	Nolte Associates, Inc.	01/29/2015	LG Ave Realignment 10/01/14-11/30/14	13,447.21	13,447.21
3340	Jan'15	PLIC- SBD Grand Island	01/29/2015	Dental Insurance - Jan'15	4,272.02	4,272.02
3341	Jan23 15 Jan23 15	SDG&E	01/29/2015	3225 Olive- 12/19/14-01/21/15 8119 Broadway-12/19/14-01/21/15	120.95 68.08	189.03
3342	474264	South Coast Emergency Vehicle Serv	01/29/2015	Jump Seat Spring, Gauge	185.67	185.67
3343	Jan'15	Standard Insurance Company	01/29/2015	Long Term Disability Insurance - Jan'15	1,772.87	1,772.87
3344	076209	State of California- Justice	01/29/2015	Fingerprint Apps - Dec'14	96.00	96.00
3345	44389 44390	The East County Californian	01/29/2015	Bid Notice: Upsizing Sewer Mains 1/22/15 Bid Notice: Cured-In-Place Pipe Lining 1/22/15	182.00 185.50	367.50
3346	270355324	US Bank Equipment Finance	01/29/2015	Defibrillator Lease-Contract Payment 02/11/15	1,663.30	1,663.30
3347	9737479930 9737498095 9738782141	Verizon Wireless	01/29/2015	Fire Phone- 11/21/14-12/20/14 Englne Cell Phones 11/21/14-12/20/14 City Phone Charges- 12/13/14-01/12/15	252.23 220.05 596.02	1,068.30
3348	11-844225-1	Vortex Industries, Inc.	01/29/2015	Sectional Door Repairs - Fire Station	1,132.76	1,132.76
3349	L1072895PB	American Messaging	02/04/2015	Pager Replacement Program - Feb'15	45.28	45.28
3350	55355	Anthem Blue Cross EAP	02/04/2015	Employee Assistance Program - Feb'15	165.00	165.00
3351	4350662	Bearcom	02/04/2015	Portable Radios Monthly Contract- 12/22/14-01/21/15	150.00	150.00
3352	589580-9	BJ's Rentals	02/04/2015	Boom Rental 1/6/15	300.00	300.00
3353	124322	California Park & Recreation Society	02/04/2015	CPRS Membership Thru 3/31/15- James	165.00	165.00
3354	999883	Cannon Pacific Services Inc.	02/04/2015	Street Sweeping Services- Storm Clean Up 12/11/14	480.00	480.00
3355	12740	City of El Cajon	02/04/2015	HFTA 3rd Qtr FY'15	4,887.00	4,887.00
3356	12570 23060 27442	County of San Diego	02/04/2015	Billing for Electronic Maps- 7/1/14-12/12/14 Billing for Electronic Map- 1/22/15 Billing for Electronic Maps- 1/29/15	20.00 2.00 8.00	30.00
3357	1/4/2015 12/30/2014 12/6/2014 12/6/2014	Cox Communications	02/04/2015	Phone Service 3131 School Ln - 1/4/15-2/3/15 Community Center Internet Svc- 12/30/14-1/29/15 Calsense Modem Line:2259 Washington 12/6/14-01/5/15 Calsense Modem Line:7071 Mt Vernon 12/6/14-01/5/15	97.25 75.00 19.29 19.29	210.83
3358	1/28/2014	CWEA SDS Cert Prep Session 2015	02/04/2015	Certification Preparation Session- Adams, Wilkens, Mendoza	150.00	150.00
3359	1/26-29/15	Esgil Corporation	02/04/2015	75% Building Fees- 01/26/15-01/29/15	4,110.86	4,110.86
3360	50413	Ew Truck & Equipment Co Inc	02/04/2015	'04 Sterling L7501 Repairs	2,217.92	2,217.92
3361	07-1878	Lemon Grove School District	02/04/2015	Fuel Services-PW: Nov14	1,420.28	1,420.28
3362	1160 1162	Lemon Grove Truck & Body Equipment	02/04/2015	Truck #01- Supply & Install Mount Hitch Truck #16- Supply & Install Strobe Lights	225.00 450.00	675.00
3363	15-001-01 15-002-01	MJC Construction	02/04/2015	Emergency Storm Drain Repair - 2815 Dennis Ln, CUPCCA 2015-02 Emergency Storm Drain Pipe Repairs - Washington St CUPCCA 20	10,000.00 25,000.00	35,000.00
3364	00592535_SNV	Municipal Emergency Services Inc.	02/04/2015	Multi-Gas Monitor	1,143.62	1,143.62
3365	Feb 15	PLIC- SBD Grand Island	02/04/2015	Dental Insurance - Feb'15	3,978.42	3,978.42
3366	4124	RapidScale Inc.	02/04/2015	Virtual Hosting- 1/31/14	1,666.63	1,666.63

3367	30337233	RCP Block & Brick, Inc.	02/04/2015	Concrete Mix	33.65	3,743.84
	30337235			Concrete Mix	33.65	
	30337242			Concrete Mix	35.39	
	30338255			Masonry Sand	12.74	
	30344537			Flood Control Sand Bags	56.16	
	30360686			Yard Concrete Sand	190.51	
	30360698			Knee Boots	50.22	
	30360698			Knee Boots	50.22	
	30363915			Knee Boots	25.11	
	30366684			Yard Concrete Sand	119.07	
	30367810			Yard Concrete Sand	285.77	
	30367993			Yard Concrete Sand	190.51	
	30368294			Yard Concrete Sand	190.51	
	30370975			Dirt Tamp/ Shovel	61.02	
	30387723			Fertilized Soil	388.80	
	30394444			Stone Bond Pathway Stabilizer	526.50	
	30395384			Stone Bond Pathway Stabilizer	526.50	
	30396595			Stone Bond Pathway Stabilizer	438.75	
	30398345			Yard Concrete Sand	142.88	
	30398346			Yard Concrete Sand	142.88	
	30398348			Flood Control Bags	243.00	
3368	9739186817	Verizon Wireless	02/04/2015	EMS Tablet/370361255-00002 - 12/21/14-1/20/15	38.01	228.06
	9739204800			Engine Cell Phones 12/21/14-1/20/15	190.05	
3369	Rodriguez	Rodriguez, Stephanie	02/04/2015	Refund/Rodriguez,Stephanie/Deposit ComCtr 1-24-15	200.00	200.00
3370	Jan26 15	SD County Deputy City Clerk's Asso.	02/04/2015	Deputy City Clerk's Association Dues - Jan to Dec 2015	45.00	45.00
3371	0148846-IN	South Bay Foundry Inc.	02/04/2015	Storm Grates	540.00	540.00
3372	Feb 15	Standard Insurance Company	02/04/2015	Long Term Disability Insurance - Feb'15	1,735.58	1,735.58
3373	355456	Sun Badge Company	02/04/2015	Heartland Firefighter Badges - 3	408.33	408.33
3374	7870354	Trugreen Landcare	02/04/2015	Install Hackberry Trees- Area #1	420.00	420.00
3375	120150370	Underground Service Alert	02/04/2015	New Ticket Charges - Jan'15	66.00	66.00
3376	Feb3 15	Vantage Point Transfer Agents-457	02/04/2015	ICMA Deferred Compensation Pay Period Ending 2/3/14	280.77	280.77
					1,471,603.33	1,471,603.33

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 1.D  
**Mtg. Date** February 17, 2015  
**Dept.** Finance

**Item Title:** **Fiscal Year 2014-2015 Revised Appropriations Limits**

**Staff Contact:** Cathleen Till, Finance Director

**Recommendation:**

Adopt a resolution (**Attachment A**) approving revised Appropriations Limits for Fiscal Year 2014-15.

**Item Summary:**

State Constitution Article XIII-B (Propositions 4 and 111) places an appropriations limitation on State and Local Government. The limit is adjusted each year by multiplying the previous year's limit by a factor based on either the change in the California Per Capita Personal Income or the change in Non-Residential Construction Valuation and by either the population change of the City or the County.

Through the budget process, the City Council established Appropriation Limits of \$41,047,307 for Fiscal Year 2014-15. Through the audit process, staff discovered that the factor used in the Fiscal Year 2014-15 calculation should have been 1.0109, not 1.0090. Using the revised factor modifies the Appropriations Limits for Fiscal Year 2014-15 to \$41,122,610.

Staff recommends that the City Council adopt a resolution (**Attachment A**) approving revised Appropriations Limits for Fiscal Year 2014-15.

