

City of
HUNTINGTON PARK California

**NOTICE OF A SPECIAL MEETING
OF THE CITY COUNCIL OF THE
CITY OF HUNTINGTON PARK
CALLED BY MAYOR MARIO GOMEZ**

NOTICE IS HEREBY GIVEN THAT a special meeting of the City Council of the City of Huntington Park is hereby called to be held on Tuesday, August 13, 2013 at 6:00 p.m. in the Council Chambers located on the 2nd Floor of City Hall at 6550 Miles Avenue, Huntington Park, for the purpose of considering and/or taking action on the following:

1. PRESENTATION

1. Presentation regarding City Hall telephone line consolidation.

2. CONSENT CALENDAR

FINANCE DEPARTMENT

- 2.1 **Resolution fixing the rate of annual pension tax rate to satisfy obligations of City's voter authorized indebtedness for Fiscal Year 2013-2014.**

RECOMMENDATION OF ITEM UNDER CONSIDERATION:

1. Adopt Resolution No. 2013-39 fixing the rate of taxes to pay set cost of the Public Employees Retirement System and debt service of pension obligations bonds for the Fiscal Year 2013-2014 and levying taxes for said retirement system to the Fiscal Year beginning July 1, 2013.

END OF CONSENT CALENDAR

3. REGULAR AGENDA

FINANCE DEPARTMENT

- 3.1 Approve amendment to the Finance Department warrant register check approval process.**

RECOMMENDATION OF ITEM UNDER CONSIDERATION:

1. Authorize the Finance Director to amend the Finance Department's Policies for the warrant register check approval process.

- 3.2 Approve Special Demand Register dated August 13, 2013.**

- 3.3 Approve changes to the City's Combi Bus Service Schedule and Proposition C Budget.**

RECOMMENDATION OF ITEM UNDER CONSIDERATION:

1. Approve changes to the City's Combi Bus Service Schedule and Proposition C Budget.

- 3.4 Approve the Service Amendment to the Agreement with Duncan Parking Technologies, Inc. to include parking citation processing.**

RECOMMENDATION OF ITEM UNDER CONSIDERATION:

1. Approve the Service Amendment to the Agreement with Duncan Parking Technologies, Inc. to include parking citation processing.
2. Adopt Resolution No. 2013-40 establishing parking violation processing fees.
3. Implement a 90-day Parking Citation Amnesty Program.
4. Approve Duncan Parking Technologies, Inc. to process delinquent parking citations.

PUBLIC WORKS DEPARTMENT

- 3.5 Second Amendment to the Agreement with Consolidated Disposal Service, LLC for Commercial Refuse Disposal Services – Correction of typographical error.**

RECOMMENDATION OF ITEM UNDER CONSIDERATION:

1. Authorize the City Manager to execute the corrected Second Amendment to the Agreement with Consolidated Disposal Services, LLC for continued uninterrupted commercial refuse disposal services on an interim basis.

4. STUDY SESSION

4.1 Ongoing discussion regarding City budget.

5. CLOSED SESSION

5.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION,
Significant exposure to litigation pursuant to California Government Code
Subdivision (b) of Section 54956.9: (2)

Per Ordinance No. 544-NS, the public has (3) three minutes to address the City Council on any item described on this notice before or during consideration of the item.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 24 hours prior to the meeting. Dated this 9th day of August, 2013.

By Rocio Martinez
Rocio Martinez, Acting City Clerk



HUNTINGTON PARK
California

City Hall Telephone Line Consolidation

Telephone Line Consolidation

HUNTINGTON PARK
California



- **88 telephone lines in City Hall**
 - Cleanup was first step in developing property to benefit the community
- **Evaluation of usage levels**
 - Unused lines
 - Consolidating multiple lines
- **Eliminate 24 lines**
 - 27% cost savings (\$3,648 per year)
 - No negative impact on services

Telephone Line Consolidation

HUNTINGTON PARK
California



Current

Telephone Lines by Department

Department	Lines	Monthly Cost
City Clerk	7	\$84
City Council	7	84
City Manager	6	72
Community Dev.	21	252
Finance	28	336
Personnel	4	48
Misc. lines	15	240

Total lines: 88
Monthly cost: \$1,116
Annual cost: \$13,392

Proposed

Telephone Lines by Department

Department	Lines	Monthly Cost
City Clerk	2	\$24
City Council	7	84
City Manager	5	60
Community Dev.	14	168
Finance	22	264
Personnel	3	36
Misc. lines	11	176

Total lines: 64
Monthly cost: \$812
Annual cost: \$9,744

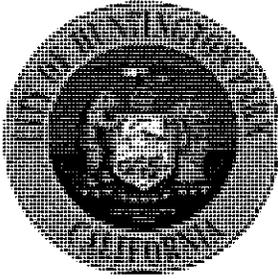
Annual savings: \$3,648

Telephone Line Consolidation

HUNTINGTON PARK
California



- **Additional telecommunications cost saving measures**
 - Primary Rate Interface (PRI) technology
 - Merge 20-30 separate lines into one physical line



CITY OF HUNTINGTON PARK

Finance Department
City Council Agenda Report

August 13, 2013

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Mayor and Members of the City Council:

FIXING THE RATE OF ANNUAL PENSION TAX RATE TO SATISFY OBLIGATIONS OF CITY'S VOTER AUTHORIZED INDEBTEDNESS - FISCAL YEAR 2013-2014

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Approve the resolution fixing the annual pension tax rate to pay the City's pension obligation bond annual debt service and cost of public employees retirement system for Fiscal Year 2013-2014.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In 1976, the voters of the City of Huntington Park approved an initiative to pay for the obligation of the City to participate in the State of California Public Employees Retirement System (CalPERS)¹. A contract between the City and CalPERS was approved on January 1, 1945. Since 1976, the City Council annually sets the ad valorem property rate that determines the amount of funding required to meet this voter-authorized obligation established under the 1976 ballot initiative.

Once the property tax rate is established by the City Council for the fiscal year, the City must provide the adopted rate to the Los Angeles County Auditor-Controller to place the tax on the property tax roll by August 15th of each year.

FISCAL IMPACT/FINANCING

The pension tax revenues have been budgeted for Fiscal Year 2013-2014 so that the City may meet its annual Pension Obligation Bond debt service requirement and pay a portion of annual CalPERS costs. A 0.21% pension tax rate should generate a minimum \$3 million in annual pension revenues. This amount may be greater, depending on the outcome of potential litigation with Los Angeles County.

¹In connection with the voters' approval in 1976, the City Council at the time passed Resolution No.76-26 on March 1976 memorializing the voters' approval of the fiscal obligations associated with participation in the CalPERS program.

**FIXING THE RATE OF ANNUAL PENSION TAX RATE TO SATISFY OBLIGATIONS
OF CITY'S VOTER AUTHORIZED INDEBTEDNESS - FISCAL YEAR 2013-2014**

August 13, 2013

Page 2 of 2

Should the City adopt a lower pension tax rate, the City will be required to identify additional funding from the City's General Fund to pay its pension obligations.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Each year the City is required to consider the adoption of the resolution to establish the City's annual pension tax rate. The pension tax is collected with annual the property tax levy and used to support the City's voter-authorized pension obligation bond (POBs) and CalPERS obligations.

The proposed pension tax rate is 0.21%, which is collected on the property tax bill. The pension tax rate has not increased since 1982. The Pension Tax Revenues are used to pay \$1.9 million in annual debt service for Pension Obligation Bond; the remainder is used to pay a portion of the City's annual CalPERS cost.

The final amount payable by the City to CalPERS for the Fiscal Year 2013-2014 will be calculated by CalPERS in the spring of 2014, when the City has provided CalPERS with actual payroll figures based upon new hires, retirements and other employment compensation factors.

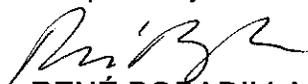
IMPACT ON CURRENT SERVICES (OR PROJECTS)

According to the Los Angeles County Assessor, the total assessed value of property in Huntington Park for Fiscal Year 2013 has remained approximately the same from the prior Fiscal Year. Therefore maintaining the pension tax rate at the same level for Fiscal Year 2013-2014 should produce sufficient tax revenues to support the City's POB and CalPERS obligation for Fiscal Year 2013-2014.

CONCLUSION

City must forward the approved Resolution to County of Los Angeles Department of Auditor Controller by August 15th, 2013.

Respectfully submitted,



RENÉ BOBADILLA
City Manager, P.E.



