



**CALEXICO CITY COUNCIL/CALEXICO REDEVELOPMENT SUCCESSOR
AGENCY/CALEXICO FINANCING AUTHORITY
REGULAR MEETING AGENDA**

**City of Calexico
Fernando "Nene" Torres Council Chambers
608 Heber Avenue
Calexico, California
www.calexico.ca.gov**

**Tuesday, December 16, 2014
6:30 p.m.**

Council Members

**John M. Moreno, Mayor/Chairman
Joong S. Kim, Mayor Pro Tem/Vice Chair
Luis J. Castro, Councilman
Armando Real, Councilman
Maritza Hurtado, Councilwoman**

City Clerk

Gabriela T. Garcia

Interim City Manager

Richard N. Warne

City Attorney

Jennifer M. Lyon

City Treasurer

John T. Quinn

CLOSED SESSION AGENDA

5:30 P.M.

CALL TO ORDER

Roll Call.

Adjourn to Closed Session.

A "Closed" Session of the City Council/Calexico Community Redevelopment Agency Successor Agency/ Calexico Financing Authority may be held in accordance with state law which may include, but is not limited to, the following types of items: personnel matters, labor negotiations, security matters, providing instructions to real property negotiators and conference with legal counsel regarding pending litigation. The Closed Session will be held in the City Hall Conference Room located at 608 Heber Avenue, Calexico, California. Any public comment on Closed Session items will be taken before the Closed Session. Any required announcements or discussion of Closed Session items or actions following the Closed Session will be made in the City Council Chambers, 608 Heber Avenue, Calexico, California.

CLOSED SESSION

1. CONFERENCE WITH LABOR NEGOTIATORS
Agency Representatives: Interim City Manager and City Attorney
Unrepresented Employees: Interim Chief of Police
(Govt. Code section 54957.6)
2. CONFERENCE WITH LABOR NEGOTIATORS
Agency Representatives: Mayor and City Attorney
Unrepresented Employees: Interim City Manager
(Govt. Code section 54957.6)

REGULAR SESSION AGENDA **6:30 P.M.**

Next City Ordinance Number: 1158
Next City Resolution Number: 2014-89

CALL TO ORDER

Call to Order and Attendance.
Pledge of Allegiance.
Closed Session Announcements.
Approval of the Agenda.

ANNOUNCEMENTS

These proceedings may be viewed on the City of Calexico website at www.calexico.ca.gov the Friday following the City Council meeting.

AWARDS, PRESENTATIONS, APPOINTMENTS AND PROCLAMATIONS

3. Presentation by Infratech Industries on Deployment of Floating Solar on City Water Ponds for the Purpose of Supplying On-Site Power, Reduce TTHMS and Save on Water Evaporation.
4. Presentation of Trophies to the Talent Extravaganza Winners.
5. Presentation of the Key to the City of Calexico to the Calexico High School Calexico High School Lady Bulldogs Volleyball Team CIF-SDS Volleyball Champions 2014.

(CITY COUNCIL WILL BREAK FOR A BRIEF RECEPTION)

CALEXICO REDEVELOPMENT AGENCY SUCCESSOR AGENCY OF THE CITY OF CALEXICO REGULAR SESSION

CONSENT AGENDA

6. A Resolution of the Community Redevelopment Agency Successor Agency of the City of Calexico, California Adopting a Conflict of Interest Code, and Adopting through Incorporation by Reference the Standard Conflict of Interest Provisions of 2 California Code of Regulations Section 18730

**CALEXICO CITY COUNCIL
REGULAR SESSION AGENDA CONTINUED**

PUBLIC COMMENTS AND PUBLIC APPEARANCES

NOTE: (Not to Exceed 3 Minutes) This is the time for the public to address the City Council on any item not appearing on the agenda that is within the subject matter jurisdiction of the City Council. The Mayor will recognize you and when you come to the microphone, please state your name and place of residence for the record. While members of the public are encouraged to participate, it is unlawful to disturb or delay the Council meeting with personal or slanderous remarks. If the item you wish to comment on is a closed session or consent item, please comment now. The City Council is prohibited by State law from taking action or discussing items not included on the printed agenda. If the item you wish to comment on is on the public portion of the agenda, we will take your comment when we get to the item on the agenda. Please direct your questions and comments to the City Council.

CITY COUNCIL COMMENTS AND REPORTS OF MEETINGS ATTENDED

CONSENT CALENDAR

All matters listed under the Consent Calendar are to be considered routine by the City Council/Calexico Community Redevelopment Agency Successor Agency or Calexico Financing Authority and will be enacted by one motion in the form listed. Any item may be removed from the Consent Calendar and considered separately by the City Council.

7. City Council/Calexico Community Redevelopment Agency Successor Agency/Calexico Financing Authority Minutes for Regular Meetings of October 1, 2012.
8. Resolution of the City Council of the City of Calexico, California, Consenting to Inclusion of Properties within the City's Jurisdiction in the California Hero Program to Finance Distributed General Renewable Energy Resources, Energy and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure and Approving the Amendment to a Certain Joint Powers Agreement Related Thereto.
9. Resolution of the City of Calexico Approving a Sixth Supplemental Indenture and Authorizing and Directing Certain Actions with Respect Thereto.
10. Adoption of Conflict of Interest Code Resolutions:
 - a. Resolution of The City Council of the City of Calexico, California Amending the Conflict of Interest Code and Adopting Through Incorporation by Reference the Standard Conflict of Interest Provisions of 2 California Code of Regulations Section 18730.
 - b. Resolution of The City Council of The City of Calexico, California Adopting a Conflict of Interest Code for the Successor Agency and Oversight Board for the Calexico Community Redevelopment Agency Successor Agency and Adopting Through Incorporation by Reference the Standard Conflict of Interest Provisions of 2 California Code of Section 18730.
11. Resolution of the City Council of the City of Calexico Prescribing the Depository of City Funds and Prescribing the Method of Drawing Warrants and Checks of the City of Calexico.
12. Local Appointments List 2014-15 in Compliance with the Maddy Act, California Government Code 54970, and Authorize Staff to Advertise Vacant Positions Due to Resignations.
13. City of Calexico Five (5) Year Program Projects 2014-2019 for Road Projects to be Funded by Imperial County Local Transportation Authority (LTA) Sales Tax Revenue Bond.

ITEMS REMOVED FROM CONSENT CALENDAR FOR DISCUSSION

PUBLIC HEARING

14. Public Hearing for California Department of Housing and Community Development Block Grant (CDBG) Program Income Close-Outs.
15. Public Hearing to Adopt Resolution of the City Council of the City of Calexico Assessing the Levy for the Calexico Business Improvement District for Calendar Year 2015.

DISCUSSION AND POTENTIAL ACTION ITEMS

16. Resolution of the City Council of the City of Calexico, California Appointing Council Member Armando "Mandy" Real as the Calexico City Council Liaison and Ambassador to the City of Mexicali, Baja California, Mexico.
17. Confirmation and Re-Appointment of Current Appointees or Removal of Current Appointees and Declaration of Vacancies to Existing Boards, Commissions and Committees by Councilwoman Hurtado.
18. Appointment of Primary Representative and One Alternate to the Imperial County Transportation Commission Board.
19. Mayor Appointment of Member and Alternate Member to the Calexico Special Financing Authority Commission.
20. Introduce and Waive First Reading of an Ordinance of the City Council of the City of Calexico Adding Chapter 35 "Senior Citizens Commission" Sections 2.35.010 Through 2.35.100 to Title 2 "Administration and Personnel" of the Calexico Municipal Code.
21. Discussion and Potential Action Regarding Strategic Planning and Goal Setting Scope of Work, Authorization to Retain HR Dynamics & Performance Management, Inc., as a Facilitator and Approval for the Planning of a City Council Retreat.
22. City Council Discussion and Guidance on Future Agenda Items. (Mayor Moreno)

INFORMATIONAL ITEMS

23. Acknowledge receipt of Business Improvement District Meeting Minutes for Regular Meetings of August 13, 2014 and September 10, 2014 and Special Meetings of October 22, 2014 and October 24, 2014.

FUTURE AGENDA ITEMS

ADJOURNMENT

It is the intention of the City of Calexico to comply with the Americans with Disabilities Act in all respects. If you are a person with a disability who requires a disability-related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, please request such modification or accommodation from the City Clerk at (760) 768-2102. Notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting. Please advise us at the time whether you will require accommodations to participate in meetings on a regular basis. Any person affected by any application on this agenda may submit their concerns in writing prior to the meeting or appear in person and be heard in support or opposition to the proposal at the time the matter is considered on the agenda. The staff reports, applications and environmental documents may be viewed at either the office of the City Clerk, 608 Heber Avenue from 8:30 a.m. until 5:30 p.m. Monday through Thursday, except legal holidays. Telephone inquiries may be made at (760) 768-2102. If you challenge any agenda issue in court, you may be limited to raising only those issues that you or someone else raised at the public meeting described in this notice, or in written correspondence delivered to the City of Calexico at, or prior to, the public meeting.

This notice of agenda is hereby certified to have been posted on or before 9:30 p.m., December 11, 2014

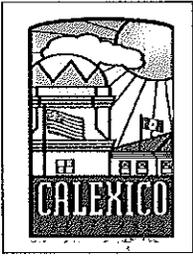


Gabriela T. Garcia, City Clerk

9:18pm / 12/11/2014
Time/Date

**AGENDA
ITEM**

6



AGENDA STAFF REPORT

DATE: December 16, 2014

TO: Mayor and City Council

APPROVED BY: Richard N. Warne, Interim City Manager *RW*

PREPARED BY: Gabriela T. Garcia, Deputy City Clerk *GTG*

SUBJECT: Resolution of the Community Redevelopment Agency Successor Agency of the City of Calexico, California Adopting a Conflict of Interest Code, and Adopting through Incorporation by Reference the Standard Conflict of Interest Provisions of 2 California Code of Regulations Section 18730

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Recommendation:

Approve Resolution of the Community Redevelopment Agency Successor Agency of the City of Calexico, California Adopting a Conflict of Interest Code, and Adopting through Incorporation by Reference the Standard Conflict of Interest Provisions of 2 California Code of Regulations Section 18730 with its corresponding appendices.

Background:

The Political Reform Act (codified at California Government Code sections 87100 et seq., and 2 Cal. Code of Regulations section 18700 et seq.) requires all agencies that make decisions that could materially affect economic interests to adopt a conflict of interest code for its employees. A conflict of interest code lists the employees or officers who are required to file economic disclosure statements ("designated employees") and prescribes the types of interests that must be disclosed by those employees ("disclosure categories"). The code also incorporates by reference the terms of Regulation 18730, which is a standard conflict of interest code, including provisions regarding timing and manner of reporting, and types of interests that must be reported.

Pursuant to AB x1 26 ("AB 26"), passed by the Legislature and signed into law in 2011, the Calexico Community Redevelopment Agency was



Attachment:

Resolution No. 2014-____-SA - Resolution of the Community Redevelopment Agency Successor Agency of the City of Calexico, California Adopting a Conflict of Interest Code, and Adopting through Incorporation by Reference the Standard Conflict of Interest Provisions of 2 California Code of Regulations Section 18730 with its corresponding appendices.

Appendix A

Appendix B

RESOLUTION NO. 2014-___ -SA

**A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY
SUCCESSOR AGENCY OF THE CITY OF CALEXICO, CALIFORNIA
ADOPTING A CONFLICT OF INTEREST CODE, AND ADOPTING THROUGH
INCORPORATION BY REFERENCE THE STANDARD CONFLICT OF
INTEREST PROVISIONS OF 2 CALIFORNIA CODE OF REGULATIONS
SECTION 18730**

WHEREAS, the Political Reform Act of 1974 (“Act”), Government Code sections 81000, et seq., requires every public agency in California to adopt and promulgate a conflict of interest code designating employees who must disclose economic interests, and designating what financial interests must be disclosed by those employees, and prohibiting the participation by such employees in decisions in which they have a financial interest; and

WHEREAS, Assembly Bill X1 26 (AB 26) was passed by the Legislature and signed into law in 2011. AB 26 dissolved local redevelopment agencies and provided for an administrative process to wind down agency activities. Also pursuant to AB 26, successor agencies to the former redevelopment agencies are required to be designated for that purpose and be vested with the authority, rights, duties, and obligations previously vested with the former redevelopment agency and each successor agency is to have an oversight board composed of seven members; and

WHEREAS, a successor agency composed of members of the City Council, was designated pursuant to AB 26 by the City of Calexico. By resolution, the City elected to retain the housing assets and functions previously performed by the Community Redevelopment Agency of the City of Calexico; and

WHEREAS, the Calexico Community Redevelopment Agency Successor Agency (Successor Agency) is an agency separate from the City of Calexico, subject to compliance with the Political Reform Act and required to formulate its own Conflict of Interest Code to be reviewed and approved by the agency’s code reviewing body; and

WHEREAS, pursuant to Government Code section 82011, the City Council of the City of Calexico is the code reviewing body for the Successor Agency, and therefore is the approval authority for the Agency’s conflict of interest code; and

WHEREAS, the Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations, Section 18730, which contains the terms of a standard conflict of interest code. It can be incorporated by reference, therefore, the terms of 2 California Code of Regulations, Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference, and, along with Appendix “A” in which officials and employees are designated and Appendix “B” in which disclosure categories are set forth, does constitute the Conflict of Interest Code of the Successor Agency;

WHEREAS, designated employees shall file Statements of Economic Interest with the City Clerk, who will make the Statements available for public inspection and reproduction pursuant to Government Code section 81008, and;

WHEREAS, nothing in this Resolution is intended to modify or abridge the provisions of the Act commencing at Government Code section 87100, which is applicable to all public officials of the Agency, and directs that no public official of the City shall make, participate in the making, or in any way attempt to use their official position to influence a City decision in which the official knows, or has reason to know, that he or she has a financial interest as defined by the Act, and;

WHEREAS, this Resolution intends to designate those public officials of the Agency who are involved in Agency decisions, and to require designated officials to disclose those financial interests, using Form 700, which could foreseeably be affected, in a material manner, by an Agency decision made by the official in the performance of the official's responsibilities.

NOW THEREFORE, be it hereby resolved by the Calexico Community Redevelopment Agency Successor Agency of the City of Calexico as follows:

1. The above recitations are true.
2. The standard Conflict of Interest Code set forth in 2 California Code of Regulations, Section 18730, and any amendments thereto duly adopted by the Fair Political Practices Commission ("Standard Code"), is incorporated by reference.
3. The list of designated positions subject to the requirements of the Conflict of Interest Code are set forth in Appendix "A" (attached to this Resolution) and their respective disclosure categories are set forth in Appendix "B" (attached to this Resolution).
4. The Standard Code and Appendices "A" and "B" constitute the Conflict of Interest Code for the Successor Agency.
5. Unless otherwise indicated, the definitions of the Act, regulations and amendments thereto and binding judicial opinions thereon are incorporated herein, and this Resolution shall be interpreted in a manner consistent with such definitions.
6. The City Manager is directed to submit this Conflict of Interest to the Calexico City Council for approval as the code reviewing body pursuant to Government Code § 82011(b).
7. This Resolution will take effect upon the date of its adoption.