**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. Resolution

**RESOLUTION NO. 2015-\_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE CITY COUNCIL  
REVISED APPROPRIATIONS LIMIT FOR FISCAL YEARS 2014-15**

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**WHEREAS**, California Constitutional Article XIII-B (Propositions 4 and 111) places an appropriations limitation on State and local governments; and

**WHEREAS**, the appropriations limitation is based on proceeds of taxes adjusted annually from the base year 1986-87 by either the population growth factor for the City of Lemon Grove or for the County of San Diego, and by either the change in the California Per Capita Personal Income or the change in Non-Residential Construction for the City of Lemon Grove; and

**WHEREAS**, the City has received inflation and population data from the State Department of Finance to calculate the Fiscal Year 2014-15 Appropriations Limit; and

**WHEREAS**, the City Council of the City of Lemon Grove wishes to select those options providing the greatest rate of change as shown below:

**Fiscal Year 2014-15:**

Change in California Per Capita Personal Income  (inflation factor)	County Population Change  (population factor)	<u>Factor</u>
1.0132	0.9977	1.0109

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lemon Grove, California establishes the Fiscal Year 2014-15 Appropriations Limit at \$41,122,610.

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**LEMON GROVE SUCCESSOR AGENCY  
AGENDA ITEM SUMMARY**

**Item No.** 1.E  
**Mtg. Date** February 17, 2015  
**Dept.** Finance

**Item Title:** **Recognized Obligation Payment Schedule (July 1, 2015 – December 31, 2015)**

**Staff Contact:** Cathy Till, Finance Director

**Recommendation:**

Approve the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2015 through December 31, 2015 (ROPS 2015-16(A)).

**Item Summary:**

The purpose of this agenda item is to present the ROPS 2015-16(A) for approval by the Successor Agency Board.

**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. Recognized Obligation Payment Schedule (July 1, 2015 – December 31, 2015)

# Attachment A

## LEMON GROVE SUCCESSOR AGENCY STAFF REPORT

**Item No.** 1.E

**Mtg. Date** February 17, 2015

**Item Title:** **Recognized Obligation Payment Schedule (July 1, 2015 – December 31, 2015)**

**Staff Contact:** Cathy Till, Finance Director

### **Discussion:**

The State requires all Successor Agency Oversight Boards to approve the Recognized Obligation Payment Schedule for the period of July 1, 2015 to December 31, 2015 (ROPS 2015-16(A)) by March 3, 2015. In order to meet that deadline, staff presents the ROPS 2015-16(A) to the Lemon Grove Successor Agency Board for consideration prior to the March 3<sup>rd</sup> deadline. After Successor Agency consideration, the Oversight Board will consider adopting a resolution approving the ROPS 2015-16(A) and authorizing Successor Agency staff to submit the document to the County of San Diego, the State of California Department of Finance, and the State Controller's Office for review and approval. The purpose of this agenda item is to present the ROPS 2015-16(A), for consideration.

The ROPS 2015-16(A) document includes the following:

- A summary detailing the amount requested;
- ROPS detail for the period July 1-December 31, 2015;
- Cash balances information;
- Prior period adjustments page for the July 1-December 31, 2014 ROPS period showing prior period estimates compared to actual payments; and
- A notes page.

Overall, the ROPS identifies a total of \$2,960,635 in expenditures between July 1, 2015 and December 31, 2015, with \$500,000 being spent from bond proceeds.

The following subsections provide information about the expenditures identified in the ROPS 2015-16(A).

### Bond Debt Service

- During the ROPS 2014-15(A) period, debt service payments are due for the 2007, 2010, and 2014 Tax Allocation Bonds. The payments totalling \$1,208,213 will be made from the Residual Property Tax Trust Fund (RPTTF).

### Lemon Grove Avenue Realignment

The ROPS 2014-15(A) identifies one Lemon Grove Avenue Realignment expenditure line item to be paid during this period, which totals \$500,000. This expenditure is allocated from bond proceeds.

At this point, there is \$2,334,000 in remaining bond proceeds; the Successor Agency currently holds these funds in an investment account.

# Attachment A

## Miscellaneous

In addition, the following items are identified in the ROPS 2015-16(A):

- Administrative Allowance (\$125,000) – this reflects staff time and other administrative costs in administering the Successor Agency and is paid from RPTTF monies.
- City Loan (\$3,160,741) – this is due to the City as of January 31, 2012. Currently, the City is not eligible to receive funds to pay down the loan; however, it is included as a placeholder for future ROPS.
- City Short-Term Loan (\$167,795) – this represents the difference between total expenditures paid by the Successor Agency from July 1, 2012 to December 31, 2014 and RPTTF monies received to cover them. The City covered the shortfall in order for the Successor Agency to pay its obligations.
- PERS Side Fund Liability (\$266,574) – this represents the former Redevelopment Agency's share of the City's unfunded PERS liability of \$1,743,319 as of June 30, 2011. In summary, approximately 15 percent of City staff time was devoted to performing work on behalf of the Redevelopment Agency when it was active. Staff applied that percentage to the total liability to arrive at the \$266,574 figure. The unfunded liability amount was provided in a PERS actuarial report in October 2012.
- Successor Agency's share of the PERS Unfunded Actuarial Liability (UAL) (\$527,838) – on May 21, 2014 PERS released a report that updated the City's unfunded actuarial liability as of June 30, 2011. The Successor Agency's share of \$527,838 represents approximately 15 percent of the total liability, which is the percentage of overall staff time dedicated to the former Redevelopment Agency before it was eliminated.
- On July 11, 2012 the Successor Agency made a payment of \$557,054 to the County of San Diego. This amount represented the difference between the RPTTF monies received from November 2011 to February 2012 and the obligations paid from January 1, 2015 to June 30, 2012. When staff reviewed the information provided to the County, an error was discovered. Instead of requesting RPTTF for the entire amount of the bond payments made in February 2012, the Agency only requested a portion. This error was caused by a historical methodology whereby the Housing Fund covered a portion of the bond payments. That methodology ceased to be correct starting with the February 1, 2012 payments. The Successor Agency in fact only owed the County \$391,839, so the Successor Agency is requesting \$165,215 (the difference between what was paid to the County and what was actually due).

## Fiscal Analysis

In total, there are \$46.9 million in outstanding Agency obligations. Of that, \$44.6 million will be funded with RPTTF. This includes bond debt service (\$40.2 million), City loans to the former Agency (\$3.5 million), PERS unfunded liability payments (\$794,412), and ongoing administrative costs (\$125,000). The remaining balance of \$2.3 million is comprised of the Lemon Grove Avenue Realignment project which will be entirely funded from bond proceeds.

## **Conclusion:**

Staff recommends that the Successor Agency Board approve the ROPS 2015-16(A).

## Recognized Obligation Payment Schedule (ROPS 15-16A) - Summary

Filed for the July 1, 2015 through December 31, 2015 Period

Name of Successor Agency: Lemon Grove  
 Name of County: San Diego

Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>	
<b>A Sources (B+C+D):</b>	<b>\$ 500,000</b>
B Bond Proceeds Funding (ROPS Detail)	500,000
C Reserve Balance Funding (ROPS Detail)	-
D Other Funding (ROPS Detail)	-
<b>E Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 2,460,635</b>
F Non-Administrative Costs (ROPS Detail)	2,335,635
G Administrative Costs (ROPS Detail)	125,000
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 2,960,635</b>

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I Enforceable Obligations funded with RPTTF (E):	2,460,635
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(14,010)
<b>K Adjusted Current Period RPTTF Requested Funding (I-J)</b>	<b>\$ 2,446,625</b>

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L Enforceable Obligations funded with RPTTF (E):	2,460,635
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
<b>N Adjusted Current Period RPTTF Requested Funding (L-M)</b>	<b>2,460,635</b>

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177 (m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

