

**REESTABLISHED HAMILTON PROMISSORY NOTE**

THIS REESTABLISHED HAMILTON PROMISSORY NOTE (“Reestablished Note”) is entered into as of January 28, 2014 (“Reference Date”) by and between the CITY OF DUARTE (“City”) and the SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF DUARTE (“Successor Agency”).

***RECITALS:***

WHEREAS, the City of Duarte (“City”) is, and at all times relevant to the matters referred to herein was, a municipal corporation and general law city of the State of California; and

WHEREAS, the former Redevelopment Agency of the City of Duarte (“RDA”) was a redevelopment agency organized and existing and enabled to exercise the powers afforded under the Community Redevelopment Law (“CRL”); and

WHEREAS, on June 28, 2011, Assembly Bill 26 from the 2011-2012 First Extraordinary Session of the California Legislature (“ABx1 26”) was enacted as a bill related to the 2011 Budget Act which, as modified by the California Supreme Court Decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4<sup>th</sup> 231, dissolved all redevelopment agencies in California on February 1, 2012; and

WHEREAS, on June 27, 2012, Assembly Bill 1484 from the 2011-2012 Regular Session of the California Legislature (“AB 1484”) was enacted as a bill related to the 2011 Budget Act and amended ABx1 26; and

WHEREAS, ABx126 and AB 1484 are hereinafter collectively referred to as the “Dissolution Act”; and

WHEREAS, pursuant to Health and Safety Code 34171, added to the CRL by ABx1 26 and amended by AB 1484, the Successor Agency to the RDA (“Successor Agency”) assumed, on February 1, 2012, all authority, rights, powers, duties, and obligations previously vested to the RDA, except for those that were repealed, restricted, or revised pursuant to Part 1.85 of Division 24 of the Health and Safety Code; and

WHEREAS, the RDA, until its dissolution on February 1, 2012, was responsible for the administration of redevelopment activities within the City; and

WHEREAS, Section 33220 of the CRL provides that certain public bodies may aid and cooperate in the planning, undertaking, construction or operation of redevelopment projects; and

WHEREAS, Section 33600 of the CRL provides that a redevelopment agency may accept financial or other assistance from any public or private source, for the agency’s activities, powers, and duties, and expend any funds so received for any of the purposes of the CRL; and

WHEREAS, Section 33601 of the CRL provides that a redevelopment agency may borrow money or accept financial or other assistance from the state or the federal government or any other public agency for any redevelopment project within its area of operation, and may comply with any conditions of such loan or grant; and

WHEREAS, by adoption of Ordinance No. 742 on July 13, 1999, the City Council of the City of Duarte, in compliance with the CRL and other applicable law, adopted the Amended and Restated Redevelopment Plan for the Duarte Merged Redevelopment Project which created a single unified redevelopment plan for the previously merged seven redevelopment project areas that each had been duly established by ordinance, and which Ordinance No. 742 also added territory, known as the Amendment No. 1 Area, to the previously merged project area (collectively, the "Merged Redevelopment Plan"); and

WHEREAS, Ordinance No. 742 incorporated into the single unified Merged Redevelopment Plan the previous seven separate Redevelopment Plans and Project Areas plus the additional Amendment No. 1 area, identified in the Merged Redevelopment Plan, as follows:

- (1) the Davis Addition Component Area, consisting of the Original Davis Addition Component Area and the Amended Davis Addition Component Area;
- (2) the Las Lomas Component Area, consisting of the Original Las Lomas Component Area, the Las Lomas Amendment No. 1 Component Area, and the Las Lomas Amendment No. 2 Component Area;
- (3) the Huntington Drive Phase I Component Area;
- (4) the Huntington Drive Phase II Component Area;
- (5) the Rancho Duarte Phase I Component Area, consisting of the Original Rancho Duarte Phase I Component Area and the Rancho Duarte Phase I Amendment Component Area;
- (6) the Rancho Duarte Phase II Component Area, consisting of the Original Rancho Duarte Phase II Component Area and the Rancho Duarte Phase II Amendment Component Area;
- (7) the Rancho Duarte Phase III Component Area, consisting of the Original Rancho Duarte Phase III Component Area and the Rancho Duarte Phase III Amendment Component Area; and
- (8) the Amendment No. 1 Component Area; and

WHEREAS, the RDA was engaged in activities to execute and implement the Merged Project Area (and prior to the 1999 merger, each separate Redevelopment Project Area) pursuant to the provisions of the CRL; and

WHEREAS, on or about February 26, 1991, pursuant to the authority set forth in the CRL, the City and RDA entered into that certain Promissory Note for the RDA's repayment for project improvements to the Rancho Duarte Phase II Component Area related to the Hamilton project ("Hamilton Promissory Note") in the principal amount of \$3,000,000, of which \$1,073,198 remains outstanding; and

WHEREAS, a true and correct copy of the Hamilton Promissory Note is attached hereto as **Exhibit A** and by this reference incorporated herein; and

WHEREAS, the California State Department of Finance ("DOF"), as the primary administrative entity charged with implementing the Dissolution Act, has issued a series of

determinations that three City loans made to the RDA including the Hamilton Promissory Note (collectively, the “City Loans”) are not “enforceable obligations” under the Dissolution Act; and

WHEREAS, on or about December 18, 2012, the City and Successor Agency filed a lawsuit against the State of California et al., Sacramento County Superior Court Case No. 34-2012-80001338, and on or about May 13, 2013, filed a second lawsuit against the State of California et al., Sacramento County Superior Court Case No. 34-2013-80001487, both challenging the DOF determinations that the City Loans are not enforceable obligations; and

WHEREAS, the Oversight Board of the Successor Agency (“Oversight Board”) has been established in accordance with the Dissolution Act; and

WHEREAS, pursuant to CRL Section 34191.4, enacted as part of AB 1484, after issuance of a “Finding of Completion” from the DOF, loan agreements between the former redevelopment agency and the city which established the redevelopment agency, shall be deemed to be an enforceable obligation, when the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes; and

WHEREAS, pursuant to Health and Safety Code Section 34180(a), added by ABx1 26 and amended by AB 1484, an oversight board is authorized to approve a request by a successor agency to reestablish loan agreements between the successor agency and the city, county, or city and county that formed the redevelopment agency in accordance with the provisions of Health and Safety Code Section 34191.4; and

WHEREAS, pursuant to Health and Safety Code Section 34191.4(b)(2), if an oversight board finds that the loan made by a city to its redevelopment agency is an enforceable obligation, the loan principal must be repaid to the city in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into the Local Agency Investment Fund, and the annual loan repayments provided for in the recognized obligations payment schedules are subject to the additional following provisions:

(A) Repayments shall not be made prior to the 2013-2014 fiscal year;

(B) Beginning in the 2013-2014 fiscal year, the maximum repayment amount authorized each fiscal year for the repayments made for a reestablished city/redevelopment agency loan and repayments for any amounts owed to the former redevelopment agency’s Low and Moderate Income Housing Fund as repayment for the funding of the Supplemental Education Revenue Augmentation Fund (SERAF) shall be equal to one-half of the increase between the amount distributed to the taxing entities pursuant to Health and Safety Code Section 34183(a)(4) in that fiscal year and the amount distributed to taxing entities pursuant to that paragraph in the 2012-2013 base year;

(C) Loan of deferral repayments made to city/redevelopment agency loans are to be second in priority to the amounts to be repaid as part of any SERAF loan;

(D) Payments received by a city that formed the redevelopment agency shall first be used to retire any outstanding amounts borrowed and owed to the Low and Moderate Income Housing Asset Fund of the former redevelopment agency for purposes of the SERAF and shall

be distributed to the Low and Moderate Income Housing Asset Fund established pursuant to Health and Safety Code Section 34176(d);

(E) Twenty percent of any loan repayment for a city/redevelopment agency loan shall be deducted from the loan repayment amount and shall be transferred to the Low and Moderate Income Housing Asset Fund established pursuant to Health and Safety Code Section 34176(d), after all outstanding loans from the Low and Moderate Income Housing Fund for purposes of the SERAF have been repaid; and

WHEREAS, the RDA did not pay for the SERAF requirement with any funds from the former Low and Moderate Income Housing Fund; and

WHEREAS, the DOF issued a Finding of Completion to the Successor Agency by letter dated October 23, 2013; and

WHEREAS, a true and correct copy of the Finding of Completion letter issued by the DOF is attached hereto as **Exhibit B** and by this reference incorporated herein; and

WHEREAS, the City and Successor Agency, desire to reestablish the Hamilton Promissory Note pursuant to the terms of the Dissolution Act as set forth in this Reestablished Note.

#### ***AGREEMENT:***

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Successor Agency agree as follows:

Section 1. Recitals Incorporated. The foregoing Recitals are incorporated herein and made a part of this Agreement.

Section 2. Reestablished Note. Subject to the terms and conditions in this Reestablished Note, the City in its capacity as a municipal corporation, and the Successor Agency, reestablish the Hamilton Promissory Note pursuant to the authority set forth in Health and Safety Code Section 34180(a) subject to the provisions set forth in Health and Safety Code Section 34191.4, including therein the requirement that for this Reestablished Note to be deemed an enforceable obligation and eligible for repayment from the Redevelopment Property Tax Trust Fund, the Oversight Board must find that the Hamilton Promissory Note was for legitimate redevelopment purposes.

Section 3. Effective Date. This Reestablished Note shall not be effective unless and until the Oversight Board has found that the Hamilton Promissory Note was for legitimate redevelopment purposes pursuant to Health and Safety Code Section 34191.4. The date of adoption of a resolution by the Oversight Board making such finding shall be the effective date of this Reestablished Note. If the City and Successor Agency have not approved this Reestablished Note prior to the aforescribed action by Oversight Board, the City and the Successor Agency may approve this Reestablished Note after such action by the Oversight Board.

Section 4. Principal Balance; Interest. The outstanding principal balance of this Reestablished Note as of the date hereof is \$1,073,198. Interest shall accrue on the outstanding

principal balance at the rate of interest earned on deposits in the Local Agency Investment Fund (“LAIF”) as of the date the Oversight Board makes the finding that the Hamilton Promissory Note was for legitimate redevelopment purposes. The City’s Finance Director is authorized and directed to attach an addendum to this Reestablished Note with the LAIF rate in effect on the date the Oversight Board makes the required finding. The rate of interest found by the Oversight Board to be applicable may be revised if another rate of interest is determined to be applicable to this Reestablished Note by agreement between the City or Successor Agency on the one hand and DOF on the other hand, by state legislation, by applicable administrative interpretation, or by judicial interpretation. In the event another rate of interest is determined to be applicable, such other rate of interest shall automatically apply without need for further action by the City, Successor Agency, or Oversight Board.

Section 5. Repayment. Repayment of principal and interest shall be made in accordance with the procedure set forth in the Dissolution Act, as the same may be amended from time to time. The City’s Finance Director is authorized and directed to place repayment of the outstanding principal and interest on future Recognized Obligation Payment Schedules in accordance with Health and Safety Code Section 34191.4. The anticipated repayment schedule, based on projections of available distributions from the Redevelopment Property Tax Trust Fund and the repayment formula set forth in Health and Safety Code Section 34191.4, is attached hereto as Exhibit C and by this reference incorporated herein. All repayments received by City under this Reestablished Note shall first be applied to accrued interest and then to outstanding principal.

Section 6. Reservation of Rights. This Reestablished Note does not supersede the existing Hamilton Promissory Note but effects a reestablishment of the Hamilton Promissory Note pursuant to the terms of Health and Safety Code Sections 34180(a) and 34191.4. The City, in its capacity as a municipal corporation, and the Successor Agency as a public entity, hereby reserve any and all rights, and do not waive any rights, which it may now have, or in the future have, for repayment under the Hamilton Promissory Note, including but not limited to the right to receive repayment under the Hamilton Promissory Note, as may be authorized pursuant to any current or future law, administrative or judicial decision, or otherwise; provided, however, that any repayments received by City under this Reestablished Note shall reduce the outstanding balance due City under the Hamilton Promissory Note.

Section 7. City Manager & Executive Director Authorization. The City Manager and Successor Agency Executive Director and their authorized designees shall have the authority to execute such other and further agreements and documents, and take such other and further actions, necessary to implement this Reestablished Note on behalf of the City and Successor Agency, respectively.

**IN WITNESS WHEREOF**, the City and Successor Agency approve and enter into this Reestablished Note as of the Reference Date to be effective as of the Effective Date as defined hereinabove.

[END—SIGNATURE PAGE AND EXHIBITS FOLLOW]

“City”

CITY OF DUARTE

By: \_\_\_\_\_  
Elizabeth Nowak Reilly, Mayor

ATTEST:

\_\_\_\_\_  
Marla Akana, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Dan Slater, City Attorney

“Successor Agency”

SUCCESSOR AGENCY TO THE DISSOLVED  
REDEVELOPMENT AGENCY OF THE CITY OF  
DUARTE

By: \_\_\_\_\_  
Elizabeth Nowak Reilly, Chair

ATTEST:

\_\_\_\_\_  
Marla Akana  
Secretary of the Successor Agency

APPROVED AS TO FORM:

\_\_\_\_\_  
Dan Slater  
Successor Agency Counsel

EXHIBIT A  
HAMILTON PROMISSORY NOTE

[SEE FOLLOWING PAGES]

*Executive Director*

**MEMORANDUM**

TO: Executive Director  
FROM: Assistant Executive Director  
SUBJECT: AUTHORIZATION TO ISSUE PROMISSORY NOTE  
DATE: February 21, 1991

The Redevelopment Agency has requested a loan of \$3,000,000 from the City of Duarte's Cable Television Fund.