PASSED, ADOPTED, AND APPROVED this 16th day of December, 2014.

John M. Moreno, Chairperson

ATTEST:

Gabriela T. Garcia, Secretary

CALEXICO COMMUNITY REDEVELOPMENT AGENCY SUCCESSOR AGENCY
CONFLICT OF INTEREST CODE
APPENDIX A
DESIGNATED POSITIONS

General Provisions

1. All designated employees required to submit an initial Statement of Financial Interest shall file the original with the City Clerk within thirty days after the effective date of this Resolution. Initial statements shall cover the period of the twelve months prior to the date of the adoption of this Conflict of Interest Code.
2. All individuals appointed, promoted, or transferred to a designated position shall file statements within thirty days of assuming office. These "assuming office" statements cover the period of the twelve months prior to the date of assuming office.
3. Annual statements shall be filed with the City Clerk by April 1st by all designated employees. Such statements shall cover the period of the preceding calendar year.
4. Every designated employee who leaves office shall file, within thirty days of leaving office, a statement disclosing financial interests held or received at any time during the period between the closing date of the last statement required to be filed and the date of leaving office.
5. Any employee serving in dual roles may file a combined statement by reporting according to their broadest range of disclosure.
6. Failure to file the required statement in a timely fashion may result in the imposition of administrative, criminal, and civil sanctions as provided in Government Code sections 81000-91014.

Designated Officials

It has been determined that the positions listed below are required to file Form 700 because they are public officials who make, participate in making or have the ability to influence Successor Agency decisions that may foreseeably have a material effect on any financial interest:

DESIGNATED POSITIONS
Successor Agency Board Members (City Council)*
City Employees*

*Board Members of the Calexico Community Redevelopment Agency Successor Agency and any City employees or consultants providing assistance to the Successor Agency are declared to be designated employees and shall have disclosure requirements identical to the requirements they have in their capacity and positions as council members, employees, or consultants of the City of Calexico, to include officials listed in California Government Code § 87200.

Successor Agency Members Who Are Already Required to File Statements of Economic Interests

In an April 25, 2012 letter, the FPPC issued guidance on compliance with the financial disclosure provisions of the Political Reform Act as it applies to oversight boards created under AB1X 26.

It states that if a Board Member is already required to file a Statement of Economic Interest form with his or her appointing agency, filing an Assuming Office Statement for his or her position on the Successor Agency's Board is not required as long as the jurisdictions overlap. For instance, a city councilmember serving on an oversight board for the city's former redevelopment agency would not have to file a Statement of Economic Interests with the city in connection with her service on the oversight board because the city and the oversight board share the same jurisdiction. If this is not the case, the official must file a Statement of Economic Interests with both agencies.

Consultants

Consultants shall be included in the list of designated positions, and shall file economic statements when, pursuant to a contract with the Agency, the consultant either: (a) makes government decisions, or (b) "serves in a staff capacity" performing the same or substantially all the same duties for the Agency that would otherwise be performed by an individual holding a designated position in this Conflict of Interest Code.

Consultant does not include a person who performs duties pursuant to a contract with the Agency but possesses no authority with respect to any Agency decision beyond the rendition of information, advice, recommendation or counsel.

Consultants who "serve in a staff capacity" as described in (b) above shall disclose financial interests in the same manner as is required for the designated position the duties for which are performed, in whole or part, by the consultant.

Consultants who make government decisions pursuant to (a) above shall disclose financial interests according to disclosure categories 1-7, with the following limitation: The Executive Director may determine that a particular consultant, although in a "designated position", is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such determination shall include a description of the consultant's duties and,

based upon that description, a statement of the extent of disclosure required. The determination shall be included in the contract by which the consultant is hired by the Agency. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

Officials Who Manage Public Investments

It has been determined that the positions listed below manage public investments, as that term is defined in 2 Cal. Code of Regulations, section 18701(b) and will file a Statement of Economic Interests (Form 700, All Schedules) without any limitation as to disclosure categories, pursuant to Government Code section 87200:

Public Officials Listed in Government Code section 87200

The following positions must file a Statement of Economic Interests (Form 700, All Schedules) without limitation as to disclosure categories, pursuant to Government Code section 87200:

- Mayor
- Members of the City Council
- Members of the Planning Commission
- City Manager
- City Clerk
- City Attorney
- City Treasurer

CALEXICO COMMUNITY REDEVELOPMENT AGENCY SUCCESSOR AGENCY
CONFLICT OF INTEREST CODE
APPENDIX B
DISCLOSURE CATEGORIES

General Provisions

1. When a designated employee is required to disclose investments in business entities, and business entities that are sources of income, the employee need only disclose investments in and income from sources that do business in the jurisdiction, plan to do business in the jurisdiction, or have done business in the jurisdiction in the past two years. In addition to other activities, a business entity is doing business in the jurisdiction if it owns real property within the jurisdiction.
2. When a designated employee is required to disclose interest in real property, the employee need only disclose real property, other than the employee's principal residence, which is located in whole or in part within or not more than two miles outside the boundaries of the Agency's jurisdiction, or within two miles of any land owned or used by the Agency.
3. When a designated employee is required to disclose investments and real property interests, the employee is required to disclose his or her own interests, and the interests of the employee's spouse and dependent children.
4. When a designated employee is required to disclose income, the employee is required to disclose his or her own income, and the employee's community property interest (50%) in his or her spouse's income.
5. When a designated employee is required to disclose income, the employee is not required to disclose salary or reimbursement for expenses from a government agency.

Disclosure Categories

Category 1 – Investments (Schedules A-1, A-2, C) and sources of income (Schedules A-2, C, D, E, F)

Category 2 – Interests in Real Property (Schedules A-2, B, C).

Category 3 – Investments (Schedules A-1, A-2, C), interests in real property (Schedules A-2, B, C) and sources of income (Schedules A-2, C, D, E, F) subject to regulatory, permit or licensing authority of the department.

Category 4 – Investments (Schedules A-1, A-2, C) in business entities and sources of income that engage in land development, construction or the acquisition or sale of real property.

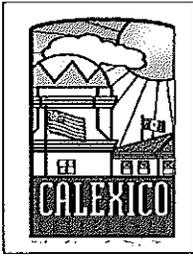
Category 5 – Investments (Schedules A-1, A-2, C) in business entities and sources of income (Schedules A-2, C, D, E, F) of the type which, within the past two years, have contracted with the City of Calexico to provide services, supplies, materials, machinery or equipment.

Category 6 – Investments (Schedules A-1, A-2, C) in business entities and sources of income (Schedules A-2, C, D, E, F) of the type which, within the past two years, have contracted with your department to provide services, supplies, materials, machinery or equipment.

Category 7 – Business Positions (Schedules A-2, C).

**AGENDA
ITEM**

7



AGENDA STAFF REPORT

DATE: December 16, 2014

TO: Mayor and City Council

APPROVED BY: Richard N. Warne, Interim City Manager *REW*

PREPARED BY: Gabriela T. Garcia, Deputy City Clerk *GTG*

SUBJECT: Approval of City Council/Calexico Community Redevelopment Agency Successor Agency/Calexico Financing Authority Minutes for Regular Meeting of October 1, 2012

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Recommendation:

Approval of City Council/Calexico Community Redevelopment Agency Successor Agency/Calexico Financing Authority Minutes for Regular Meeting of October 1, 2012.

Background:

In accordance with Municipal Code Section 2.04.070, the City Clerk shall prepare minutes of the proceedings of each City Council Meeting.

Discussion & Analysis:

Minutes for City Council/Calexico Community Redevelopment Agency Successor Agency/Calexico Financing Authority Minutes for Regular Meeting of October 1, 2012 have been prepared for City Council review and approval.

Fiscal Impact:

None.

Coordinated With:

None.

Attachments:

1. Minutes for October 1, 2012.



THE CITY COUNCIL OF THE CITY OF CALEXICO MET IN SPECIAL SESSION ON THE 1ST DAY OF OCTOBER, 2012 AT 5:00P.M. AT THE FERNANDO "NENE" TORRES COUNCIL CHAMBERS, 608 HEBER AVENUE, CALEXICO, CALIFORNIA. THE DATE, HOUR AND PLACE DULY ESTABLISHED FOR THE HOLDING OF SAID MEETING.

SPECIAL SESSION – 5:00P.M.

CALL TO ORDER

The regular session portion of the agenda was called to order at 5:14 p.m. by Mayor Romero.

ATTENDANCE

Mayor: Daniel F. Romero
Mayor Pro Tem: Maritza Hurtado
Councilman: John M. Moreno
Councilman: Bill Hodge

ABSENT:

Councilman: Luis J. Castro

PLEDGE OF ALLEGIANCE

Jim Neujahr, Police Chief led those present in the Pledge of Allegiance

APPROVAL OF AGENDA

Motion was made by Mayor Pro Tem Hurtado to approve the agenda seconded by Councilman Hodge and passed by the following vote to wit:

AYES: Romero, Hodge, Hurtado, Moreno
NOES: None
ABSENT: Castro
ABSTAIN: None

BUSINESS ITEMS

ITEM NO. 1 – CONSIDERATION TO REVOKE THE CERTIFICATE(S) OF PUBLIC CONVENIENCE AND NECESSITY FOR CALEXICO TRANSIT SYSTEM

Oscar Rodriguez, City Manager informed the City Council and those present that the item presented addresses the bus service in the City of Calexico.

Lisa Foster, City Attorney discussed the procedure of how the public hearing will be conducted. First, the City will provide the staff report from Police Chief Neujahr and David Stoughton, City Attorney. Secondly, the certificate holder will have the opportunity to do a presentation up to 15

minutes and thirdly the public will be allowed to speak. Once the public hearing is closed the City Council will deliberate.

Police Chief Neujahr informed the City Council and those present that there has been a violation of City ordinance. The City ordinance requires that the person who holds a Certificate of Public Convenience and Necessity need to maintain insurance while they hold the certificate and our operating. It came to the City's attention that at some point in the past that there might have been a lapse or failure to cover the insurance policy of the bus company as of a certain date. Police Chief Neujahr said that through investigating staff was able to find that since December 2011 the company Calexico Transit/Imperial Rapid Services failed to maintain insurance coverage until just recently. The City ordinance requires that when a violation of City ordinance does occur the item needs to be brought to City Council and the City Council will determine what to do about the violation.

Police Chief Neujahr stated that the Certificate of Public Convenience and Necessity was issued to Calexico Transit System almost fifty (50) years ago. The company has been in the family changing ownership from one Castro to the next ultimately to the third Castro. The official documents of the City show that the change of ownership from Grandfather Castro to his son Luis J. Castro occurred in front of the City Council by a resolution. The ultimate change of ownership which occurred six (6) to seven (7) years ago and the City does not have a change ownership on file. Police Chief Neujahr said that it is unclear in City documents who is the actual owner of the business, that is the one thing lacking that has to be determined who is the owner and whether it is Calexico Transit System or Imperial Rapid Services is the company record. All the certificates possessed by the City show that Calexico Transit System is the company that has the certificate and can operate in the City but Imperial Rapid Services enter into the City at some point and there is no documentation from the City approving that company for operation in the City. He said that Imperial Rapid Services is a corporation listed in the State of California unfortunately the corporation has been suspended. As a result of being a suspended corporation the City cannot enter into an enforceable agreement with that company. Chief Neujahr said that is one of the problems that has been brought up to this point. Staff has worked very hard with the Castro family to get the services back and running but staff runs into problems. One of the problems is that the corporation by law has been suspended and as a result staff has tried several different companies to get into business to insure them but as date the corporation is still suspended.

Chief Neujahr said that when staff found out that they didn't have insurance they contacted the company and were given a chance to demonstrate to the City that they were insured. Once it was found that they did not have documentation and they were not insured the Police Department ordered them to stop and desist operation. At that point, they waited until they received a written order from the Police Department. Once the written order was received by them they stopped operation and have been out of operation since then. He said that the president and owner of Imperial Rapid is Jovan Castro because they have been dealing with him to work out the deficiencies of the service. The official file that the City does have does not reflect that and he has been made aware. In working with him, he has brought up three (3) policies to the Police Department because they did not meet state guidelines for what the coverage will be and/or because of the suspended corporation each of those policies have not been honored. The first

they are revoked, it does not mean that they are completely barred from doing business again. What it does mean is that the City can start the process of looking for a new bus company. If Imperial Rapid Services get everything cleared up they would be eligible to apply. Option 2 is a suspension, which will say that the City is disappointed with what they did and that they will not operate for a period of time. There are two ways of structuring a suspension. One is suspend them for a period of time at which at the end they can operate again. If City Council does that they might still be operating without insurance. The second structure would be the suspension that will end at a certain date and will result in a ramification if they do not get their act together and get the proper insurance policy and workers compensation policy in place. Option 3 is not to take an action this evening and simply give staff direction of what the City Council would like staff to do. If no action is taken Calexico Transit will still not have valid insurance but the City Council is not saying that they are completely out of the game of providing public transit for the people. If they do not have insurance anybody riding on the buses will be at risk of not having any insurance coverage if the bus gets into a collision.

Mayor Romero said he understands that there are different classifications in the transportation industry and asked if someone can elaborate on the classifications. Police Chief Neujahr informed Mayor Romero that the charter classification is a type of bus a person would use to charter school kids to go to an amusement parks, it is hired for a group setting. The passenger stage corporation classification is the bus system that is being discussed today but is actually regulated by the PUC if they go into the County and operate ninety-eight percent (98%) within the City. He mentioned that the routes that are used today are one-hundred percent (100%) within the City. In a technical term the City is looking at a passenger stage corporation under DMV law. The DMV does not distinguish between the two. If you are a public transportation operator in the City of is your a profit transportation operator under PUC regulations you are required to be insured exactly the same way.

Mayor Romero stated that the Police Chief made the comment that if they are operating ninety-eight percent (98%) operation within the City limit they are not required to have PUC authority, but he read that if they have access to State Highways they must be registered with PUC. Imperial Avenue is an extension of Highway 111 and Birch Street is referred to Highway 98. City Attorney Stoughton informed Mayor Romero that staff has checked with PUC and under the PUC the critical issue is how much they are operating. It depends whether they are operating within the City and whether there is a State Highway that travels within the City is not the key question. The question is if there is business just within the City or if they are going outside the City. Whether the PUC regulates them or the City regulates them under the vehicle code section and PUC order they are considered passenger stage because they go to fixed bus stops and the amount of \$5 million is set. If you look the Certificate of Public Convenience and Necessity each of them lists a bus passenger capacity of thirty (30) or more people and the \$5 million amount is for businesses where the buses hold sixteen (16) or more.

Jovan Castro, Calexico Transit System/Imperial Rapid Service, stated that he does have \$5 million coverage for his buses and they are legally registered at the DMV. The drivers meet all of their requirements, they have all their licenses and passenger endorsements. He said that they do have the \$5 million coverage and asked the City Council to allow them to work. Mr. Castro stated that the issue was that they were not in compliance with the insurance but he got it and it is

up to date. The second issue was the business license and he said it was paid on Oct. 1, 2012. Mr. Castro stated that to his understanding he is in full compliance.