Name	Title
/s/	
Signature	Date

**Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail**  
**July 1, 2015 through December 31, 2015**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
2	2007 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	5/22/2007	2/1/2038	US Bank	Debt service payment	1	45,904,929	N	500,000			2,335,615	125,000	2,960,615
3	2010 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	9/16/2010	2/1/2029	US Bank	Debt service payment	1	22,203,232	N				499,014		499,014
5	Lemon Grove Ave Realignment	Legal	1/1/2014	5/30/2014	Lounsbury, Ferguson, Altona & Peak	Legal Services-LGA Realignment	1		N						
6	Continuing Bond Disclosure	Fees	1/1/2014	5/30/2038	Urban Futures, Inc.	Continuing disclosure services for outstanding bonds	1		N						
9	Semi-Annual Compliance Admin Fee	Fees	1/1/2014	5/30/2038	Urban Futures, Inc.	Semi-Annual Compliance Admin Fee	1		N						
13	Lemon Grove Ave Realignment	Improvement/Infrastructure	1/1/2014	12/31/2025	General Contractor (pending bid process)	Construction of LGA Realignment	1	2,334,000	N	500,000					500,000
14	Administrative	Admin Costs	1/1/2014	5/30/2038	City of Lemon Grove	Staff and administrative overhead	1	125,000	N					125,000	125,000
15	City Loan (from inception)	City/County Loans After 6/27/11	7/1/2011	8/1/2034	City of Lemon Grove	City Loan	1	3,160,741	N						
16	City Loan-cash flow	City/County Loans After 6/27/11	7/1/2011	8/1/2034	City of Lemon Grove	Cash flow shortfall loan	1		N						
18	City Side Fund liability (SA portion) due to PERS	City/County Loans After 6/27/11	6/30/2012	8/1/2034	City of Lemon Grove	Side Fund Liability-Former Agency employees	1	266,574	N				266,574		266,574
19	Lemon Grove Ave Realignment	Improvement/Infrastructure	7/2/2009	12/31/2013	NV5	Design/Engineering	1		N						
25	City loan-cash flow	City/County Loans After 6/27/11	7/1/2012	7/1/12-12/31/14	City of Lemon Grove	City Loan-Short Term 7/1/2012-12/31/2014-RPTTF shortfall	1	167,795	N				167,795		167,795
27	Refinance 2004 Bond	Refunding Bonds Issued After 6/27/12	6/1/2014	8/1/2034	US Bank	2014 Bond (refinanced the 2004 bond)	1	8,783,916	N				208,606		208,606
29	US Bank	Bonds Issued On or Before 12/31/10	7/1/2007						N						
30	Consultant	Bonds Issued On or Before 12/31/10	7/1/2007	2/1/2038	Berenstate or bond consultant chosen based on fee	Arbitrage Rebate-required every 5 years	1		N						
31	PERS UAL (SA Portion)-due to PERS	City/County Loans After 6/27/11	6/30/2011	7/1/2045	City of Lemon Grove	Unfunded Actuarial Liability-Former Agency employees	1	527,838	N				527,838		527,838
32	City loan-cash flow	City/County Loans After 6/27/11		Until paid	City of Lemon Grove	Overpayment to the County	1	165,215	N				165,215		165,215
33									N						
34									N						
35									N						
36									N						
37									N						
38									N						
39									N						
40									N						
41									N						
42									N						
43									N						
44									N						
45									N						
46									N						

**Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Cash Balances**

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [https://rad.dof.ca.gov/rad-sa/pdf/Cash\\_Balance\\_Agency\\_Tips\\_Sheet.pdf](https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf).

A	B	C	D	E	F	G	H	I
		<b>Fund Sources</b>						
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>		<b>Other</b>	<b>RPTTF</b>	
	<b>Cash Balance Information by ROPS Period</b>	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin	<b>Comments</b>
<b>ROPS 14-15A Actuals (07/01/14 - 12/31/14)</b>								
1	<b>Beginning Available Cash Balance (Actual 07/01/14)</b>	2,452,611					(1,533,474)	
2	<b>Revenue/Income (Actual 12/31/14)</b> RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014	931				4,500	1,342,898	
3	<b>Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14)</b> RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q	118,040				4,500	1,324,388	
4	<b>Retention of Available Cash Balance (Actual 12/31/14)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						-	
5	<b>ROPS 14-15A RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S			No entry required			14,010	
6	<b>Ending Actual Available Cash Balance</b> C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 2,335,502	\$ -	\$ -	\$ -	\$ -	\$ (1,528,974)	
<b>ROPS 14-15B Estimate (01/01/15 - 06/30/15)</b>								
7	<b>Beginning Available Cash Balance (Actual 01/01/15)</b> (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 2,335,502	\$ -	\$ -	\$ -	\$ -	\$ (1,514,964)	
8	<b>Revenue/Income (Estimate 06/30/15)</b> RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015	931				4,500	509,793	
9	<b>Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)</b>	500,000				4,500	675,093	
10	<b>Retention of Available Cash Balance (Estimate 06/30/15)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						-	
11	<b>Ending Estimated Available Cash Balance (7 + 8 - 9 -10)</b>	\$ 1,836,433	\$ -	\$ -	\$ -	\$ -	\$ (1,680,264)	

**Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Prior Period Adjustments**  
 Reported for the ROPS 14-15A (July 1, 2014 through December 31, 2014) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)  
 (Report Amounts in Whole Dollars)

ROPS 14-15A Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 14-15A (July through December 2014) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 15-16A (July through December 2015) period will be offset by the SA's self-reported ROPS 14-15A prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
Item #	Project Name / Debt Obligation	Non-RPTTF Expenditures						RPTTF Expenditures										Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16A Requested RPTTF)
		Bond Proceeds		Reserve Balance		Other Funds		Non-Admin					Admin					
		Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS 14-15A distributed + all other available as of 07/1/14)	Net Lesser of Authorized / Available	Actual	Difference (If K is less than L, the difference is zero)	Authorized	Available RPTTF (ROPS 14-15A distributed + all other available as of 07/1/14)	Net Lesser of Authorized / Available	Actual	Difference (If total actual exceeds total authorized, the total difference is zero)	
1	2004 Tax Allocation	\$ 260,000	\$ 23,133					\$ 1,379,198	\$ 1,212,786	\$ 1,212,786	\$ 1,160,786	\$ 14,010	\$ 130,100	\$ 130,100	\$ 130,100	\$ 130,100		\$ 14,010
2	2007 Tax Allocation							210,888	210,888	210,888	210,888							
3	2010 Tax Allocation Bonds							505,136	505,136	505,136	505,136							
8	Continuing Bond Disclosure							5,250	5,250	5,250	4,840	410						410
9	Semi-Annual Compliance Admin Fee																	
13	Lemon Grove Ave Realignment																	
14	Administrative												130,100	130,100		130,100		
15	City Loan (from 6/12 underpayment)																	
16	City Loan (from inception)																	
17	City loan cash flow																	
18	City Side Fund Liability (SA portion)																	
19	Lemon Grove Ave Realignment	260,000	23,133															
22	Repay bond reserve for August 2013 shortfall																	
23	Set up reserve amount for the August 2014 bond payment shortfall																	
24	Underpayment of ROPS 13-14A Administrative Fee																	
25	City loan cash flow																	
26	City loan cash flow																	
27	Refinance 2004 Bond							180,000	13,600	13,600	13,600	13,600						13,600



**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 1.F  
**Mtg. Date** February 17, 2015  
**Dept.** Public Works

**Item Title:** Denial of Claim

**Staff Contact:** Mike James, Public Works Director

**Recommendation:**

Deny a claim submitted by Mr. Brian Hemenway.

**Item Summary:**

The City of Lemon Grove received a claim from Mr. Brian Hemenway. Staff has investigated the claim and based on the finding of the investigation, recommends its denial.

**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:**

None.

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 2  
**Mtg. Date** Feb. 17, 2015  
**Dept.** City Manager's Office

**Item Title:** **Parking Restrictions on School Lane**

**Staff Contact:** Leon Firsh, City Engineer

**Recommendation:**

Adopt a resolution (**Attachment A**) designating School Lane (between Central Avenue and Lincoln Street) as a 2-hour parking zone between the hours of 8:00 AM and 4:00 PM on Monday through Friday, excluding holidays.

**Item Summary:**

The City has received complaints from library patrons about the lack of available parking on School Lane. Staff has observed that there are school staff using the street parking in lieu of designated staff parking. Staff determined that creating a 2-hour parking restriction on School Lane between Central Avenue and Lincoln Street would ensure quicker turnover in parking spaces.

This concept was discussed at the February 10, 2015 City/School District collaboration meeting. At the meeting, District staff recommended that parking restrictions be lifted in the evening to accommodate school meetings and events. Based on the discussion at the City/School District collaboration meeting, staff recommends establishing 2-hour parking restriction between 8:00 AM and 4:00 PM, Monday through Friday, excluding holidays.

Staff has prepared a resolution (**Attachment A**) for City Council consideration that designates the identified street segment as a 2-hour parking zone.