JULIO F. MORALES
Director of Finance

ATTACHMENT:

A: Resolution

ATTACHMENT A

1 RESOLUTION NO. 2013 _____

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTINGTON PARK
3 FIXING THE RATE OF TAXES TO PAY SET COST OF THE PUBLIC EMPLOYEES
4 RETIREMENT SYSTEM AND DEBT SERVICE OF PENSION OBLIGATIONS BONDS
5 FOR THE FISCAL YEAR 2013-2014 AND LEVYING TAXES FOR SAID
6 RETIREMENT SYSTEM TO THE FISCAL YEAR BEGINNING
7 JULY 1, 2013

8 NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HUNTINGTON
9 PARK DOES HEREBY RESOLVE AS FOLLOWS:

10 SECTION 1: The tax rate for the cost of the Public Employees Retirement
11 System is hereby fixed at the following rates per \$100.00 assessed valuation at full
12 market value for the fiscal year 2013-2014 for the following tax districts of the City,
13 namely:

14	Huntington Park Tax District #1	\$ <u>.21000</u>
15	Huntington Park CBD Redevelopment Project	\$ <u>.21000</u>
16	Huntington Park Industrial 17 Redevelopment Project	\$ <u>.21000</u>
18	Huntington Park North 19 Redevelopment Project	\$ <u>.21000</u>
20	Huntington Park Santa Fe 21 Redevelopment Project Tax	\$ <u>.21000</u>
22	Huntington Park Neighborhood Preservation 23 Redevelopment Project	\$ <u>.21000</u>

24 Said taxes are hereby levied upon all taxable property within the City of
25 Huntington Park.

SECTION 2: The Mayor and/or City Clerk are authorized and directed to certify,
under penalty of perjury, that the tax rates levied herein are exempt from the
application of Article XIII A, Section 1(A) of the Constitution of the State of California.

SECTION 3: The City Clerk shall certify to the adoption of this Resolution and
cause it to be published once in The Press, a newspaper of general circulation, printed
and published in the County of Los Angeles and circulated in the City of Huntington
Park, such publication to be completed not later than fifteen (15) days following the
passage hereof.

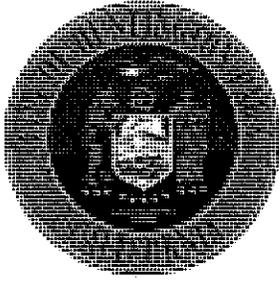
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PASSED, APPROVED AND ADOPTED this 13rd day of August 2013.

Mario Gomez, Mayor

ATTEST:

Acting City Clerk



CITY OF HUNTINGTON PARK

Finance Department
City Council Agenda Report

August 13, 2013

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Mayor and Members of the City Council:

APPROVE AMENDMENT TO FINANCE DEPARTMENT WARRANT REGISTER CHECK APPROVAL PROCESS

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Authorize the Finance Director to amend the Finance Department's Policies for the warrant register check approval process.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In order to avoid late fees and penalties, the Finance Department would like to adopt a formal policy that would allow staff to pre-pay certain select expenses prior to City Council approval.

The expenses will be limited to the following five categories and must be approved by the Department Head and/ or Finance Director:

1. Utility Payments
 - a) Gas
 - b) Electric
 - c) Telephone/Mobile
2. Return of Deposits
3. Refunds (cancelled classes, contested parking citations, etc.)
4. Lease Payments
 - a) Cars
 - b) Copiers
5. Registration fees for conferences

It is important to note that all payments will be summarized in the following warrant register for the City Council's review. Additionally, Council may request that a specific payment or vendor be removed from the pre-paid vendor list at any time.

**APPROVE AMENDMENT TO FINANCE DEPARTMENT WARRANT REGISTER
CHECK APPROVAL PROCESS**

August 13, 2013

Page 2 of 2

FISCAL IMPACT/FINANCING

The proposed policy will reduce late fees and penalty payments currently incurred by the City. For example in FY 2012-2013 the City incurred the following late fees:

1. \$1,700 equal to 6% of total annual cost in Citywide copier lease late fees
2. Approximately \$7,800 (1%) in Southern California Edison late fees

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

It is important to note that all expenses will be reviewed by each respective Department Head and the Finance Director, and be itemized in the next warrant report for City Council review at the following City Council meeting.

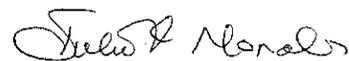
CONCLUSION

Upon approval, the Finance Director will amend the Finance Department Policies related to the warrant register check approval process.

Respectfully submitted,



René Bobadilla
City Manager, P.E.



Julio Morales
Director of Finance

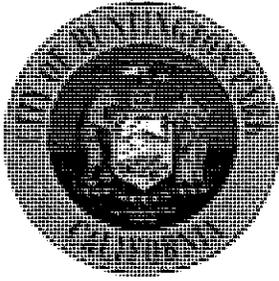
CITY OF HUNTINGTON PARK
Special Demand Register
8/13/2013

8/8/2013

Payee Name	Description	Amount
ANGELINA AGUILAR	REFUND- FACILITY RENTAL	650.00
Total Non-Pre-Paid Items		\$ 650.00
CALIFORNIA ASSN OF TACT TRAINERS	8/12-8/16/2013 CLASS REGISTRATION FEE - N. PACHECO	689.00
LOS ANGELES COUNTY CLERK	NOTICE OF EXEMPTION FILING FEE FOR PARK SOCCER FIELD	75.00
VERIZON WIRELESS	Acct # 572557978-00001 PHONE PAYMENT TO AVOID LATE FEE	545.95
VICTOR F. SANCHEZ	CLAIM SETTLEMENT	300.00
Total Pre-Paid Checks		\$ 1,609.95
TRANSTECH ENGINEERS, INC.	DEC 12 PROFESSIONAL SRVCS REPLACES LOST CHECK # 180389	30,659.97
Total Replacement Checks		\$ 30,659.97
Total Demand Register		\$ 32,919.92

**APPROVE CHANGES TO THE CITY'S
COMBI BUS SERVICE SCHEDULE
AND PROPOSITION C BUDGET**

Presentation at Council Meeting



CITY OF HUNTINGTON PARK

Finance Department
City Council Agenda Report

August 13, 2013

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Mayor and Members of the City Council:

APPROVE THE SERVICE AMENDMENT TO THE AGREEMENT WITH DUNCAN PARKING TECHNOLOGIES, INC. TO INCLUDE PARKING CITATION PROCESSING

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Approve the service amendment to the agreement with Duncan Parking Technologies Inc., to include Parking Citation Processing
2. Approve Resolution to include third party processing fees
3. Implement 90-day parking citation Amnesty Program
4. Approve Duncan Parking Technologies Inc., to process delinquent parking tickets

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Finance Department currently processes all parking citation payments internally. In addition, the City conducts hearings for contested parking tickets via a hearing officer provided by the Los Angeles County Sheriff's Department. Finance staff has one person dedicated to handling parking tickets and parking meter revenues; however all cashiers process parking citation payments.

City staff has evaluated more cost-effective payment processing solutions. Staff solicited proposals from three firms: Duncan Parking Technologies Inc., Phoenix Group and LA County Sheriff's Department to process parking ticket citations on behalf of the City.

Please find a summary of the proposed fees. It is important to note that Duncan Parking Technologies Inc., voluntarily lowered their fee structure to match the lowest bid provided by Phoenix Group.

APPROVE AGREEMENT WITH DUNCAN PARKING TECHNOLOGIES, INC., TO
INCLUDE PARKING CITATION PROCESSING

August 13, 2013

Page 2 of 3

Average Cost per Parking Citation Collection	Duncan	Revised Duncan	Phoenix Group	L. A. County Sheriff
Full Service				\$5.10
Lockbox processing	\$1.22	\$0.65	\$0.65	
Processing & Illegal notice	\$1.86	\$1.43	\$1.43	
Customer Fees for IVR or Web processing	\$4.59	\$5.58	\$5.58	

Instead of taking payments at City Hall, residents will now pay their parking tickets to a third-party processing agent. The payments will be processed via mail or on-line. Processing fees will be incorporated as a surcharge to the parking ticket citation fees:

1. \$0.65 per citation
2. \$1.43 - if **45** days late.

For example, a \$48.00 parking ticket would cost \$48.65

Given prior experience, we expect that about 30% of the residents will pay "on time", while the other 70% will incur late fees and a higher processing surcharge.

The Police Department Parking Enforcement unit uses the Duncan software and hardware for issuance of parking citations. The merging of parking citation issuance and payment processing will result in seamless operations and provide significant cost savings. Although Phoenix Group provided a lower rate initially, Duncan Parking Technologies Inc., was willing to match their lower fee structure. City staff recommends Duncan Parking Technologies Inc., to provide parking citation processing services.

Duncan is the largest parking citation processing company. Duncan offers new technology with real time communication capabilities, which provides more complete and real time information, thus allowing for greater operational efficiency and control of parking citation issuance and collection.

Amnesty Program – The City has more than \$5 million in uncollected parking tickets. The majority (**\$3.3 million**) of these tickets are comprised of late fees. In an effort to provide relief to our residents and to accelerate collections, we would propose an Amnesty program where all late fees and penalties are waived for a 90-day period (e.g., September 1st to December 1st).

Once the Amnesty program has expired, the City would like to award the collection of delinquent parking tickets to Duncan Parking Technologies Inc. Duncan does not

APPROVE AGREEMENT WITH DUNCAN PARKING TECHNOLOGIES, INC., TO
INCLUDE PARKING CITATION PROCESSING

August 13, 2013

Page 3 of 3

charge the City any fees. In fact, the City receives 100% of parking ticket fees and penalties. However, collection agencies typically assess a 35% surcharge.