As a means of memorializing this loan and the terms of its repayment, the issuance of a Promissory Note in favor of the City of Duarte is required.

The loan terms set out in the Note are as follows:

1. **TERM:** Five (5) years commencing 3/1/91 ending 2/28/96.
2. **INTEREST RATE:** 8.5% Simple Interest payable semi-annually.

The purpose of the loan is to enable the Agency to acquire approximately 7 acres of property currently owned by the Mark IV Corporation in the area of Hamilton Road and Mountain Avenue. This acquisition is necessary to implement provisions of the Agency's Disposition and Development Agreement with La Mesa R.V. Sales.

**Recommendation**

That the Redevelopment Agency authorize the issuance of the attached Promissory Note and direct its Chairman to execute said Note on behalf of the Agency.

PROMISSORY NOTE

\$3,000,000

On or before February 28, 1996, the Redevelopment Agency of the City of Duarte promises to pay in lawful money of the United States, to the order of the City of Duarte, the principal sum of \$3,000,000, plus interest accruing at the rate of 8.5% per annum, Simple Interest payable semi-annually on September 1 and March 1, following the issuance of this Note.

In the event of commencement of suit to enforce payment of this Note, Agency agrees to pay to City each additional sum such as attorney fees as the court may judge reasonable.

Redevelopment Agency of the  
City of Duarte

By: James D. Kirchner  
Chairman, James D. Kirchner

Date: February 26, 1991

By: Jesse H. Duff  
Secretary, Jesse Duff

Date: 2-26-91

**EXHIBIT B**

**FINDING OF COMPLETION LETTER**

[SEE FOLLOWING PAGE]



October 23, 2013

Ms. Kristen Petersen, Assistant City Manager  
City of Duarte  
1600 Huntington Drive  
Duarte, CA 91010

Dear Ms. Petersen:

Subject: Request for a Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Duarte Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).
- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Andrea Scharffer, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Assistant Program Budget Manager

cc: Mr. Dan Slater, City Attorney, City of Duarte  
Ms. Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller  
California State Controller's Office

EXHIBIT C  
REPAYMENT SCHEDULE/PROJECTION

[SEE FOLLOWING PAGE]

City Loan Repayment Schedules

fy ending 6/30	Residual		City Loan 50% Res Prior Yr	Estimated Payments per Amended Davis Note	Estimated Payments per Hamilton Note	Estimated Payments per Rancho Duarte III Note	Estimated Aggregate Repayment to General Fund	Estimated Payment to Low & Moderate Income Housing Asset Fund [HSC 34191.4(b)(2)C]	Loan Pmt Request	Residual Above EO
	Before Loan	Above EO								
2015	2,535,796	-	-	-	-	-	(1,014,318)	(253,580)	15-16A	2,535,796
2016	2,834,632	(1,267,898)	(1,267,898)	(400,000)	(467,898)	(467,898)	(1,133,853)	(283,463)	16-17A	1,566,734
2017	4,008,807	(1,417,316)	(1,417,316)	(470,000)	(477,316)	(477,316)	(1,603,523)	(400,881)	17-18A	2,591,491
2018	3,615,976	(2,004,404)	(2,004,404)	(203,198)	(1,133,206)	(1,133,206)	(1,446,390)	(361,598)	18-19A	1,611,573
2019	5,271,353	(1,807,988)	(1,807,988)	(563,265)	(1,244,723)	(1,244,723)	(2,108,542)	(527,135)	19-20A	3,463,365
2020	6,961,666	(2,635,677)	(2,635,677)	-	(2,635,677)	(2,635,677)	(136,030) *	(34,008)	20-21A	4,325,990
2021	3,050,730	(170,038)	(170,038)	(2,101,265)	(1,073,198)	(6,128,858)	(7,442,657)	(1,860,664)		16,094,948

\* plus accrued interest

**REESTABLISHED RANCHO DUARTE PHASE III PROMISSORY NOTE**

THIS REESTABLISHED RANCHO DUARTE PHASE III PROMISSORY NOTE (“Reestablished Note”) is entered into as of January 28, 2014 (“Reference Date”) by and between the CITY OF DUARTE (“City”) and the SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF DUARTE (“Successor Agency”).

***RECITALS:***

WHEREAS, the City of Duarte (“City”) is, and at all times relevant to the matters referred to herein was, a municipal corporation and general law city of the State of California; and

WHEREAS, the former Redevelopment Agency of the City of Duarte (“RDA”) was a redevelopment agency organized and existing and enabled to exercise the powers afforded under the Community Redevelopment Law (“CRL”); and

WHEREAS, on June 28, 2011, Assembly Bill 26 from the 2011-2012 First Extraordinary Session of the California Legislature (“ABx1 26”) was enacted as a bill related to the 2011 Budget Act which, as modified by the California Supreme Court Decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4<sup>th</sup> 231, dissolved all redevelopment agencies in California on February 1, 2012; and

WHEREAS, on June 27, 2012, Assembly Bill 1484 from the 2011-2012 Regular Session of the California Legislature (“AB 1484”) was enacted as a bill related to the 2011 Budget Act and amended ABx1 26; and

WHEREAS, ABx126 and AB 1484 are hereinafter collectively referred to as the “Dissolution Act”; and

WHEREAS, pursuant to Health and Safety Code 34171, added to the CRL by ABx1 26 and amended by AB 1484, the Successor Agency to the RDA (“Successor Agency”) assumed, on February 1, 2012, all authority, rights, powers, duties, and obligations previously vested to the RDA, except for those that were repealed, restricted, or revised pursuant to Part 1.85 of Division 24 of the Health and Safety Code; and

WHEREAS, the RDA, until its dissolution on February 1, 2012, was responsible for the administration of redevelopment activities within the City; and

WHEREAS, Section 33220 of the CRL provides that certain public bodies may aid and cooperate in the planning, undertaking, construction or operation of redevelopment projects; and

WHEREAS, Section 33600 of the CRL provides that a redevelopment agency may accept financial or other assistance from any public or private source, for the agency’s activities, powers, and duties, and expend any funds so received for any of the purposes of the CRL; and

WHEREAS, Section 33601 of the CRL provides that a redevelopment agency may borrow money or accept financial or other assistance from the state or the federal government or

any other public agency for any redevelopment project within its area of operation, and may comply with any conditions of such loan or grant; and

WHEREAS, by adoption of Ordinance No. 742 on July 13, 1999, the City Council of the City of Duarte, in compliance with the CRL and other applicable law, adopted the Amended and Restated Redevelopment Plan for the Duarte Merged Redevelopment Project which created a single unified redevelopment plan for the previously merged seven redevelopment project areas that each had been duly established by ordinance, and which Ordinance No. 742 also added territory, known as the Amendment No. 1 Area, to the previously merged project area (collectively, the “Merged Redevelopment Plan”); and

WHEREAS, Ordinance No. 742 incorporated into the single unified Merged Redevelopment Plan the previous seven separate Redevelopment Plans and Project Areas plus the additional Amendment No. 1 area, identified in the Merged Redevelopment Plan, as follows:

- (1) the Davis Addition Component Area, consisting of the Original Davis Addition Component Area and the Amended Davis Addition Component Area;
- (2) the Las Lomas Component Area, consisting of the Original Las Lomas Component Area, the Las Lomas Amendment No. 1 Component Area, and the Las Lomas Amendment No. 2 Component Area;
- (3) the Huntington Drive Phase I Component Area;
- (4) the Huntington Drive Phase II Component Area;
- (5) the Rancho Duarte Phase I Component Area, consisting of the Original Rancho Duarte Phase I Component Area and the Rancho Duarte Phase I Amendment Component Area;
- (6) the Rancho Duarte Phase II Component Area, consisting of the Original Rancho Duarte Phase II Component Area and the Rancho Duarte Phase II Amendment Component Area;
- (7) the Rancho Duarte Phase III Component Area, consisting of the Original Rancho Duarte Phase III Component Area and the Rancho Duarte Phase III Amendment Component Area; and
- (8) the Amendment No. 1 Component Area; and

WHEREAS, the RDA was engaged in activities to execute and implement the Merged Project Area (and prior to the 1999 merger, each separate Redevelopment Project Area) pursuant to the provisions of the CRL; and

WHEREAS, on or about February 7, 1991, pursuant to the authority set forth in the CRL, the City and RDA entered into that certain Promissory Note for the RDA’s repayment for project improvements to the Rancho Duarte Phase III Component Area (“Rancho Duarte Phase III Promissory Note”) in the principal amount of \$\$6,128,857, of which \$6,329,240 remains outstanding; and

WHEREAS, a true and correct copy of the Rancho Duarte Phase III Promissory Note is attached hereto as Exhibit A and by this reference incorporated herein; and

WHEREAS, the California State Department of Finance (“DOF”), as the primary administrative entity charged with implementing the Dissolution Act, has issued a series of determinations that three City loans made to the RDA including the Rancho Duarte Phase III Promissory Note (collectively, the “City Loans”) are not “enforceable obligations” under the Dissolution Act; and

WHEREAS, on or about December 18, 2012, the City and Successor Agency filed a lawsuit against the State of California et al., Sacramento County Superior Court Case No. 34-2012-80001338, and on or about May 13, 2013, filed a second lawsuit against the State of California et al., Sacramento County Superior Court Case No. 34-2013-80001487, both challenging the DOF determinations that the City Loans are not enforceable obligations; and

WHEREAS, the Oversight Board of the Successor Agency (“Oversight Board”) has been established in accordance with the Dissolution Act; and

WHEREAS, pursuant to CRL Section 34191.4, enacted as part of AB 1484, after issuance of a “Finding of Completion” from the DOF, loan agreements between the former redevelopment agency and the city which established the redevelopment agency, shall be deemed to be an enforceable obligation, when the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes; and

WHEREAS, pursuant to Health and Safety Code Section 34180(a), added by ABx1 26 and amended by AB 1484, an oversight board is authorized to approve a request by a successor agency to reestablish loan agreements between the successor agency and the city, county, or city and county that formed the redevelopment agency in accordance with the provisions of Health and Safety Code Section 34191.4; and

WHEREAS, pursuant to Health and Safety Code Section 34191.4(b)(2), if an oversight board finds that the loan made by a city to its redevelopment agency is an enforceable obligation, the loan principal must be repaid to the city in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into the Local Agency Investment Fund, and the annual loan repayments provided for in the recognized obligations payment schedules are subject to the additional following provisions:

(A) Repayments shall not be made prior to the 2013-2014 fiscal year;

(B) Beginning in the 2013-2014 fiscal year, the maximum repayment amount authorized each fiscal year for the repayments made for a reestablished city/redevelopment agency loan and repayments for any amounts owed to the former redevelopment agency’s Low and Moderate Income Housing Fund as repayment for the funding of the Supplemental Education Revenue Augmentation Fund (SERAF) shall be equal to one-half of the increase between the amount distributed to the taxing entities pursuant to Health and Safety Code Section 34183(a)(4) in that fiscal year and the amount distributed to taxing entities pursuant to that paragraph in the 2012-2013 base year;

(C) Loan of deferral repayments made to city/redevelopment agency loans are to be second in priority to the amounts to be repaid as part of any SERAF loan;

(D) Payments received by a city that formed the redevelopment agency shall first be used to retire any outstanding amounts borrowed and owed to the Low and Moderate Income Housing Asset Fund of the former redevelopment agency for purposes of the SERAF and shall be distributed to the Low and Moderate Income Housing Asset Fund established pursuant to Health and Safety Code Section 34176(d);

(E) Twenty percent of any loan repayment for a city/redevelopment agency loan shall be deducted from the loan repayment amount and shall be transferred to the Low and Moderate Income Housing Asset Fund established pursuant to Health and Safety Code Section 34176(d), after all outstanding loans from the Low and Moderate Income Housing Fund for purposes of the SERAF have been repaid; and

WHEREAS, the RDA did not pay for the SERAF requirement with any funds from the former Low and Moderate Income Housing Fund; and

WHEREAS, the DOF issued a Finding of Completion to the Successor Agency by letter dated October 23, 2013; and

WHEREAS, a true and correct copy of the Finding of Completion letter issued by the DOF is attached hereto as **Exhibit B** and by this reference incorporated herein; and

WHEREAS, the City and Successor Agency, desire to reestablish the Rancho Duarte Phase III Promissory Note pursuant to the terms of the Dissolution Act as set forth in this Reestablished Note.

***AGREEMENT:***

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Successor Agency agree as follows:

Section 1. Recitals Incorporated. The foregoing Recitals are incorporated herein and made a part of this Agreement.

Section 2. Reestablished Note. Subject to the terms and conditions in this Reestablished Note, the City in its capacity as a municipal corporation, and the Successor Agency, reestablish the Rancho Duarte Phase III Promissory Note pursuant to the authority set forth in Health and Safety Code Section 34180(a) subject to the provisions set forth in Health and Safety Code Section 34191.4, including therein the requirement that for this Reestablished Note to be deemed an enforceable obligation and eligible for repayment from the Redevelopment Property Tax Trust Fund, the Oversight Board must find that the Rancho Duarte Phase III Promissory Note was for legitimate redevelopment purposes.

Section 3. Effective Date. This Reestablished Note shall not be effective unless and until the Oversight Board has found that the Rancho Duarte Phase III Promissory Note was for legitimate redevelopment purposes pursuant to Health and Safety Code Section 34191.4. The date of adoption of a resolution by the Oversight Board making such finding shall be the effective date of this Reestablished Note. If the City and Successor Agency have not approved this Reestablished Note prior to the aforescribed action by Oversight Board, the City and the Successor Agency may approve this Reestablished Note after such action by the Oversight Board.