**Fiscal Impact:**

Cost to purchase and install signs and striping is approximately \$1,000 to \$2,000.

**Environmental Review:**

- |  |   |
|--|---|
| <input type="checkbox"/> Not subject to review                           | <input type="checkbox"/> Negative Declaration           |
| <input checked="" type="checkbox"/> Categorical Exemption, Section 15301 | <input type="checkbox"/> Mitigated Negative Declaration |

**Public Information:**

- |  |  |   |
|--|--|---|
| <input 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 checked="" type="checkbox"/> If approved, information will be mailed to the Lemon Grove School District and Library |   |

**Attachments:**

- A. Resolution

# Attachment B

## RESOLUTION NO. 2015-\_\_\_

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA DESINATING THE SCHOOL LANE BETWEEN CENTRAL AVENUE AND LINCOLN STREET AS A TWO-HOUR PARKING ZONE BETWEEN THE HOURS OF 8:00 AM AND 4:00 PM, MONDAY THROUGH FRIDAY, EXCLUDING HOLIDAYS

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**WHEREAS**, in May 2013, the Lemon Grove Library officially opened at 3001 School Lane; and

**WHEREAS**, since that time, the City has implemented measures to ensure that the parking serving library patrons is adequate; and

**WHEREAS**, long-term parking use on School Lane (between Central Avenue and Lincoln Street) has been reported to the City; and

**WHEREAS**, restricting long-term parking on School Lane will enable greater parking access to the general public for use of the library, school and surrounding uses; and

**WHEREAS**, this change does not generate significant parking and traffic impacts and is categorically exempt pursuant to Section 15301 of the California Environmental Quality Act.

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

1. Finds that the foregoing recitals are true and correct; and
2. Designates School Lane between Central Avenue and Lincoln Street as a two-hour parking zone between the hours of 8:00 AM and 4:00 PM, Monday through Friday, excluding holidays; and
3. Directs the City Engineer to implement the new parking regulation by installing signage and/or striping.

/////  
/////

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 3  
**Mtg. Date** February 17, 2015  
**Dept.** City Manager's Office

**Item Title:** **Real Estate Purchase and Sale Agreement – APN 480-043-38**

**Staff Contact:** **Graham Mitchell, City Manager**

**Recommendation:**

Adopt a resolution (**Attachment B**) approving the Real Estate Purchase and Sale Agreement for APN 480-043-38 between the City of Lemon Grove and Mike Burnett.

**Item Summary:**

On September 17, 2013, the City Council considered a request to purchase a 2,410 square foot City-owned parcel from Mike Burnett. The parcel is located south of Citronica One and west of the Main Street Promenade. At the meeting, the City Council directed staff to negotiate terms of an agreement based on the offer made by Mr. Burnett. The purpose of this agenda item is to consider a resolution approving a Real Estate Purchase and Sale Agreement. The staff report (**Attachment A**) provides a summary of the proposed transaction.

**Fiscal Impact:**

The sale of the parcel results in a net payment of \$25,000, less escrow fees.

**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 (including a Real Estate Purchase and Sale Agreement)

# Attachment A

## LEMON GROVE [CITY COUNCIL] STAFF REPORT

Item No.   3  

Mtg. Date  February 17, 2015 

Item Title:  Real Estate Purchase and Sale Agreement – APN 480-043-38 

Staff Contact:  Graham Mitchell, City Manager 

### Discussion:

On August 26, 2013, Mike Burnett provided the City with a Letter of Intent to purchase a 2,410 square foot City-owned parcel that was remaining from the development of the Main Street Promenade. The parcel is located south of Citronica One and west of the Main Street Promenade. Mr. Burnett intends to develop a mixed-use project on the site.

On September 17, 2013, the City Council considered the offer to purchase the parcel. During its discussion, the City Council directed staff to prepare a purchase agreement based on the terms identified in the Letter of Intent. Staff and Mr. Burnett opted to wait until the discretionary permit was issued to CityMark before finalizing a purchase agreement. Since approving CityMark's planned development permit on January 6, 2015, staff has prepared a Real Estate Purchase and Sale Agreement (included in **Attachment B**) for City Council consideration. The following paragraph highlights the significant terms and conditions of the agreement.

The agreement indicates that the parcel will be sold for \$25,000. The price per square foot equals \$10.37. This figure is lower than the amount received for the CityMark parcel. However, the small size of the parcel reduces the property's per square foot value. The agreement indicates that escrow will close after the buyer completes due diligence on the site over a maximum of 60 days. The agreement indicates that the City will pay for half of escrow fees and for a title policy. The buyer is responsible for half of escrow fees and standard ALTA (American Land Title Association) policy. The agreement also indicates that the buyer indemnifies, holds harmless and defends the City against claims arising out of the transaction.

### Conclusion:

Staff has prepared a resolution (**Attachment B**) approving the Real Estate Purchase and Sale Agreement between the City and Mr. Burnett for City Council consideration.

# Attachment B

RESOLUTION NO. 2015-\_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA  
APPROVING A REAL ESTATE PURCHASE AND SALE AGREEMENT WITH MIKE  
BURNETT**

---

**WHEREAS**, the overall vision of the City in the downtown, as stated in the Downtown Village Specific Plan, is to “. . . create a vibrant and sustainable downtown [and] a mix of land uses ensuring a variety of residential options, shopping in a village atmosphere, and employment opportunities . . .”; and

**WHEREAS**, the City has initiated, supported and fostered public and private investments in the downtown through the private development of 137 affordable housing units, rehabilitation of commercial properties, and the development of the Main Street Promenade; and

**WHEREAS**, the purpose of the public investments in the downtown area is to encourage additional private development; and

**WHEREAS**, the City acquired six parcels between 3466 and 3524 Main Street to facilitate the development of the Main Street Promenade and the Citronica One mixed-use project; and

**WHEREAS**, after the construction of the Main Street Promenade, approximately 2,410 square feet of land remains vacant south of Citronica One; and

**WHEREAS**, on September 17, 2013, the City Council accepted a Letter of Intent received from Mike Burnett to purchase the subject parcel; and

**WHEREAS**, the Letter of Intent, accepted by the City, details the terms of a Real Estate Purchase and Sale Agreement; and

**WHEREAS**, Mike Burnett and the City wish now to execute a Real Estate Purchase and Sale Agreement.

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

1. Approves a Real Estate Purchase and Sale Agreement (Exhibit 1) with Mike Burnett, or Assignee; and
2. Authorizes the City Manager to sign said Real Estate Purchase and Sale Agreement; and
3. Authorizes the City Manager to execute any related documents or make purchases required to close escrow on the City-owned parcels.

/////  
/////

# Attachment B

## EXHIBIT A

### REAL ESTATE PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "Agreement") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2015 (the "Effective Date") by and between the CITY OF LEMON GROVE, a public body (hereinafter "City"), and Mike Burnett, or assignee (hereinafter "Buyer"). City and Buyer are sometimes collectively referred to herein as the "Parties" or individually as a "Party."

#### RECITALS AND BACKGROUND

WHEREAS, City owns certain vacant property west of the Main Street Promenade and directly south of the Citronica One development in the City of Lemon Grove, California, (as more particularly defined below, the "Property"); and

WHEREAS, Buyer is interested in purchasing the Property is for the purpose of developing a mixed-use project, and City is willing to sell the Property to Buyer for such purpose, on the terms and conditions contained herein.

NOW, THEREFORE, the Parties hereby agree as follows:

#### Definitions

As used herein, the following terms shall have the meanings respectively indicated:

"City Deed" means the grant deed from City to Buyer conveying title.

"Closing" means the transfer of title to the Property by City to Buyer in accordance with Section 2 below.

"Closing Date" has the meaning specified in Section 1.6 below.

"Covered Parties" means City and its past, present and future directors, officers, employees, representatives and agents.

"Escrow Holder" means Lawyers Title.

"Hazardous Material" means any substance or material which is defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous waste," "acutely hazardous wastes," "restricted hazardous waste," "toxic substances," or "known to cause cancer or reproductive toxicity" (or words of similar import), petroleum products (including crude oil or any fraction thereof) or any other chemical, substance or material which is prohibited, limited or regulated under any federal, state or local law, ordinance, regulation, order, permit, license, decree, common law, or treaty now or hereafter in force regulating, relating to or imposing liability or standards concerning materials or substances known or suspected to be toxic or hazardous to health and safety, the environment or natural resources.

"Property" means that certain real property described as APN 480-043-38, Lemon Grove, CA which is approximately 2,410 square feet and as legally described in Exhibit A attached hereto.