FISCAL IMPACT/FINANCING

Since the processing fees are paid by and added to the parking ticket citation, these services will not have a direct financial impact on the City's budget. However, outsourcing parking citation processing is expected to provide the Finance Department with additional staff resources and flexibility. Moreover, we expect that the Amnesty Program and subsequent collection activity will generate additional one-time revenues for the City.

CONCLUSION

Upon approval of the Agreement and Resolution, Duncan Parking Technologies Inc., will commence a 90 day implementation of parking citation processing.

Respectfully submitted,



RENÉ BOBADILLA
City Manager, P.E.



JULIO F. MORALES
Director of Finance

ATTACHMENTS:

- A. Agreement
- B. Resolution

ATTACHMENT A

SERVICES AMENDMENT

This Services Amendment, effective on this ____ day of _____, 2013 (Effective Date), modifies the Maintenance Agreement made by and between the City of Huntington Park, California (City) and Duncan Parking Technologies, Inc. (DPTI). This Amendment governs all work performed by any affiliate or representative of DPTI, such work as described in any document incorporated herein or in any writing amending this Amendment.

WHEREAS, City intends that Professional Accounts Management (PAM), an affiliate of DPTI, manage the processing of City's parking citation accounts (Accounts) and collection of Accounts and other evidences of indebtedness (Debts) as may be mutually agreed between the Parties, and PAM intends to manage such Accounts and Debts, and

WHEREAS, City and PAM contemplate a future course of dealing and desire to undertake such dealing subject to the terms and conditions described herein.

NOW, THEREFORE, in consideration of the promises and mutual agreements as stated herein, the Parties agree as follows;

- 1. Term and Entire Amendment.** The body of this Amendment and Schedule A and Schedule B and Schedule C (in total, Amendment), incorporated herein by reference and attached, all together represent the entire understanding between the Parties related to the subject matter hereof and any prior agreements, understandings or representation, whether expressed or implied, have no effect on this Amendment. This Amendment commences on the Effective Date and terminates five (5) calendar years after Effective Date (Term). This Amendment may be extended by mutual agreement of the Parties for two (2) additional successive terms of two (2) calendar years each (Extensions). In the event of any conflict or inconsistency within this this Amendment, precedence is given in the following order: (a) The body of this Amendment, then (b) Schedule A – Processing Services and Schedule B – Collection Services shall be of equal effect.
- 2. Modification and Waiver.** This Amendment may only be modified in writing signed by duly authorized representatives of both Parties. The failure of either Party to insist upon or enforce performance under this Amendment, or the failure to exercise any right or privilege herein conferred, is not a waiver of any such covenant, conditions, rights, or privileges.
- 3. Statements, Invoices and Payments.** PAM shall provide monthly statement(s) itemizing information related to Accounts and Debts. PAM shall invoice City at least monthly or as otherwise described in the relevant Schedule. Payment by City of any PAM invoice is due net thirty (30) days from date of invoice. PAM reserves the right to add one and one-half percent (1.5%) interest, or the maximum allowed by law, per month to invoices past due by ten (10) days or greater.
- 4. Confidential Information.** Unless publicly available on the Effective Date of this Amendment, all business and technical information including but not limited to trade secrets, know-how, show-how, proprietary data, programs documents, studies, reports or data provided or exposed under this Amendment will be kept as confidential proprietary information (Confidential Information) of the Party disclosing the Confidential Information and will not be divulged or made available to any individual or organization without the prior written approval of the original disclosing party.
- 5. Patents, Trademarks, Copyrights, Ownership.** All intellectual property, including, but not limited to, inventions, plans, works, mask works, trademarks, service marks and trade secrets invented, developed, created or discovered in the performance of this Amendment are the property of the Party that so invented, developed, created or discovered such intellectual property.
- 6. Relationship of the Parties.** PAM agrees and understands that services performed under this Amendment are performed as an independent contractor and not as an employee of City and that PAM acquires none of the rights, privileges, powers or advantages of City employees. PAM's relationship to City in the performance of this Amendment is that of an independent contractor. Performance under this Amendment will at all times be under the direction and control of PAM. PAM shall pay all wages and salaries and shall be responsible for all reports and obligations relating to social security, income tax withholding, unemployment compensation and worker's compensation. This Amendment does not create any relationship of agency, partnership or joint venture between the Parties. Nothing in this Amendment gives any Party the right to use any corporate names, trademarks or trade names of any other Party. No license under any patents, copyrights, trademarks, mask works, trade secrets or other intellectual property of PAM is granted or implied unless expressed in writing. City and PAM may each be referred to individually herein as Party or collectively as Parties.
- 7. Indemnification.** Each Party indemnifies and will defend the other, its employees and agents from claims, damages and liability occasioned by or arising out of negligence in the performance of this Amendment. Except to the extent caused by the sole negligence or willful misconduct of the other Party, each Party shall indemnify and hold and save each other, its officers, agents

SERVICES AMENDMENT

and employees, harmless from liability of any kind, including all claims, costs (including defense) and losses accruing or resulting to any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Amendment, and from any and all claims, costs (including defense) and losses accruing or resulting to any person firm, or corporation that may be injured or damaged by the other in the performance of this Amendment. This representation and warranty shall survive the termination or expiration of this Amendment for any reason.

Each Party shall indemnify and hold and save each other, its officers, agents, and employees, harmless from liability of any kind, including claims, costs (including defense) and expenses, on account of any copyrighted material, patented or unpatented invention, articles, device or appliance manufactured or used in the performance of this Amendment.

8. Limitation of Liability and Disclaimer. UNLESS OTHERWISE EXPRESSLY STATED IN THIS AGREEMENT, AND WHETHER OR NOT THE PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY, IN CONTRACT, TORT (INCLUDING BUT NOT LIMITED TO WARRANTY, NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE FOR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL LOSS OR DAMAGES, LOSS OF REVENUE, LOST PROFITS, BUSINESS OR GOODWILL.
9. Compliance with Laws. Parties shall ensure full compliance with federal, state and local laws, regulations, directives, ordinances and executive orders applicable to the performance of this Amendment.
10. Audit and Records.
 - a. PAM agrees that City, or any of its duly authorized representatives may, at any time during normal business hours and upon reasonable notice to PAM, have access to and the right to examine and audit books, documents, papers, records, and other items that relate to accounting and performance under this Agreement.
 - b. PAM shall maintain these records for a period of three (3) years from the date of any termination of this Agreement. The inspection requirements of this section shall survive any termination of the Agreement by no less than three (3) years.
 - c. City shall maintain and control a bank account (City Account) for purposes of deposit of funds collected by PAM in performance of this Agreement.
 - d. At least monthly, City shall audit records related to the deposit of funds by PAM into City Account and reconcile such records with deposit data provided by PAM. City shall report any variance to PAM within sixty (60) calendar days after the closing date of the record that includes the alleged variance.
 - e. City shall provide all records and documents related to any variance, as requested by PAM, including without limitation; (1) bank deposit slips, (2) cumulative financial reports, and (3) account-related communications
 - f. City acknowledges and agrees that PAM is not be responsible for variances caused in whole or in part by City, any financial institution, vandalism, theft, force majeure events or variances not reported as required under this section.
11. Severability. If any provision in this Amendment, or the application thereof to any person or circumstance is determined by any competent court to be held invalid, illegal, or unenforceable, that determination shall not affect the validity, legality, or enforceability of the remainder of this Amendment, unless that effect is made impossible by the absence of the omitted provision.
12. Assignment. This Amendment is for the sole use of City and cannot be used by or for any other entity without prior written approval by PAM. Any assignment is null and void without the advance written consent of the non-assigning Party.
13. No Third-Party Beneficiaries. The Parties specifically intend and agree that no one other than the Parties to this Amendment, except either Parties subsidiaries, affiliates, successors or any controlling parent, whether now existing or hereafter resulting from a merger, acquisition, or restructuring of the Party, is or shall be deemed to be a third-party beneficiary of any of the rights or obligations set forth in this Amendment.
14. Insurance. During the Term, PAM will maintain such Bodily Injury, Liability and Property Damage Liability Insurance as is reasonably protective in performance of this Amendment. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amount reasonably specified by City.
15. Sub-contracting. PAM is authorized to engage subcontractors at PAM's sole expense. PAM shall notify City of the name, address, and other information reasonably requested regarding any proposed subcontractor, in advance of use of such subcontractor. City shall respond in writing within two (2) business days of PAM's request for approval. Approvals under this section will not be unreasonably withheld by City.

SERVICES AMENDMENT

16. Licenses and Certificates of Authority. During the Term and any Extension, PAM will maintain all licenses and certificates of authority required by law.

17. Arbitration. Any controversy arising out of or related to this Amendment or the breach thereof shall be settled by arbitration in accordance with the Rules of the American Arbitration Association (AAA) of California. Another location for arbitration under the Rules of AAA may be chosen if mutually agreed by the Parties. The consideration given by the Parties herein is deemed consideration adequate to support this Amendment for arbitration. A judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof in accordance with California law except as otherwise provided herein. The arbitrators shall have all powers of a court of law in the relevant jurisdiction. Such powers shall include but shall not be limited to: (a) the power to issue temporary restraining orders and injunctions; (b) the power to award damages; (c) the power to issue subpoenas; and (d) the power to issues all orders and to take all actions necessary to enforce their jurisdictions as provided by law. The identity of the arbitrator shall be agreed upon by the Parties. An award in arbitration shall be final and binding upon the Parties and enforceable under law. The prevailing Party in any arbitration proceeding herein shall be awarded its costs and expensed including reasonable attorney fees. For purposes of this contract, a "prevailing party" shall be the party awarded any non-monetary relief sought or more than fifty percent (50%) of the monetary damages sought.