Section 4. Principal Balance; Interest. The outstanding principal balance of this Reestablished Note as of the date hereof is \$6,329,240. Interest shall accrue on the outstanding principal balance at the rate of interest earned on deposits in the Local Agency Investment Fund (“LAIF”) as of the date the Oversight Board makes the finding that the Rancho Duarte Phase III Promissory Note was for legitimate redevelopment purposes. The City’s Finance Director is authorized and directed to attach an addendum to this Reestablished Note with the LAIF rate in effect on the date the Oversight Board makes the required finding. The rate of interest found by the Oversight Board to be applicable may be revised if another rate is interest is determined to be applicable to this Reestablished Note by agreement between the City or Successor Agency on the one hand and DOF on the other hand, by state legislation, by applicable administrative interpretation, or by judicial interpretation. In the event another rate of interest is determined to be applicable, such other rate of interest shall automatically apply without need for further action by the City, Successor Agency, or Oversight Board.

Section 5. Repayment. Repayment of principal and interest shall be made in accordance with the procedure set forth in the Dissolution Act, as the same may be amended from time to time. The City’s Finance Director is authorized and directed to place repayment of the outstanding principal and interest on future Recognized Obligation Payment Schedules in accordance with Health and Safety Code Section 34191.4. The anticipated repayment schedule, based on projections of available distributions from the Redevelopment Property Tax Trust Fund and the repayment formula set forth in Health and Safety Code Section 34191.4, is attached hereto as Exhibit C and by this reference incorporated herein. All repayments received by City under this Reestablished Note shall first be applied to accrued interest and then to outstanding principal.

Section 6. Reservation of Rights. This Reestablished Note does not supersede the existing Rancho Duarte Phase III Promissory Note but effects a reestablishment of the Rancho Duarte Phase III Promissory Note pursuant to the terms of Health and Safety Code Sections 34180(a) and 34191.4. The City, in its capacity as a municipal corporation, and the Successor Agency as a public entity, hereby reserve any and all rights, and do not waive any rights, which it may now have, or in the future have, for repayment under the Rancho Duarte Phase III Promissory Note, including but not limited to the right to receive repayment under the Rancho Duarte Phase III Promissory Note, as may be authorized pursuant to any current or future law, administrative or judicial decision, or otherwise; provided, however, that any repayments received by City under this Reestablished Note shall reduce the outstanding balance due City under the Rancho Duarte Phase III Promissory Note.

Section 7. City Manager & Executive Director Authorization. The City Manager and Successor Agency Executive Director and their authorized designees shall have the authority to execute such other and further agreements and documents, and take such other and further actions, necessary to implement this Reestablished Note on behalf of the City and Successor Agency, respectively.

**IN WITNESS WHEREOF**, the City and Successor Agency approve and enter into this Reestablished Note as of the Reference Date to be effective as of the Effective Date as defined hereinabove.

[END—SIGNATURE PAGE AND EXHIBITS FOLLOW]

“City”

CITY OF DUARTE

By: \_\_\_\_\_  
Elizabeth Nowak Reilly, Mayor

ATTEST:

\_\_\_\_\_  
Marla Akana, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Dan Slater, City Attorney

“Successor Agency”

SUCCESSOR AGENCY TO THE DISSOLVED  
REDEVELOPMENT AGENCY OF THE CITY OF  
DUARTE

By: \_\_\_\_\_  
Elizabeth Nowak Reilly, Chair

ATTEST:

\_\_\_\_\_  
Marla Akana  
Secretary of the Successor Agency

APPROVED AS TO FORM:

\_\_\_\_\_  
Dan Slater  
Successor Agency Counsel

EXHIBIT A

RANCHO DUARTE PHASE III PROMISSORY NOTE

[SEE FOLLOWING PAGES]

*City Mgr.  
Exec Dir.*

**MEMORANDUM**

TO: Executive Director  
FROM: Assistant Executive Director  
SUBJECT: RANCHO DUARTE PHASE III PROMISSORY NOTE  
DATE: February 7, 1991

Between October 1988 and October 1989, the City's Economic Development Fund advanced the Duarte Redevelopment Agency's Rancho Duarte Phase III Project Area \$6,128,857. This was for the purpose of undertaking the Educational Park and Trammel Crow/Ralphs Projects. Accrued interest figured at the rate of 10% per annum has added an additional \$1,261,807, bringing the Agency's repayment obligation to a total of \$7,390,664.

Now that the Ralphs Project is complete and the Educational Park is 99.9% complete, it would seem appropriate to memorialize this repayment obligation in the form of a Promissory Note. The Promissory Note makes repayment an obligation of the Rancho Duarte III Project Area only and is to be repaid from tax increment revenues which will become available once the Project Area Amendment is complete.

**RECOMMENDATION**

That the City Council approve by minute motion the terms of the Promissory Note.

That the Redevelopment Agency Board approve the terms of the Note and direct its Chairman to execute the same.

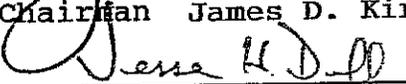
PROMISSORY NOTE

\$7,390,664.00      Duarte, California      February 12, 1991

On or before July 1, 2021, the Redevelopment Agency of the City of Duarte promises to pay in lawful money of the United States of America, to the order of the City of Duarte, the principal sum of \$7,390,664.00, plus interest accruing on the unpaid balance at the rate of 10% per annum. Interest and principal shall be payable from available Property Tax Increments generated from the Rancho Duarte Phase III Redevelopment project area.

In the event of Commencement of Suit to enforce payment of this Note, Agency agrees to pay to City such additional sum as attorney fees as the court may judge reasonable.

Redevelopment Agency of the  
City of Duarte

By:   
Chairman James D. Kirchner  
By:   
Secretary Jesse Duff

**EXHIBIT B**

**FINDING OF COMPLETION LETTER**

[SEE FOLLOWING PAGE]



DEPARTMENT OF  
**FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

October 23, 2013

Ms. Kristen Petersen, Assistant City Manager  
City of Duarte  
1600 Huntington Drive  
Duarte, CA 91010

Dear Ms. Petersen:

Subject: Request for a Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Duarte Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

– This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).
- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Andrea Scharffer, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,

JUSTYN HOWARD  
Assistant Program Budget Manager

cc: Mr. Dan Slater, City Attorney, City of Duarte  
Ms. Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller  
California State Controller's Office

**EXHIBIT C**

**REPAYMENT SCHEDULE/PROJECTION**

[SEE FOLLOWING PAGE]

**City Loan Repayment Schedules**

fy ending 6/30	Residual Above EO Before Loan	City Loan 50% Res Prior Yr	Estimated Payments per Amended Davis Note	Estimated Payments per Hamilton Note	Estimated Payments per Rancho Duarte III Note	Estimated Aggregate Repayment to General Fund	Estimated Payment to Low & Moderate Income Housing Asset Fund [HSC 34191.4(b)(2)(C)]	Loan Pmt Request	Residual Above EO
2015	2,535,796	-	-	-	-	-	-	-	2,535,796
2016	2,834,632	(1,267,898)	(400,000)	(400,000)	(467,898)	(1,014,318)	(253,580)	15-16A	1,566,734
2017	4,008,807	(1,417,316)	(470,000)	(470,000)	(477,316)	(1,133,853)	(283,463)	16-17A	2,591,491
2018	3,615,976	(2,004,404)	(203,198)	(203,198)	(1,133,206)	(1,603,523)	(400,881)	17-18A	1,611,573
2019	5,271,353	(1,807,988)	-	-	(1,244,723)	(1,446,390)	(361,598)	18-19A	3,463,365
2020	6,961,666	(2,635,677)	-	-	(2,635,677)	(2,108,542)	(527,135)	19-20A	4,325,990
2021	3,050,730	(170,038)	-	-	(170,038)	(136,030) *	(34,008)	20-21A	-
		(9,303,320)	(2,101,265)	(1,073,198)	(6,128,858)	(7,442,657)	(1,860,664)		16,094,948

\* plus accrued interest

REESTABLISHED R. D. PHASE III  
PROMISSORY NOTE – Exhibit C

**Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary**

Filed for the July 1, 2014 through December 31, 2014 Period

Name of Successor Agency: Duarte  
 Name of County: Los Angeles

		Six-Month Total
<b>Current Period Requested Funding for Outstanding Debt or Obligation</b>		
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF)</b>		
<b>A</b>	<b>Funding Sources (B+C+D):</b>	<b>\$ -</b>
B	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	-
<b>E</b>	<b>Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 3,141,212</b>
F	Non-Administrative Costs (ROPS Detail)	2,891,212
G	Administrative Costs (ROPS Detail)	250,000
<b>H</b>	<b>Current Period Enforceable Obligations (A+E):</b>	<b>\$ 3,141,212</b>

<b>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
I	Enforceable Obligations funded with RPTTF (E):	3,141,212
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	-
<b>K</b>	<b>Adjusted Current Period RPTTF Requested Funding (I-J)</b>	<b>\$ 3,141,212</b>

<b>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
L	Enforceable Obligations funded with RPTTF (E):	3,141,212
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
<b>N</b>	<b>Adjusted Current Period RPTTF Requested Funding (L-M)</b>	<b>3,141,212</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.

\_\_\_\_\_  
 /s/ Name Title  
 Signature Date

**Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail**  
**July 1, 2014 through December 31, 2014**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
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 (Non-RPTTF)	Other Funds	Non-Admin	Admin	Six-Month Total
1	1A Refund Bond 2007 - Series A	Bonds issued On or Before 12/31/10	10/1/2007	10/1/2019	US Bank	Bonds issued to fund non-housing projects	Merged Project Area	29,619,878	N	-	-	-	2,891,212	250,000	\$ 3,141,212
2	2A Refund Bond 2007 - Series B	Bonds issued On or Before 12/31/10	10/1/2007	10/1/2017	US Bank	Bonds issued to fund non-housing projects	Merged Project Area	3,962,075	N	-	-	-	1,155,000	-	\$ 1,155,000
3	3A Refund Bond 2007 - Series C	Bonds issued On or Before 12/31/10	4/1/2008	10/1/2018	US Bank	Bonds issued to fund non-housing projects	Merged Project Area	2,169,300	N	-	-	-	475,000	-	\$ 475,000
4	4A Refund Bond 2007	Bonds issued On or Before 12/31/10	10/1/2007	10/1/2019	US Bank	Compliance w. special redemption covenant	Merged Project Area	300,000	N	-	-	-	-	-	\$ -
5	Jacobson DDA	OPAYDDA/Construction	11/1/2006	6/30/2022	Jacobson/Caledge Investments	Additional Purchase Price Payments	Merged Project Area	1,561,938	N	-	-	-	181,912	-	\$ 181,912
6	Jacobson DDA	Legal	11/1/2006	6/30/2022	City of Duarte	Staff, legal & engineering costs to finalize development	Merged Project Area	-	N	-	-	-	-	-	\$ -
7	Contract for Trustee Services	Fees	10/1/2007	10/1/2019	US Bank	Trustee fees for Bonds listed above	Merged Project Area	-	N	-	-	-	-	-	\$ -
8	Contract for Consulting Svc	Fees	10/1/2007	10/1/2019	Harrell & Company	Trustee fees for Bonds listed above	Merged Project Area	-	N	-	-	-	-	-	\$ -
9	SCPH DDA	OPAYDDA/Construction	1/1/2010	1/1/2017	So Cal Presbyterian Homes	Fiscal Consultant for Bond Continuing Disclosure	Merged Project Area	-	Y	-	-	-	-	-	\$ -
10	SCPH DDA	Legal	1/1/2010	1/1/2017	City of Duarte	Staff, legal & engineering costs to finalize development	Merged Project Area	-	Y	-	-	-	-	-	\$ -
11	Housing Authority Obligation	Miscellaneous	3/22/2011	3/22/2020	Duarte Housing Authority	Master Financing and Grant Agreement	Merged Project Area	-	N	-	-	-	-	-	\$ -
12	Reimbursement & Operating Agt.	City/County Loans	4/10/2012	4/10/2020	City of Duarte	Advance of funds for 4/2011 debt service payment	Merged Project Area	169,000	N	-	-	-	-	-	\$ -
14	Woodbluff Storm Drain Project	Improvement/Infrastructure	6/30/2005	6/30/2020	City of Duarte	Publicly Owned Project Area Improvement	Merged Project Area	-	N	-	-	-	-	-	\$ -
15	Promissory Note - Amended Davis	City/County Loans	6/24/1987	6/24/2087	City of Duarte	Loan repayments pursuant to HSC section 34191.4(b)	Merged Project Area	2,101,265	N	-	-	-	-	-	\$ -
16	Promissory Note - Hamilton	City/County Loans	2/21/1891	2/21/2091	City of Duarte	Loan repayments pursuant to HSC section 34191.4(b)	Merged Project Area	1,073,198	N	-	-	-	-	-	\$ -
17	Promissory Note - RD Ph. III	City/County Loans	2/7/1961	2/7/2091	City of Duarte	Loan repayments pursuant to HSC section 34191.4(b)	Merged Project Area	6,128,857	N	-	-	-	-	-	\$ -
18	Performance Nisan Sign Fee	Business Incentive Agreements	6/15/2011	8/15/2016	Group 1 Realty	Sign Fee	Merged Project Area	60,000	N	-	-	-	30,000	-	\$ 30,000
20	Assisted Housing Inventory Audit	Project Management	1/1/1990	1/1/2019	City of Duarte	5 complexes - Project compliance and administration	Merged Project Area	10,800	N	-	-	-	-	-	\$ -
21	Silent Second Program	Project Management	1/1/1995	1/1/2019	City of Duarte	Project compliance and administration	Merged Project Area	34,300	N	-	-	-	34,300	-	\$ 34,300
22	LA County Pass Thru Deferral	Miscellaneous	1/1/1986	1/1/2086	LA County taxing entities	Rancho Duarte Phase II County Deferral Balance	Merged Project Area	2,202,300	N	-	-	-	-	-	\$ -
23	Successor/City Loan Agreement	RPTTF Shortfall	7/31/2012	7/31/2019	City of Duarte	Trustee fees for Bonds paid 7/2012 (line 7)	Merged Project Area	-	Y	-	-	-	-	-	\$ -
24	Successor/City Loan Agreement	RPTTF Shortfall	7/31/2012	7/31/2019	City of Duarte	Fiscal Consultant for Bond compliance 7-12/2012 (line 8)	Merged Project Area	-	Y	-	-	-	-	-	\$ -
25	Successor/City Loan Agreement	RPTTF Shortfall	7/31/2012	7/31/2019	City of Duarte	Rulan & Tucker legal costs 7-12/2012 (lines 6, 10)	Merged Project Area	-	Y	-	-	-	-	-	\$ -
27	Administrative Cost/Allowance	Admin Costs	1/1/2014	6/30/2014	City of Duarte	NONE	Merged Project Area	250,000	N	-	-	-	250,000	-	\$ 250,000