"Purchase Price" means the payment to be paid by Buyer to City for the Property as described in Section 1.2 below.

# Attachment B

“Title Company” means Lawyer’s Title.

## Section 1. Agreement of Purchase and Sale

1.1 Sale of the Property. In consideration of and subject to the terms and conditions contained herein, City hereby agrees to sell the Property to Buyer and Buyer hereby agrees to purchase the Property from City.

1.2 Purchase Price. The Purchase Price to be paid by Buyer to City for the Property is the sum of Twenty-Five Thousand Dollars (\$25,000.00), payable at the Closing.

1.3 Deposit. Three (3) business days following the mutual execution of this Agreement and delivery of this Agreement to Escrow Holder opening escrow for Buyer’s purchase of the Property (“Escrow”) Buyer shall deliver to Escrow Holder the sum of Five Thousand Dollars (\$5,000.00) (the “Deposit”). The Deposit is deemed applicable to the Purchase Price. In the event that both the Agreement and the Deposit are not timely delivered to Escrow Holder, (a) Escrow shall be deemed automatically cancelled, (b) Escrow Holder shall, without requiring any further instructions, return to each party any documents or other items deposited by such party, and (c) neither party shall have any further rights or obligations pursuant to this Agreement or the Escrow. Escrow Holder shall be entitled to its normal and reasonable costs and cancellation charges in the event of such cancellation.

1.4 Title. Within ten (10) days of the Opening Date, City shall cause Title Company to issue the preliminary title report (“PTR”) regarding the Property and any referenced underlying title documents. Subsequent to execution of this Agreement, City shall not record any further liens and encumbrances against the Property.

1.5 Conditions of Purchase. This Agreement, and the Close of Escrow, are conditioned upon all of the following:

(a) Buyer’s written approval or disapproval of the PTR referred to in Section 1.4 and all documents referred to therein on or before the Feasibility Expiration Date (defined below) after the receipt thereof, and Buyer’s written approval of any subsequent amendments, additions or changes to the PTR within five (5) business days from the receipt thereof. Any exceptions to title shown on the PTR or any amendment or change to the PTR not objected to in writing by Buyer within the foregoing time periods shall be deemed to be approved by Buyer. In the event Buyer disapproves any title exceptions, City shall have ten (10) business days to cure any disapproved lien or encumbrance. In the event City elects not to cure any disapproved lien or encumbrance, Buyer shall have five (5) business days after receiving notice thereof to either approve such previously disapproved exception or terminate this Agreement and the escrow created by it. In the event Buyer does not deliver written notice of either approval or disapproval of the PTR or any exceptions not cured by City within the time provided in this Section, Buyer shall be deemed to have disapproved the exceptions.

(b) Buyer shall have a due diligence feasibility study period of sixty (60) days from the Opening Date (the “Feasibility Expiration Date”) during which to obtain (at Buyer’s option and expense), review and approve in writing the physical condition of the Property, including a soils report; the availability and location of utilities (water, sewer, gas, electric and cable television) in sufficient size to service Buyer’s proposed development of the Property; any and all governmental fees, permits and restrictions relative to the construction of Buyer’s proposed development on the Property; an economic analysis for developing Buyer’s proposed project on the Property; and an ALTA survey of the Property (at Buyer’s option and expense). The approval, conditional approval or disapproval of any or all of the items listed in this Section 1.5(b) shall be at the sole discretion of Buyer. Should Buyer not approve in writing the contingency items listed in this Section 1.5(b) on or before the Feasibility Expiration Date, Escrow shall be deemed automatically terminated, and

## Attachment B

Escrow Holder shall return the Deposit to Buyer; provided however that Escrow Holder shall pay to Seller from the Deposit \$100 and may retain such funds and documents usually retained by escrow holders in accordance with standard escrow termination procedures. If Buyer disapproves of any of the contingency items set forth in this Section 1.5(b), Buyer shall deliver written notice of such disapproval to City and Escrow Holder on or before the Feasibility Expiration Date. In the event Buyer does not deliver written notice to City and Escrow Holder disapproving any of the items set forth in this Section 1.5(b) on or before the Feasibility Expiration Date, Buyer shall be deemed to have approved of the items set forth in this Section 1.5(b) and not to have waived any right to terminate this Agreement for the matters set forth in this Section 1.5(b).

(c) Except in the event of breach of this Agreement by the City, the Deposit shall be deemed nonrefundable upon (i) Buyer's approval under 1.5(a) and 1.5(b) and (ii) City's approval of building permits for Buyer's project on the Property.

(d) Without making any representation regarding the accuracy of the materials provided herein, within ten (10) days of mutual execution of this Agreement, City shall make available to Buyer for inspection and copying all materials in City's possession, including but not limited to: (a) any existing surveys of the Property; (b) any and all soils and environmental reports, reports pertaining to Hazardous Materials, government permits, licenses approvals and significant correspondence, (c) any and all leases and easements, regardless of purpose or use, associated with the Property or any development approvals thereto; and (d) any studies or other reports or information in the possession of or available to City which pertain to the Property;

(e) Subject to Buyer providing City two (2) days' prior written notice, City hereby agrees that Buyer and/or Buyer's agents, representatives, contractors and subcontractors may enter upon the Property during normal business hours or at such other times as are mutually acceptable to City prior to the Close of Escrow in order to conduct reasonable engineering studies, environmental tests and studies, soil and compaction tests and other tests and studies. After conducting its studies, Buyer will restore the Property to its original condition prior to its entry on the Property. Buyer shall defend and hold the Covered Parties harmless, and be responsible, for any liability, costs, claims, damages or injuries (collectively, "Claims") caused by such entry and shall keep the Property free of any and all liens arising therefrom, except for any Claims arising from the gross negligence or willful misconduct or omission of City for which City shall be liable and responsible. Prior to any such entry on to the Property, Buyer will obtain and maintain, at Buyer's expense, a commercial general liability insurance policy with a combined limit of not less than \$1,000,000. Such policy will name City as an additional insured. Buyer will deliver to City a certificate of insurance or other reasonable proof evidencing such insurance. Buyer will ensure that Buyer's contractors or subcontractors also shall comply with the aforementioned insurance requirements, including naming City as an additional insured. The provisions of this Section 1.5(e) shall survive the Close of Escrow and the termination of this Agreement, as applicable.

1.6 Closing Date. The Closing Date shall occur no later than 90 days of Buyer's delivery of written approval of title and other due diligence matters as set forth in section 1.5(a) and 1.5(b).

1.7 Prorations. Normal prorations of taxes and related items shall be made at Closing. If the Closing shall occur before the tax rate is fixed for the then current year, the proration of taxes shall be based upon taxes for the prior year and adjusted for the year of Closing within a reasonable time after they become finally determined for such year.

1.8 Costs. At Closing, City shall pay: (a) the prorated amounts of real estate taxes and other transfer taxes including any assessments that are due up to the date of Closing; (b) one half escrow fees (and taxes thereon); and (c) an amount equal to the standard premium

# Attachment B

charged by the Title Company for the title policy with a face amount of insurance equal to the Purchase Price. At Closing, Buyer shall pay: (a) those amounts of real estate taxes and other transfer taxes including any assessments to be prorated through Closing; (b) one half escrow fees (and taxes thereon); and (c) an amount equal to the standard ALTA premium charged by the Title Company for the title policy with a face amount of insurance equal to the Purchase Price.

1.9 Possession. Possession of the Property free and clear of all tenancies and monetary liens shall be delivered to Buyer by City at Closing.

1.10 Buyer's Deliveries. Prior to Closing, Buyer shall deliver or cause to be delivered to City through Escrow:

- (a) The Purchase Price less the applicable Deposit, as set forth in Paragraph 1.3;
- (b) In Cash, the charges to Buyer regarding any closing costs and prorations payable by Buyer including the cost of an ALTA owner's extended policy in excess of the standard cost of a CLTA owner's policy.

1.11 City's Deliveries. Prior to Closing, City shall deliver or cause to be delivered to Buyer through Escrow:

- (a) An ALTA owner's extended policy of title insurance, in the amount reasonably determined by Buyer, insuring the Property and any improvements, the cost of such policy to be paid by City to the extent of the cost of a CLTA owner's policy; and
- (b) Deposit a Grant Deed with Escrow Holder conveying fee title to the Property free and clear of all encumbrances, except those encumbrances accepted by the Buyer under section 1.5(a).