18. Termination and Notice. Either Party may terminate this Amendment for any reason. Notice of termination must be provided in writing a minimum of thirty (30) days in advance of effective termination date. In the event of termination of this Amendment, PAM will provide a final invoice and City shall pay all outstanding amounts as herein described. Termination of this Amendment by City within one (1) calendar year of Effective Date may be subject to costs not otherwise described herein but incurred by PAM (Termination Costs) in the performance of this Amendment. Termination Costs are at the sole discretion of PAM.

Except as otherwise expressly provided herein, any notice required or desired to be served, given or delivered hereunder will be in writing and deemed delivered (1) business day after delivery by a reputable overnight delivery service; or upon delivery by courier or in person to the following addresses:

To PAM: Professional Accounts Management - Contracts
633 West Wisconsin Avenue Suite 1600 Milwaukee, Wisconsin 53203

To City:

19. Applicable Law. This Amendment is construed and will be enforced under the laws and in the courts of the State of California without consideration to any conflicts of laws principles.

20. Authorization. Representatives signing below warrant that they are duly authorized by their respective Parties to execute this Amendment.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date last written below;

CITY OF HUNTINGTON PARK, CALIFORNIA

PROFESSIONAL ACCOUNT MANAGEMENT, LLC.

Signature _____

Signature _____

Printed Name _____

Printed Name _____

Title _____

Title _____

Date _____

Date _____

SERVICES AMENDMENT

SCHEDULE A – PRICING SUMMARY

1. Pricing

a.	Base Processing -automated per ticket	\$0.65
b.	handwritten citations - per ticket	\$0.85
c.	Notice of Illegal Parking/Per Notice	\$0.28
d.	Postage pass through	\$0.50
e.	IVR Payments - fee per payment	\$3.95
f.	Web Payment - fee per payment	\$3.95
g.	Contested Citation - per citation	\$1.50
h.	Out of State Citations - per registered owner	32%
i.	Lockbox Payment Processing - per citation	\$0.27
j.	Letter Miscellaneous	\$1.25
k.	Refunds	\$5.00
l.	Hearing Schedule & Disposition letter (each)	\$1.25
m.	Collection Contingency Fee	30%
n.	FTB: Collection Contingency Fee	13%
o.	FTB: Cost of Social Security Number	\$1.35
p.	FTB: Cost for notification of Intent letter	\$1.25
q.	On Site Training and Implementation	\$3,000

Automatic annual price adjustments based on the City, CA area Consumer Price Index (CPI) will take effect on or about one (1) year after the Effective Date of this Amendment and annually thereafter. All postage will be paid by PAM then itemized on monthly invoices to City. These prices are full compensation for services to be performed under this Amendment. Parties are each responsible for their own costs of consumable supplies including but not limited to paper, envelopes, and citation paper.

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SERVICES AMENDMENT

SCHEDULE B - PROCESSING SERVICES

1. Referral and Reconciliation. PAM shall receive and process parking citations that City mails or otherwise delivers to it. City shall deliver, mail, or transmit all parking citations on a daily basis. PAM will provide a daily reconciliation of the number of citations delivered by City.
2. Computer Programs and Hardware. PAM will provide all software, written procedures and other supporting items required in performance of this Amendment. PAM shall be responsible for the warranty and maintenance of all hardware and software including AutoPROCESS. City is responsible for any damage, loss, and/or theft of any/all computer hardware, software, and/or equipment used by City at City's location. City will provide insurance coverage for such equipment as described herein.
3. Base Processing. Notice of illegal parking or violation (collectively, Citations) issued by City, whether through AutoPROCESS or manually, will be entered into PAM's system and cleared upon payment or other disposition.
 - a. Requests for Registered Owner information will be sent to the appropriate Departments of Motor Vehicles (DMV).
 - b. Delinquent notices, as required by the CVC, will be generated and mailed by PAM to the Registered Owner including the penalty or fine amount. Payments by mail will be made directly to PAM.
 - c. DMV registration liens will be placed on vehicles having unpaid fines and fees in compliance with the California Vehicle Code and other applicable state and local laws. DMV liens shall be removed through DMV when the entire amount of parking citation fines, fees, and penalties due against the vehicle are satisfied. No extra processing charge will be made for a citation not correctly processed and subsequently corrected and re-entered into the database.
4. Suspension of Processing. PAM shall suspend processing any citation referred to it upon written notice to do so by City. PAM shall maintain records indicating any suspension result.
5. Computer System. PAM will provide City with internet inquiry capability at the City location for retrieval of parking citation information. Ten (10) user licenses will be installed at the City location. City is responsible for all internet connection or other related costs.
6. Contested Citations. In the event a registered vehicle owner disputes liability for an outstanding parking citation, PAM shall process an administrative review based on City parameters, schedule hearings based on City business rules and CVC guide lines..
7. Citations Disposed by Review Hearing or Court. PAM, as a result of an administrative review, hearing or court action may be required to reduce, cancel or void certain parking citations. City shall pay the contractual rate, hereinafter provided, for processing citations regardless of the outcome of such action. PAM shall maintain records indicating any reduction or cancellation of parking citations as a result of such action.
8. Collection and Deposit of Funds. At the direction of City, PAM shall collect and deposit monies received for the payment of parking citation fines and fees into a parking account with a financial institution local to and in the name of City. Costs related to such account are the sole responsibility of City..
9. Collection Disbursement. PAM shall disburse to City on a monthly basis, all monies on deposit from the payment of parking citation fines and fees. Disbursement will made after the close of the processing month beginning the month following the Amendment date.
10. IVR and Internet Payments. PAM shall provide the public with the ability to pay parking citations using an accepted credit card via an Interactive Voice Response (IVR) system or the internet. The cost for these services, including credit card discount fees, will be recovered by PAM in the form of a \$3.00 convenience fee assessed to the violator for each citation paid.

This space intentionally blank.

SERVICES AMENDMENT

SCHEDULE C – COLLECTIONS SERVICES

1. Performance by City
 - 1.1. Authority to Collect. City hereby authorizes PAM to use any legal means necessary to collect Debts placed with PAM by City.
 - 1.2. Ownership of Debts. City maintains ownership of all Debts placed with PAM for collection under this Amendment. City maintains all legal right and title to Debts unless otherwise agreed in writing between the Parties.
 - 1.3. Duty to Provide Information. City agrees to provide PAM with all information obtained regarding each Debt placed with PAM under this Amendment. It is the obligation of City to provide PAM with all information that may prohibit or delay the collection of the Debt or in any way impact the ability of PAM to collect the Debt, including but not limited to bankruptcy, death, legal disability or other potential or actual defenses, including statute of limitations defense.
 - 1.4. Warranties. City warrants that, to the best of City's knowledge, the Debts placed with PAM have been reviewed by City in accordance with this Amendment prior to transfer to PAM, and that the balances reported to PAM are true and accurate, that all obligors on Debts have been disclosed and that all disputes and defenses of debtors have been reported to PAM.
 - 1.5. Notice of Dispute. City will inform the PAM in writing, or by such other means as the Parties may expressly mutually agree from time to time, of any Debts subject to this Amendment that have been or are in dispute. Disputes under this provision include oral and written indications and statements by the debtor or any third party that the Debt is in dispute, and includes but is not limited to a request for validation of the Debt. If such dispute is made in writing by debtor, City will notify PAM of the date of the writing and provide PAM with the original written dispute or a copy thereof.
 - 1.6. Continuing Obligation. City will continue to provide the most current version of the information required under this Amendment throughout the Term and any Extension.
 - 1.7. Authorization to Receive and Endorse Payments. City authorizes and appoints PAM to collect and receive all payments due or payable to City for Debts placed with PAM. PAM has authority to receive payments in any form including but not limited to cash, check, money order, or electronic payment and has authority to endorse all such payments as may be required.
 - 1.8. Authorization to Investigate. City expressly authorizes PAM to perform investigative services related to ordinary debt collection activities.
2. Performance by PAM
 - 2.1. Amendment to Collect. PAM agrees to provide debt collection services to City in compliance with all applicable laws, regulations, licensing and bonding requirements.
 - 2.2. Documentation of Accounts/Financial Reporting. PAM will provide monthly, detailed reports of collection activity related to Debts. The reports include the principal amount of the Debt; amounts collected to date including any allowable fees, costs and interest; dispute information, requests for validation by debtor; agreements by the debtor regarding future payments, bankruptcy, death or legal disability of the debtor, amount of commission retained by PAM, amount remitted to the City and amount remitted to others under this Amendment.
 - 2.3. Credit Reporting. PAM will report information regarding Debts in accordance with this Amendment to at least one of the following Consumer Reporting Agencies: Equifax, Experian and Trans Union. PAM agrees to comply with the Fair Credit Reporting Act (FCRA) and all applicable state and federal laws related to such reporting. PAM will comply with standards set by the American Collectors Association, Inc. (ACA), including the ACA Code of Ethics and the ACA Code of Operations.
 - 2.4. Insurance and Bond Coverage. PAM will maintain at least the minimum level of insurance and bond coverage required by ACA or state law, whichever is greater, in all jurisdictions in which engaged in collection activity under this Amendment.
 - 2.5. Trust Account. PAM warrants that it will maintain a trust account as required by state law while PAM is engaged in collection activity under this Amendment.
 - 2.6. Methods and Compliance. PAM uses ordinary and reasonable collection efforts as permitted by law and will at all times comply with the Fair Debt Collection Practices Act (FDCPA), the Fair Credit Reporting Act (FCRA) and all applicable state, federal and local laws and regulations applicable to collections under this Amendment.
3. Legal Process. City reserves sole right and authority to place Debts in litigation, including Debts subject to a forwarding agreement. City may authorize PAM in writing to retain an attorney and commence litigation on behalf of City, subject to separate terms and conditions mutually agreed in writing between the Parties. At no time, nor in any case, does PAM accept any responsibility or liability for any expenses, fees, or damages or any costs or liability related to legal process or use of an attorney to collect Debts.