Mayor Moreno informed Mr. Castro that there seems to be another issue that is left outstanding. Mr. Castro informed the City Council that the issue can be worked out and that he will work with City staff to get it resolved.

Mr. Castro stated that they have been out of service for ten (10) days and everywhere he goes people tell him that they need the service. He knows that he messed up by letting the insurance lapse. The insurance lapsed in July so his company was without insurance for one (1) month and he is willing to work with the City to continue to provide services in the City.

Chief Police Neujahr did clarified that before the meeting the Finance Director did provide him a receipt that specifies that the business license and penalties were paid on Oct. 1, 2012.

Councilman Moreno asked if there is still a question on the corporation status. City Attorney Stoughton informed Councilman clarified that Imperial Rapid Service is a suspended corporation, which means that it cannot enter into a valid enforceable contract. If someone got injured in a collision with one of their buses the insurance company can simply say we are not going to bother paying this because Imperial Rapid Service is a suspended corporation and they do not have the right to make enforceable deals. He said it might be possible for them not to be a suspended corporation and it might be possible for them to fix is but it might require payment of taxes to the State and other procedures. Right now, the insurance lists Imperial Rapid Service it is not going to be enforceable insurance that passengers can relay on. In addition, the insurance does not note workers compensation insurance which any business has to have. City Attorney Stoughton said he has not seen proof that Calexico Transit has workers compensation insurance to cover their drivers.

Mr. Castro informed the City Council that the insurance reads Jovan Castro Imperial Rapid Service doing business as Calexico Transit System. He said that they took his money and it is a contract that he has with the insurance company. Mr. Castro stated that they are currently working on getting a contract with the drivers so they can work and at the end of the year they will provide them a 1099. He stated that not all businesses in the State of California have to have works compensation insurance, there are ways of taking care of that which is another issue.

Marlene Thomas, 653 Olive, El Centro, CA, stated she used to run Imperial Valley Transit System and there is an important element that she has not heard discussed. One thing that it is important is the history, transportation started in the City of Calexico and is the birth of public transportation. It is saddening to see the way this process is going when the bottom line should be how can the City make it work for the people who are dependent upon transportation. She stated that the three (3) options presented by the City Attorney are not for the people. The City needs solutions that are going to work for the people of Calexico. Ms. Thomas stated that as long as she lives no matter where she lives Calexico is her home.

Oscar Gonzalez stated that City Manager Rodriquez is here to resolve problems not create them. He spoke to City Manager Rodriquez seven (7) times last week and he told him that the only

thing they needed to do is get insurance and he got it. Now the City is saying he needs workers compensation, tomorrow the City will say flat tires. The bottom line is Mr. Castro has lost \$8,000 to \$10,000 dollars. Mr. Gonzalez asked where is the Calexico Chamber of Commerce? The Calexico Chamber of Commerce receives \$75,000 a year from the City and he does not see them support private enterprises. He feels there is a lack of communication. Mr. Gonzalez stated that City Manager Rodriguez is incompetent because he told him he was going to resolve it, the City Council sets policies and he should administer it. The people who are suffering because of lack of service are students, seniors, people with disabilities, and visitors. In conclusion, Mr. Gonzalez stated that this is all political and he hope the City Council votes for what is right.

Diana Cortez stated that she is a community development worker since 1995-1996, received a plaque from the Imperial County of Education and has received training in the area of teamwork. She said that the community needs affordable transportation services in order to go shopping, work and schools. Not having transportation services has affected the community. The cost of taxi service is high and the taxi cabs are currently taking advantage of the situation and abusing the people with their high costs. The minimum wage is low and people cannot afford to pay for taxi cab service. Ms. Cortez stated that even the buses for the seniors and disabled have also been affected because they had to transport people who are not seniors and/or disabled. They are doing this because there are people that do not have enough money to pay a taxi they only have \$1.00 for transportation. That service has its own regulations and they are working against their own regulations because of the need of transportation in our community. She urged City Council to think of ways to help the people. Ms. Cortez said that the people voted for the City Council to represent the community and look for solutions not problems. She requested that the City Council support Imperial Rapid Services in obtaining their license and work together in getting the necessary documentation that the Police Department is requesting.

Jose Luis Jaral said he is a journalist for La Voz de la Frontera and other Mexicali newspaper and everyone from Mexicali and all Baja California knows about the issue we are having in Calexico. He has received numerous calls of people asking him why there are no buses in Calexico. Mr. Jaral said that people come to shop in Calexico to save money but now it is not beneficial to them because they are spending \$10.00 for transportation service. He requested that City Council come up with a solution on how the transportation problem will be resolved. It needs to be resolved now because the holiday season is coming and he does not want to see the merchants hurting as well. People from out of town come to Calexico to shop and revenue is being lost.

Mohamed Asiad stated that the business in Calexico have been paralyzed and he does understand that there are policies that have been set and they need to be followed. He said that the company has been in business for fifty (50) years and the City cannot close it down. Not City is not only punishing the business but it is also punishing seniors and businesses. There are businesses in Calexico that are closed or closing. The City depends on the sales tax it collects from businesses in order to function. He said the City needs to put politics aside and the City needs to be interested in our seniors, children and businesses. He requested that City Council give Imperial Rapid Service a chance and work with them on resolving the issues.

Ben Horton said that the law stands by itself and there is no question on what the law is. Sometimes we want to do what is best but the law is set to prevent unnecessary situations.

Mr. Gonzalez rudely interrupted Mr. Horton.

Mayor Romero asked Police Chief Neujahr to remove Mr. Gonzalez from the Council Chambers.

Mr. Horton stated that if they do everything that is necessary they will have the right to move the buses. The law stands by itself, if we violate the law than what kind of society are we. He said that he is running for the school board and kids use this service. Mr. Horton said that no one wants to stop a business after fifty (50) years. The City Council wants to work with Mr. Castro to resolve this issues. He offered his assistance to Mr. Castro and stated that he is willing to help him become a corporation.

Maria Estela Molina said that there is a need for transportation services for those individuals that do not have a vehicle. She needs to be transported to the clinic, grocery stores, and different locations. The taxi drivers are taking advantage of the situation and are not courtesy and they offend people. She has used Calexico Transit System for more than twenty (20) years and they are like family. They are very respectful and treat people like family. Ms. Molina stated that her income does not allow her to be paying \$5 to \$6 for taxi service, they charge you depending on the distance you are going. The people of Mexicali come to Calexico to purchase groceries and items here because it is expensive to buy things in Mexicali. The City benefits from that because they leave there hard earn money here. Ms. Molina asked City Council to put themselves in her shoes because one day they might need to you the transportation service.

Joong Kim stated that the bus company has insurance and the City stopped them because they are requiring workers compensation that is required only in the City. He feels that they stopped the company from providing service for political reasons. Mr. Kim said that most of the cities are subsidizing and he requested that the City Council consider subsidizing the bus company to keep the public transportation. The City pays a lot to the various consultants and they do not spend any money on public transportation. The people working at Las Palmas, Price Center, etc. need to pay \$5 for taxi service to get to work instead of paying \$1.25. He stated that political attacks only hurt the community.

Ana Castro asked the City Attorney Foster if the \$5 million dollar insurance requirement a recommendation for the City Attorney or something that can be negotiated by City Council. City Attorney Foster informed Ms. Castro that the \$5 million dollar insurance requirement is set by State law and it is not a discretionary amount that City Council can change. It is set by the PUC, DMV and it is based on the size of the vehicles.

Ms. Castro stated that the bus company has been in existence for about fifty (50) years and it has not had any liabilities and claims to the insurance. She said she use to do all the paper work for the bus company before her son took over five (5) to six (6) years ago. The buses only run 40 to 35 miles per hour within the City, which is not a big of a risk and yet the City is requiring a \$5 million insurance. Ms. Castro stated that it is more expensive for the company. The City Council

says that they are representing the community and businesses, yet they are imposing those requirements. She said that all the cities in California are being one hundred percent (100%) subsidized, for example El Centro, Imperial and Brawley and Calexico is not. Calexico has obtained grants and they have lost them because they have not used them and have been returned. She asked why the City has not offered to assist the transportation. This is a business that services the whole community. She said that all the businesses out there are being affected by this. Ms. Castro informed the City Council that for them to raise the \$5 million it will affect even more. She knows that the City Council amends its own rules and make changes based on the community and the need of the community. She stated that her buses are not required to have PUC because they only run in the City of Calexico and they do not pay commercial plates, they pay regular plates for their buses. The radius around the City of Calexico is only seven (7) miles around. Ms. Castro requested that the City Council take into consideration all what she has said and repeated that they have not had any claims.

Councilman Hodge stated that the public comments are absolutely correct and he has two (2) concerns. One of the concerns is the Castro family who have provided over fifty (50) years of transportation service and there hardship but his larger concern is not having transportation for the poor, elderly and working class. He said he was looking at the legality of the situation. He is not sure what the truth is because he is getting strong testament from the public and from the City. He would like to carry on what Ms. Thomas said earlier that the City needs to step up and work with the Castro family. Councilman Hodge said that no one was above the law, even families of individuals that he respects the most. He is here to uphold the law and provide the quality of life and public safety for our constituents. What he needs to happen is to get it straight. He asked if it was true that the company was suspended by the State, is it true that it is out of the City hands and if it is not can the City amend \$5 million. Also, look into way of subsidizing in the future. If it is true that the company does not have the insurance the City cannot do anything that is illegal. The City cannot allow the business to be run if there is no insurance. Councilman Hodge stated that the City Attorney commented that if the company was suspended the insurance had the right to not honor the insurance than we are hurting the individuals if they were in an accident because they would not be covered. He said that this needs to be determined and he wants it to be done immediately. He stated he was not here to undermined the Castro and he would like to see them up and running but it has to be in legal grounds. Councilman Hodge said lets working with the company and think about subsidizing because they help us by giving services to the community but that will be down the road. He stated that he sits on Imperial County Transportation Commission (ICTC) and he contacted ICTC and asked them if El Centro subsidize transportation services and they said no. He said he was disappointed because he was hoping that they do subsidize. He wants to see the bus company working but only if things are done legally. The biggest sadness here is that people cannot afford taxi's. Councilman Hodge said that at this point he is in the position of giving them more time and working with them to help expedite the process.

Councilman Moreno stated that the City Council is here to resolve an issue and make sure that our City is serviced properly. He may not be an agreement with Councilman Castro on many things but what they have in common is that they both come from family businesses and they both know that when sales are down it not only hurts the family but the people they serve. He applauded Councilman Castro's father for continuing this business for years and servicing the

community. He applauded Councilman Castro for taking over and he also applauded Mr. Castro who is the third generation and is continuing the service. Councilman Moreno said that he has listen to all the comments and is true, he sees a lot of people riding the buses to major areas where commerce is taking place. He said that he goes downtown and likes to see the movement but agrees with Mr. Asiad that downtown is currently looking like a ghost town. He stated that the City needs to continue with the service of these buses and he concurs with Councilman Hodge that they need to be in compliant with Federal, State and local guidelines. Make sure that all paper is in order and when that happens he would like to see them up and running again. He said that the City Council needs to make a decision tonight and he think it is to resolve a problem and not create more problems. If this item is looked at objectively and say what is best for Callexico? Is it best to revoke it completely and wait another thirty (30) days, forty-five (45) days or however long the process takes to get public transportation in the heart of holiday season or does City Council make a tough decision. He would like to look and examine the information and perhaps be given another ten (10) days to obtain the necessary paperwork and submit it to the City and get the buses rolling.

Mayor Pro Tem Hurtado asked Police Chief Neujahr if when he approached the insurance company and they became aware that the corporation was suspended, did they indicate that they were going to honor the insurance policy. Police Chief Neujahr informed Mayor Pro Tem Hurtado that she is asking about a company policy that he cannot answer on. He said that they are willing to cover anything they want but whether they will pay an event of an accident they will not say.

Mayor Pro Tem Hurtado said that the legality of this item currently being reviewed is very serious. It is important to know how the other agencies that are involved are going to respond to them not having a corporations status.

City Attorney Foster clarified to the City Council that it is not only the insurance company that can potentially invalidate a contract but any person can file a lawsuit. The revenue and tax code specifies that anyone who enters an agreement with a suspension corporation the agreement can be voidable upon request, which means that any person can file a lawsuit to invalidate a contract.

Mayor Pro Tem Hurtado stated that Ms. Molina indicated that she is a resident of the City of Callexico and clarified that the City of Callexico has two (2) services for seniors citizens which are the Callexico Dial-A-Ride and IVT Access. She said that when she saw the backup material she saw a lease with ABC Charter Servince, LLC and was curious to know there relationship. Police Chief Neujahr informed Mayor Pro Tem Hurtado that the relationship has been eliminated as of today, they have withdrawn their agreement. Mayor Pro Tem Hurtado read page 3 where it stipulates that ABC will maintain the insurance of the buses. Police Chief Nuejahr said that they have withdrawn that. Mayor Pro Tem said that someone mentioned that the Police Chief needs to service and protect and she said that is what they are talking about. The City is looking to protect the citizens. It is great that the transportation service has not had any claims but who is to say they wouldn't, everything is possible. She said it is the City Council responsibility to protect our citizens. The reason the City was informed about the issue was because PUC notified us. She said this was not because anyone wanted to hurt anyone and this was a formal business notification to the City of Callexico. Staff than took measures to make sure the City would be

doing the right thing for the forty thousand (40,000) residents of Calexico. Mayor Pro Tem Hurtado requested clarification on who is the company the City is working with, is it Imperial Rapid Service? Police Chief Neujahr said that is one of the things they are working with Mr. Castro, in the file there is no documentation of the transfer from Luis Castro to Jovan Castro. He said that it is known that Jovan Castro is the owner of the company because he is the person they have been dealing with but unfortunately, there is no documentation on record. He doesn't think it is a deal breaker but at some point he is going to have to come back and make a legal resolution before the City Council that he is in fact the owner in order to keep the certificates and have him be the holder instead of his father.

City Attorney Stoughton added that in the latest attempt to file insurance the policy is listed as Imperial Rapid Services doing business as Calexico Transit which is part of the confusion because part of the earlier paper work it says Jovan Castro doing business as Calexico Transit and some of it says Calexico Transit on its own. So what the relationship between these three (3) companies is not clear. He said what the City knows is that Calexico Transit does not appear to be a registered corporation with the Secretary of State. In addition, on Exhibit 9 of the attachments it stipulates that Imperial Rapid Service is a suspended corporation by the Secretary of State. City Attorney Stoughton said that the ownership structure is simply not clear.

Mayor Pro Tem Hurtado believes that clarifying who is the operating company is important at this point to be able to know who is the responsible party is and she said she is still confused on that. She said that there has been some conversation on workers compensation coverage. Her understanding is that workers compensation is for employees of a company and thinks there is such a grey area when you talk about this type of employee. Contractors get 1099 and there is no withholdings while employees get W-2 with withholdings and they have workers compensation coverage, unemployment benefits, etc. The difference is that the employer has much more control over the employee and tells them what to do, what equipment to use, where to go and the contractor has much more liberty to set their own hours and things like that. She thinks that it is a very important clarification that the City is going to require so it can be understood if workers compensation is a requirement.