1.12 Additional Documents. Both parties shall execute and deliver through escrow any other documents or instruments that are reasonably necessary in order to consummate the Closing.

## Section 2. Other Provisions

**2.1 Liquidated Damages. THE PARTIES AGREE THAT THE TOTAL PURCHASE PRICE HAS BEEN DETERMINED NOT ONLY BY A CONSIDERATION OF THE VALUE OF THE PROPERTY PER SE, BUT ALSO BY A CONSIDERATION OF THE VALUE OF THE VARIOUS COVENANTS, CONDITIONS, AND WARRANTIES OF THIS AGREEMENT AS THEY RELATE TO THE PROPERTY. THE PARTIES HAVE DISCUSSED AND NEGOTIATED IN GOOD FAITH UPON THE QUESTION OF THE DAMAGES TO BE SUFFERED BY CITY IN THE EVENT BUYER BREACHES THIS AGREEMENT, AND HAVE ENDEAVORED TO REASONABLY ESTIMATE SUCH DAMAGES, AND THEY HEREBY AGREE THAT, BY REASON OF THE AFORESAID CONSIDERATIONS (I) SUCH DAMAGES ARE AND WILL BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX; (II) LIQUIDATED DAMAGES IN THE AMOUNT OF BUYER'S ACTUAL DEPOSITS IN ESCROW THROUGH THE DATE OF SUCH BREACH ARE AND WILL BE REASONABLE; (III) IN THE EVENT OF SUCH BREACH, CITY SHALL BE ENTITLED TO RETAIN THE SAID AMOUNT AS SAID LIQUIDATED DAMAGES AND NOT AS A PENALTY; AND (IV) IN CONSIDERATION OF THE PAYMENT OF SAID LIQUIDATED DAMAGES, CITY SHALL HAVE DEEMED TO HAVE WAIVED ALL OTHER CLAIMS FOR DAMAGES OR RELIEF AT LAW OR IN EQUITY (INCLUDING ANY RIGHTS CITY MAY HAVE PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 3389 AND 1680).**

BUYER'S INITIALS: \_\_\_\_\_

CITY'S INITIALS: \_\_\_\_\_

## Attachment B

2.2 Representations of Buyer. Buyer represents and warrants, as of the date this Agreement is fully executed and as of the Closing Date, that Buyer has taken all action required by law, and all required action under its governing documents necessary to authorize Buyer to enter into this Agreement and to carry out its obligations hereunder.

2.3 No Representations as to the Property and Release by Buyer. Buyer acknowledges that, as of the Feasibility Expiration Date, Buyer has conducted such investigations and inspections of the Property as it desires. Buyer hereby affirms that City, its agents, employees and/or attorneys have not made, nor has Buyer relied upon any representation, warranty or promise with respect to the Property or any other subject matter of this Agreement except as expressly set forth in this Agreement, including, without limitation, any warranties or representations, express or implied, as to the general plan designation, zoning, value, use, tax status or physical condition of the Property, or improvements thereon, or any part thereof, including, but not limited to, the flood elevations, drainage patterns and soils and subsoils composition and compaction level, and other conditions at the Property, or the existence or non-existence of Hazardous Material on or under the Property or adjacent property, or as to the accuracy of any boundary survey or other survey or any soils reports or other plans or reports therefor. Without limiting the generality of the foregoing, and except for the warranties and covenants set forth in the City Deed Buyer is purchasing the Property from City in an "AS IS," "WHERE IS" CONDITION, SUBJECT TO "ALL FAULTS," INCLUDING, BUT NOT LIMITED TO, BOTH LATENT AND PATENT DEFECTS. EXCEPT AS OTHERWISE PROVIDED IN THE CITY DEED, BUYER HEREBY RELEASES THE COVERED PARTIES OF ALL CLAIMS AND WAIVES ALL WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE TITLE, CONDITION AND USE OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

2.4 Buyer's Indemnity Through Closing. Buyer hereby indemnifies, holds harmless and agrees to defend the Covered Parties from and against all Claims (including, without limitation, reasonable attorneys' fees and reasonable investigative and discovery costs), liabilities and judgments on account of injury to persons, loss of life, or damage to property occurring during the period defined below at the Property and/or incurred as a result of or arising out of:

events occurring during the period from the date of this Agreement to the Closing ("Occurrence Period"): (i) as provided under Sections 1.5(e) of this Agreement; (ii) the active or passive negligence or willful misconduct of Buyer, and its agents, servants and employees, (iii) the breach of any of Buyer's obligations hereunder, and (iv) any necessary or appropriate investigation, repair, cleanup, remediation or detoxification of the Property and other affected property and the preparation of any corrective action, closure or other required plans or reports, to the full extent that such actions are attributable, directly or indirectly, to the presence or use, generation, storage, release, threatened release, or disposal of Hazardous Material by Buyer or its agents during the Occurrence Period and relate to or involve the Property.

The indemnity obligation shall survive the Closing and/or termination of this Agreement.

**Scope of Release and 1542 Waiver.** The release set forth in Section 2.3, includes claims of which Buyer is presently unaware or which Buyer does not presently suspect to exist which, if known by Buyer, would materially affect Buyer's release to City. Buyer specifically waives the provision of California Civil Code Section 1542, which provides as follows:

**"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME**

# Attachment B

**OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”**

In this connection and to the extent permitted by law, Buyer hereby agrees, represents and warrants, which representation and warranty shall survive the Closing, that Buyer realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown and unsuspected, and Buyer further agrees, represents and warrants, which representation and warranty shall survive the Closing, that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Buyer nevertheless hereby intends to release, discharge and acquit City from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which might in any way be included as a material portion of the consideration given to City by Buyer in exchange for City’s performance hereunder. The foregoing release shall not apply to any of the matters expressly contained in this Agreement.

City has given Buyer material concessions regarding this transaction in exchange for Buyer agreeing to the provisions of this Section. City and Buyer have each initialed this Section to further indicate their awareness and acceptance of each and every provision hereof.

**CITY’S INITIALS:** \_\_\_\_\_

**BUYER’S INITIALS:** \_\_\_\_\_

## Section 3. General Provisions

3.1 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be given by (a) Federal Express (or other established express delivery service which maintains delivery records), (b) hand delivery, or (c) certified or registered mail, postage prepaid, return receipt requested, to the Parties at the following addresses, or such other addresses as the Parties may designate from time to time by written notice in the above manner:

To City: CITY OF LEMON GROVE  
3232 Main Street  
Lemon Grove, CA 91945  
Attn: City Manager

To Buyer: Mike Burnett  
830 25<sup>th</sup> Street, Studio 200  
San Diego, CA 92102

Such communications may also be given by electronic mail, provided any such communication is concurrently given by one of the above methods. Notices shall be deemed effective upon the receipt, or upon attempted delivery thereof if the delivery is refused by the intended recipient or if delivery is impossible because the intended recipient has failed to provide a reasonable means of accomplishing delivery. Upon at least ten (10) days prior written notice, each Party shall have the right to change its address to any other address within the United States of America.

3.2 References. All references to “Article,” “Articles,” “Section,” or “Sections” contained herein are, unless specifically indicated otherwise, references to Articles and Sections of this Agreement.

## Attachment B

3.3 Exhibits. All references to “Exhibits” contained herein are references to exhibits attached hereto, all of which are made a part hereof for all purposes.

3.4 Captions. The captions, headings and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.

3.5 Number and Gender of Words. Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

3.6 Attorney's Fees. In the event a Party commences a legal proceeding to enforce any of the terms of this Agreement, the prevailing Party in such action shall have the right to recover reasonable attorneys' fees and costs from the other Party to be fixed by the court in the same action. The term “legal proceedings” as used above shall be deemed to include appeals from a lower court judgment and it shall include proceedings in the Federal Bankruptcy Court, whether or not they are adversary proceedings or contested matters.

3.7 Governing Law. This Agreement is intended to be performed in the State of California, and the laws of such State shall govern the validity, construction, enforcement and interpretation of this Agreement, unless otherwise specified herein.

3.8 Amendments. This Agreement may be amended or supplemented only by an instrument in writing, executed by both City and Buyer.

3.9 Invalid Provisions. Except as otherwise provided in the next sentence, if any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable, and this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement, but the parties shall equitably resolve and negotiate the effect of such deletion. In the event that either the provision relating to City's obligation to convey the Property or Buyer's obligation to pay the Purchase Price is held to be illegal, invalid or unenforceable under present or future laws, this Agreement shall be null and void.