SERVICES AMENDMENT

4. Cost and Fees

- 4.1. Collection Fee. The cost of collection services described in this Amendment is percentage-based contingent on Debts collected. A Debt placed for collection with PAM or with an attorney to obtain judgment or otherwise satisfy payment of the Debt is subject to a fee of 30% of the amount actually collected (Collection Contingency Fee) by PAM. The Collection Fee is in addition to any and all other costs including but not limited to court costs, sheriff's fees, interest, late fees, investigatory fees, credit reporting fees or other costs incurred directly or indirectly by PAM in collection of amounts owed under this Amendment.
- 4.2. Interest and Fees on Debts. City hereby authorizes PAM to add interest, civil penalties, litigation and legal process fees, court costs, attorney fees and other such expenses relating to the collection of Debts as provided by law or debtor contract and to collect this amount from the debtor. Such amounts are considered part of the total original amount placed for collection.
- 4.3. Remittance. Amounts due City based on one (1) calendar month of collections will be remitted to City by the fifteenth (15th) day of the following month. PAM will provide a report of collection activities to City, up to and including the date of any expiration or termination of this Amendment within thirty (30) calendar days of expiration or termination.
- 4.4. Reimbursement and Set off. Any fees, costs or expenses incurred by PAM in the course of collection of Debts will be set off against amounts due City for Debts collected. Should funds collected be insufficient for payment in full through set off, City understands and acknowledges that PAM will invoice City for all such costs and expenses.
5. NSF and Disputed Payments. In the event that any Debts reported to City as paid are subsequently returned NSF or reversed as disputed, PAM will reverse the amount of such Debt payment and all fees taken on such payment from the current month's billing statement.
6. Authorization To Forward Accounts. PAM may forward any of City's Debts to another collection agency if the debtor has moved out of the general business area of PAM, and such other collection agency shall have authority to exercise all ordinary and reasonable collection efforts as permitted by law, and shall remit any payments made to PAM less agreed commissions, and PAM shall then remit to City less any agreed commissions.
7. Right To Withdraw Accounts or Termination. City may request the return of any Debts not yet collected provided thirty (30) calendar days advance written notice (Notification Period). PAM agrees to return Debts not collected by the end of the Notification Period along with appropriate financial records of the Debts including amounts collected, commission retained, additional fees, interest and charges added, and a detailed statement of expenses incurred by PAM on behalf of City. In the event of termination of this Schedule or the Amendment, the City will pay all amounts due under this Amendment on Debts that have been collected through the end of PAM's business day on the date of termination.
8. Assignment and Process. PAM will accept assignment of Debts in accordance with the following business rules;
 - 8.1. Issued since August 1st, 2008
 - 8.2. Have reached delinquent day 95
 - 8.3. where first notice mailed
 - 8.4. all penalties applied
9. Collection Letters. PAM will propose collection letters to City for review, edit and approval. Collection letter types may include Notice of Assignment to Collection Agency, Demand for Payment, Pending DMV Hold, Pending Tax Offset (where applicable), or Pending Credit Bureau Placement.
10. Skip Tracing. PAM will provide skip trace services where required to locate violators a current address for all Debts.
11. Customer Service. PAM will provide a toll-free Customer Service number listed on all correspondence for violators to contact PAM for any reason.
12. Debtor Dispute Resolution. PAM will provide dispute resolution services, in accordance with business rules established by City, to review violator claims of non-liability and forward accounts to City where PAM has determined a valid reason for dismissal. City, at its sole discretion, will make final decisions on such matters and update the AutoPROCESS System to reflect such decision.
13. Lockbox Remittance Processing. All PAM Collection letters include a return remittance envelope addressed to PAM's remittance processing center. PAM will provide lockbox remittance processing of all payments and update the AutoPROCESS System on a daily basis.
14. Bank Account. PAM will maintain a bank account in the name of PAM and City (Bank) for deposit of all revenue received directly from lockbox, internet and IVR payment sites. The Bank will be available for inspection at any time by City through on line access.
15. Noticing of Impending DMV Hold. PAM will send "Notice of Impending DMV Hold" to registered owner a minimum of fifty (50) calendar days prior to DMV renewal notice date.
16. DMV Hold Process. PAM will file DMV Holds on behalf of the City. City is responsible for all DMV Hold fees. Revenue collected as a result of the Hold process is not subject to the Collection Fee or reimbursement to PAM.

SERVICES AMENDMENT

ATTACHMENT 1 – OPTIONAL EQUIPMENT AND SERVICE PRICING

- | | |
|---|--------------------|
| 1. Duncan Liberty Parking Meter Mechanisms | \$499.00 each |
| 2. Duncan AutoTRAX Management System (software/limited licenses included) | \$8.50/meter/month |

City is responsible for all costs associated with credit card gateway services through an approved gateway provider for the processing of electronic payments. City is responsible for all applicable credit card transaction fees including but not limited to gateway, merchant, interchange, dues, assessments, network, FAMF and other third party credit card use and processing fees.

Annual extended maintenance support for the AutoCITE X3 and related equipment, and AutoTRAX meter management software pricing is volume and term dependent and subject to a current quotation.

ATTACHMENT B

1 RESOLUTION NO.: _____

2 A RESOLUTION OF THE CITY COUNCIL OF
3 THE CITY OF HUNTINGTON PARK
4 ESTABLISHING PARKING VIOLATION
5 PROCESSING FEES.

6 WHEREAS, the City Council of the City of Huntington Park adopted Resolution No.
7 2010-83 which set forth the fine schedule for parking violations a late payment penalties pursuant
8 to Vehicle Code section 40203.5;

9 WHEREAS, on August 13, 2013, the City Council approved an agreement with Duncan
10 Parking Technologies, Inc. to provide parking violation processing services (the "Agreement");

11 WHEREAS, the Agreement, a copy of which is attached hereto and incorporated herein by
12 this reference, provides for processing fee for the payment of parking fines; and

13 WHEREAS, the City desires to increase the amount of the fines set forth in the schedule of
14 fines in order to ensure the coverage of the costs associated with issuing, processing and
15 recovering the fines.

16 NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HUNTINGTON PARK
17 DOES RESOLVE AS FOLLOWS:

18 SECTION 1. The City Council hereby increases the amount of the fines set forth in
19 Resolution No. 2010-83 to include the processing fees pursuant to the Agreement as follows:

- 20 (a) Base processing fee -automated per citation: \$0.65
21 (b) Handwritten citations processing fee per citation: \$0.85
22 (c) Notice of illegal parking processing fee per notice: \$0.28
23 (d) Postage pass through \$0.50
24 (e) Interactive Voice Response (IVR) Payments - fee per payment: \$3.95
25 (f) Web Payment - fee per payment: \$3.95
26 (g) Contested Citation - per citation: \$1.50
27 (h) Out of State Citations - per registered owner: 32%
28 (i) Lockbox Payment Processing - per citation: \$0.27

- 1 (j) Letter Miscellaneous: \$1.25
- 2 (k) Hearing Schedule & Disposition letter (each): \$1.25
- 3 (l) Collection Contingency Fee 30%
- 4 (m) Franchise Tax Board Collection Contingency Fee: 13%
- 5 (n) Franchise Tax Board Cost of Social Security Number \$1.35
- 6 (o) Franchise Tax Board Cost for notification of Intent letter \$1.25

7 SECTION 3. The City Clerk shall certify to the adoption of this resolution, and
8 thenceforth and thereafter the same shall be in full force and effect.