**Recognized Obligation Payment Schedule (ROPS) 14-15A - 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.

A	B	C	D	E	F	G	H	I						
									Fund Sources					
									Bond Proceeds		Reserve Balance		Other	RPTTF
Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained	Prior ROPS RPTTF distributed as reserve for next bond payment	Rent, Grants, Interest, Etc.	Non-Admin and Admin									
<b>Cash Balance Information by ROPS Period</b>														
<b>ROPS 13-14A Actuals (07/01/13 - 12/31/13)</b>														
1	Beginning Available Cash Balance (Actual 07/01/13) Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)			1,200,000										
2	Revenue/Income (Actual 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013					5,437	3,637,625							
3	Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13) Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPAs			1,200,000			3,637,625							
4	Retention of Available Cash Balance (Actual 12/31/13) Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A													
5	ROPS 13-14A RPTTF Prior Period Adjustment Note that the RPTTF amount should tie to column S in the Report of PPAs.													
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ 5,437	\$ -							
<b>ROPS 13-14B Estimate (01/01/14 - 06/30/14)</b>														
7	Beginning Available Cash Balance (Actual 01/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -							
8	Revenue/Income (Estimate 06/30/14) Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014					10,000	2,276,380							
9	Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)					15,000	2,276,380							
10	Retention of Available Cash Balance (Estimate 06/30/14) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B													
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ -	\$ 437	\$ -							

**Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Prior Period Adjustments**  
 Reported for the ROPS 13-14A (July 1, 2013 through December 31, 2013) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)  
 (Report Amounts in Whole Dollars)

ROPS 13-14A 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 13-14A (July through December 2013) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 14-15A (July through December 2014) period will be offset by the SAs self-reported ROPS 13-14A prior period adjustment. HSC Section 34186 (e) 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
		Non-RPTTF Expenditures					RPTTF Expenditures											
Item #	Project Name / Debt Obligation	Bond Proceeds		Reserve Balance		Other Funds		Non-Admin					Admin					Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 14-15A Requested RPTTF)
		Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS 13-14A distributed + all other available as of 07/1/13)	Net Lesser of Authorized / Available	Difference (If K is less than L, the difference is zero)	Authorized	Available RPTTF (ROPS 13-14A distributed + all other available as of 07/1/13)	Net Lesser of Authorized / Available	Difference (if total actual exceeds total authorized, the total difference is zero)			
1	TA Refund Bond 2007 - Series A	\$ -	\$ -	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 4,419,088	\$ 3,387,625	\$ 3,387,625	\$ 3,387,626	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -
2	TA Refund Bond 2007 - Series B	-	-	-	-	-	-	1,148,080	1,148,080	1,148,080	1,148,090	-	-	-	-	-	-	-
3	TA Refund Bond 2007 - Series C	-	-	-	-	-	-	1,195,741	1,131,769	1,131,769	1,131,769	-	-	-	-	-	-	-
4	TA Refund Bond 2007	-	-	-	-	-	-	496,000	496,000	496,000	496,000	-	-	-	-	-	-	-
5	Jacobson DDA	-	-	-	-	-	-	827,646	485,735	485,735	485,735	-	-	-	-	-	-	-
6	Jacobson DDA project admin	-	-	-	-	-	-	21,000	1,588	1,588	1,588	-	-	-	-	-	-	-
7	Contract for Trustee Services	-	-	-	-	-	-	16,000	10,530	10,530	10,530	-	-	-	-	-	-	-
8	Contract for Consulting Svc	-	-	-	-	-	-	10,000	-	-	-	-	-	-	-	-	-	-
9	SCPH DDA	-	-	1,200,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	SCPH DDA project admin	-	-	-	-	-	-	41,000	-	-	-	-	-	-	-	-	-	-
11	Housing Authority Obligation	-	-	-	-	-	-	348,921	4,614	4,614	4,614	-	-	-	-	-	-	-
12	Reimbursement & Operating Agt	-	-	-	-	-	-	100,000	-	-	-	-	-	-	-	-	-	-
13	Mountain Vista Plaza OPA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Woodluff Storm Drain Project	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Promissory Note - Amended Davis	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Promissory Note - Hamilton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Promissory Note - RD Ph III	-	-	-	-	-	-	30,000	30,000	30,000	30,000	-	-	-	-	-	-	-
18	Performance Nisan Sign Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Huntington Ctr Promissory Note	-	-	-	-	-	-	10,800	-	-	-	-	-	-	-	-	-	-
20	Assisted Housing Inventory Audit	-	-	-	-	-	-	4,900	-	-	-	-	-	-	-	-	-	-
21	Silent Second Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	LA County Pass Thru Deferral	-	-	-	-	-	-	7,300	7,300	7,300	7,300	-	-	-	-	-	-	-
23	Successor City Loan Agreement	-	-	-	-	-	-	5,000	5,000	5,000	5,000	-	-	-	-	-	-	-
24	Successor City Loan Agreement	-	-	-	-	-	-	55,000	55,000	55,000	55,000	-	-	-	-	-	-	-
25	Successor City Loan Agreement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Administrative Cost Allowance	-	-	-	-	-	-	-	-	-	-	-	-	250,000	250,000	250,000	250,000	250,000
27		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

JAN 13 2014

CITY OF DUARTE



MEMORANDUM

TO: CITY COUNCIL  
 FROM: COMMISSIONER Houghton  
 SUBJECT: NOTICE OF ABSENCE FROM Parks & Rec COMMISSION MEETING  
 DATE: Dec. 9, 2013

REASON FOR ABSENCE

ACCIDENT

VACATION Christmas

SICKNESS

OTHER \*

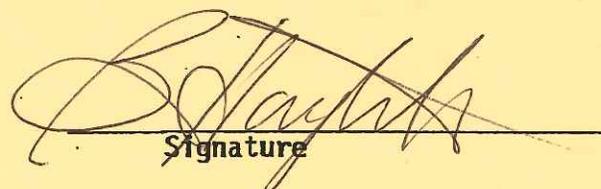
DEATH IN FAMILY

DATE OF MEETING ABSENCE

Dec. 9, 2013

\* EXPLANATION OF ABSENCE

Christmas in Ohio -

  
 Signature

\* \* \* \* \*

Absence noted by City Council

\_\_\_\_\_  
Date

JAN 13 2014

CITY OF DUARTE



MEMORANDUM

TO: CITY COUNCIL  
 FROM: COMMISSIONER Houghton  
 SUBJECT: NOTICE OF ABSENCE FROM Park & Pec COMMISSION MEETING  
 DATE: Feb 10, 2014

REASON FOR ABSENCE

ACCIDENT

VACATION

SICKNESS

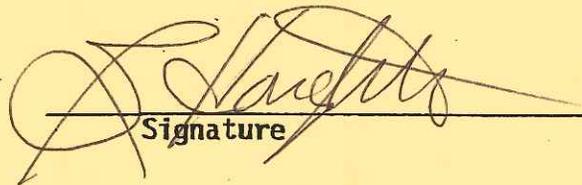
OTHER \*

DEATH IN FAMILY

Caring for  
folks in  
OHIO

DATE OF MEETING ABSENCE Feb. 10, 2014

\* EXPLANATION OF ABSENCE Caring for Parents Ohio

  
 \_\_\_\_\_  
 Signature

\* \* \* \* \*

Absence noted by City Council

\_\_\_\_\_  
Date



# MEMORANDUM

RECEIVED

JAN 15 2014

CITY OF DUARTE

TO: CITY COUNCIL

FROM: COMMISSIONER Sheryl Letman

SUBJECT: NOTICE OF ABSENCE FROM PLANNING COMMISSION MEETING

DATE: 01.15.14

### REASON FOR ABSENCE:

- ACCIDENT     
  VACATION     
  OTHER\*  
 SICKNESS     
  DEATH IN FAMILY

DATE OF MEETING ABSENCE 01.20.14

\* EXPLANATION OF ABSENCE SURGERY SCHEDULED FOR THAT DAY.

Sheryl Letman  
SIGNATURE

ABSENCE NOTED BY CITY COUNCIL

DATE

## **MEMORANDUM**

**TO:** Mayor and Councilmembers

**FROM:** Darrell J. George, City Manager

**DATE:** January 23, 2014

**SUBJECT:** Conference Attendance – City Council Meeting of January 28, 2014



League of California Cities  
General Membership Meeting  
February 6, 2014 – 6:00 p.m.  
Luminarias Restaurant, Monterey Park  
\$35 per person



## General Membership Meeting: February 6, 2014

### When

Thursday February 6, 2014 from  
6:00 PM to 8:30 PM PST  
[Add to Calendar](#)

### Where

**Luminarias Restaurant**  
3500 Ramona Blvd  
Monterey Park, CA 91754



## Emergency Management: What Elected Officials Need to Know

*Featuring*

### Debra Dorst-Porada

Emergency Preparedness Public Health Nurse  
Los Angeles County of Department of Public Health

*Also Featuring*

### Brenda Hunemiller

Area Coordinator  
Area D, Office of Civil Defense and Disaster Management

Brenda Hunemiller of the Area D Office of Civil Defense and Disaster Management and Debra Dorst-Porada of the Los Angeles County of Department of Public Health will brief the Los Angeles Division on how to respond to various disaster scenarios.

Together they will detail an elected official's role and responsibilities during a disaster as well as how elected officials can utilize the emergency management cycle to fulfill those responsibilities. Please join us for this important and compelling presentation.

### Also Next Month:

The League of California Cities  
*Invites you to*  
A Los Angeles Division Webinar

CSCDA:  
Benefits of the Delinquent  
Property Tax Funding Program

*Featuring*

**Scott Carper**  
Program Manager, CSCDA

*Also Featuring*

**William Dahms, Ph.D.**  
Consultant, Tower Capital  
Management, LLC

**Robert Owen, J.D.**  
Attorney, Tower Capital  
Management, LLC

February 11, 2014

[Register Here](#)

\$35 per person

## Register Now!

## Thursday, February 6, 2014

Reception: 6:00pm  
Dinner & Program: 6:45pm  
Adjourn: 8:30pm

### Cancellation Policy

All event cancellations must be received at least 48 hours prior to any LA Division event.

To view the full cancellation policy or to cancel your registration for any LA Division event, please visit:  
[www.lacities.org/cancel](http://www.lacities.org/cancel).

Note: Email and phone cancellations are no longer accepted, thank you for your patience and interest in LA Division events.

**ORDINANCE NO.**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DUARTE REPEALING SECTION 5.16.100, "SOLICITING ON PUBLIC RIGHT-OF-WAY," OF CHAPTER 5.16, "SOLICITORS AND PEDDLERS," OF THE DUARTE MUNICIPAL CODE**

THE CITY COUNCIL OF THE CITY OF DUARTE ORDAINS AS FOLLOWS:

SECTION 1. Section 5.16.100, "Soliciting on public right-of way," of Chapter 5.16, "Solicitors and Peddlers," of the Duarte Municipal Code, currently states as follows:

5.16.100 Soliciting on public right-of-way.

(a) No person shall use any right-of-way, including, but not limited to public streets, highways, sidewalks or driveways to solicit or attempt to solicit except as provided in this chapter.

(b) Prohibited. No person shall use any public areas of any businesses to solicit except with the expressed consent of the property owner and/or tenant or as otherwise permitted by other provisions of this title.

(c) It is unlawful for any person, while standing in any portion of the public right-of-way, including but not limited to public streets, highways, sidewalks and driveways, to solicit, or attempt to solicit, employment, business or contributions of money or other property from any person traveling in a vehicle along a public right-of-way, including, but not limited to a public street, highway, sidewalk or driveway.

(d) It is unlawful for any person, while the occupant of any vehicle, to solicit, or attempt to solicit, employment, business or contributions of money or other property from a person who is within the public right-of-way, including, but not limited to a public street, highway, sidewalk or driveway

SECTION 2. The foregoing Section 5.16.100, "Soliciting on public right-of way," of Chapter 5.16, "Solicitors and Peddlers," of the Duarte Municipal Code, is hereby repealed in its entirety.

SECTION 3. The City Clerk shall certify as to the adoption of this Ordinance and shall cause this Ordinance to be posted in the manner provided for in the Duarte Municipal Code.