3.10 Further Acts. In addition to the acts and deeds recited herein and contemplated to be performed, executed and delivered by City and Buyer, City and Buyer agree to perform, execute and deliver or cause to be performed, executed, and delivered at the Closing or after the Closing any and all such further acts, deeds and assurances as may be reasonably necessary to consummate the transactions contemplated hereby.

3.11 Survival. All indemnities, covenants, representations and warranties contained herein shall survive the termination of this Agreement, Closing, the delivery of the City Deed, and the acquisition of the Property by Buyer.

3.12 Conflict of Interests. No member, official or employee of the City shall have any direct or indirect interest in this Agreement, nor participate in any decision relating, to the Agreement which is prohibited by law.

3.13 Warranty Against Payment of Consideration for Agreement. Buyer represents and warrants that neither it nor any of its members, managers, employees or officers has: (1) provided an illegal gift to City officer or employee or former City or City officer or employee,

## Attachment B

or his or her relative or business entity; (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in City's conflict of interest ordinance; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in City's conflict of interest ordinance.

3.14 No Liability of City Officials and Employees. No member, official or employee of City shall be personally liable to Buyer, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Buyer or successor or on any obligation under the terms of this Agreement.

3.15 Exchange. Both Buyer and City agree to cooperate with each other in the event that either or both wish to participate in a 1031 exchange. Any party initiating an exchange shall bear the cost of such exchange

IN WITNESS WHEREOF, the Parties have caused this Purchase and Sale Agreement to be duly executed as of the date first written.

CITY:

By \_\_\_\_\_  
Graham Mitchell, City Manager

Approved as to legal form:

By \_\_\_\_\_  
James P. Lough, City Attorney

BUYER:

MIKE BURNETT, OR ASSIGNEE

By \_\_\_\_\_  
Mike Burnett

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

Item No. 4  
Mtg. Date February 17, 2015  
Dept. City Manager's/City Attorney's Office

**Item Title: Potential Redevelopment Legislation**

**Staff Contact:** Graham Mitchell, City Manager & James P. Lough, City Attorney

**Recommendation:**

Authorize staff and Councilmembers to communicate with State legislators in opposition of the potential legislation described in the staff report (**Attachment A**).

**Item Summary:**

The City of Lemon Grove has litigation with the State of California regarding an issue related to the dissolution of redevelopment. There are approximately 126 other cities that have separate, yet similar, lawsuits with the State. One city with a similar lawsuit was the City of Emeryville. On January 16, 2015, the California Court of Appeals ruled in favor of Emeryville. This case paved the way for many other redevelopment cases in various stages of litigation. However, the State legislature is working to preempt the effects of the Emeryville case through potential legislation.

The purpose of the staff report (**Attachment A**) is to provide a brief overview of the City's litigation with the State, describe the potential State legislation's impact on Lemon Grove, and to recommend authorization to lobby against the potential legislation.

**Fiscal Impact:**

If the potential State legislation is adopted, the City would be required to reimburse \$588,000 from the City's General fund reserve for loan payments made by the former Lemon Grove Community Development Agency.

**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

# Attachment A

## LEMON GROVE CITY COUNCIL STAFF REPORT

**Item No.**   4  

**Mtg. Date**  February 17, 2015 

**Item Title:** **Potential Redevelopment Legislation**

**Staff Contact:** Graham Mitchell, City Manager & James P. Lough, City Attorney

### **Discussion:**

The City of Lemon Grove has litigation with the State of California regarding an issue related to the dissolution of redevelopment. There are approximately 126 other cities that have separate, yet similar, lawsuits with the State. One city with a similar lawsuit was the City of Emeryville. On January 16, 2015, the California Court of Appeals ruled in favor of Emeryville. This case paved the way for many other redevelopment cases in various stages of litigation. However, the State legislature is working to preempt the effects of the Emeryville case through potential legislation.

The purpose of this staff report is to provide a brief overview of the City's litigation with the State, describe the potential State legislation's impact on Lemon Grove, and to recommend authorization to lobby against the potential legislation.

### ***Lemon Grove's Litigation***

The State formally dissolved all local redevelopment agencies effective February 1, 2012—nearly 400 redevelopment agencies state-wide. The legislation that dissolved redevelopment—Assembly Bill 1X 26—was signed by Governor Jerry Brown on June 28, 2011.

Prior to 2012, the former Lemon Grove Community Development Agency (Agency) made annual loan payments to the City. The loan payments were for a loan from the City to the Agency upon the Agency's inception. The Agency made loan payments on June 20, 2011 and December 31, 2011 in the amounts of \$558,726 and \$588,000—a total of \$1,146,726.

Interpreting State legislation that became effective on June 27, 2012 (AB 1484), the State Department of Finance determined that the Agency's loan payments were unauthorized. This attempt to "claw back" former redevelopment obligations by the State has been the subject of many lawsuits by cities, including Lemon Grove. Ultimately, the City's lawsuit attempts to thwart a reimbursement of the \$1,146,726 payment from the City's General Fund reserves. The Emeryville case gave hope to Lemon Grove and other cities in similar conflict with the State.

### ***Potential State Legislation***

In an effort to negate the apparent local government victory via the Emeryville case, there is legislation being drafted by members of the State legislature that would retroactively invalidate payments made by former redevelopment agencies between June 28, 2011 and January 31, 2012. For Lemon Grove, this potential legislation would require the City to return \$588,000 to the State from its General Fund reserves. The League of California Cities is preparing additional information about the potential legislation. Staff will make that information available as soon as it is posted on their website.

# Attachment A

## Conclusion:

Staff recommends that the City Council authorize staff and Councilmembers to communicate with State legislators in opposition of the potential legislation and to describe the impacts that the legislation will have on Lemon Grove. Staff recommends that once a bill number is assigned to the legislation, that a formal resolution of opposition be considered by the City Council. |

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 5  
**Mtg. Date** February 17, 2015  
**Dept.** City Manager's Office

**Item Title:** Crime Free Multi-Housing Program

**Staff Contact:** Graham Mitchell, City Manager

**Recommendation:**

Provide feedback and direction to staff regarding the marketing of a Crime Free Multi-Housing program.

**Item Summary:**

During its January 20, 2015 meeting, the City Council received a report regarding the Public Safety Focus Group's prioritization of strategies. During the meeting, the City Council gave staff direction regarding the Crime Free Multi-Housing program. Staff was directed to research resources offered by the San Diego Sheriff's Department, provide information regarding El Cajon's Crime Free Multi-housing program, and identify opportunities in Lemon Grove. The staff report provides information requested by the City Council from the January 20, 2015 meeting, as well as background information about Crime Free Multi-Housing.

**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. Sample Crime Free Lease Addendum

# Attachment A

## LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 5

Mtg. Date February 17, 2015

Item Title: Crime Free Multi-Housing Program

Staff Contact: Graham Mitchell, City Manager

### Discussion:

During its January 20, 2015 meeting, the City Council received a report regarding the Public Safety Focus Group's prioritization of strategies. During the meeting, the City Council gave staff direction regarding the Crime Free Multi-Housing program. Staff was directed to research resources offered by the San Diego Sheriff's Department, provide information regarding El Cajon's Crime Free Multi-housing program, and identify opportunities in Lemon Grove. The staff report provides information requested by the City Council from the January 20, 2015 meeting, as well as background information about Crime Free Multi-Housing.

### **Background**

A Crime Free Multi-Housing Program is a crime prevention program with an aim to reduce crime, drugs, and gang activity at apartment properties. The program was developed in Mesa, Arizona in 1992. After implementing the program, the City of Mesa experienced a 90 percent reduction in calls for police service at the highest crime complexes. Properties that had lower crime rates experienced up to a 15 percent reduction in calls.

Since the initiation of the program in Mesa, the program has spread to approximately 2,000 cities worldwide. One of the agencies that offers the program is the San Diego County Sheriff's Department. Lemon Grove currently has three properties that are certified as Crime Free Multi-Housing complexes—Citronica One, Citronica Two and Citron Court.

The program aims to ultimately reduce police calls for service, create a more stable resident base, and reduce exposure to civil liability for property owners. The International Crime Free Association claims that properties that become certified experience an average reduction in police calls for service up to 70 percent over previous years.