Police Chief Neujahr informed the City Council that each taxi's driver is a contractor. So the driver contractor contracts with the company, rents the car from the company and takes over his own liability. In the file for the taxi's the City has contracts in there which shows that each of the drivers of the taxi are contract people so it is very clear in that file that that exist. He said that Mr. Castro stated that was his intention to also do. Up to this point, he has been taking care of other things and he has not taken care of that part yet. Police Chief Neujahr said he will work with Mr. Castro to make sure he has a file like the one he has for the taxi driver contractors.

Mayor Pro Tem Hurtado said she remembered there was a meeting in December 2011 where there was a rate adjustment request and Judy asked him for some information and she asked Mr. Castro if he ever provided that information. Mr. Castro informed Mayor Pro Tem Hurtado that he never provided the information. Mayor Pro Tem Hurtado said that on that day it was requested that Mr. Castro provide clarification of PUC licensing, etc. That day is when she learned that the City has to have the Certificate of Public Convenience and Necessity stored in our files.

Mayor Pro Tem Hurtado said that she also did some homework and contracted other agencies regarding subsidizing. When she looks at and evaluates this issue she thinks that is where the whole situation comes from because the company had financial issues and the subsidies would have been helpful. However wanting to subsidize a organization a municipality like the City and/or a county would require that this same responsibilities be taken care of in order to qualify for subsidies. Mayor Pro Tem Hurtado said that the City would be going back to the same situation that the company would need to be in compliance. It is not that the City does not want to subsidize, subsidies also have auditing and reviews by other agencies to ensure that you are using those money appropriately. Mayor Pro Tem Hurtado said that she heard in the comments that the City Council should not hurt the community and that is exactly what they are not trying to do. The City Council does not want this community to be hurt and that is why insurance exists. She said that the concern before them is completely valid. Every time the bus is loaded it is a liability down the street. The intent of this meeting is not to hurt the community but to protect it. This community deserves the best. The word transparency comes off her mind and that is exactly what the City Council needs to do. She said that there has been a lot of comments of this being political and it is not, it is about following the rules and making sure that the #1 priority is taken care of. Mayor Pro Tem Hurtado stated that the issue of decreasing the insurance is a legality and the City Council would need to verify if the law permits that. If the City Council were to make a decision to reduce the responsibility of insurance what would other businesses than say because other businesses would say this is unfair competition. The City Council is giving so and so a break but what about me. She said that when she thinks about this she thinks fairness for all.

Councilman Hodge said that if everything was in order he would say let's get the buses moving tomorrow but there is local, state and federal law. State and federal supersede city law so what he is really concerned about the suspension of Imperial Rapid Service and if he understands that is out of the City hands do to the fact that it is a state law. City Attorney Foster informed Councilman Hodge that it involves the Secretary of State office, which is the department that deals with licensing and corporations. It is completely separate from the City, it may be something relatively simple to workout such as paying the fee it is owed. Someone may want to contact the Secretary of State office to find out the reason and fees so it can be corrected.

Mayor Romero said that he is also from a private businesses and because of his warehouse business he can see the activity of other business do to the movement of the freight of warehouse, there is a connection. It is not much different when you see the movement of people in downtown and the retail stores where you see them spending more of their disposable income. He said that public transportation is a key factor and there is no doubt about it. One of the things for public transportation in regards to subsidizing is that public transportation is being subsidized here in Calxico through the Dial-A-Ride program. Public subsidizing is an issue that one has to be careful with and entertain to receive public subsidies. In this case, there will also be the relationship between Councilman Castro and Mr. Castro. He said that Mr. Castro said that there was a lapse in the insurance for about three (3) weeks. Mayor Romero asked staff and legal counsel when did the PUC revoke the license and why did it get revoked. Police Chief Neujahr said that just before the meeting today Mr. Castro provided him with additional information. The PUC says that as of February 2012 they show the policy is lapsing. He said that Mr. Castro

provided documentation that he had another policy. One policy is for Imperial Rapid Service and the other one is for Calexico Transit System. The policy they used to get PUC is the one that lapsed earlier and the other one mid-year.

Mayor Romero said that Mayor Pro Tem Hurtado mentioned the meeting in December 2011. In fact there was some confusing there that the family has three (3) names: Imperial Rapid Service, Calexico Transit and Kennedy. Mayor Romero asked if Kennedy impacted by any of this, are they still in operation or are they all under the one umbrella. Police Chief Neujahr said that you may see one bus or two (2) that have the Kennedy name on it but all the certificates are under Calexico Transit System.

Mayor Romero asked if the certificates are the ones included in the agenda package. Police Chief Neujahr said yes.

Mayor Romero said that the issue of having a \$5 million insurance policy is because it is a state mandate. So the City cannot making it any less. The company can make a petition to the State of California so they can reduce the liability for whatever reason the company may have. He said it really isn't at the discretion of the City Manager, staff and City Council. Any consideration of the City Manager, staff and the City Council to reduce the liability makes the City Manager, staff and the City Council go against state law. Mayor Romero stated it was mentioned that it appears that in the 1990s the company was paying the \$5 million insurance policy. City Attorney Stoughton said that it does appear that for number of years prior to 1998 the company was paying \$5 million insurance policy and it was filed in the City.

Mayor Romero asked if staff verified if that amount was required by the state at that time or something volunteer. City Attorney Stoughton said that the amount was required by the state under the PUC order, which is attached as one of the exhibits to the staff report.

Mayor Romero asked if they are not mandates under PUC and by the City than why do they have the situation before them. Why are they addressing PUC mandate if they are not regulated by PUC. City Attorney Stoughton informed the City Council that there is a vehicle code section which is also included in the staff report. Vehicle Code Section 16500.5 gives the cities like Calexico the authority to regulate companies that just travel within their city. They say that any insurance that you have for those companies has to be of the same amount that would be of a company regulated by PUC.

Mayor Romero asked Mr. Castro if he is going to put everything in one name. Mr. Castro said yes. Mayor Romero said that the three (3) names were still in existence back in December 2011. Mr. Castro said that he has been going back and forth with Police Chief Neujahr regarding this issue but that it is only going to be under one name.

Mayor Romero said that his understanding of an insurance policy is that you need to list the VIN of the bus that is on operation. Mr. Castro said he does.

Mr. Castro stated that it has never been stated how much the insurance by the City Council at any time and that is where the confusion lies on their part and the City. Mayor Romero informed

Mr. Castro that he has to uphold the DMV code. Police Chief Neujahr said that as Ms. Castro said they have never had an incident with the bus line. He believes that the only accident on record is when someone crashed into their buses. At some point, whether it was City Council or City Manager someone chose to change the amount. As long as the policies were in effect all the Police Department do is make sure they were. It was never brought to light to say this is what they need and what they do not need because the policy was in effect. Once the policy expired and staff had to research to put back into affect than they noticed that they have different requirements that it did previously.

Mayor Romero informed Mr. Castro that there was a letter attached that said he had to sis and desist his operations when it was discovered that his insurance had been expired but he continued with his operation and he asked him to please enlighten the City Council why he continued to do something he knew was against code and law.

Mayor Romero asked Police Chief Neujahr to clarify the issue of the letter. Police Chief Neujahr said that initially they were trying to work with Mr. Castro and set a tentative time when they could produce the documents. That time ultimately came and went, staff extended it for a few more hours and again he was not able to provide the documents. At that time, he was given a verbal order to seize operations and two (2) days later the Police Department served him with a letter of the notice.

Mayor Romero asked if during that time there was no service to the public. Police Chief Neujahr said that between the verbal order and the written order there was service to the public.

Mayor Romero informed Mr. Castro that Councilman Moreno was in business Mayor Pro Tem Hurtado and himself are in business and all businesses have their requirements and everyone have to obey by them and if they do not they get shut down. He said that in his business the authority comes from the federal government and in that businesses there is very little lead way to be given a chance to fix things up. He said that the emotional and sentimental sides of these concerns are heavy because they impact the community as a whole, which is one factor that should be considered but the bottom line the law was broken in every aspect. The insurance Mr. Castro submitted makes it pretty clear that it will not be effected because the name it is under is not active status by the State of California. In essence the insurance policy that was presented is not a valid insurance policy. Mayor Romero said the policy total \$22,000.00. Mr. Castro informed Mayor Romero that is how much it costs.

Mayor Romero said he is not in the insurance business and he does not know if all the items need to be covered or a flat \$5 million is enough. There is no doubt that the bus services is a critical light blood of the City of Calexico and the reason everyone is at tonight special City Council is because they are not complying with the requirements of the busing company. One thing to take into consideration is that if it is revoked or suspended it is basically the same thing and even if it is revoked you can work to bring it back and into the system of the City of Calexico so they can initiate operations. He informed Mr. Castro that even if the City goes with suspension he cannot operate until everything has been complied with. Mayor Romero said that with the information that was received, it appears that Mr. Castro deliberately broke the law and that will be something the City can deal with a judge if needs be. He informed Mr. Castro that he is with

everyone else and he does not want his business to stop operating. It part of the lively hood and blood of the City of Calexico. If this consideration is taking by the City Council and noting that Mr. Castro cannot operate until everything is in order, he has clarification of the name and workers compensation.

Police Chief Neujahr said that based on the information Mr. Castro provided today the only two (2) things that are left is the name change with the City so the proper name can go on the certificate. Mayor Romero said that Mr. Castro first needs to do that with the State of California. Police Chief Neujahr said that the second thing would be getting the bus drivers contract and providing them to the City so he can have the workers compensation requirement taken care of.

Mayor Romero asked Police Chief Neujahr if by taking care of these things the City can than re-issue the certificates. Police Chief Neujahr said that at the moment the certificates still remain in the name of Calexico Transit and are in effect, the only thing is that Mr. Castro is under the order of sis and desist until the determination is made by this hearing.

Mayor Romero asked Police Chief Neujahr that the certificates say Calexico Transit but if he changes the company name to Imperial Rapid Service then the certificates are not valid. Police Chief Neujahr said than the certificates would need to be re-issued under the new name.

Mayor Romero asked Mr. Castro how many days would he need to clear everything up. Mr. Castro informed Mayor Romero that it will take him three (3) to five (5) days.

Councilman Moreno said that he would give Mr. Castro a cushion of about ten (10) days just in case and as soon as he gets his paperwork he can get started. Mayor Romero asked what will happen if the cushion comes and goes. Councilman Moreno said than the City would have to revoke if the conditions are not met.

Councilman Hodge asked if revocation has to happen after the ten (10) days. City Attorney Foster informed Councilman Hodge that it would be a discretionary decision by the City Council.

Mayor Romero reminded Councilman Hodge that even if they get revocation they can come back and submit everything once they have it in order.

Councilman Hodge asked if they would have to go through the bidding process. Police Chief said that if was a good question and he did not know but the only time a new company can come in is when the City Council determines that the current company is not meeting the needs of the public. That will need to be a determination of its own so he does not think the City can do an automatically revocation if things are not done in ten (10) days. The City would need to serve him with new notice for a hearing and go through the revocation process.

City Attorney Stoughton said that there is a process in the code of how the City would handle if somebody is revoked. Anyone can put an application to provide transit services to the City of Calexico, applications would be submitted to City Council, go through the process of public

hearing and the City Council would look into which company(ies) best serve the needs of the City.

Mayor Romero said that once they meet all their obligations and the company is ready to operate maybe a special meeting can be called for the City Council to review the documents. Police Chief informed Mayor Romero that if he has the proper documentation than there will not be a need for City Council to review. What staff has been doing it working with the City Attorney to review the documentation and make a determination whether it was acceptable or non-acceptable. He said that the actual code says that it could be City Council or City Manager.

Mayor Romero asked Mr. Castro if he feels confident that he will have all the documentation by the next City Council meeting, which is scheduled for October 16, 2012.

City Manager Rodriquez informed the City Council that if they desire to move into that direction the City Council has the authority for this item to be brought back to City Council. He explained that if the City Council decided to suspend services up to the 16th and required to come back to the City Council for action or if Mr. Castro gets it done prior to the 16th and the City Council gives direction to call a special meeting than staff can do that too. City Manager Rodriquez said it is all up to the discretion of the City Council.

Police Chief Neujahr asked City Attorney Foster if it would be fare to adjourn the meeting until documentation is submitted.

City Manager Rodriquez said that the reason he recommends a call for a special meeting is because he does not know when it will happen. If the City Council adjourns to a specific meeting than that is the time and place they will be meeting. So rather than do that give Mr. Castro the opportunity to resolve that between now and the 16th and if he resolves it prior to the 16th the City is happy to call for a special meeting.

Councilman Moreno asked if the special meeting can be done administratively. City Manager Rodriquez said that it can be but it is up to the City Council if the City Council wants it to come back to the City Council.

Councilman Moreno said that if he gets all ducks in a row he thinks he doesn't need to come back to City Council. City Manager Rodriquez informed Councilman Moreno that if the City Council wants staff to make that determination than that would be fine.

Mayor Romero requested that Mr. Castro has all his documentation in order that the City Council be informed before he begins his operation just in case they receive calls.

City Manager Rodriquez said that Police Chief Neujahr would provide a document to him stating that all the requirements under the Municode have been identified and have been appropriately addressed that he would advise the City Council and Mr. Castro would get the go ahead.

Motion was made by Councilman Moreno to give the bus company owned by Jovan Castro until October 15, 2014, to submit all required insurance, permits and workers compensation to

administration. Administration will than provide Mr. Castro the admittance to begin his bus company again upon review and making sure they have met all requirements. Motion seconded by Councilman Hodge.

Mayor Romero said that this is not political and it is for the protection and best interest of not only the citizens of Calexico but for all those who use the City's public transportation system. They have the right also to be protected while they are being provided that service.

City Attorney Foster asked if the documentation are not submitted by October 15, 2012, what would be City Council direction.

Councilman Moreno recommended that the City begin the revocation process. Mayor Romero agreed.

Mayor Romero asked Mr. Castro if he was okay with City Council decision. Mr. Castro asked if he was not able to comply by the 15th can he submit a letter requesting additional extension. City Manager Rodriquez informed Mr. Castro that if he will be requesting additional time he would need to do it prior to the 15th so the City can have a chance to call for a special meeting.

Councilman Moreno asked if he would need seventy-two (72) hour notice. City Manager Rodriquez said yes but another thing the City Council can do is run it through the business closing day on the 16th, which is City Council meeting and if it is needed than it can be placed automatically in the City Council agenda.

Motion was made by Councilman Moreno to give the bus company owned by Jovan Castro until October 16, 2014, to submit all required insurance, permits and workers compensation to administration. Administration will than provide Mr. Castro the admittance to begin his bus company again upon review and making sure they have met all requirements. Motion seconded by Councilman Hodge and passed by the following:

AYES:	Romero, Hodge, Moreno
NOES:	Hurtado
ABSENT:	Castro

ADJOURNMENT

There being no further business the meeting adjourned at 7:25p.m.

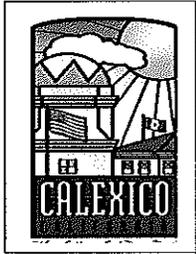
Daniel F. Romero

Attest:

Gabriela T. Garcia, Deputy City Clerk

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AGENDA STAFF REPORT

DATE: December 16, 2014

TO: Mayor and City Council

APPROVED BY: Richard N. Warne, Interim City Manager *RN*

PREPARED BY: Nick Servin, Public Works Director/City Engineer *NS*

SUBJECT: Approval of Resolution Consenting to the Inclusion of Properties within the City's Jurisdiction in the California HERO Program to Finance Distributed Generation Renewable Energy Sources, Energy and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure and Approving an Amendment to a Certain Joint Powers Agreement Related Thereto.