PASSED, APPROVED, AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Mayor Elizabeth Nowak Reilly

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES       ) ss.  
CITY OF DUARTE                 )

I, Marla Akana, City Clerk of the City of Duarte, County of Los Angeles, State of California, hereby attest to the above signature and certify that Ordinance No. \_\_\_\_\_ was adopted by the City Council of said City of Duarte at a regular meeting of said Council held on the \_\_\_\_\_ day of \_\_\_\_\_, 2014, by the following vote:

AYES:       Councilmembers:

NOES:       Councilmembers:

ABSENT:    Councilmembers:

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City Clerk Marla Akana  
City of Duarte, California



# MEMORANDUM

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**TO:** MAYOR AND CITY COUNCIL

**FROM:** PARKS AND RECREATION COMMISSION – CESAR MONSALVE, DIRECTOR OF PARKS AND RECREATION

**SUBJECT:** RECOMMENDATION TO CHANGE FIELD RENTAL FEES

**DATE:** JANUARY 25, 2014

The Duarte Parks and Recreation Commission has addressed the field use availability and associated field condition problems at the various Duarte parks and sports parks that are available for rent. The Commission has identified several issues that they have determined must be addressed including:

- A need to update the DUSD/City Satellite Park Lease Agreement with specific language as it pertains to expectations from both parties and establish a more equitable agreement that reflects current uses and needs.
- A need to explore changing the available rentable fields to accommodate more renters per field by dividing the rentable spaces.
- A need to revise the non-resident fees with the intent to recover more field repair and maintenance costs.

The Parks and Recreation Commission has determined that one major cause of the field condition problems is the overuse by adult soccer organizations and leagues with insufficient fees charged to them to recover damage costs. By increasing the fees for these non-resident groups the Commission hopes to see an increase in revenue projections that will be reflected in an increase in the funds budgeted for field maintenance and repair in the Community Development Department's Field Services budget.

A motion was made by Commissioner Bylsma-Houghton to recommend to the Duarte City Council to increase the non-resident "Base Rate" fees for the rental of Duarte Sports Park and Otis Gordon Sports Park from \$20 per hour per field to \$30 per hour per field. Also to increase the non-resident "Base Rate" fees for the rental of Beardslee, Encanto and Northview Parks from \$15 per hour per field to \$30 per hour per field and increase the "Duarte Resident Rate" fees for the rental of Beardslee, Encanto and Northview Parks from \$7.50 per hour per field to \$10 per hour per field and to increase the refundable Cleaning and Damage Deposit from \$50 to \$100 for all new renters. All current renters with deposits on file would be exempted. The motion was seconded by Commissioner Houlemarde and carried on a 4 – 2 vote with the opposition being opposed to the increase in the resident rental rates and resident deposit rates. If this recommendation is approved a fee change would have to be brought back at a future date by staff with a fee resolution and a public hearing would be held to implement the new fees

Attached is a fee survey of comparable rentable fields with neighboring Cities and the current fee schedule with the proposed changes.

**Sample of Other City's Fees Soccer or Grass Areas 2013:**

**San Dimas:**

	<u>Non-Resident "A"</u>	<u>Resident "B"</u>	<u>Youth/Community or Non-Profit Group "C"</u>
Deposit	\$100	\$100	\$100
Man-On-Duty (Required for all rentals)	\$10 p/hr	\$10 p/hr	\$10 p/hr
Field Rental W/Lights	\$32 - \$49 p/hr	\$26 - \$43 p/hr	\$14 p/hr
Field Rental No Lights	\$10 p/hr	\$5 p/hr	0

**Glendora:**

	<u>Non-Resident "A"</u>	<u>Resident "B"</u>	<u>Youth/Community or Non-Profit Group "C"</u>
Deposit	\$200	\$200	\$0
Man-On-Duty	\$15 p/hr	\$15 p/hr	\$15 p/hr
Field Rental W/Lights	\$35 p/hr	\$20 (1 <sup>st</sup> Hr. \$15 ea. Addtnl.)	\$12 p/hr
Field Rental No Lights	\$30 p/hr	\$5 p/hr	0
Admin. Flat Fee	\$10 (Waive for youth)	\$10	\$10

**La Verne:**

	<u>Non-Resident "A"</u>	<u>Resident "B"</u>	<u>Youth/Community or Non-Profit Group "C"</u>
Deposit	\$100	\$100	\$100
Man-On-Duty	\$10	\$10	\$10
Field Rental W/Lights	\$27.50 p/hr	\$27.50 p/hr	\$27.50 p/hr
Field Rental No Lights	\$10 p/hr	\$10 p/hr	0
Certificate of Insurance	Required	Required	Required

**Azusa:**

	<u>Non-Resident "A"</u>	<u>Resident "B"</u>	<u>Youth/Community or Non-Profit Group "C"</u>
Deposit	\$50	\$50	\$50
Man-On-Duty	N/A	N/A	N/A
Field Rental W/Lights	N/A	N/A	N/A
Field Rental No Lights	\$60 p/hr \$25 Flat Fee	\$60 p/hr	N/A

**DUARTE SPORTS FACILITIES FEE SCHEDULE (Changes are highlighted)**  
**DUARTE SPORTS PARK & OTIS GORDON SPORTS PARK FIELDS**

	<u>Base Rate</u> "A"	<u>Duarte Resident</u> "B"	<u>Duarte Youth Non-Profit Group</u> "C"
Lights	\$55.00/hr	\$30.00/hr	\$15.00/hr
Without Lights	<del>\$20.00/hr</del> (\$30/hr)	\$10.00/hr	FREE

**ROYAL OAKS PARK, ENCANTO & DUARTE PARK TENNIS COURTS & BASKETBALL COURTS, ENCANTO SAND VOLLEYBALL COURTS**

	<u>Base Rate</u>	<u>Duarte Resident</u>	<u>Duarte Youth Non-Profit Group</u>
Courts With or Without Lights	\$34.00/hr/ct	\$ 17.00/hr/ct	FREE

**GAZEBOS**

(8 hrs. maximum)

	<u>Base Rate</u>	<u>Duarte Resident</u>
Small	\$75.00/day	\$50.00/day
Large	\$100.00/day	\$75.00/day

**SKATE PARK**

	<u>Base Rate</u>	<u>Duarte Resident</u>
	\$55.00/hr	\$30.00/hr

**BEARDSLEE/ENCANTO/NORTHVIEW PARK (No lights)**

	<u>Base Rate</u>	<u>Duarte Resident</u>	<u>Duarte Youth Non-Profit Group</u>
Soccer/Open Field	<del>\$15.00/hr</del> (\$30/hr)	<del>\$7.50/hr</del> (\$10)	FREE

**MISCELLANEOUS CHARGES FOR ALL FACILITIES**

	<u>Base Rate</u>	<u>Duarte Resident</u>	<u>Duarte Youth Non-Profit Group</u>
Field Preparation	<del>\$25.00</del>	<del>\$25.00</del>	<del>\$25.00</del>
Equipment Rental	\$25.00/day	\$25.00/day	\$25.00/day
Equipment Deposit	\$100.00	\$100.00	\$100.00
Man-on-Duty	\$40.00/hr	\$20.00/hr	\$12.00/hr
Cleaning/Damage Deposit	<del>\$50.00</del> (\$100)	<del>\$50.00</del> (\$100)	<del>\$50.00</del> (\$100)
Rental of Park Restrooms	\$40.00/hr	\$20.00/hr	

# MEMORANDUM

**TO:** Darrell J. George, City Manager  
**FROM:** Kristen Petersen, Assistant City Manager  
**DATE:** January 28, 2014  
**SUBJECT:** MID-YEAR BUDGET REPORT – FISCAL YEAR 2013/14

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## Background

In keeping with the schedule set forth in the City's budget calendar, staff has completed the mid year budget projections for the 2013-14 fiscal year. The results of this process are presented in Attachment 1 to this report. The information in the attachment is organized by fund, and compares amounts budgeted to projected year-end revenues, expenditures and fund balances. This report also discusses any budget amendments, which are summarized in Attachment 2.

## General Fund

For 2013-14, the City adopted a General Fund budget that included a deficit of \$223,000. At mid year, staff is estimating that the General Fund will reflect a surplus of \$415,000, largely due to a one-time residual payment of \$693,000 from the County that represents the City's small share of the \$7.4 million in non housing dollars that the former RDA was forced to turn over to the County. Not taking into account this one-time payment, estimated General Fund revenues are projected to come in \$790,000 over what we projected in June 2013. As far as the General Fund expenses, we project an increase of approximately \$845,000. A large portion of this increase is due to a \$429,000 expenditure for costs related to the City of Hope EIR (offset by a deposit in a like amount from the City of Hope) and \$127,000 for costs related to the Pops Road traffic signal (offset by a payment by SCPH and a one time revenue from LA County Aid). The Council approved some of these increased expenses during the year, including expenses related to the Kosmont economic analysis contract and the RKA Royal Oaks traffic calming study. These are all described in more detail below. When all the changes in revenue and expenses are put together, the impact is a projected 2013/14 surplus of \$415,000.

A surplus of \$415,000 will leave the General Fund reserves at \$7.2 million, which represents 54% of the General Fund expenditures. You will recall that approximately \$7.4 million of the General Fund balance in 2012/13 was the result of a transfer made in February 2011 as a repayment of the City's loan advance made to

the RDA in prior years. This transfer was deemed invalid by the State Department of Finance and as a result, these amounts were eliminated from the General Fund and surrendered to LA County.

The various factors contributing to the projected increase in revenues and the changes provided for in expenses are described in further detail in the following narrative.

**Revenues:**

At year-end, total General Fund revenues are projected to be \$13.8 million. This amount represents an increase of \$1.5 million as compared to the adopted budget.

General Property Tax – The City’s 2013-14 general property taxes are actually projected to come in as previously budgeted. However as mentioned above, due to the \$7.4 million demand payment that had to be made by our former RDA, the City received a residual payment of \$693,000. The \$7.4 million was a one-time demand payment from the remaining Non-housing RDA fund balance and therefore this is only a one-time residual payment to the City. As far as future ongoing residual payments, it will take many years for there to be any substantial residual funds from annually generated property tax increment, as there are still existing RDA debt and pass-through agreements to pay off.

Building and Engineering Permits – Two projects greatly increased the revenues generated by permit fees; the Southern California Edison retaining wall and the City of Hope visitor center. As a result of the construction related to these projects, building and engineering permits increased by \$75,000 and \$110,000 respectively.

America’s Promise Grant – As a result of hiring more Promise Fellows (we now have 9 fellows in the Duarte Promise program), the grant reimbursement amount has been increased and the corresponding expense has also increased. At the end of the fiscal year, the projected net expense to the General Fund after all expenses are paid and all grant revenues and other reimbursements have been received, is \$20,000.

Other Revenue – As part of its contribution towards the costs related to the traffic signal at Pops Road, Southern California Presbyterian Homes paid \$100,000 to the City at the close of escrow. There was also a one-time revenue of \$27,000 that was received for the signal from the LA County Aid to Cities. These full amounts are reflected on the expense side and offset these increased revenues. In addition the City received \$75,000 for an SCE easement for access to SCE property related to the Tehachapi Renewable Transmission Project (TRTP).

City of Hope EIR Reimbursements – The City of Hope has deposited \$429,000 with the City of Duarte to offset the costs of an Environmental Impact Report. These

funds will be used to pay for the costs to hire an EIR consultant and submit the final report to the State for approval. As a result the full amount is reflected on the expense side and offsets this increased revenue.

**Expenditures:**

At year-end, total General Fund expenditures are projected to be \$13.4 million. This amount represents an increase of \$845,000, as compared to the adopted budget. Several of the increases are funded by the new revenues that were discussed above or represent capital projects. A discussion of General Fund expenditure highlights is provided below.

Duarte's Promise – The City of Duarte has been participating in the America's Promise program since 2000. Over the years the number of promise fellows has varied, but this year Duarte's Promise was given the opportunity, after the 2013/14 budget was adopted to expand the program to include 3 additional promise fellows. Four of the fellow positions are assigned directly to work in City departments, including Public Safety, the Teen Center, the City Manager's office and the Nutrition Program. The remaining five fellows work at offsite locations, including the Santa Anita YMCA, the Foothill Unity Center and the Volunteer Center and the matching funds for those positions are provided by those offsite partners. As a result of this expansion, the expenses to run the program need to be increased by \$47,000. However, the grant reimbursement will also increase on the revenue side by \$37,000, so that the net increase to General Fund expenditures is really only \$10,000. It is important to note that this program, which provides job and service opportunities to youth in the community and countless hours of service and program support to the community will be transitioned over the next 6 months to the Parks and Recreation Department. Staff believes that there will be a real synergy with these programs and the common goals of the Parks and Recreation programs and the youth and family master plan.

Chamber of Commerce – The Chamber of Commerce has recently completed a very successful campaign called Shop Duarte aimed at all Duarte businesses, not just Chamber members. This event required several start up expenses, including a street banner, posters, flyers and a Shop Duarte webpage and was very well received. An effort like this is also in line with the City's own economic goal of promoting and supporting all Duarte businesses, not just Chamber members. As a result, staff is recommending that we add a one time amount of \$5,000 to the Duarte Chamber's budget as an offset to these start up costs, with the understanding the Chamber will continue to conduct these Shop Duarte events at least once or twice a year into the future.

Pops Road Traffic Signal – As mentioned above, the City received funds from Southern California Presbyterian Homes and the LA County Aid fund that will be used to pay for \$127,000 of the costs related to the traffic signal at Pops Road. As a

result, Community Development budgeted expenses for capital improvements will be increased by this amount to allow for these costs.

Civic Center Electronic Sign Message Board – For some time the Council has discussed their interest in having an electronic sign message board in front of the Duarte Civic Center. Given the one time residual payment of \$693,000, staff is recommending that it fund one-time capital projects, not ongoing program expansion or existing expenses. As a result, \$100,000 has been included in the Community Development capital improvements budget to provide for the removal of the old clock tower and construction of a state-of-the-art electronic message signboard in its place. A list of all currently completed, projected and recently added Capital Projects is shown on Attachment 3.