9 PASSED, APPROVED AND ADOPTED this _____ day of _____, 2013.

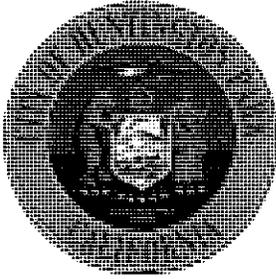
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MAYOR, MARIO GOMEZ

ATTEST:

CITY CLERK

(SEAL)



CITY OF HUNTINGTON PARK

Public Works Department
City Council Agenda Report

August 13, 2013

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Mayor and Members of the City Council:

SECOND AMENDMENT TO THE AGREEMENT WITH CONSOLIDATED DISPOSAL SERVICE, LLC FOR COMMERCIAL REFUSE DISPOSAL SERVICES – CORRECTION OF TYPOGRAPHICAL ERROR

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Authorize the City Manager to execute the corrected Second Amendment to the Agreement with Consolidated Disposal Services, LLC for continued uninterrupted commercial refuse disposal services on an interim basis.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On July 1, 2013, the City Council authorized the City Manager to execute an agreement amendment with Consolidated Disposal Services, LLC ("CDS") for continued uninterrupted commercial refuse disposal services on an interim basis. The staff report noted that the City of Huntington Park (the "City") was in the process of developing an RFP for commercial and residential refuse disposal services. The agreement amendment would allow for adequate time for the City of Huntington Park (the "City") to finalize the RFP, complete the advertisement and evaluation/award process, and provide a transition period to the new contractor.

However, the previous staff report and agreement amendment, contained a typographical error in the term expiration year that CDS had agreed to in negotiations. The agreement amendment, which the City Council authorized the City Manager to execute, mistakenly stated that the term would "automatically expire on December 31, 2013." The language should state that the term will "automatically expire on December 31, 2014." Therefore, the corrected version of the agreement amendment is being brought back for City Council approval (Attachment A).

The corresponding Resolution from the July 1, 2013 did not contain a typographical error as to the term expiration, but rather just incorporated the agreement amendment. Thus, no change to the previous Resolution is needed. (Attachment B). The corrected agreement will just be added as an exhibit to the resolution.

FISCAL IMPACT/FINANCING

The recommended contract amendment merely remedies a typographical error and does not have a fiscal impact.

ENVIRONMENTAL IMPACT

The recommended actions are exempt from the California Environmental Quality Act (CEQA) under the "common-sense" exemption set forth in CEQA Guidelines section 15061(b)(3).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The selection and recommendations for the award of a new contract for commercial and residential refuse disposal services requires the advertisement of a RFP in accordance with the Huntington Park Municipal Code and the Finance Department Policy and Procedure Manual. Following the evaluation process, City Council will approve the recommended contract.

The recommended contract amendment (as corrected in Attachment A) for CDS to provide continued interim services has been approved as to form by the City Attorney.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended action will ensure continued and uninterrupted commercial refuse collection services while the City seeks a new commercial and residential disposal contractor through the RFP process.

CONCLUSION

Upon approval of the recommended action, staff will execute the corrected contract amendment with CDS and coordinate with the City Attorney to complete the RFP process for the selection of a permanent commercial and residential refuse disposal contractor.

SECOND AMENDMENT TO THE AGREEMENT WITH CONSOLIDATED
DISPOSAL SERVICE, LLC FOR COMMERCIAL REFUSE DISPOSAL SERVICES
– CORRECTION OF TYPOGRAPHICAL ERROR

August 13, 2013

Page 3 of 3

Respectfully submitted,



RENÉ BOBADILLA
City Manager, P.E.

JAMES A. ENRIQUEZ, P.E.
Director of Public Works/ City Engineer

ATTACHMENTS

- Attachment A: Second Amendment to the Agreement (with correct term expiration date)
- Attachment B: Previous Resolution Incorporating the Second Amendment

ATTACHMENT A

**SECOND AMENDMENT TO THE AGREEMENT BETWEEN
THE CITY OF HUNTINGTON PARK AND CONSOLIDATED
DISPOSAL SERVICE, LLC FOR COMMERCIAL REFUSE
DISPOSAL SERVICES**

This Second Amendment (the "Second Amendment") to the Agreement for Commercial Refuse Disposal Services between the City of Huntington Park (hereinafter "City") and Consolidated Disposal Service, LLC (hereinafter "Contractor") is made and entered so as to be effective as of June 20, 2013.

RECITALS

A. City and H.P. Disposal Company entered that certain Agreement for Commercial Refuse Disposal Services effective as of June 20, 1988 (the "Original Agreement"), which was later amended from time to time and assigned to Contractor.

B. Contractor and the City further amended the Original Agreement and restated and amended the text of the Original Agreement on September 2, 2003 (the "Amended and Restated Agreement" or "First Amendment").

C. The initial term of the Original Agreement was from June 20, 1988 to June 19, 1998. The Original Agreement was renewed automatically until June 19, 2008. The term of the Original Agreement, as amended by the First Amendment, was extended to June 19, 2013, with an automatic renewal until June 19, 2018 if neither parties notified the other to the contrary by May 21, 2008. However, the Original Agreement, as amended by the First Amendment, was not automatically renewed to June 19, 2018 due to the City giving Contractor notice that the automatic renewal will not take effect. Thus, the Original Agreement, as amended by the First Amendment, is set to expire on June 19, 2013.

D. The City is in the process of preparing a request for proposals for a new franchise agreement for disposal services. The City desires to retain Contractor's services while it prepares an RFP and carries out the RFP process. Contractor has agreed to continue providing its services to the City during the RFP period as set forth herein.

E. The City and Contractor agree that they will continue to abide by the provisions of the Original Agreement as amended by the First Amendment, except as expressly modified herein by this Second Amendment.

COVENANTS

Section 1. Recitals.

The foregoing recitals are true and correct and are a substantive part of this Second Amendment.

Section 2. Term.

The term of this Second Amendment shall be such that it will continue for a period of not less than six (6) months and shall remain effective until such time that either party gives advance ninety (90) days notice of its desire to terminate the Second Amendment. In the absence of any notice of termination by either party, the term of this Second Amendment will automatically expire on December 31, 2014.

Should the City desire to terminate this Second Amendment prior to December 31, 2014, the City Manager is hereby specifically authorized, on behalf of the City Council, to provide notice of the City's termination of this Second Amendment as set forth above.

Section 3. Rubbish Collection Charges.

In consideration for the terms and conditions set forth herein, Contractor agrees to forego any increases to the rates that it is or would be entitled to receive under the Original Agreement, as amended by the First Amendment, for which it has not yet received. Contractor further agrees it will not increase the rates for the duration of this Second Amendment.

Section 4. Franchise Fees.

As further consideration for the terms and conditions set forth herein, Contractor agrees to pay franchise fees equal to 10% of its gross revenues collected under this Second Amendment. Contractor's franchise fee payments shall be due to the City within fifteen (15) days following the end of each calendar month.

Section 5. Contribution Towards Fireworks Show.

As further consideration for the terms and conditions set forth herein, Contractor agrees that immediately upon execution of this Agreement, Contractor shall make a contribution to the City in amount of \$10,000 towards the City's 2013 July 4th Fireworks Show.

In the event that notice of termination has not been given and this agreement is still in effect on June 1, 2014, Contractor shall make an additional \$10,000 contribution, on or by June 1, 2014, to the City for use towards the City's 2014 July 4th Fireworks Show.

Section 6. Unaffected Provisions Remain in Full Force.

All provisions of the Original Agreement, as amended by the First Amendment, except for those expressly modified by this Second Amendment, shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Second Amendment to be effective as of the date and year written above.

CITY OF HUNTINGTON PARK

By: _____
Mario Gomez, Mayor

Attest:

By: _____
Rocio Martinez, Acting City Clerk

Approved as to form:

By: _____
Todd O. Litfin, City Attorney

Consolidated Disposal Service, LLC

By: _____
its: _____

ATTACHMENT B

1 **NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of
2 Huntington Park as follows:

3 **SECTION 1.** The City Council finds that the approval of the Second
4 Amendment is exempt from CEQA under the "common-sense" exemption set forth in
5 CEQA Guidelines section 15061(b)(3).

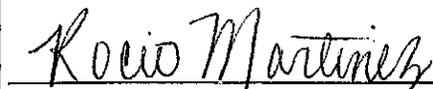
6 **SECTION 2.** The City Council hereby agrees to enter into the Second
7 Amendment with Contractor, subject to the terms and contingencies set forth in this
8 Resolution and the Second Amendment.

9 **PASSED, APPROVED, AND ADOPTED** this 1st day of July, 2013.

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Mario Gomez, Mayor

12 ATTEST:

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Rocio Martinez, Acting City Clerk

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ATTEST:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF HUNTINGTON PARK)

I, Rocio Martinez, Acting City Clerk of the City of Huntington Park, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution, being Resolution No. 2013-32 was duly passed and adopted by the City Council of the City of Huntington Park, approved and signed by the Mayor of said City, and attested to by the Acting City Clerk of said City, all at a regular meeting of the City Council held on the 1st day of July, 2013, and that the same was so passed and adopted by the following vote, to wit:

AYES: Council Members – Amezquita, Perez, Hernandez, Macias, Gomez

NOES: Council Members – None

ABSENT: Council Members – None

ABSTAIN: Council Members – None

Rocio Martinez
Acting City Clerk

CITY OF HUNTINGTON PARK
Finance Department

To: Rene Bobadilla, City Manager *JB*
From: Julio F. Morales, Finance Director
Subject: FY 13-14 Continuation Budget Process
Date: June 17, 2013

This memo will outline how the continuation budget process is expected to work. In July, City staff requested that the City Council approve a "continuation budget", based on the FY 12-13 budget figures, in order to obtain additional time to identify solutions to solve a \$3.0 million structural deficit in the City's General Fund.