=====

Recommendation:

Approval of Resolution Consenting to the Inclusion of Properties within the City's Jurisdiction in the California HERO Program to Finance Distributed Generation Renewable Energy Sources, Energy and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure and Approving an Amendment to a Certain Joint Powers Agreement Related Thereto.

Background:

Assembly Bill (AB) 811 was signed into law on July 21, 2008, and AB 474, effective January 1, 2010, amended Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California ("Chapter 29") and authorizes a legislative body to designate an area within which authorized public officials and free and willing property owners may enter into voluntary contractual assessments to finance the installation of distributed generation renewable energy sources, energy efficiency, and/or water conservation improvements that are permanently fixed to real property, as specified. The financing for these improvements has come to be known as PACE, which stands for Property Assessed Clean Energy.

The HERO Program (for PACE financing) has been very successful in Western Riverside County, since its launch in late 2011; the Program has approved over \$1.9 billion in applications and has funded over \$370 million in projects. Because of its success, the California HERO Program is now being offered to provide additional California cities and counties with a turnkey program that

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saves significant time, cost and local resources that would otherwise be needed to develop a new local program. Jurisdictions only need to adopt the form of resolution accompanying this staff report and approve an amendment to the joint exercise of powers agreement, related to the California HERO Program, and provided as an attachment to the resolution. 209 Jurisdictions in CA have approved the HERO Program for their residents to date.

Discussion & Analysis:

The California HERO Program is being offered to allow property owners in participating cities and counties to finance renewable energy, energy and water efficiency improvements, and electric vehicle charging infrastructure on their property. If a property owner chooses to participate, the installed improvements will be financed by the issuance of bonds by a joint powers authority, Western Riverside Council of Governments ("WRCOG"). The bonds are secured by a voluntary contractual assessment levied on such owner's property, with no recourse to the local government or other participating jurisdictions. Participation in the program is 100% voluntary. Property owners who wish to participate in the program agree to repay the amount borrowed through the voluntary contractual assessment collected together with their property taxes. This financing is available for eligible improvements on both residential and non-residential properties.

The benefits to the property owner include:

- Eligibility: In today's economic environment, alternatives for property owners to finance renewable energy/energy efficiency/water efficiency improvements or electric vehicle charging infrastructure may not be available. As such many property owners do not have financing options available that would provide funding for improvements that lower their utility bills.
- Savings: Energy prices continue to rise and selecting in energy efficient, water efficient and renewable energy improvements reduces utility bills.
- 100% voluntary. Property owners can choose to participate in the program at their discretion. Improvements and properties must meet eligibility criteria in order to qualify for financing.
- Payment obligation stays with the property. Under Chapter 29, a voluntary contractual assessment stays with the property upon transfer of ownership. Certain residential conforming mortgage providers will, however, require the assessment be paid off at the time the property is refinanced or sold.
- Prepayment option. The property owner can choose to pay off the assessments at any time, subject to applicable prepayment penalties.
- Customer oriented program. Part of the success of the program is the prompt customer service. Committed funding partners provide funding promptly upon project completion resulting in both property owner and contractor satisfaction.

The benefits to the City include:

- Increase local jobs.

- An increase in property values (energy efficient homes and buildings are worth more money).
- An increase in sales, payroll and property tax revenue
- As in conventional assessment financing, the City is not obligated to repay the bonds or to pay any delinquent assessments levied on the participating properties.
- All California HERO Program and assessment administration, bond issuance and bond administration functions are handled by California HERO. Little, if any, City staff time is needed to participate in the California HERO Program.
- By leveraging the already successful HERO Program, the City can offer financing to property owners more quickly, easily and much less inexpensively than establishment of a new local Program.

The proposed resolution enables the California HERO Program to be available to owners of property within our City to finance renewable energy, energy efficiency and water efficiency improvements and electric vehicle charging infrastructure. The resolution approves an Amendment to the WRCOG Joint Powers Agreement to add the City as an Associate Member in order to enable the California HERO Program to be offered to the owners of property located within the City who wish to participate in the California HERO Program

Federal Housing Finance Agency (FHFA), Fannie Mae and Freddie Mac

PACE enabling legislation was adopted by the State of California to encourage the adoption of energy efficiency, renewable energy and water efficiency measures on homes and businesses. When the legislation was enacted, many people believed PACE was an attractive financing option due to its ability to automatically transfer payments to a new owner if the property sold.

In response to the Directive issued by the FHFA on July 6, 2010 and implemented, in part, by Fannie and Freddie (Government Sponsored Entities, GSEs) on August 31, 2010, mortgage originators were informed that the GSEs would not be purchasing any mortgages with PACE liens.

In response to this, the State of California and other entities filed lawsuits against FHFA. The original intent of the lawsuit was to amend or dismiss the Directive by requiring that FHFA follow the rulemaking procedures as set forth under the Administrative Procedure Act. On October 16, 2010, the District Court issued a judgment which required FHFA to go through the rule making procedures. However, the trial court ruled that the FHFA's Directive would continue in effect. FHFA filed an appeal with the Ninth Circuit Court of Appeal, seeking to overturn the judgment requiring the FHFA to go through the rule making procedures. On March 19, 2013, the Ninth Circuit Court of Appeals ruled that the FHFA did not have to follow the rule making procedures in order to issue the Directive and dismissed the case. Thus, the FHFA does not need to go through the rule making procedures.

In the July 6, 2010 statement issuing the Directive, FHFA supported PACE programs whose assessments are junior/subordinate to Fannie/Freddie's mortgage interests. The statement also directed Fannie/Freddie to implement the following additional actions:

- Adjusting loan-to-value ratios to reflect the maximum permissible PACE loan amount available to borrowers in PACE jurisdictions;
- Ensuring that loan covenants require approval/consent for any PACE loan;
- Tightening borrower debt-to-income ratios to account for additional obligations associated with possible future PACE loans;
- Ensuring that mortgages on properties in a jurisdiction offering PACE-like programs satisfy all applicable federal and state lending regulations and guidance.

FHFA stated that “Nothing in this Statement affects the normal underwriting programs of the regulated entities or their dealings with PACE programs that do not have a senior lien priority.” To date neither Fannie nor Freddie have taken action to implement any of the additional actions contained in the Directive.

The PACE enabling legislation in California provides that PACE assessments, like traditional assessments levied by public agencies in California, are equal in priority as general property taxes and as such are senior to private debt on the property and thus have first liens/senior liens priority. However under federal law, the Ninth Circuit Court of Appeal, which includes California, in *Rust v. Johnson* (9th Circuit (1979) 597 F.2d 174) ruled that local government cannot collect payment of assessments if they impair loans insured or owned by Freddie/Fannie (“Conforming Loans”). The court ruled that if a federal government entity has a mortgage interest on a parcel subject to assessments or special taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to preserve the federal government mortgage interest. Thus under federal law as set forth in the opinion under *Rust v. Johnson*, assessments, including PACE assessments, placed on the property are not “first liens” or “senior liens” with respect to Conforming Loans. Disclosure of *Rust v. Johnson* has been provided for in Official Statements of Municipal Bond issuances for traditional assessment district and community facilities district bond issues since 1979, in a form similar to the following:

Portions of the property within the Assessment District may now or in the future secure loans. Any such loan is subordinate to the lien of the Assessments. However, (a) in the event that any of the financial institutions making the loan that is secured by real property within the Assessment District is taken by the Federal Deposit Insurance Corporation (“FDIC”), (B) the FDIC or another federal entity acquires a parcel subject to the Assessment lien, (C) the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or similar federal agency or instrumentality has a mortgage interest in a loan on property subject to the Assessment lien, and, prior thereto or thereafter, the loan or loans go into default, the ability of the City to collect the interest and penalties specified by state law and to foreclose the lien of a delinquent unpaid assessment may be limited.

Additionally, under federal law, subordinate liens to mortgages are permitted and cannot be blocked (See U.S. Code Title 12 Banks and Banking, Section 1701j-3). Thus, the impact of a PACE assessment being subordinate in effect to the interests of Fannie/Freddie by virtue of the ruling in *Rust v. Johnson* and the inability to prevent a person from putting a subordinate lien on

their property may make it difficult for FHFA/Fannie/Freddie to impose additional Directives adversely affecting the property owner's mortgage.

The Governor of the State of CA created a PACE Loss Reserve Program. The PACE Loss Reserve Program, authorized by Senate Bill 96 (2013), is designed to address FHFA's financial concerns by making first mortgage lenders whole for any losses in a foreclosure or a forced sale that are attributable to a PACE loan. If a mortgage lender forecloses on a home that has a PACE lien, the reserve can be used to cover PACE payments during the foreclosure period. Alternatively, if a local government sells a home for unpaid taxes and the sale price falls short of the outstanding tax and first mortgage amounts, the reserve can be used to cover the shortfall (up to the amount of outstanding PACE payments). By covering these types of losses, the Program puts the first mortgage lender in the same position it would be in without a PACE lien.

The \$10 million Loss Reserve will be available for all PACE loans issued by enrolled PACE programs and reported to CAEATFA for the length of their terms. PACE programs will report to CAEATFA semi-annually and pay a small administrative fee based on the principal amount of new loans they issue.

Fiscal Impact:

There is no negative fiscal impact to the City's general fund will be incurred by consenting to the inclusion of properties within the City limits in the California HERO Program. All California HERO Program administrative costs are covered through an initial administrative fee included in the property owner's voluntary contractual assessment and an annual administrative fee which is also collected on the property owner's tax bill.

Coordinated With:

Renovate America, Inc.

Imperial County Transportation Commission

Attachment:

1. A Resolution of the City Council of the City of Calexico, California, Consenting to the Inclusion of Properties within the City's Jurisdiction in the California HERO Program to Finance Distributed Generation Renewable Energy Sources, Energy and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure and Approving an Amendment to a Certain Joint Powers Agreement Related Thereto.
2. "HERO is the leading ENERGY EFFICIENT FINANCING program in the nation." Presentation
3. HERO Frequently Asked Questions.

RESOLUTION NO. 2014-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO, CALIFORNIA, CONSENTING TO INCLUSION OF PROPERTIES WITHIN THE CITY'S JURISDICTION IN THE CALIFORNIA HERO PROGRAM TO FINANCE DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES, ENERGY AND WATER EFFICIENCY IMPROVEMENTS AND ELECTRIC VEHICLE CHARGING INFRASTRUCTURE AND APPROVING THE AMENDMENT TO A CERTAIN JOINT POWERS AGREEMENT RELATED THERETO

WHEREAS, the Western Riverside Council of Governments ("Authority") is a joint exercise of powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Section 6500 and following) (the "Act") and the Joint Power Agreement entered into on April 1, 1991, as amended from time to time (the "Authority JPA"); and

WHEREAS, Authority has established the California HERO Program to provide for the financing of renewable energy distributed generation sources, energy and water efficiency improvements and electric vehicle charging infrastructure (the "Improvements") pursuant to Chapter 29 of the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code ("Chapter 29") within counties and cities throughout the State of California that elect to participate in such program; and

WHEREAS, City of Calexico (the "City") is committed to development of renewable energy sources and energy efficiency improvements, reduction of greenhouse gases, protection of our environment, and reversal of climate change; and

WHEREAS, in Chapter 29, the Legislature has authorized cities and counties to assist property owners in financing the cost of installing Improvements through a voluntary contractual assessment program; and

WHEREAS, installation of such Improvements by property owners within the jurisdictional boundaries of the counties and cities that are participating in the California HERO Program would promote the purposes cited above; and

WHEREAS, the City wishes to provide innovative solutions to its property owners to achieve energy and water efficiency and independence, and in doing so cooperate with Authority in order to efficiently and economically assist property owners the City in financing such Improvements; and

WHEREAS, Authority has established the California HERO Program, which is such a voluntary contractual assessment program, as permitted by the Act, the Authority JPA, originally made and entered into April 1, 1991, as amended to date, and the Amendment to Joint Powers Agreement Adding the City of Calexico as an Associate Member of the Western Riverside Council of Governments to Permit the Provision of Property Assessed Clean Energy (PACE) Program Services within the City (the "JPA Amendment"), by and between Authority and the City, a copy of which is attached as

Exhibit "A" hereto, to assist property owners within the jurisdiction of the City in financing the cost of installing Improvements; and

WHEREAS, the City will not be responsible for the conduct of any assessment proceedings; the levy and collection of assessments or any required remedial action in the case of delinquencies in the payment of any assessments or the issuance, sale or administration of any bonds issued in connection with the California HERO Program.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. This City Council finds and declares that properties in the City's incorporated area will be benefited by the availability of the California HERO Program to finance the installation of the Improvements.

2. This City Council consents to inclusion in the California HERO Program of all of the properties in the jurisdictional boundaries of the City and to the Improvements, upon the request by and voluntary agreement of owners of such properties, in compliance with the laws, rules and regulations applicable to such program; and to the assumption of jurisdiction thereover by Authority for the purposes thereof.

3. The consent of this City Council constitutes assent to the assumption of jurisdiction by Authority for all purposes of the California HERO Program and authorizes Authority, upon satisfaction of the conditions imposed in this resolution, to take each and every step required for or suitable for financing the Improvements, including the levying, collecting and enforcement of the contractual assessments to finance the Improvements and the issuance and enforcement of bonds to represent such contractual assessments.

4. This City Council hereby approves the JPA Amendment and authorizes the execution thereof by appropriate City officials.

5. City staff is authorized and directed to coordinate with Authority staff to facilitate operation of the California HERO Program within the City, and report back periodically to this City Council on the success of such program.

6. This Resolution shall take effect immediately upon its adoption. The City Clerk is directed to send a certified copy of this resolution to the Secretary of the Authority Executive Committee.

PASSED, APPROVED AND ADOPTED this 16th day of December, 2014.

John M. Moreno, Mayor

Attest:

Gabriela T. Garcia, Deputy City Clerk

Approved as to Form:

Jennifer Lyon, City Attorney

State of California)
County of Imperial) ss.
City of Calexico)

I, Gabriela T. Garcia, Deputy City Clerk of the City of Calexico do hereby certify the above Resolution No. 2014-___ was approved at a regular City Council meeting held on the 16th day of December, 2014, by the following vote to-wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

Gabriela T. Garcia, Deputy City Clerk

EXHIBIT A

**AMENDMENT TO THE JOINT POWERS AGREEMENT
ADDING CITY OF CALEXICO AS
AS AN ASSOCIATE MEMBER OF THE
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
TO PERMIT THE PROVISION OF PROPERTY ASSESSED CLEAN
ENERGY (PACE) PROGRAM SERVICES WITHIN SUCH CITY**

This Amendment to the Joint Powers Agreement (“JPA Amendment”) is made and entered into on the ___ day of _____, 2014, by City of Calexico (“City”) and the Western Riverside Council of Governments (“Authority”) (collectively the “Parties”).