City of Hope EIR – Also mentioned above, the City has received \$429,000 in revenue from the City of Hope to offset the costs of an Environmental Impact Report. As a result, the Community Development Department budgeted expenses to allow for these costs.

Recent Contract Approvals – Council recently approved \$25,000 and \$16,000 in funding for a contract with Kosmont and Associates for an economic analysis of the Charles Company Town Center proposal and RKA for a Royal Oaks traffic calming study.

Bike Trail Railroad Ties – A recent assessment of the railroad ties along the bike trail concluded that many of the railroad ties that line the trail have deteriorated or been damaged. As a result, staff is recommending that \$7,500 be budgeted in Field Services Other Expenses for the purchase of an auger (which digs post holes) and some new railroad ties. This will allow staff to begin the process of replacing, reusing and securing the railroad ties along the bike trail. This item was added as a priority to the Capital Projects list as shown on Attachment 3.

Parks and Recreation staffing – Currently the City has one position classified as a  $\frac{3}{4}$  time employee. This position works a maximum of 30 hours and is assigned to the Senior Center and the Park and Recreation Sports program. Staff is recommending that this position be reclassified to a full time position, providing for another 10 hours per week or support that can be allocated to the Senior Center and other Parks and Recreation programming. The total cost of this reclassification in the remaining months of 2013/14 will be approximately \$9,000 and \$18,000 annually each full year thereafter. These additional hours of support will allow for more paid staff supervision of volunteers at the Senior Center and will be of particular assistance as the Parks and Recreation staff work to transition the Duarte's Promise Fellow program into their department.

Facilities Maintenance staffing - You will recall that we conducted a pilot program during which Facilities Maintenance staff opened the Royal Oaks Park restrooms on weekdays, Monday through Friday from 7am to dusk during the months of June through September. Given the positive feedback from the community, staff is recommending that we continue to open these restrooms on weekdays.

Fitness Center Carpeting - The existing Fitness Center carpet and interlocking flooring has lasted more than ten years, which is impressive given the high usage from exercise classes and the high volume of regularly attending fitness center members. This is a tribute to the quality of carpet purchased and the relentless hours spent by staff to clean and vacuum the carpet. Nonetheless it is clearly showing its age and staff is recommending that the carpet be replaced as soon as possible. An initial estimate for commercial grade carpet and adding some more interlocking flooring suggests that we should budget around \$6,000 for the project, but additional bids will be solicited and may come in lower. In addition, Councilmember Samuel Kang recently offered to make a personal donation of \$2,000 to the City for the replacement of the carpeting in the Fitness Center, so the net cost to the General Fund should be no more than \$4,000.

Fiat Tax Sharing Agreement - In March 2012 the City entered into a sales tax sharing agreement with the Chrysler Group Realty Company (CGRC) in relation to the construction of a new Fiat dealership. As part of this agreement, the City is required to make a payment to CGRC based on a portion of the actual sales tax generated and paid by the dealership in the previous 12-month period. The first payment was due under this agreement at the end of fiscal year 2012/13 and next payment will be due at the end of fiscal year 2013/14. We have included a budget of \$18,000 for this payment based on the previous year's sales, however the actual amount will be paid according to the actual receipts submitted by CGRC.

### **Other City Funds**

In addition to the General Fund, the City maintains approximately 20 other capital, debt service, and special revenue funds. For the most part, it is projected at mid-year that these Other City Funds will reflect conditions at year-end that are not significantly different than those planned for when the budget was adopted. There are, however, some noteworthy exceptions. These exceptions are highlighted below.

Landscape and Lighting District Fund - The Landscape & Lighting District 2013/14 Assessment budget estimated that the district would fall \$215,000 short of paying for all of the expenses of the district. This budget estimate included certain assumptions about increased water costs. However, these estimates were apparently not high enough. Based on the last 6 months, we estimate that the gap will be \$56,000 more than originally estimated. As a result, the total General Fund subsidy of the Landscape and Lighting District will need to be increased to

\$272,000. As you know, staff will be agendizing a future workshop with the City Council to discuss this shortfall in more detail and possible ways to modify it.

Prop A Fund - The newest buses that we use for the operation of our Duarte Transit System were purchased in 2002 and 2006. The backup buses were purchased in 1993. As a result of their age, we have seen a clear trend towards higher repair costs over the last few years. For example, major engine work was needed on bus 101 and the compressors had to be replaced on buses 103 and 104. As a result, the repairs and replacement budget has been increased by \$25,000 to allow for these increased repairs. We have also seen an increase in diesel fuel costs, which has required that we increase our fuel and oil budget by another \$20,000. In regards to these aging buses, staff is looking into Mobile Source Air Pollution Reduction Committee's Clean Transportation grant funding this year and we also plan to submit for replacement buses as part of the MTA Call for Projects in 2015. Please note that any replacement buses would be alternative fuel vehicles.

Prop C Fund - Proposition C funds supplement the Proposition A funds in order to pay for the Duarte Transit system. As a result, the increased costs in the Prop A fund will result in a need for an increased transfer from Prop C to Prop A in the amount of approximately \$50,000.

### **Recommendation**

It is recommended that the City Council receive and file the mid-year budget report, and approve the corresponding budget amendments as delineated in Attachment 2.

## Attachment 1

## MID YEAR BUDGET 2013 - 2014

	FY 2013-14 Budget	Proposed Amendments	Amended Budget	FY 2013-14 Est Actual
<b>GENERAL FUND</b>				
Revenues:				
Property tax	1,100,000	693,000	1,793,000	1,793,000
Sales tax	4,853,000	0	4,853,000	4,853,000
Franchise tax	810,000	0	810,000	820,000
Business license tax	320,000	0	320,000	320,000
Other taxes	125,000	0	125,000	145,000
Building permits	325,000	75,000	400,000	400,000
Other licenses & permits	182,500	85,000	267,500	267,500
Interest	40,000	0	40,000	30,000
Other uses of money & property	239,000	0	239,000	238,000
Motor vehicle in lieu fees	1,710,000	0	1,710,000	1,710,000
Other intergovernmental	821,400	0	821,400	859,100
Recreation fees	411,900	0	411,900	409,200
Other service charges	254,500	0	254,500	255,000
Fines & forfeitures	180,500	0	180,500	157,500
Miscellaneous revenues	56,000	589,000	645,000	647,300
Reimbursements from other funds	883,100	0	883,100	883,100
Transfers in from other funds	0	0	0	0
<b>Total Revenues</b>	<b>12,311,900</b>	<b>1,442,000</b>	<b>13,753,900</b>	<b>13,787,700</b>
Expenditures:				
City council	107,200	0	107,200	109,100
City manager	773,400	0	773,400	771,100
Legal services	217,000	0	217,000	217,000
Com. Promotions & memberships	312,500	52,000	364,500	366,200
Public safety	3,892,200	0	3,892,200	3,892,200
Community development	1,843,800	681,000	2,524,800	2,550,000
Field services	830,300	7,500	837,800	838,900
Sports Park	87,900	0	87,900	89,400
Parks and recreation	1,612,500	(30,000)	1,582,500	1,571,800
Facilities maintenance	812,600	0	812,600	813,700
Administrative services	1,829,900	55,600	1,885,500	1,885,800
Transfers out to other funds	215,600	56,000	271,600	271,900
<b>Total Expenditures</b>	<b>12,534,900</b>	<b>822,100</b>	<b>13,357,000</b>	<b>13,377,100</b>
Revenues Over (Under) Expenditures	(223,000)	619,900	396,900	410,600
<b>Surplus/(deficit)</b>	<b>(223,000)</b>	<b>619,900</b>	<b>396,900</b>	<b>410,600</b>
Beginning Fund Balance	13,347,800			
	(7,500,000)			
<b>Adjusted Beginning Fund Balance</b>	<b>5,847,800</b>		<b>6,829,600</b>	<b>6,829,600</b>
Revenues Over (Under) Expenditures	(223,000)		396,900	410,600
<b>Ending Fund Balance</b>	<b>5,624,800</b>		<b>7,226,500</b>	<b>7,240,200</b>

Attachment 1

**MID YEAR BUDGET 2013 - 2014**

	<b>FY 2013-14 Budget</b>	<b>Proposed Amendments</b>	<b>Amended Budget</b>	<b>FY 2013-14 Est Actual</b>
<b>STATE GASOLINE TAX</b>				
Revenues:				
Interest	3,000	0	3,000	1,200
Gasoline tax	554,300	0	554,300	677,500
Total Revenues	557,300	0	557,300	678,700
Expenditures:				
Miscellaneous projects	516,900	0	516,900	516,900
Reimbursement to General Fund	155,200	0	155,200	155,200
Total Expenditures	672,100	0	672,100	672,100
Revenues Over (Under) Expenditures	(114,800)	0	(114,800)	6,600
Beginning Fund Balance	351,700			351,700
Ending Fund Balance	236,900			358,300

**LIGHTING AND LANDSCAPE**

Revenues:				
Transfers in - general fund	215,600	56,000	271,600	271,900
Assessments & other	1,195,900	0	1,195,900	1,196,000
Total Revenues	1,411,500	56,000	1,467,500	1,467,900
Expenditures:				
City-wide lighting	311,900	0	311,900	311,900
City-wide landscape	813,800	50,000	863,800	863,800
Landscape zones	285,800	0	285,800	292,200
Total Expenditures	1,411,500	50,000	1,461,500	1,467,900
Revenues Over (Under) Expenditures	0	6,000	6,000	0
Beginning Fund Balance	0			0
Ending Fund Balance	0			0

**COMMUNITY DEVELOPMENT BLOCK GRANT**

Revenues:				
Entitlement	158,500	0	158,500	158,500
Total Revenues	158,500	0	158,500	158,500
Expenditures:				
Home rebate	0	0	0	0
Storm Drain Study/Improvements	0	0	0	0
Code enforcement	0	0	0	0
ADA Improvements	158,500	0	158,500	158,500
Total Expenditures	158,500	0	158,500	158,500
Revenues Over (Under) Expenditures	0	0	0	0
Beginning Fund Balance	0			0
Ending Fund Balance	0			0

Attachment 1

**MID YEAR BUDGET 2013 - 2014**

	<b>FY 2013-14 Budget</b>	<b>Proposed Amendments</b>	<b>Amended Budget</b>	<b>FY 2013-14 Est Actual</b>
<b>PAEG FEES</b>				
Revenues:				
Interest Earnings	200	0	200	100
Fees	20,000	0	20,000	22,000
Total Revenues	20,200	0	20,200	22,100
Expenditures:				
Other Expenses	100,000	0	100,000	100,000
Total Expenditures	100,000	0	100,000	100,000
Revenues Over (Under) Expenditures	(79,800)	0	(79,800)	(77,900)
Beginning Fund Balance	116,200			116,200
Ending Fund Balance	36,400			38,300

**SUPPLEMENTAL LAW ENFORCEMENT**

Revenues:				
Interest	0	0	0	100
Entitlement	150,000	0	150,000	150,000
Total Revenues	150,000		150,000	150,100
Expenditures:				
Special events patrol	5,000	0	5,000	5,000
Contract law enforcement	145,000	0	145,000	145,000
Total Expenditures	150,000	0	150,000	150,000
Revenues Over (Under) Expenditures	0	0	0	100
Beginning Fund Balance	14,500			14,500
Ending Fund Balance	14,500			14,600

**BICYCLE & PEDESTRIAN SAFETY**

Revenues:				
Interest	0	0	0	0
Entitlement	16,400	0	16,400	16,400
Total Revenues	16,400	0	16,400	16,400
Expenditures:				
Sidewalk improvements	16,400	0	16,400	16,400
Total Expenditures	16,400	0	16,400	16,400
Revenues Over (Under) Expenditures	0	0	0	0
Beginning Fund Balance	0			0
Ending Fund Balance	0			0

## Attachment 1

## MID YEAR BUDGET 2013 - 2014

	FY 2013-14 Budget	Proposed Amendments	Amended Budget	FY 2013-14 Est Actual
<b>AIR QUALITY MANAGEMENT</b>				
Revenues:				
Other	0	0	0	100
Entitlement	25,700	0	25,700	25,700
Total Revenues	25,700	0	25,700	25,800
Expenditures:				
Vehicles	0	0	0	0
Street Improvements	0	0	0	0
Vehicles	37,500	0	37,500	38,500
Total Expenditures	37,500	0	37,500	38,500
Revenues Over (Under) Expenditures	(11,800)	0	(11,800)	(12,700)
Beginning Fund Balance	48,300			48,300
Ending Fund Balance	36,500			35,600
<b>PARK DEVELOPMENT GRANT</b>				
Revenues:				
Grant Programs	0	0	0	0
Interest	0	0	0	0
Safe neighborhood parks act	16,000	0	16,000	16,000
Total Revenues	16,000	0	16,000	16,000
Expenditures:				
Park improvements	0	0	0	0
Other capital improvements	16,000	0	16,000	16,000
Total Expenditures	16,000	0	16,000	16,000
Revenues Over (Under) Expenditures	0	0	0	0
Beginning Fund Balance	0			0
Ending Fund Balance	0			0
<b>QUIMBY ACT</b>				
Revenues:				
Interest	100	0	100	0
Assessments	0	0	0	0
Total Revenues	100	0	100	0
Expenditures:				
Park improvements	15,000	0	15,000	0
Transfers out - cash flow	0	0	0	0
Total Expenditures	15,000	0	15,000	0
Revenues Over (Under) Expenditures	(14,900)	0	(14,900)	0
Beginning Fund Balance	53,600			53,600
Ending Fund Balance	38,700			53,600