General Fund Structural Deficit – Currently, we project that the General Fund will have a \$3.4 million structural deficit based on year-end actuals for FY 12-13. In FY 13-14, The General Fund should generate \$22.0 million in revenues against \$25.4 million in expenses.

Staff will bridge the \$3.4 million budget gap in three parts:

1. 5% reduction in operating costs (~\$1.2 million)
2. \$1.0 million in contract savings
3. \$1.0 million settlement of revenue distribution dispute with LA County

Reduction in Operating Costs - We have asked each department head to recommend a 5% reduction in their General Fund for FY 13-14. These budget adjustments will require reductions in staff. To the extent possible, staff would like to achieve these staff reductions through retirement and attrition (and not refill vacant positions), in order to minimize layoffs.

Given that these budget cuts will have a significant human component, we have requested that each department provide "Phase 1" recommendations that do not require any staff reductions and that can be implemented with the adoption of a General Fund continuation budget. We have attached memos that address proposed "Phase 1" changes to the Parks and Recreation and Police Department budget, as well as memorandums that address the Highway Users Tax (HUTA) budget and outsourcing parking ticket citations. Collectively, these recommended changes represent "Phase 1" changes that staff would like to approve as part of the continuation budget.

Staff will provide a working budget in the next following budget workshop, which integrate these Phase 1 recommendations.

"Phase 2" recommendations will involve direct staff cuts and reductions in service. Staff would like the opportunity to present these recommendations and discuss with the City Council over the subsequent 60-90 days.

Contract Savings – The City will evaluate all of its existing contracts. If contract has expired or is near expiration date, we will rebid via RFP. We will examine the cost effectiveness of "in-house" services, outsourcing, and/or a hybrid structure. Each contract will require careful analysis and will be evaluated on a case-by-case basis. Please find attached a summary of the City's existing contracts with their expiration dates (term), and contract amounts.

LA County Revenue Distribution Dispute – The City of Huntington Park and County of Los Angeles are currently in dispute regarding the distribution of pension tax revenues. Given this is a litigation matter we are limited in our discussion. The City has engaged legal counsel to represent us on this matter, which will have \$1.0 million annual impact on the General Fund.

CITY OF HUNTINGTON PARK
Finance Department

To: Rene Bobadilla, City Manager *rb*
From: Julio F. Morales, Finance Director
Subject: General Fund – Financial Position FY 13-14
Date: June 20, 2013

FY 11-12 Year-Ending Fund Balance Adjustments

The City's audited financial statement for FY 11-12 reported a General Fund Reserve balance of \$16,022,823. On May 6, 2013, council approved the adjustment of negative equity fund balance in the following funds:

(3,098,312)	Employees' Retirement Fund (CalPERS / Pension Tax)
(1,804,465)	Landscape & Lighting Fund
(732,576)	Loan to Water Fund - 7 years @ 3.0% with a 5-year amortization
(40,121)	Waste Management Fund (AB 939)
(39,232)	Parking Systems Fund

These funds had run negative balances for prior year's excess expenditures. These adjustments formally recorded the "cash advances" made by the General Fund to each respective fund, which required an aggregate transfer of **\$5,714,706** from General Fund Reserves. As a result, each of these funds has a \$0 ending fund balance for fiscal year FY 11-12 (June 30, 2012).

It is important to note that any excess monies received by one of these funds in the future can be used to reverse the "cash advances" made by the General Fund.

These adjustments to General Fund's cash position reduced its year-ending fund balance (reserves) for fiscal year FY 11-12:

\$ 16,022,823	General Fund Reserve Balance FY 11-12
(5,714,706)	Negative Fund Equity Adjustments
\$ 10,308,117	Adjusted Year-End Reserve Balance FY 11-12

Of this amount, \$3.4 million has been set-aside for an Arbitrage Rebate payment due to the IRS for the 2004 Tax Allocation Bonds on April 2014. Thus, the City began the current fiscal year (FY 12-13) with a reserve balance of \$6.9 million available to serve as a working capital reserve.

Based on prior revenue and expense patterns, the Finance Department estimates that the City requires a minimum of \$5.0 - \$6.0 million for its working capital needs.

FY 12-13 Projected Year-End Financial Position

At the end of May, the City reports \$22.3 million in expenses and \$20 million in revenues. Finance staff projects that the City's General Fund will end the fiscal year with approximately \$22 million in revenues and \$25 million in expenses. These figures will serve as the baseline for fiscal year FY 13-14 General Fund Continuation budget.

Revenues - The FY 13-14 revenue budget has been adjusted downward by \$300,000, from \$22.3 million to \$22.0 million.

Expenses - The FY 12-13 budget did not include employee paid CalPERS contribution, which reduced expenditures by \$600,000. In addition, the budget over-estimated CalPERS costs in the General Fund by an additional \$1.1 million. These adjustments reduce the General Fund expense budget from \$26.7 million to \$25.0 million.

FY 13-14 Projected Structural Deficit

The proposed budget will have approximately \$22.0 million in revenues and \$25.0 million in expenses, plus an additional \$400,000 for increased OPEB, medical insurance, and PARS costs as well as the assumption of BID expenses. City staff expects to realize \$1.0 million in contract savings by year-end, which provides the City with an aggregate \$2.4 million savings target by the end of the fiscal year.

FY 13-14 Continuation Budget

City staff is proposing a "continuation budget", which will allow City Council and staff to continue to work systematically toward solving our budget shortfall. This will serve as a working budget that will enable City staff to operate day-to-day operations, yet provide the time needed to negotiate new contracts and to evaluate and implement a number of changes and improvements to our operations.

The \$2.4 million deficit represents approximately 9.4% of the \$25.4 million General Fund Budget. We have tasked each Department Head with identifying 5.0% in budgetary savings for the upcoming fiscal year, which should address a significant portion of the remaining structural deficit. A number of these changes are recommended to place over the next 6-9 months, which will provide the City Council, staff, and employees sufficient time to analyze potential options and make necessary staffing adjustments.

FY 13-14 Fund Balance Reserves

We expect the General Fund will have approximately \$7.4 million in reserves at the end of this fiscal year (June 30, 2013). The City's level of reserves provide a 1 year cushion to address the \$2.4 million structural deficit for FY 13-14, which should leave the City with approximately \$5.0 million in reserves at year-end – the minimum required level to provide internal working capital.

CITY OF HUNTINGTON PARK
Finance Department

To: Rene Bobadilla, City Manager *RB*
From: Julio F. Morales, Finance Director
Subject: FY 13-14 Highway Users (Gas) Tax Fund Budget
Date: July 11, 2013

The Highway Users (Gas) Tax, "HUTA", represents a series of special imposed taxes on gasoline consumption. The taxes are imposed as a per gallon charge, and are distributed to cities based on certain formula allocations (e.g. 1.2 cents per gallon) and population-based distribution formulas.

The City receives approximately \$1.7 million in annual State Gas Tax revenues, which are accounted for as special revenue in Fund 221.

The City also segregates Proposition 1B monies in Fund 221, under a separate subaccount. There is a \$965,000 fund balance of Proposition 1B monies. These monies are earmarked as "matching" funds for the \$4.5 million Metro Call for Project along Pacific Blvd.

Landscape & Lighting Fund Transfer

The FY 12-13 expense budget for Fund 221 totaled \$1.9 million; however, this amount included \$965,000 in Proposition 1B monies. The FY 12-13 Budget only designated \$970,000 in annual HUTA expenses, which leaves \$965,000 of unallocated expenses for FY 12-13. HUTA regulations allow the City to "roll over" unspent gas tax monies for up to 3 years. In order to eliminate the structural deficit in the Landscape and Lighting Assessment District Budget – Fund 535, the City has proposed to transfer eligible street maintenance costs into the Highway Users Tax – Fund 221 to FY 12-13.

For FY 13-14, the City will budget \$389,933 in budgeted expenses from Fund 535 into Fund 221. The following provides a summary (see Exhibit A for a detailed breakdown):

- \$316,320 salary and benefits
- \$53,613 indirect charges
- \$20,000 in contract service charges (TruGreen)

Assuming that the City will receive \$1.7 million in annual HUTA revenues, and the \$390,000 in Fund 535 expenses transfers are added to the \$970,000 in existing budgeted expenses, then there are an approximately \$335,000 in additional expenses that can be allocated to Fund 221 for FY 13-14.