RECITALS

WHEREAS, Authority is a joint exercise of powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Section 6500 and following) (the “Joint Exercise of Powers Act”) and the Joint Power Agreement entered into on April 1, 1991, as amended from time to time (the “Authority JPA”); and

WHEREAS, as of October 1, 2012, Authority had 18 member entities (the “Regular Members”).

WHEREAS, Chapter 29 of the Improvement Act of 1911, being Division 7 of the California Streets and Highways Code (“Chapter 29”) authorizes cities, counties, and cities and counties to establish voluntary contractual assessment programs, commonly referred to as a Property Assessed Clean Energy (“PACE”) program, to fund certain renewable energy sources, energy and water efficiency improvements, and electric vehicle charging infrastructure (the “Improvements”) that are permanently fixed to residential, commercial, industrial, agricultural or other real property; and

WHEREAS, Authority has established a PACE program to be known as the “California HERO Program” pursuant to Chapter 29 which authorizes the implementation of such PACE financing program for cities and counties throughout the state; and

WHEREAS, City desires to allow owners of property within its jurisdiction to participate in the California HERO Program and to allow Authority under Chapter 29, as it is now enacted or may be amended hereafter, to finance Improvements to be installed on such properties; and

WHEREAS, this JPA Amendment will permit City to become an Associate Member of Authority and to participate in California HERO Program for the purpose of facilitating the implementation of such program within the jurisdiction of City; and

WHEREAS, pursuant to the Joint Exercise of Powers Act, the Parties are approving this JPA Agreement to allow for the provision of PACE services through the California HERO Program, including the operation of such PACE financing program, within the incorporated territory of City; and

WHEREAS, the JPA Amendment sets forth the rights, obligations and duties of City and Authority with respect to the implementation of the California HERO Program within the incorporated territory of City.

MUTUAL UNDERSTANDINGS

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions hereinafter stated, the Parties hereto agree as follows:

A. JPA Amendment.

1. The Authority JPA. City agrees to the terms and conditions of the Authority JPA, attached.

2. Associate Membership. By adoption of this JPA Amendment, City shall become an Associate Member of Authority on the terms and conditions set forth herein and the Authority JPA and consistent with the requirements of the Joint Exercise of Powers Act. The rights and obligations of City as an Associate Member are limited solely to those terms and conditions expressly set forth in this JPA Amendment for the purposes of implementing the California HERO Program within the incorporated territory of City. Except as expressly provided for by the this JPA Amendment, City shall not have any rights otherwise granted to Authority's Regular Members by the Authority JPA, including but not limited to the right to vote on matters before the Executive Committee or the General Assembly, the right to amend or vote on amendments to the Authority JPA, and the right to sit on committees or boards established under the Authority JPA or by action of the Executive Committee or the General Assembly, including, without limitation, the General Assembly and the Executive Committee. City shall not be considered a member for purposes of Section 9.1 of the Authority JPA.

3. Rights of Authority. This JPA Amendment shall not be interpreted as limiting or restricting the rights of Authority under the Authority JPA. Nothing in this JPA Amendment is intended to alter or modify Authority Transportation Uniform Mitigation Fee (TUMF) Program, the PACE Program administered by Authority within the jurisdictions of its Regular Members, or any other programs administered now or in the future by Authority, all as currently structured or subsequently amended.

B. Implementation of California HERO Program within City Jurisdiction.

1. Boundaries of the California HERO Program within City Jurisdiction. The boundaries within which contractual assessments may be entered into under the California HERO Program (the "Program Boundaries") shall include the entire incorporated territory of City.

2. Determination of Eligible Improvements. Authority shall determine the types of distributed generation renewable energy sources, energy efficiency or water conservation improvements, electric vehicle charging infrastructure or such other improvements as may be authorized pursuant to Chapter 29 (the "Eligible Improvements") that will be eligible to be financed under the California HERO Program.

3. Implementation of California HERO Program Within the Program Boundaries. Authority will undertake such proceedings pursuant to Chapter 29 as shall be legally necessary to enable Authority to make contractual financing of Eligible Improvements available to eligible property owners within the Program Boundaries.

4. Financing the Installation of Eligible Improvements. Authority shall implement its plan for the financing of the purchase and installation of the Eligible Improvements under the California HERO Program within the Program Boundaries.

5. Ongoing Administration. Authority shall be responsible for the ongoing administration of the California HERO Program, including but not limited to producing education plans to raise public awareness of the California HERO Program, soliciting, reviewing and approving applications from residential and commercial property owners participating in the California HERO Program, establishing contracts for residential, commercial and other property owners participating in such program, establishing and collecting assessments due under the California HERO Program, adopting and implementing any rules or regulations for the California HERO Program, and providing reports as required by Chapter 29.

City will not be responsible for the conduct of any proceedings required to be taken under Chapter 29; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of any bonds issued in connection with the California HERO Program.

6. Phased Implementation. The Parties recognize and agree that implementation of the California HERO Program as a whole can and may be phased as additional other cities and counties execute similar agreements. City entering into this JPA Amendment will obtain the benefits of and incur the obligations imposed by this JPA Amendment in its jurisdictional area, irrespective of whether cities or counties enter into similar agreements.

C. Miscellaneous Provisions.

1. Withdrawal. Authority may withdraw from this JPA Amendment upon six (6) months written notice to City; provided, however, there is no outstanding indebtedness of Authority within City. The provisions of Section 6.2 of the Authority JPA shall not apply to City under this JPA Amendment. City may withdraw approval for conduct of the HERO Program within the jurisdictional limits of City upon thirty (30) written notice to WRCOG without liability to the Authority or any affiliated entity. City withdrawal shall not affect the validity of any voluntary assessment contracts (a) entered prior to the date of such withdrawal or (b) entered into after the date of such withdrawal so long as the applications for such voluntary assessment contracts were submitted to and approved by WRCOG prior to the date of City's notice of withdrawal.

2. Mutual Indemnification and Liability. Authority and City shall mutually defend, indemnify and hold the other party and its directors, officials, officers, employees and agents free and harmless from any and all claims, demands, causes of

action, costs, expenses, liabilities, losses, damages or injuries of any kind, in law or equity, to property or persons, including wrongful death, to the extent arising out of the willful misconduct or negligent acts, errors or omissions of the indemnifying party or its directors, officials, officers, employees and agents in connection with the California HERO Program administered under this JPA Amendment, including without limitation the payment of expert witness fees and attorneys fees and other related costs and expenses, but excluding payment of consequential damages. Without limiting the foregoing, Section 5.2 of the Authority JPA shall not apply to this JPA Amendment. In no event shall any of Authority's Regular Members or their officials, officers or employees be held directly liable for any damages or liability resulting out of this JPA Amendment.

3. Environmental Review. Authority shall be the lead agency under the California Environmental Quality Act for any environmental review that may required in implementing or administering the California HERO Program under this JPA Amendment.

4. Cooperative Effort. City shall cooperate with Authority by providing information and other assistance in order for Authority to meet its obligations hereunder. City recognizes that one of its responsibilities related to the California HERO Program will include any permitting or inspection requirements as established by City.

5. Notice. Any and all communications and/or notices in connection with this JPA Amendment shall be either hand-delivered or sent by United States first class mail, postage prepaid, and addressed as follows:

Authority:

Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor. MS1032
Riverside, CA 92501-3609
Att: Executive Director

City:

City of Calexico
608 Heber Avenue
Calexico, CA 92231
Att: City Manager

6. Entire Agreement. This JPA Amendment, together with the Authority JPA, constitutes the entire agreement among the Parties pertaining to the subject matter hereof. This JPA Amendment supersedes any and all other agreements, either oral or in writing, among the Parties with respect to the subject matter hereof and contains all of the covenants and agreements among them with respect to said matters, and each Party acknowledges that no representation, inducement, promise of agreement, oral or

otherwise, has been made by the other Party or anyone acting on behalf of the other Party that is not embodied herein.

7. Successors and Assigns. This JPA Amendment and each of its covenants and conditions shall be binding on and shall inure to the benefit of the Parties and their respective successors and assigns. A Party may only assign or transfer its rights and obligations under this JPA Amendment with prior written approval of the other Party, which approval shall not be unreasonably withheld.

8. Attorney's Fees. If any action at law or equity, including any action for declaratory relief is brought to enforce or interpret the provisions of this Agreement, each Party to the litigation shall bear its own attorney's fees and costs.

9. Governing Law. This JPA Amendment shall be governed by and construed in accordance with the laws of the State of California, as applicable.

10. No Third Party Beneficiaries. This JPA Amendment shall not create any right or interest in the public, or any member thereof, as a third party beneficiary hereof, nor shall it authorize anyone not a Party to this JPA Amendment to maintain a suit for personal injuries or property damages under the provisions of this JPA Amendment. The duties, obligations, and responsibilities of the Parties to this JPA Amendment with respect to third party beneficiaries shall remain as imposed under existing state and federal law.

11. Severability. In the event one or more of the provisions contained in this JPA Amendment is held invalid, illegal or unenforceable by any court of competent jurisdiction, such portion shall be deemed severed from this JPA Amendment and the remaining parts of this JPA Amendment shall remain in full force and effect as though such invalid, illegal, or unenforceable portion had never been a part of this JPA Amendment.

12. Headings. The paragraph headings used in this JPA Amendment are for the convenience of the Parties and are not intended to be used as an aid to interpretation.

13. Amendment. This JPA Amendment may be modified or amended by the Parties at any time. Such modifications or amendments must be mutually agreed upon and executed in writing by both Parties. Verbal modifications or amendments to this JPA Amendment shall be of no effect.

14. Effective Date. This JPA Amendment shall become effective upon the execution thereof by the Parties hereto.

IN WITNESS WHEREOF, the Parties hereto have caused this JPA Amendment to be executed and attested by their officers thereunto duly authorized as of the date first above written.

[SIGNATURES ON FOLLOWING PAGES]

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Executive Committee Chair
Western Riverside Council of Governments

Date: _____

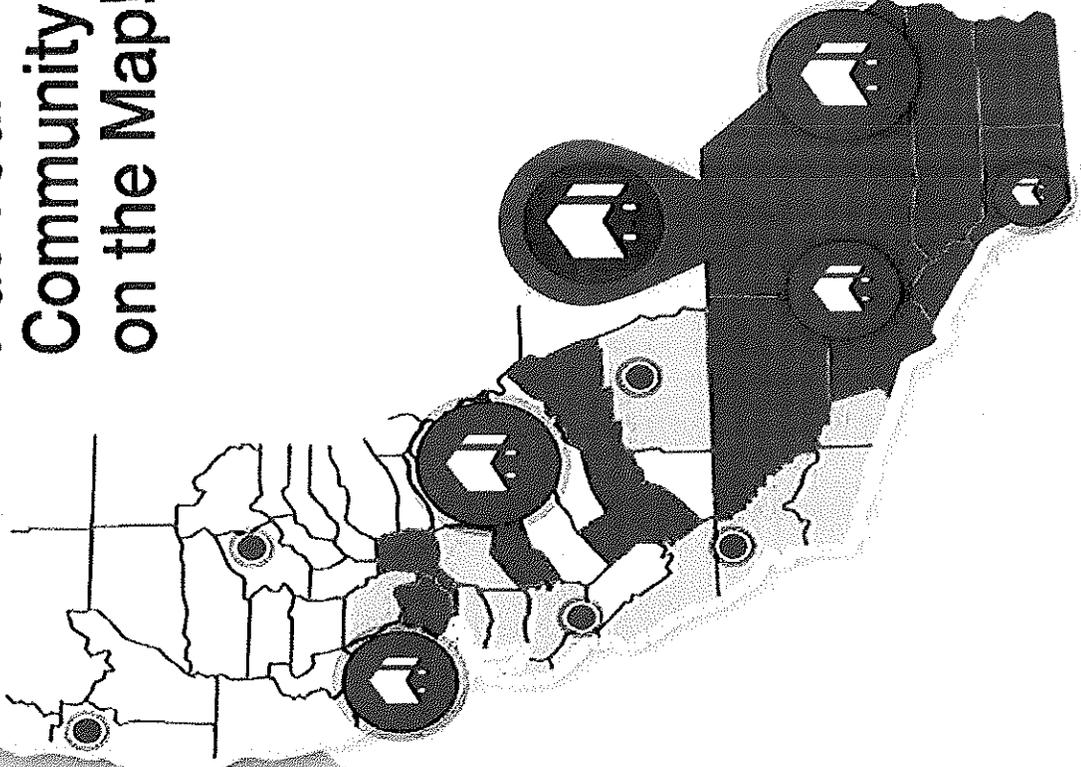
CITY OF CALEXICO

By: _____
Title: _____

Date: _____

Hero

Put Your
Community
on the Map!



HERO is the leading

**ENERGY EFFICIENT
FINANCING**

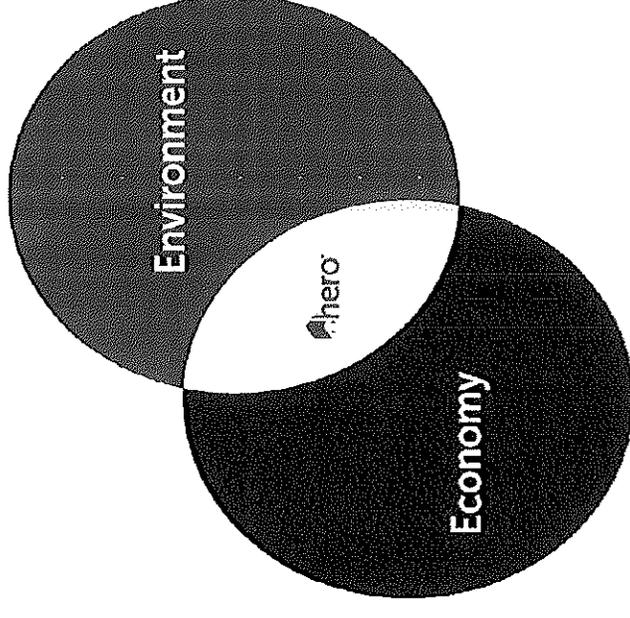
program in the nation.