Attachment 1

**MID YEAR BUDGET 2013 - 2014**

	<b>FY 2013-14 Budget</b>	<b>Proposed Amendments</b>	<b>Amended Budget</b>	<b>FY 2013-14 Est Actual</b>
<b>TRANSPORTATION - PROPOSITION A</b>				
Revenues:				
Interest	10,000	0	10,000	7,000
Entitlement	350,000	0	350,000	350,000
NTD Entitlement	40,000	0	40,000	37,000
Reimbursements	295,700	51,400	347,100	347,100
Total Revenues	695,700	51,400	747,100	741,100
Expenditures:				
Reimbursement - General Fund	104,000	0	104,000	104,000
Bus acquisition	0	0	0	0
Transit services	591,700	45,000	636,700	637,100
Total Expenditures	695,700	45,000	740,700	741,100
Revenues Over (Under) Expenditures	0	0	0	0
Beginning Fund Balance	2,365,000			2,365,000
Ending Fund Balance	2,365,000			2,365,000

**TRANSPORTATION - PROPOSITION C**

Revenues:				
Interest	1,500	0	1,500	800
Entitlement	292,000	0	292,000	292,000
Total Revenues	293,500	0	293,500	292,800
Expenditures:				
Reimbursements	305,700	51,400	357,100	357,100
Other	0	0	0	0
Total Expenditures	305,700	51,400	357,100	357,100
Revenues Over (Under) Expenditures	(12,200)	(51,400)	(63,600)	(64,300)
Beginning Fund Balance	294,100			294,100
Ending Fund Balance	281,900			229,800

**MEASURE R LOCAL RETURN**

Revenues:				
Interest	500	0	500	500
Other	205,900	0	205,900	205,900
Total Revenues	206,400	0	206,400	206,400
Expenditures:				
Other	205,900	0	205,900	205,900
Total Expenditures	205,900	0	205,900	205,900
Revenues Over (Under) Expenditures	500	0	500	500
Beginning Fund Balance	276,500			276,500
Ending Fund Balance	277,000			277,000

## Attachment 1

## MID YEAR BUDGET 2013 - 2014

	FY 2013-14 Budget	Proposed Amendments	Amended Budget	FY 2013-14 Est Actual
<b>TOWN CENTER DEBT SERVICE</b>				
Revenues:				
Interest	1,000	0	1,000	1,000
Transfers in	225,000	0	225,000	225,000
Total Revenues	226,000	0	226,000	226,000
Expenditures:				
Interest expense	20,300	0	20,300	20,300
Principal payment	163,100	0	163,100	163,100
Other	2,000	0	2,000	2,000
Total Expenditures	185,400	0	185,400	185,400
Revenues Over (Under) Expenditures	40,600	0	40,600	40,600
Beginning Fund Balance	523,000			523,000
Ending Fund Balance	563,600			563,600
<b>COMMUNITY IMPROVEMENT</b>				
Revenues:				
Interest	0	0	0	0
Grant funding	427,600	0	427,600	427,600
Transfers in - cash flow	0	0	0	0
Total Revenues	427,600	0	427,600	427,600
Expenditures:				
Street Improvements prop 1b	197,200	0	197,200	182,000
Other Capital Improvements	427,600	0	427,600	427,600
Total Expenditures	624,800	0	624,800	609,600
Revenues Over (Under) Expenditures	(197,200)	0	(197,200)	(182,000)
Beginning Fund Balance	182,000			182,000
Ending Fund Balance	(15,200)			0
<b>INCLUSIONARY HOUSING</b>				
Revenues:				
Interest	1,900	0	1,900	1,900
Assesments	0	0	0	0
Total Revenues	1,900	0	1,900	1,900
Expenditures:				
Other expenses	0	0	0	0
Total Expenditures	0	0	0	0
Revenues Over (Under) Expenditures	1,900	0	1,900	1,900
Beginning Fund Balance	498,700			498,700
Ending Fund Balance	500,600			500,600

Attachment 1

**MID YEAR BUDGET 2013 - 2014**

	<b>FY 2013-14 Budget</b>	<b>Proposed Amendments</b>	<b>Amended Budget</b>	<b>FY 2013-14 Est Actual</b>
<b>HOUSING AUTHORITY</b>				
Revenues:				
Interest	6,500	0	6,500	0
Other Revenue	0	0	0	0
Total Revenues	6,500	0	6,500	0
Expenditures:				
Meeting Stipends	3,900	0	3,900	3,900
Administrative Services	50,000	0	50,000	50,000
Legal Counsel	20,000	0	20,000	20,000
Payment fo LA County	0	0	0	0
Total Expenditures	73,900	0	73,900	73,900
Revenues Over (Under) Expenditures	(67,400)	0	(67,400)	(73,900)
Beginning Fund Balance	(1,742,800)			(1,742,800)
Ending Fund Balance	(1,810,200)			(1,816,700)

**Attachment 2**  
**PROPOSED MID-YEAR BUDGET AMENDMENTS**  
**FISCAL YEAR 2013 - 2014**

<b>GENERAL FUND</b>	<b>Account Number</b>	<b>Change in Revenues</b>	<b>Change in Expenditures</b>
General Property Tax			
Increase due to a one-time residual pmt (Other)	100-4001	693,000	
Building Permits			
Increase for COH visitor Center	100-4201	75,000	
Engineering Permits			
Increase for SCE retaining wall	100-4202	85,000	
Other Revenues			
Increase for SCPH payment for signal/SCE easement pmt	100-5004	160,000	
Reimbursements - COH EIR			
Increase for COH EIR deposit	100-5010	429,000	
Community Promotions			
Increase to Chamber for one time startup costs for Shop Duarte	1020-7710		5,000
Increase for 3 new promise fellows costs	1020-7728		47,000
Community Development			
Increase for legal notices	1405-7670		6,000
Increase for RKA contract on Roaks traffic calming study	1405-7965		16,000
Increase for Kosmont contract on analysis of TownCtr proposal	1405-7975		25,000
Increase for COH EIR costs & new large plan printer	1405-7980		434,000
Increase for SCPH signal & Civic Ctr electronic msg/sign board	1405-8100		200,000
Field Services			
Increase for purchase of auger & rr ties for bike trail repairs	1410-7980		7,500
Parks & Recreation			
Reduce expenses due to discontinuation of Nutrition Grant	1605-7713		-30,000
Administrative Services			
Increase for higher bank fees chgs & inc credit card usage	1805-7653		6,000
Increase for higher property tax admin fee	1805-7762		6,000
Increase for employee tuition in finance division	1805-7076		2,800
Increase for annual sales tax payment to Fiat	1805-7766		18,000
Increase for employee tuition in personnel division	1810-7076		2,800
Increase due to damage/repair to city property	1820--7771		8,000
Increase due to increased cost of postage/higher usage	1825-7626		12,000
Transfers Out			
Increased transfers to L&L District for increased shortfall	1905-9020		56,000
		<b>1,442,000</b>	<b>822,100</b>
<b>GENERAL FUND NET CHANGE</b>	<b>619,900</b>		

**LANDSCAPE AND LIGHTING DISTRICT FUND**

Increased transfers in from General Fund for shortfall	240-6901	56,000	
Increased cost of water for median islands	2410-7842		20,000
Increased cost of water citywide	2410-7844		30,000

**56,000      50,000**

**LANDSCAPE/LIGHTING DISTRICT NET CHANGE**

**6,000**

**PROP A TRANSPORTATION FUND**

Increased transfers in from Prop C for shortfall	440-5104	51,400	
Increased costs due to increased fuel & oil costs	4405-7619		20,000
Increased mechanical repair and replacement costs	4405-7887		25,000

**51,400      45,000**

**PROP A TRANSPORTATION FUND NET CHANGE**

**6,400**

**PROP C TRANSPORTATION FUND**

Increased transfers out to Prop A for shortfall	4605-8620		51,400
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**PROP C TRANSPORTATION FUND NET CHANGE**

**51,400**

**Attachment 3  
MID-YEAR BUDGET 2013/14**

**Deferred and Projected Capital Projects**

(0=current budget, 1=2014/15)

	<u>Status</u>	<u>Year</u>	<u>Estimates</u>	
Housing Element	COMPLETE	0	25,000	
Hillside Brush Clearance (\$30k annual)	1 YR GRANT	0	-	
Pool Electrical panel & lighting	COMPLETE	0	50,000	
Pool Heaters	COMPLETE	0	45,000	
Fitness Center Heaters	COMPLETE	0	18,000	
Hand Dryers at all Facilities	COMPLETE	0	8,000	
GIS software Upgrade	COMPLETE	0	20,000	
Pool Filters	COMPLETE	0	108,000	
Bldg Permit Software Upgrade	COMPLETE	0	40,000	
Auger & RR ties	NEW	0	7,500	
Sign Board (incl demo)	NEW	0	100,000	
Fitness Ctr carpet	NEW	0	6,000	427,500 2013/14
Teen Center Computers		1	12,000	
ADA accessibility study		1	25,000	
PS Passenger Van (17)		1-2	30,000	
PS Truck (16) FS Truck (14)		1-2	35,000	
7 passenger pool van (29)		1-2	30,000	
3rd St Bldg Heaters		1-3	8,000	
Sr Ctr Accordion Dividing Wall		1-3	36,000	
Community Ctr new Chairs		1-3	12,000	
Fitness Center Treadmill		1-3	7,000	
Sr Ctr Furniture Reupholstering		1-3	5,000	
Fitness Center Cross Trainer		1-3	5,000	
Pool Tile & Deck Plastering		1-3	120,000	
Retile Courtyard Fountain		1-3	6,000	
PR truck (20)		1-3	25,000	
Sr Ctr stage refinishing		1-3	5,000	
DHS tennis courts resurfacing		1-3	36,000	
City Hall Termite Tenting		1-3	8,000	
2 New Transit buses (Alternative Fuel)		1-3	1,000,000	
Chipper Box Truck/multi body truck option		3	75,000	
Field Svc Mgr Truck		3	35,000	
New Server/Memory Upgrade		3	18,000	
Town Ctr Specific Plan		3	150,000	
2 New Transit buses (Alternative Fuel)		3	1,000,000	
Beardslee Park Restroom		3-5	100,000	
Sr Ctr Dining Rm Flooring		3-5	13,000	
Fitness Ctr locker room floor/tile		3-5	22,000	
Community Ctr re-carpet		3-5	10,000	
Com Dev pool vehicle (hybrid or electric)		5	25,000	2,853,000 next 5 years
Fitness Ctr re-roof		5-10	50,000	
ROP tennis courts resurfacing		5-10	12,000	
S.Yard bldg re-roof		5-10	15,000	
3rd st park new playground equip		5-10	30,000	
Duarte park new playground equip		5-10	60,000	
Moore Park new playground equip		5-10	60,000	
Fitness Ctr HVAC controls/thermostat		5-10	20,000	247,000 yrs 6-10
Sports Field Hydroseeding (\$20k)				
Sports Field Turf renovation (\$100k)				
Field Svc Irrigation Truck(\$35K)				
Aerial Lift (bucket) Truck (\$100k)				
				3,100,000



# City of Duarte

1600 Huntington Drive, Duarte, CA 91010 - (626) 357-7931 - FAX (626) 358-0018

To: Darrell George; City Manager

From: Brian Villalobos; Director of Public Safety Services

Subject: Municipal Law Enforcement Services Agreement

Date: January 22, 2014

The Municipal Law Enforcement Services Agreement by and between the County of Los Angeles and the City of Duarte are due for renewal. The agreement is a five year agreement and it will be effective from July 1, 2014, through June 30, 2019.

The agreement was reviewed by Contract Cities during the past year as to wording and content. The submitted agreement is a result of Contract Cities input as agreed upon by the Los Angeles County Sheriff Department.

The agreement enables us to contract for law enforcement services and in no way changes our level of service provided. Any changes to the level of service must be submitted in writing to the Los Angeles County Sheriff Department on a Deployment of Personnel Form (SH-AD 575).

It is staff's recommendation that the City of Duarte enter into the agreement with the County of Los Angeles to perform Municipal Law Enforcement Services.

**FISCAL IMPACT:** Entering into this agreement does not affect the City of Duarte's ability to adjust the level of contracted service annually and therefore the level of service will be reviewed annually at the City's budget meetings.

**MUNICIPAL LAW ENFORCEMENT SERVICES AGREEMENT  
BY AND BETWEEN  
COUNTY OF LOS ANGELES  
AND CITY OF DUARTE**

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<b>ATTACHMENT A:</b>	<b>Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form</b>	

**MUNICIPAL LAW ENFORCEMENT SERVICES AGREEMENT  
BY AND BETWEEN  
COUNTY OF LOS ANGELES  
AND CITY OF DUARTE**

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**MUNICIPAL LAW ENFORCEMENT SERVICES AGREEMENT  
BY AND BETWEEN  
COUNTY OF LOS ANGELES  
AND CITY OF DUARTE**

This Municipal Law Enforcement Services Agreement (hereinafter referred to as "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2014 by and between the County of Los Angeles (hereinafter referred to as "County") and the City of Duarte (hereinafter referred to as "City").

**RECITALS**

- A. Whereas, the City is desirous of contracting with the County for the performance of municipal law enforcement services by the Los Angeles County Sheriff's Department (hereinafter referred to as "Sheriff's Department"); and
- B. Whereas, the County is agreeable to rendering such municipal law enforcement services on the terms and conditions set forth in this Agreement; and
- C. Whereas, such municipal law enforcement services agreements are authorized and provided for by the provisions of Section 56½ and 56¾ of the County Charter and California Government Code Section 51301.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties mutually agree as follows:

**1.0 SCOPE OF SERVICES**

- 1.1 The County, by and through the Sheriff's Department, agrees to provide general law enforcement services within the corporate limits of the City to the extent and in the manner hereinafter set forth in this Agreement.
- 1.2 Except as otherwise specifically set forth in this Agreement, such services shall only encompass duties and functions of the type coming within the jurisdiction of and customarily rendered by the Sheriff's Department under the County Charter,

State of California statutes, and the City municipal codes.