The program consists of three phases that are completed under the supervision of the Sheriff's Department. The first phase is an 8 hour training taught by law enforcement regarding management practices. The second phase is a survey conducted by a law enforcement agency of the property, which focuses on "crime prevention through environmental design" (CPTED). The last phase of training involves community awareness training. One main feature of the program is the implementation of a "Crime Free Lease Addendum" (**Attachment B**). After completing the training, apartment complex properties, as well as property managers, become certified.

Once fully certified, properties may post the Crime Free Multi-Housing Program sign and advertise membership in the Crime Free Multi-Housing Program. This certificate expires every year unless renewed following compliance with Phases I & II.

### **San Diego County Sheriff's Department Resources**

The County, through the Sheriff's Department operates a Crime Free Multi-Housing program. As the City's contractor for law enforcement services, the City is eligible to access the Sheriff Department's program. The program is intended for complexes that have four or more units—

# Attachment A

condo properties are not eligible to participate in this program. The program allows the Sheriff's Department and property managers to work together to solve problems. The Crime Free Multi-Housing Program allows the Sheriff Department to inspect the property and to suggest changes identified through CPTED analysis of the property. The program in Lemon Grove would be managed through the Crime Prevention Specialist assigned to the City and is free of charge.

## ***El Cajon's Crime Free Multi-Housing Program***

Staff had an opportunity to speak with El Cajon's police chief regarding its Crime Free Multi-Housing program. The program, which has been in existence since 1997, is a voluntary participation program. El Cajon has 165 properties that currently participate in the program. This represents almost a 20 percent participation rate. There are many apartment complexes that already apply many of the principals identified in the Crime Free Multi-Housing program that choose not to participate. The City relies on the program for those apartment complexes that draw high levels of calls for service.

In each instance, as an apartment complex becomes a certified Crime Free Multi-Housing complex, there is a reduction in crime. The calls for service for a new participant do not drop immediately, because there is a process to evict all those targeted through the program. However, over time there is a decrease in calls for service. Some complex managers have had to evict all of the tenants and rehabilitate the property before achieving significant results through the program.

The challenge that El Cajon faces, as do other cities with voluntary programs, is encouraging high call volume complexes to participate. El Cajon has not adopted a Crime Free Multi-Housing ordinance. Contrarily, the San Diego County Board of Supervisors has adopted an ordinance that allows the Sheriff's Department to use the program as a tool for high volume properties; however, the County's program is voluntary. Other government agencies, such as Tucson, Arizona, have adopted Crime Free Multi-Housing ordinances that require apartment complexes to participate in the program as a condition to operate when certain triggers occur (e.g. high call volumes as defined by the ordinance).

## ***Lemon Grove Opportunities***

The City has 89 licensed apartment complexes with four or more units. There are a total of 2,314 apartment units within these complexes. The average complex has 26 units. Of the total number of complexes, 58 percent have 10 units or less. The majority of apartment complexes are located within two blocks of the City's commercial corridors.

Staff recommends that the City work with the Sheriff's Department to develop a targeted marketing campaign to increase participation in the Crime Free Multi-Housing program. Staff recommends focusing on the 37 complexes with 10 or more units. Of those units, staff will identify the ones with the highest calls for service.

Staff recommends using the assistance of City interns to help the Sheriff's Department identify these target properties and develop marketing material for the program. Staff recommends incentivizing participation by listing certified apartment complexes on the City's website. |

## **Conclusion:**

Staff recommends that the City Council provide feedback and direction to staff regarding the marketing of a crime free multi-housing program. |

# Attachment B

## CRIME FREE LEASE ADDENDUM

In consideration of the execution or renewal of a lease of the dwelling unit identified in the lease, Owner and Resident agree as follows:

1. Resident, any members of the resident's household or a guest or other person under the resident's control shall not engage in criminal activity, including drug-related criminal activity, on or near the said premises. "Drug related criminal activity" means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use a controlled substance (as defined in Section 102 of the Controlled Substance Act [21 U.S.C.802]).
2. Resident, any member of the resident's household or a guest or other person under the resident's control shall not engage in any act intended to facilitate criminal activity, including drug-related criminal activity, on or near the said premises.
3. Resident or members of the household will not permit the dwelling unit to be used for, or to facilitate criminal activity, including drug-related criminal activity, regardless of whether the individual engaging in such activity is a member of the household, or a guest.
4. Resident, any member of the resident's household or a guest, or another person under the resident's control shall not engage in the unlawful manufacturing, selling, using, storing, keeping, or giving of a controlled substance as defined in Health & Safety Code §11350, et seq., at any locations, whether on or near the dwelling unit premises or otherwise.
5. Resident, any member of the resident's household, or a guest or another person under the resident's control shall not engage in any illegal activity, including prostitution as defined in Penal Code §647(b); criminal street gang activity as defined in Penal Code §186.20 et seq.; criminal threats, as prohibited in Penal Code §422 PC; assault and battery, as prohibited in Penal Code §240; burglary, as prohibited in Penal Code §459; the unlawful use and discharge of firearms, as prohibited in Penal Code §245; sexual offenses, as prohibited in Penal Code §269 and 288; or any breach of the lease agreement that otherwise jeopardizes the health, safety, and welfare of the landlord, his agent, or other tenant, or involving imminent or actual serious property damage.
6. **VIOLATION OF THE ABOVE PROVISIONS SHALL BE A MATERIAL AND IRREPARABLE VIOLATION OF THE LEASE AND GOOD CAUSE FOR IMMEDIATE TERMINATION OF TENANCY.** A single violation of any of the provisions of this added addendum shall be deemed a serious violation, and a material and irreparable non-compliance. It is understood that a single violation shall be good cause for termination of the lease. Unless otherwise provided by law, proof of violation shall not require a criminal conviction, but shall be by a preponderance of the evidence
7. In case of conflict between the provisions of this addendum and any other provisions of the lease, the provisions of this addendum shall govern.

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 6  
**Mtg. Date** February 17, 2015  
**Dept.** Public Works

**Item Title:** **San Diego Pooled Insurance Program Authority (SANDPIPA)**

**Staff Contact:** Mike James, Public Works Director

**Recommendation:**

Ratify the notice of intent letter to withdraw and direct staff to seek cost estimates for other risk financing options.

**Item Summary:**

Lemon Grove is one of twelve cities in the County that is a member of the San Diego Pooled Insurance Program Authority (SANDPIPA). The other eleven cities include Chula Vista, Coronado, Del Mar, Encinitas, Escondido, Imperial Beach, National City, Oceanside, Santee, Solana Beach and Vista.

SANDPIPA is a joint power authority (JPA) that was created to provide a funding mechanism to cover catastrophic losses of each member with a stable and equitable allocation/distribution of member contributions. The mission of SANDPIPA is to provide cost effective risk financing and insurance programs, comprehensive risk management support services, and a forum for sharing expertise and experience.

Last year, Ms. Laura Seiler, the General Manager of the SANDPIPA, announced that she plans to retire in June 2016 after 23 years of service as SANDPIPA's General Manager. With Ms. Seiler's retirement, other member cities have expressed an interest in exploring other risk financing options that may better suit their needs, which may include the dissolution of SANDPIPA. In order for the City to open a dialogue with other providers for risk financing options, a notice of intent to withdraw is required to be filed at least six months before the next fiscal year. On December 23, 2014, staff issued a letter to SANDPIPA's General Manager notifying that the City is considering other risk financing options that may better suit the needs of the City.

Staff recommends that the City Council ratifies the notice of intent to withdraw (**Attachment A**) and directs staff to seek cost estimates for other risk financing options.

**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. Notice of Intent to Withdrawal



CITY OF LEMON GROVE

"Best Climate On Earth"

Office of the City Manager

December 23, 2014

Laura Seiler, General Manager  
San Diego Pooled Insurance Program Authority  
1237 Bear Valley Parkway  
Escondido, CA 92027

Re: City of Lemon Grove — Notice of Intent to Withdraw (July 1, 2015)

Dear Ms. Seller:

Pursuant to Article 22 of the San Diego Pooled Insurance Program Authority (SANDPIPA) JPA, the City of Lemon Grove submits this letter of intent to withdraw from SANDPIPA as of July 1, 2015.

Between now and that time, the City will be exploring the risk financing options available to it to determine whether SANDPIPA is the most prudent risk financing option for the City.

The City will notify you of its decision as soon as it has been made, but no later than July 1, 2015.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Mitchell", with a long horizontal line extending to the right.

Graham Mitchell  
City Manager

3232 Main Street Lemon Grove California 91945-1705

619.825.3800 FAX: 619.825.3804 www.ci.lemon-grove.ca.us