The HERO Program: Saving energy and water through property retrofits

- HERO is a residential and commercial Property Assessed Clean Energy (PACE) Program
- Authorized by state law (AB 811 and AB 474)
- Allows jurisdictions to offer financing to property owners for the purchase and installation of energy efficiency, renewable energy, and water conservation improvements
- Financing to property owners is repaid over time through voluntary annual assessments on the property tax bill

Benefits to the region

- ✓ **Economy** Creates construction-related jobs
- ✓ **Energy** Reduces / delays the need for construction of energy generation / transmission facilities
- ✓ **Environment** Improves air quality and reduces greenhouse gas emissions
- ✓ **Financial** No local jurisdictional debt; funding is self-replenishing
- ✓ **Utility Savings**



Impacts

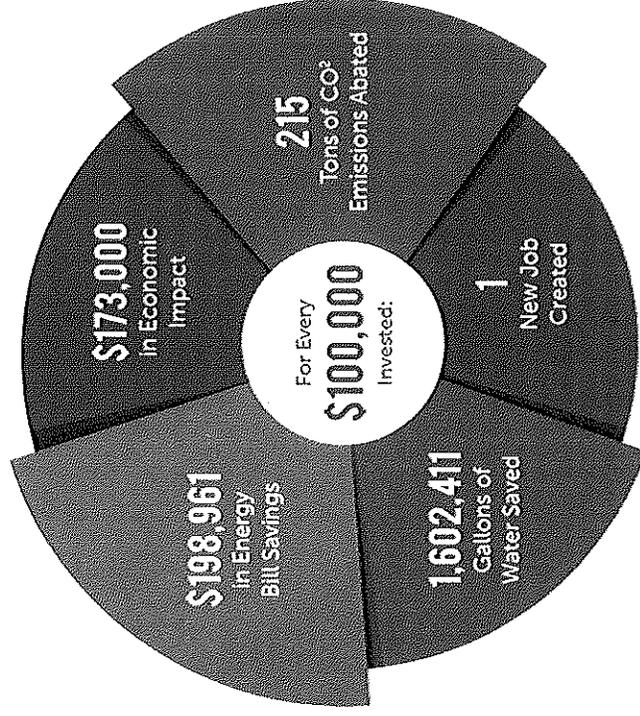
Economic Stimulus

- ✓ Lower Utility Bills
- ✓ New Job Creation
- ✓ Increased Property Values

Environmental Benefits

- ✓ Reduced CO2 Emissions
- ✓ Decreased Energy Consumption
- ✓ Substantial Water Savings

Community Impact

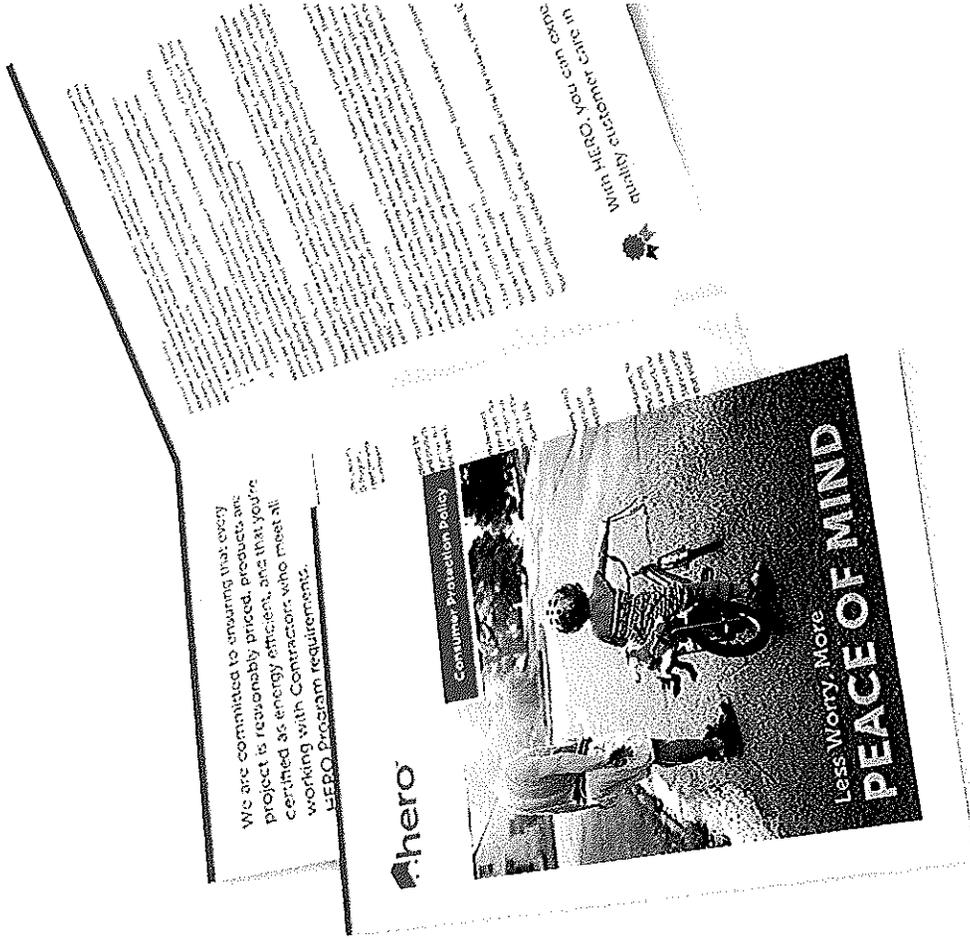


Examples of eligible improvements

- Heating and air conditioning
- Cool roofs
- Natural gas storage water heater
- Tankless water heater
- Windows and glass doors
- Outside irrigation
- Insulation
- Window filming
- Home sealing
- Lighting control systems
- Solar thermal systems (hot water)
- Solar thermal systems for pool heating
- Photovoltaic systems
- Low flush toilets

Updated consumer protection policy

- ✓ Registered Contractors
- ✓ CSLB Confirmation, Insured, Bonded
- ✓ Contractor Training
- ✓ Identity Verification
- ✓ In Good Standing
- ✓ Product Eligibility Check
- ✓ Fair Pricing
- ✓ Permits Required
- ✓ Terms Confirmation
- ✓ Paid Upon Job Completion
- ✓ Dispute Resolution



Protections for the elders and non-English speaking

Target Homeowner Groups: Elders (homeowners 64+ or diminished capacity) and Non-English speaking

- ✓ When an Application is submitted, the system automatically flags the file.
- ✓ Pricing must be within tighter than normal controls (e.g., 1 std. from the mean).
- ✓ Homeowners required to verbally 'confirm terms' before Notice to Proceed is issued. The Confirm Terms call includes additional questions about project scope and financing.
- ✓ Consumer Agreement between contractor and homeowner may be required to be submitted to confirm scope of work.
- ✓ Homeowners are required to verbally 'confirm work complete' before project will be funded.

Results (WRCOG region only)

Approved Apps (Res):	18,000+
Approved Financing (Res):	\$654,000,000+
Projects Completed (Res):	9,500+
Projects Funded (Res):	\$184,000,000+
Projects Completed (Com):	3
Projects Funded (Com):	\$350,000

Results (ICTC region only)

- City of Brawley and El Centro have launched
- County of Imperial will launch in October 2014

Approved Apps: 14

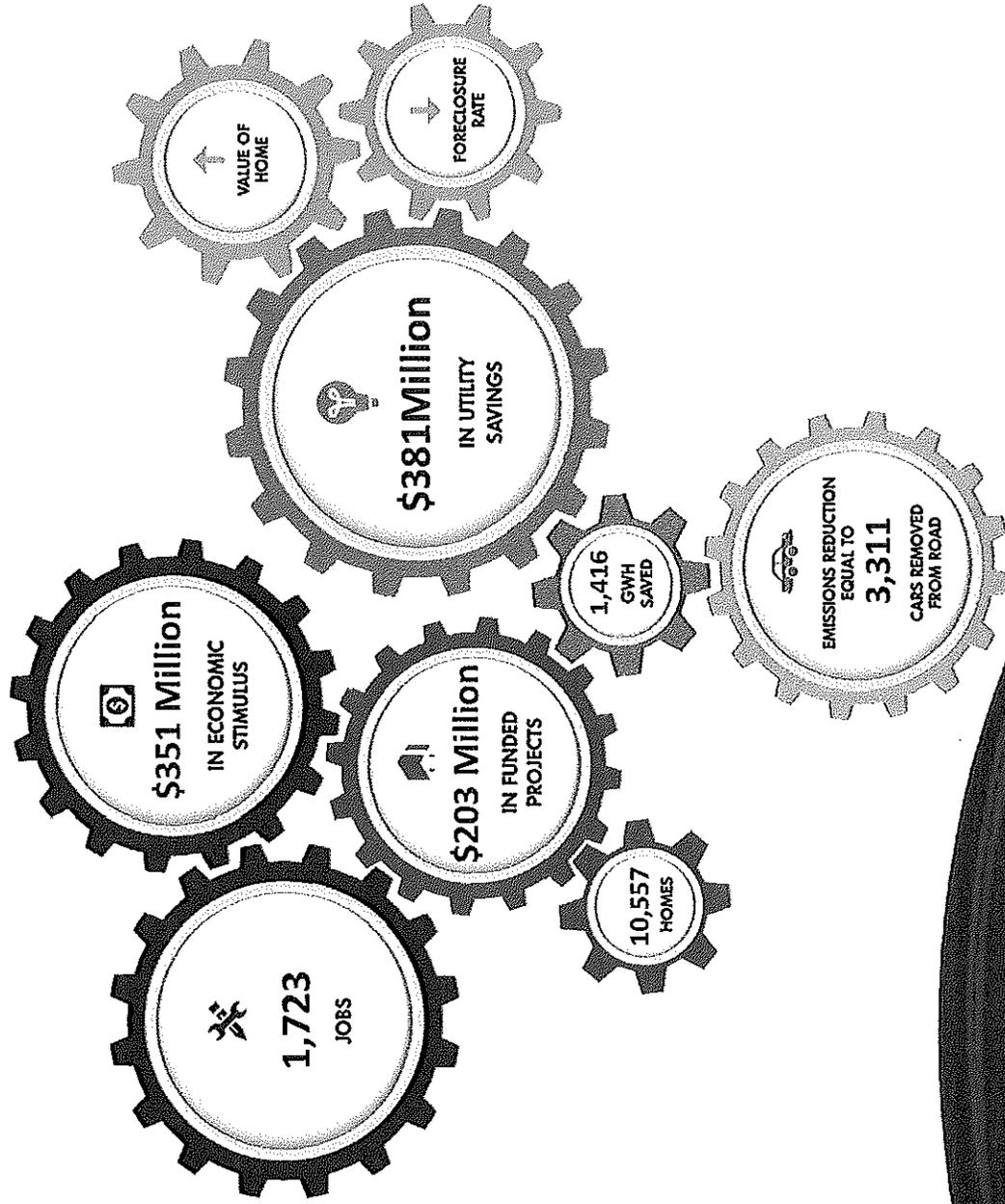
Approved Financing: \$228,700+

Projects Completed: 1

Projects Funded: \$8,809



Cumulative Results (all active jurisdictions)

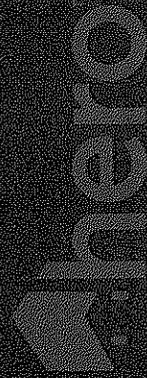


California HERO - 155 cities and counties and counting

Alameda County Albany	Los Angeles County Alhambra Arcadia Azusa Baldwin Park Bellflower Bradbury Carson Claremont Covina Diamond Bar El Monte El Segundo Gardena Glendora Hawthorne Hermosa Beach Industry Inglewood Irwindale La Cañada Flintridge	Napa County American Canyon Calistoga Napa Napa County Unincorporated St. Helena Yountville	Sacramento County Citrus Heights Rancho Cordova	Santa Clara County San Jose	WRCOG Banning Calimesa Canyon Lake Corona Eastvale Hemet Jurupa Valley Lake Elsinore Menifee Moreno Valley Murrieta Norco Perris Riverside Riverside County Unincorporated San Jacinto Temecula Wildomar
Contra Costa County Concord	San Diego County Carlsbad Coronado El Cajon Encinitas Escondido Imperial Beach La Mesa Lemon Grove National City Oceanside San Diego San Diego County Unincorporated San Marcos Santee Solana Beach Vista	San Joaquin County Stockton Tracy	Santa Cruz County Scotts Valley Santa Cruz County Unincorporated	Solano County Benicia Solano County Unincorporated Vacaville Vallejo	
Fresno County Clovis Fresno Fresno County Unincorporated Kingsburg Reedley Sanger	Madera County Madera	San Mateo County Menlo Park	Stanislaus County Modesto Newman Oakdale Riverbank Turlock Waterford		
Imperial County Brawley El Centro Imperial County Unincorporated	Merced County Atwater Merced County Unincorporated	Santa Barbara County Lompoc			
Kern County California City Delano Kern County Unincorporated McFarland Ridgecrest Taft Wasco	Mono County Mammoth Lakes Mono County Unincorporated	Santa Clara County Fillmore Ojai Santa Paula			
Los Angeles County Rosemead San Dimas San Gabriel San Marino Santa Monica Sierra Madre South El Monte South Pasadena Temple City Torrance Walnut West Covina	Monterey County Monterey Monterey County Unincorporated	Tulare County Visalia			
San Diego County Carlsbad Coronado El Cajon Encinitas Escondido Imperial Beach La Mesa Lemon Grove National City Oceanside San Diego San Diego County Unincorporated San Marcos Santee Solana Beach Vista	Riverside County Beaumont Indio	Ventura County Fillmore Ojai Santa Paula			
San Francisco County San Francisco	San Joaquin County Stockton Tracy	Yuba County Marysville			

HERO Communities
as of August 2014

Indicates launched



Questions ?

1

www.heroprogram.com

2

Contact Information:

Rick Bishop, Western Riverside Council of Governments
(951) 955-8303 or e-mail bishop@wrcog.ca.us

Barbara Spoonhour, Western Riverside Council of Governments
(951) 955-8313 or e-mail spoonhour@wrcog.ca.us

Chero

Q: What is the HERO Program, and how does it work?

A: HERO enables residential and commercial property owners to install energy and water efficient improvements and renewable energy systems by having a special assessment put on their property tax bill. Payments are made through their local county with their property taxes over time.

Q: What types of home improvements are available under the Program?

A: Over 150,000 products and services quality. Typical projects include: solar photovoltaic (PV) systems; energy efficient space heating, air cooling and ventilation (HVAC); cool roof systems; energy efficient windows, skylights, and doors; solar thermal water heating; air sealing and weatherization; insulation; water heating; indoor energy efficient light fixtures; and water efficiency measures.

Q: What are the costs and benefits of joining HERO for my community?

A: There are no hard costs to joining the HERO program and it does not require any dedicated staff resources to develop or implement the Program. Additionally, your community will see numerous economic benefits including;

- Reduce energy consumption
- Stimulates local businesses
- Creates sustainable jobs
- Lowers greenhouse gas emissions

Q: Why should we choose HERO compared to another PACE program?

A: HERO is the nation's fastest-growing PACE program. By choosing HERO, your community is choosing a program with a proven track-record of stimulating economic growth. The program was developed with a network of home improvement contractors who count on HERO to build their businesses. They are creating new jobs everyday and planning on expanding into regions where HERO Financing is offered.

HERO is not an exclusive program so you don't have to choose it over another program. We believe competition is an important benefit to consumers. Not only does it provide options like restaurants, gas stations or banks provide but it also increases overall demand because more companies are working harder to educate consumers on the benefits of a particular type of product or service. When there are multiple options to consider solution providers are forced to continually improve their product if they want to succeed in the marketplace.

Q: What about Freddie/Fannie/FHFA?