- 1.3 General law enforcement services performed hereunder may include, if requested by the City, supplemental security support, supplemental sworn officer support, and supplemental professional civilian support staff.

## **2.0 ADMINISTRATION OF PERSONNEL**

- 2.1 During the term of this Agreement, the Sheriff or his designee shall serve as Chief of Police of the City and shall perform the functions of the Chief of Police at the direction of the City.
- 2.2 The rendition of the services performed by the Sheriff's Department, the standards of performance, the discipline of officers, and other matters incident to the performance of such services and the control of personnel so employed shall remain with the County.
- 2.3 In the event of a dispute between the parties to this Agreement as to the extent of the duties and functions to be rendered hereunder, or the minimum level or manner of performance of such service, the City shall be consulted and a mutual determination thereof shall be made by both the Sheriff's Department and the City.
- 2.4 With regard to Paragraphs 2.2 and 2.3 above, the Sheriff's Department, in an unresolved dispute, shall have final and conclusive determination as between the parties hereto.
- 2.5 All City employees who work in conjunction with the Sheriff's Department pursuant to this Agreement shall remain employees of the City and shall not have any claim or right to employment, civil service protection, salary, or benefits or claims of any kind from the County based on this Agreement. No City employees as such shall become employees of the County unless by specific additional agreement in the form of a merger agreement which must be concurrently adopted by the City and the County.
- 2.6 For the purpose of performing services and functions pursuant to this Agreement and only for the purpose of giving official status to the performance thereof, and not to establish an agency relationship, every County employee engaged in performing any such service and function shall be deemed to be an officer of said

City while performing service for said City, which service is within the scope of this Agreement and is a municipal function.

- 2.7 The City shall not be called upon to assume any liability for the direct payment of any Sheriff's Department salaries, wages, or other compensation to any County personnel performing services hereunder for said City. Except as herein otherwise specified, the City shall not be liable for compensation or indemnity to any County employee or agent of the County for injury or sickness arising out of his/her performance under this agreement.
- 2.8 As part of its compliance with all applicable laws and regulations relating to employee hiring, the County agrees that the County Civil Service Rules to which it is subject and which prohibit discrimination on the basis of non-merit factors, shall for purposes of this Agreement be read and understood to prohibit discrimination on the basis of sexual orientation.

### **3.0 DEPLOYMENT OF PERSONNEL**

- 3.1 Services performed hereunder and specifically requested by the City shall be developed in conjunction with the Sheriff's Department and indicated on a Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, attached hereto as Attachment A and incorporated herein by this reference.
- 3.2 City, or its designated City representative, shall meet with its respective Sheriff's Department Station Captain when requesting law enforcement services to be performed in the City, and provide direction to the Sheriff's Department Station Captain regarding the method of deployment for such services. The Sheriff's Department shall ensure that all services are delivered in a manner consistent with the priorities, annual performance objectives, and goals established by the City.
- 3.3 The Sheriff's Department shall make every attempt to avoid deployment deficiencies (i.e., "busting" of cars) which may cause impairments in the consistent delivery of services. Should the Sheriff's Department determine that a temporary increase, decrease, and/or realignment in the deployment methodologies is necessary, the Sheriff's Department shall promptly notify City of this change in advance. In the event that prior notice is not possible, City shall be notified of the change within two City business days. If monthly service

compliance falls below ninety-eight percent (98%), then the Sheriff's Department Station Captain shall meet with the City to discuss compliance and identify a plan for resolution. If the quarterly and/or year-to-date (September 30th, December 31st, March 31st, and June 30th) service compliance falls below ninety-eight percent (98%), then the respective Sheriff's Department Division Chief shall meet with the Sheriff's Department Station Captain and City to discuss compliance and identify a plan for resolution. If City is dissatisfied with the outcome of either resolution process, the matter will be elevated to a Sheriff's Department Assistant Sheriff or the Sheriff until all City concerns are fully resolved. Resolution may include, but is not limited to, the use of overtime and/or staffing adjustments at no additional cost to the City, and/or City-initiated service suspensions. If the City determines it is unnecessary, City may waive either dispute resolution process discussed above.

- 3.4 A new Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, of this Agreement shall be authorized and signed annually by the City and the Sheriff or his designee each July 1, and attached hereto.
- 3.5 Should the City request a change in level of service other than pursuant to the annual July 1 readjustment, a revised Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, of this Agreement shall be signed and authorized by the City and the Sheriff or his designee and attached hereto.
- 3.6 The most recent dated and signed Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, of this Agreement shall be the staffing level in effect between the County and the City.
- 3.7 The City is not limited to the services indicated in Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, of this Agreement. The City may also request any other service in the field of public safety, law, or related fields within the legal power of the Sheriff to provide. Such other services shall be reflected in a revised Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, under the

procedures set forth in Paragraphs 3.4 and 3.5 above.

#### **4.0 PERFORMANCE OF AGREEMENT**

- 4.1 For the purpose of performing said general law enforcement services, County shall furnish and supply all necessary labor, supervision, equipment, communication facilities, and supplies necessary to maintain the agreed level of service to be rendered hereunder.
- 4.2 Notwithstanding the foregoing, the City may provide additional resources for the County to utilize in performance of the services.
- 4.3 When and if both parties to this Agreement concur as to the necessity of maintaining a law enforcement headquarters or Sheriff's Department substation within the City which would not normally be provided by the Sheriff's Department, the City shall furnish at its own cost and expense all necessary office space, and the Sheriff shall have authority to negotiate with the City regarding which entity shall pay for furniture and furnishings, office supplies, janitor service, telephone, light, water, and other utilities.
- 4.4 It is expressly further understood that in the event a local office or building is maintained in said City, such local office or building may be used by the Sheriff's Department in connection with the performance of his duties in territory outside of the City, provided, however, that the performance of such outside duties shall not be at any additional cost to the City.
- 4.5 Notwithstanding the foregoing, it is mutually agreed that in all instances where special supplies, stationery, notices, forms, and the like must be issued in the name of said City, the same shall be supplied by the City at its own cost and expense.

#### **5.0 INDEMNIFICATION**

- 5.1 The parties hereto have executed an Assumption of Liability Agreement approved by the Board of Supervisors on December 27, 1977, and/or a Joint Indemnity Agreement approved by the Board of Supervisors on October 8, 1991. Whichever of these documents the City has signed later in time is currently in effect and hereby made a part of and incorporated into this Agreement as if set out in full

herein.

- 5.2 The parties hereto have also executed a County-City Special Indemnity Agreement approved by the Board of Supervisors on August 25, 2009. This document is made a part of and incorporated into this Agreement as if set out in full herein.
- 5.3 In the event the Board of Supervisors later approves a revised Assumption of Liability Agreement and/or Joint Indemnity Agreement, and the City executes the revised agreement; the subsequent agreement as of its effective date shall supersede the agreement previously in effect between the parties hereto.

**6.0 TERM OF AGREEMENT**

- 6.1 The term of this Agreement shall be from July 1, 2014 through June 30, 2019, unless sooner terminated or extended as provided for herein.
- 6.2 At the option of the County Board of Supervisors and with the consent of the City Council, this Agreement may be renewed or extended for successive periods not to exceed five (5) years each.
- 6.3 Nine (9) months prior to the expiration of this Agreement, the parties shall meet and confer in good faith to discuss the possible renewal or extension of this Agreement pursuant to Paragraph 6.2 above. The parties shall reach an agreement as to the terms of any renewal or extension period no later than six (6) months prior to the expiration of this Agreement. Absent mutual agreement by the parties within that time frame, this Agreement shall expire at the conclusion of the then-existing term.

**7.0 RIGHT OF TERMINATION**

- 7.1 Either party may terminate this Agreement as of the first day of July of any year upon notice in writing to the other party of not less than sixty (60) calendar days prior thereto.
- 7.2 Notwithstanding any provision herein to the contrary, the City may terminate this Agreement upon notice in writing to the County given within sixty (60) calendar days of receipt of written notice from the County of any increase in the rate for any service to be performed hereunder, and in such an event this Agreement shall terminate sixty (60) calendar days from the date of the City's notice to the

County.

- 7.3 This Agreement may be terminated at anytime, with or without cause, by either party upon written notice given to the other party at least one hundred eighty (180) calendar days before the date specified for such termination.
- 7.4 In the event of a termination, each party shall fully discharge all obligations owed to the other party accruing prior to the date of such termination, and, except as otherwise provided herein, each party shall be released from all obligations which would otherwise accrue subsequent to the date of termination.

## **8.0 BILLING RATES**

- 8.1 The City shall pay the County for the services provided under the terms of this Agreement at the rates set forth on Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, of this Agreement, as established by the County Auditor-Controller.
- 8.2 The rates set forth on Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, of this Agreement shall be readjusted by the County Auditor-Controller annually effective July 1 of each year, and attached hereto as an Amendment to this Agreement, to reflect the cost of such service in accordance with the policies and procedures for the determination of such rates as adopted by the County Board of Supervisors.
- 8.3 The City shall be billed based on the service level provided within the parameters of Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, of this Agreement.
- 8.4 The cost of other services requested pursuant to Paragraph 3.7 of this Agreement and not set forth in Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, of this Agreement shall be determined by the Auditor-Controller in accordance with the policies and procedures established by the County Board of Supervisors.

## **9.0 PAYMENT PROCEDURES**

- 9.1 The County, through the Sheriff's Department, shall render to said City within ten (10) calendar days after the close of each calendar month a summarized invoice which covers all services performed during said month, and said City shall pay

County for all undisputed amounts within sixty (60) calendar days after date of said invoice.

- 9.2 If such payment is not delivered to the County office which is described on said invoice within sixty (60) calendar days after the date of the invoice, the County is entitled to recover interest thereon. For all disputed amounts, the City shall provide County with written notice of the dispute including the invoice date, amount, and reasons for dispute within ten (10) calendar days after receipt of the invoice. The parties shall memorialize the resolution of the dispute in writing. For any disputed amounts, interest shall accrue if payment is not received within sixty (60) calendar days after the dispute resolution is memorialized.
- 9.3 Interest shall be at the rate of ten percent (10%) per annum or any portion thereof, calculated from the last day of the month in which the services were performed, or in the case of disputed amounts, calculated from the date the resolution is memorialized.
- 9.4 Notwithstanding the provisions of California Government Code Section 907, if such payment is not delivered to the County office which is described on said invoice within sixty (60) calendar days after the date of the invoice, or in the case of disputed amounts, from the date the resolution is memorialized, the County may satisfy such indebtedness, including interest thereon, from any funds of the City on deposit with the County without giving further notice to the City of the County's intention to do so.

## **10.0 NOTICES**

- 10.1 Unless otherwise specified herein, all notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand delivered with signed receipt or mailed by first class registered or certified mail, postage prepaid, addressed to the parties at the following addresses and to the attention of the person named. Addresses and persons to be notified may be changed by either party by giving ten (10) calendar days prior written notice thereof to the other party.

10.2 Notices to County of Los Angeles shall be addressed as follows:

Los Angeles County Sheriff's Department  
Contract Law Enforcement Bureau  
Attn: Unit Commander  
4700 Ramona Boulevard  
Monterey Park, California 91754  
Phone #:

10.3 Notices to City of shall be addressed as follows:

City of Duarte  
Attn:  
Address:  
Phone #:

### **11.0 AMENDMENTS**

All changes, modifications, or amendments to this Agreement must be in the form of a written Amendment duly executed by the County Board of Supervisors and an authorized representative of the City. Notwithstanding, the Sheriff or his designee is hereby authorized to execute on behalf of the County any Amendments and/or supplemental agreements referenced in Sections 1.3, 3.0, 4.3, 8.2, and 9.2 of this Agreement.

### **12.0 AUTHORIZATION WARRANTY**

12.1 The City represents and warrants that the person executing this Agreement for the City is an authorized agent who has actual authority to bind the City to each and every term, condition, and obligation of this Agreement and that all requirements of the City have been fulfilled to provide such actual authority.

12.2 The County represents and warrants that the person executing this Agreement for the County is an authorized agent who has actual authority to bind the County to each and every term, condition, and obligation of this Agreement and that all requirements of the County have been fulfilled to provide such actual authority.

### **13.0 ENTIRE AGREEMENT**

This Agreement, Attachment A, and any executed Amendments hereto constitute the complete and exclusive statement of understanding of the parties which supersedes all previous agreements, written or oral, and all communications between the parties relating to the subject matter of this Agreement. No change to this Agreement shall be valid unless prepared pursuant to Section 11.0, Amendments, of this Agreement.

**MUNICIPAL LAW ENFORCEMENT SERVICES AGREEMENT  
BY AND BETWEEN  
COUNTY OF LOS ANGELES  
AND CITY OF DUARTE**

IN WITNESS WHEREOF, the County of Los Angeles, by order of its Board of Supervisors, has caused this Agreement to be executed by the Chairman of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, and the City has caused this Agreement to be executed on its behalf by its duly authorized representative.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
DON KNABE  
Chairman, Board of Supervisors

ATTEST:  
SACHI HAMAI  
Executive Officer-Clerk  
Board of Supervisors

By \_\_\_\_\_  
Deputy

CITY OF DUARTE

By \_\_\_\_\_  
Mayor

ATTEST:  
By \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:  
JOHN F. KRATTLI  
County Counsel

By \_\_\_\_\_  
Senior Deputy County Counsel

APPROVED AS TO FORM:  
CITY ATTORNEY

By \_\_\_\_\_