General Fund Transfer

The City will allocate from the Public Works Street Operations Budget in the General Fund into the Highway Users (Gas) Tax Fund the following 3 expenses:

1. Salaries & Benefits

	<u>Salary & Benefits</u>	<u>%</u>	<u>Transfer Amt</u>
• Public Works Director	189,295	10%	\$ 19,000
• Maintenance Worker (1119 - Rivera)	75,138	25%	\$ 19,000
• Maintenance Worker (1126 - Encarnacion)	75,138	100%	\$ 75,000
• Maintenance Worker (1142 - Gonzalez)	65,764	100%	\$ 66,000
• Public Works Supervisor (1131 - Preciado)	105,915	100%	<u>\$106,000</u>
			\$285,000

2. Departmental Supplies & Expenses \$ 20,000

3. Indirect Costs (OPEB, Workers Comp and General Liability) \$ 30,000

Grand Total \$335,000

A commensurate portion of indirect costs (OPEB, Workers Comp and General Liability) will also be allocated to Fund 221. In addition, approximately \$20,000 in Department Supplies and Expenses (111-8010-431.56-41) will be moved into the FY 13-14 budget for Fund 221.

General Fund Budget

These General Fund transfers should total approximately \$335,000 or 10.8% of the Public Works General Fund Budget (\$3.1 million), which addresses the Public Works Department's 5.0% reduction target for the FY 13-14 budget.

New Position – Assistant City Engineer/ Building Official

Two of the budgeted positions that have been transferred from Fund 535 to Fund 221 are currently vacant:

100% Maintenance Worker = \$68,000
40% Journeyman Electrician (\$85,000) = \$34,000

In addition, the Public Works Department has two unfilled part-time positions which total approximately \$42,500 in salary costs.

These four positions will remain unfilled and unbudgeted. The cost previously allocated to each, however, will be reassigned to a new Assistant City Engineer / Building Official position. This position will have a base salary of \$110,000 with a total cost of \$145,000 including benefits.

The attachment provides a detailed summary of the line-item transfers that will take place.

CITY OF HUNTINGTON PARK
Finance Department

To: Rene Bobadilla, City Manager *RB*
From: Julio F. Morales, Finance Director
Subject: FY 13-14 Continuation General Fund Budget
Date: July 17, 2013

We have reviewed the spreadsheet with your proposed budget adjustments for FY 13-14. The Police Department has a \$17,700,000 annual budget: a 5% reduction totals approximately \$885,000. We have provided below our analysis of the net financial impact of these proposed changes:

Additional / New Revenues

You have listed three new sources of revenue totaling **\$259,000**:

1. AB 109 \$150,000
2. Jail Service to Vernon \$22,000
3. LA Impact Grant \$87,000

The FY 12-13 budget did not incorporate these revenue sources; they will be added to the FY 13-14 General Fund Revenue budget.

Revenue Enhancement

You have proposed adding two new motorcycle police officers in order to enhance motor vehicle citation revenues. The net financial impact of this change is \$154,000:

- Projected Revenue \$384,000
- Salaries & Benefits 2 officers \$230,000
- **Net Revenue Impact \$154,000**

Position Re-Allocation

The following five changes to staff positions have been suggested:

1. Replace current Lieutenant position with a Captain position (*promotional*) + Remove current vacant Lieutenant position.
 - Captain \$220,000
 - Lieutenant (\$196,000)
 - Lieutenant (\$196,000)
 - **(\$182,000)**

2. Replace an unfilled full-time Dispatch position with two part-time positions

- Full-time (\$90,000)
- 2 part-time \$50,000
- (\$40,000)**

3. Replace an unfilled full-time PEO position with a Cadet

- Full-time (\$73,000)
- part-time \$14,000
- (\$59,000)**

4. Add a Management Analyst (contract) position

- Full-time + \$50,000

5. Add an intern position

- part-time + \$20,000

The net financial impact of these position changes is a \$211,000 budget decrease:

1. (\$182,000)
2. (\$40,000)
3. (\$59,000)
4. \$50,000
5. \$20,000
- (\$211,000)**

Expense Reduction

You have proposed non-staff reductions to your operating budget:

- Overtime (\$75,000)
- Supplies (\$30,000)
- (\$105,000)**

These changes have a net **\$469,000** impact on the General Fund budget. Since they do not represent significant operational changes, we expect that they will be incorporated into the "continuation budget" to be approved this August.

The Police Department will also hire an additional officer under the auspices of Asset Forfeiture Program, which is expected to cost \$115,000 in salaries and benefits but generate approximately \$425,000 in revenue. The net \$310,000 gain will be retained in the Asset Forfeiture fund.

CITY OF HUNTINGTON PARK
Department of Parks and Recreation

To: René Bobadilla, City Manager *RB*
From: Josette Espinosa, Director of Parks and Recreation
Subject: Department of Parks and Recreation Reorganization
Date: August 7, 2013

The Department of Parks and Recreation is in the process of reorganizing its current staffing structure and would also like to eliminate its contract with Alltech Protective Services for park security services and replace with part-time employees. These changes in personnel and contractual services require adjustments to the current roles and responsibilities of both full-time and part-time employees to ensure the long-term viability of the department and its important function in the Huntington Park community.

Staff Restructure

The Parks and Recreation department would like to make two adjustments to its current staffing structure:

1. Replace funding for Recreation Coordinator with Management Analyst position
2. Reclassify Jr. Deputy Clerk Position to Administrative Assistant

Management Analyst - The Department's prior Management Analyst, Danny Bueno, has been reassigned to the City Manager's Office, including the funding for the position. In order to maintain effective management of the department's finances and grant administration, the department requests to retain a Management Analyst position.

It is expected that a current Recreation Supervisor will fill the Management Analyst position, and a current Recreation Coordinator will fill the vacated Supervisor position. This will leave a vacant Recreation Coordinator position. The majority of the cost for the Management Analyst position will be offset by the elimination of the vacant Recreation Coordinator position (\$71,000); the net balance (\$21,000) will be offset through savings in park ranger services, outlined in the next section.

Administrative Assistant - The Jr. Deputy City Clerk was reassigned to the Department of Parks and Recreation during the prior fiscal year (FY 12-13). In order to maintain consistency in job titles, we would like to simply reclassify the Jr. Deputy Clerk position to an Administrative Assistant position. Funding for the Administrative Assistant position will be transferred from the City Clerk's budget. Since the salary ranges are the same for the two titles, there will not be a net financial impact for this adjustment.

Full-Time Staff Costs

Current	
Position	Annual cost
Recreation Coordinator	\$71,000
Jr. Deputy City Clerk	\$80,000
Total:	\$151,000

Proposed	
Position	Annual cost
Management Analyst	\$92,000
Administrative Assistant	\$80,000
Total:	\$172,000

Cost increase: \$21,000

Park Ranger Services

Staff has reviewed its park security service needs and has developed a plan using part-time employees to provide an alternative solution to the Park Ranger contract with Alltech. Currently, Alltech provides 130 hours of staffing as follows:

- Salt Lake Park
 - 1 Ranger from 3-10:30 p.m., seven days per week
 - 1 Ranger from 3-5 p.m. and 8-10:30 p.m., seven days per week
- Raul R. Perez Memorial Park
 - 1 Ranger from 5-8 p.m., seven days per week
- Freedom Park
 - 1 Ranger from 9:30-10 p.m., seven days per week (to lock restrooms)
- Keller Park
 - 1 Ranger from 2-7 p.m., Monday through Friday
 - 1 Ranger from 9:30-10 p.m., seven days per week (to lock restrooms)

We have assessed the appropriate staffing levels and service hours for park security services, in conjunction with Alltech. Staff has identified and developed an effective cost-saving plan, with two component parts:

1. Reduced Hours of Service
2. Lower Hourly Rate

Reduced Hours of Service - The proposed plan will reduce the hours of service by 28.5 hours per week. However, existing park security reports confirm that the proposed staffing levels and hours of service are sufficient for park supervision at each of the noted park sites

Lower Hourly Rate – Average hourly rate of \$10.25 for part-time Recreation Leader to provide park supervision services in lieu of contracting this service. This will result in an average weekly rate of approximately \$1,040.

The Department of Parks and Recreation will work closely with the Police Department to evaluate the effectiveness of using part-time personnel in lieu of contracting this service by tracking and documenting the activity of each park site for a six-month trial period. If

at the end of this period, the Police Department feels that added support is necessary to supervise each park site, then a subsequent plan will be developed to address any deficiencies.

Park Security Service Hours

Current Park Supervision Hours

Service provider	Hours per week	Hourly rate	Weekly rate
Alltech	105	\$16.25	\$1,706
Alltech	25	\$16.63	\$416
Total:	130		\$2,122

Proposed Park Supervision Hours
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Service provider	Hours per week	Hourly rate	Weekly rate
City Employee	101.5	\$10.25	\$1,040
Total:	101.5		\$1,040

Average Weekly Savings:	\$1,040
<i>Weeks per Year:</i>	x 52
Expected Fiscal Year Savings:	\$54,100

If approved, the proposed plan will result in an annual savings of approximately \$54,100. A portion of these savings (approximately \$21,000) will be used to fund the full-time position restructuring described in the previous section. Therefore the net cost savings will be \$33,100.

These changes comprise nearly half of the department's targeted budget reduction of 5% (\$71,000). Additional savings will be presented in Phase 2 recommendations.