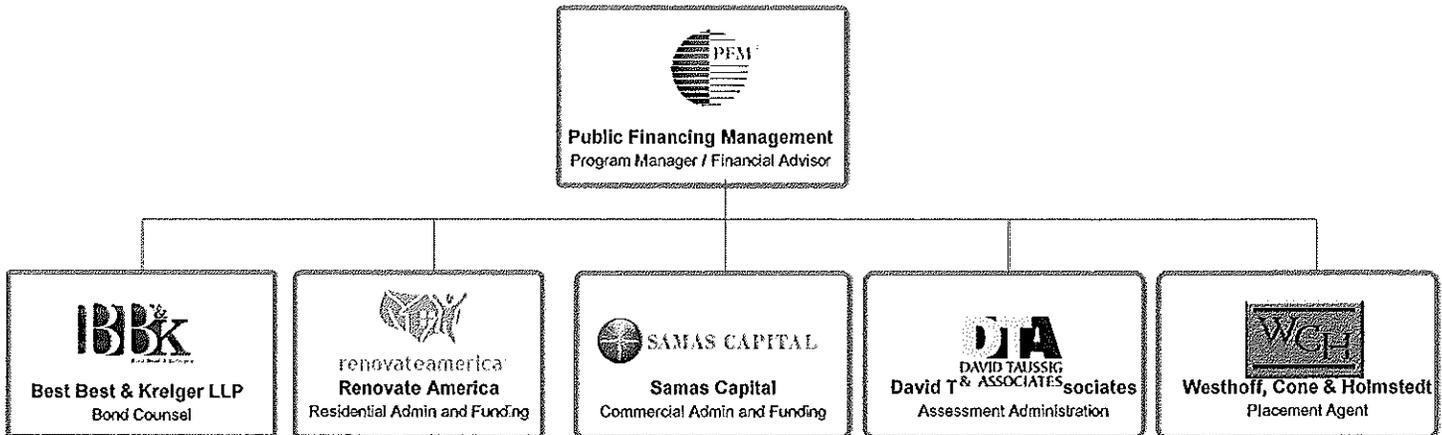
A: PACE legislation was adopted by the State of California to encourage the adoption of energy efficiency, renewable energy and water efficiency measures on homes and businesses. When the legislation was enacted, many people believed PACE was an attractive financing option due to its ability to automatically transfer payments to a new owner if the property sold. Freddie/Fannie/FHFA have indicated that they are not willing to purchase mortgages with PACE assessments on the property, therefore, property owners that sell or refinance to conforming loans may need to repay their assessment.

The HERO Program works within this provision and we have found that property owners are comfortable attending to this if, and when, the situation should arise. For most property owners the most attractive benefits are low interest rates that are fixed, the ability to deduct the interest portion of the payments, the ability to select 5, 10, 15 and 20 year payment terms, and a simple straightforward application and document process to enable them to get the energy efficiency, renewable energy or water efficiency product they are interested in. Being able to transfer the balance of the financing has not proven to be a feature that has impacted a consumer's decision.

Whether or not this provision remains in place or is removed, HERO provides numerous benefits that make PACE an attractive financing option for consumers.

Q: Who is the HERO Team?

A: The HERO team is made up of a network of partners who have been working closely since January 2010 on active residential and commercial PACE programs. Each team member is uniquely qualified for their specific role and are industry experts within their field.



Q: Can the HERO Program be customized to my municipality?

A: Yes, marketing materials, including the HERO website and contractor training materials, can be co-branded with your municipality's logo and contact information. Additionally, the HERO team will work with your municipality to review all policy considerations.

Q: Can the HERO Program be integrated with existing municipal programs?

A: Yes, the HERO Program can be integrated with existing municipal rebate, energy finance, or other PACE programs. Our team will work to implement the Program as a complementary component to other programs.

Q: How does our community get started?

A: Below are the process steps for HERO Financing to be offered in your community:

1 Approve Resolution

Approval by municipality of the resolution will allow the HERO Program to operate in the municipality. The conduit issuer then completes a corresponding acceptance of the municipality to the Program.

2 Judicial Validation of City's Participation

Program legal counsel files judicial validation documents.

3 Program Marketing and Outreach

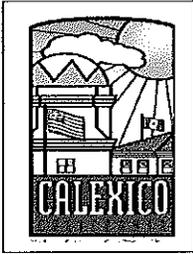
During the program validation phase, team members initiate local marketing efforts and begin outreach to educate local contractors and property owners of funding availability, eligibility and application procedures.

4 Program Launch

Upon completion of the validation process, the HERO Program launches and projects are able to apply for and receive funding.

**AGENDA
ITEM**

9



AGENDA STAFF REPORT

DATE: December 16, 2014

TO: Mayor and City Council

APPROVED BY: Richard N. Warne, Interim City Manager *RN*

PREPARED BY: Richard N. Warne, Interim City Manager *RN*

SUBJECT: Resolution of the City of Calexico Approving a Sixth Supplemental Indenture and Authorizing and Directing Certain Actions with Respect Thereto

=====
Recommendation:

Approve resolution of the City of Calexico approving a Sixth Supplemental Indenture and authorizing and directing certain actions with respect thereto

Background:

In 1989, the Imperial County Local Transportation Authority (the "Authority") adopted an ordinance implementing a one-half cent retail transactions and use tax within the County of Imperial (the "County") for a period of 20 years, which commenced on April 1, 1990 and expired on March 31, 2010 (the "Measure D Sales Tax"). A ballot measure relating to the implementation of the Measure D Sales Tax was passed by the voters of the County in November 1989. In 2008, the Authority adopted an ordinance to extend the Measure D Sales Tax for an additional 40 year term, commencing on April 1, 2010 and expiring on March 31, 2050. A measure regarding the extension of the Measure D Sales Tax was passed by the voters of the County in November 2008. In conjunction with the Measure D Sales Tax extension in 2008, the Authority also adopted an Expenditure Plan, which provides how the Measure D Sales Tax is divided among the County and the cities located therein. Pursuant to the Expenditure Plan, the City of Calexico (the "City") is entitled to receive a certain portion of the Measure D Sales Tax revenues (the "Calexico Sales Tax Revenues"). The Authority, for the benefit of the City, issued its Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012B (the "Bonds"), to pay for improvement projects approved by the City and authorized in the Expenditure Plan. The Bonds are repaid from the Calexico Sales Tax Revenues pursuant to a Pledge Agreement approved by the City Council and delivered by the City in connection with the issuance of the Bonds.

<p>AGENDA ITEM</p> <p><i>9</i></p> <hr/>

Discussion & Analysis:

Since the date of issuance, repayment of the Bonds has been accomplished by monthly set-asides under the Indenture for the Bonds. Any amount above the established monthly set-asides has been released to the cities that participated in the multiple series financing, including the City. Due to increased Measure D Sales Taxes received by the Authority as a result of the point of sale transactions from various solar power projects within the County in 2013, current year estimates were inflated by the State Board of Equalization. As a result, Measure D Sales Taxes, and thus Calexico Sales Tax Revenues, were overstated during the summer months and "excess" Calexico Sales Tax Revenues were released from the Indenture based on the existing set-aside requirements. Amounts must now be recaptured from the City to satisfy debt service on the Bonds. To avoid the impact of inflated estimates in the future, a Sixth Supplemental Indenture is proposed that would increase the set-asides for debt service under the Indenture so all annual principal and interest on the Bonds would be retained under the Indenture before any Calexico Sales Tax Revenues are released to the City. This change is important to protect the security for the Bonds and prevent the administrative inconvenience resulting from any "claw-back" of money that must be returned by the City to the Authority in the future as a result of inflated estimates.

Fiscal Impact:

There is no fiscal impact to the City, however, release of Calexico Sales Tax Revenues from the Indenture for the Bonds would be deferred each year until the full annual debt service has been set aside to repay the Bonds.

Coordinated With:

Imperial County Local Transportation Authority.

Attachment:

1. Approve resolution of the City of Calexico approving a Sixth Supplemental Indenture and authorizing and directing certain actions with respect thereto.
2. Sixth Supplemental Indenture between Imperial County Local Transportation Authority and The Bank of New York Mellon Trust Company, N.A.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF CALEXICO APPROVING A SIXTH SUPPLEMENTAL INDENTURE AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

WHEREAS, in 1989, the Imperial County Local Transportation Authority (the "Authority"), adopted LTA Ordinance No. 1-89, the Imperial County Retail Transactions and Use Tax Ordinance (the "1989 Ordinance"), which, following voter approval of a ballot measure, authorized the implementation of a half-cent transactions and use tax within the County of Imperial (the "Measure D Sales Tax"); and

WHEREAS, in 1990, the Authority adopted Ordinance No. 1-90, which detailed those transactions and uses that would be subject to the Measure D Sales Tax; and

WHEREAS, on July 28, 2008, the Authority adopted Ordinance No. 1-2008 (the "2008 Ordinance"), which extended the Measure D Sales Tax for a period not to exceed forty (40) years from April 1, 2010; and

WHEREAS, under the 2008 Ordinance, the City of Calexico (the "City") is entitled to receive a portion of Measure D Sales Tax revenues allocable to the City (the "Calexico Sales Tax Revenues") as specified in an allocation formula set forth in the 2008 Ordinance; and

WHEREAS, the Authority financed certain transportation projects for the City described in the County of Imperial Retail Transactions and Use Tax Expenditure Plan (the "Project") by issuing its Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012B (the "Bonds"), payable from the Calexico Sales Tax Revenues; and

WHEREAS, there has been presented to this meeting of the City Council of the City (the "City Council") a proposed form of Sixth Supplemental Indenture (the "Sixth Supplemental Indenture") to the Indenture, dated as of May 1, 2012 (the "Indenture"), each by and between the City and the Authority; and

WHEREAS, the Sixth Supplemental Indenture would provide greater security for owners of the Bonds by setting aside the full annual debt service under the Indenture prior to releasing surplus Calexico Sales Tax Revenues to the City; and

WHEREAS, the City has determined that it is in the best interest of the City to approve the Sixth Supplemental Indenture;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF CALEXICO AS FOLLOWS:

Section 1. The form, terms and provisions of the Sixth Supplemental Indenture are hereby approved.

Section 2. Each of the Mayor of the City, the Mayor Pro Tem, the City Manager of the City, or any of their respective designees (each, an "Authorized Officer") is hereby authorized and directed, jointly and severally, for and in the name on behalf of the City, to execute and deliver any and all agreements, assignments, documents, certificates and other instruments, and to do any and all things and take any and all actions which may be necessary or advisable in their discretion, to carry out and give effect to the actions that the City has approved in this Resolution.

Section 3. The Clerk shall certify to the adoption of this Resolution, and thereafter the same shall be in full force and effect. Notwithstanding the foregoing, such certification and any of the other duties and responsibilities assigned to the Clerk pursuant to this Resolution may be performed by an Assistant Clerk with the same force and effect as if performed by the Clerk hereunder.

WHEREFORE, this Resolution is passed, approved and adopted this __ day of 2014.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

RESOLUTION CERTIFICATION

STATE OF CALIFORNIA)
)SS.
CITY OF CALEXICO)

I, _____, City Clerk of the City of Calexico, California, do hereby certify that the number of members of the City Council of the City is five; and that Resolution No. ____ was adopted by the City Council at a Regular Meeting held on ____, 2014, by the following vote:

Ayes: Board Members:

Noes: Board Members:

Absent: Board Members:

Witness my hand on _____, 2014.

City Clerk

SIXTH SUPPLEMENTAL INDENTURE

between

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee**

Dated as of ____ 1, 2014

Relating to

**Imperial County Local Transportation Authority
Sales Tax Revenue Bonds (Limited Tax Bonds)**

(Supplemental to the Indenture dated as of May 1, 2012)

Sixth Supplemental Indenture
(Supplemental to the Indenture dated as of ____ 1, 2014)

Imperial County Local Transportation Authority
Sales Tax Revenue Bonds (Limited Tax Bonds)

This Sixth Supplemental Indenture, dated as of ____ 1, 2014 (this "Supplemental Indenture"), is made between the Imperial County Local Transportation Authority (the "Issuer") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee");

WITNESSETH:

WHEREAS, this Supplemental Indenture is supplemental to the Indenture, dated as of May 1, 2012 (the "Indenture"), between the Issuer and the Trustee;

WHEREAS, to further secure all Outstanding Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds) and any other Bonds that may be issued and delivered by the Issuer from time to time pursuant to the Indenture, the Issuer desires to require the deposit of Pledged Allocable Sales Tax Revenues by the Trustee on a monthly basis in the Interest Fund and Principal Fund until such time as annual debt service on all Outstanding Bonds is fully satisfied; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this Supplemental Indenture do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Supplemental Indenture;

NOW, THEREFORE, the parties hereto agree, as follows:

ARTICLE 24

AMENDMENTS

SECTION 24.01 Amendments to Section 5.02(A)(1). Section 5.02(A)(1) of the Indenture is hereby amended by deleting and inserting the text marked in the following two paragraphs:

Interest Fund. The Interest Fund, and within the Interest Fund a Participating Agency Interest Account in respect of each Series, are hereby created. Beginning December 1, 2014, following deposit of the Pledged Allocable Sales Tax Revenues of a Participating Agency into the applicable Participating Agency Sales Tax Revenue Account, the Trustee shall transfer therefrom to and deposit into the Participating Agency Interest Account in respect of each Series of that Participating Agency as soon as practicable an amount equal

to (a) ~~one-fourth of the aggregate half-yearly amount of interest becoming due and payable on the Outstanding Bonds of each Series that are Current Interest Bonds (except for Bonds constituting Variable Rate Indebtedness which shall be governed by subparagraph (b) below) during the next ensuing six (6) months; except for during the period beginning May 2, 2012 and ending November 30, 2012, the amount deposited shall be calculated based on the next ensuing seven (7) months (excluding any interest for which there are moneys deposited in that Participating Agency Interest Account and reserved as capitalized interest to pay such interest during said next ensuing six (6) months), until the requisite half-yearly amount of interest becoming due and payable on all such Outstanding Current Interest Bonds of that Series (except for Bonds constituting Variable Rate Indebtedness which shall be governed by subparagraph (b) below) is on deposit in such account; plus (b) the aggregate amount of interest to accrue during that month on Outstanding Variable Rate Indebtedness, calculated, if the actual rate of interest is not known, at the interest rate specified in writing by the Issuer, or if the Issuer has not specified an interest rate in writing, calculated at the maximum interest rate borne by such Variable Rate Indebtedness during the month prior to the month of deposit plus one hundred (100) basis points (provided, however, that the amount of that deposit into that Participating Agency Interest Account for any month may be reduced by the amount by which the deposit therein in the prior month by reason of this clause (b) exceeded the actual amount of interest accrued and paid during that month on such Outstanding Variable Rate Indebtedness and provided further that the amount of such deposit into that Interest Account for any month shall be increased by the amount by which the deposit in the prior month was less than the actual amount of interest accruing during that month on such Outstanding Variable Rate Indebtedness); provided further, that if sufficient Pledged Allocable Sales Tax Revenues are not on deposit in the applicable Participating Agency Sales Tax Revenue Account to permit the Trustee to make the full monthly deposit required by this Section 5.02(A)(1)(a) and (b), the Trustee shall deposit as soon as possible thereafter the amount of Pledged Allocable Sales Tax Revenues required for the period from the last monthly deposit for which sufficient Pledged Allocable Sales Tax Revenues were actually deposited to the date of such late deposit.~~

No deposit need be made into any Participating Agency Interest Account if the amount contained therein is at least equal to the interest to become due and payable therefrom on the Interest Payment Dates falling within the next ~~six (6) months, or in the case of the except for during the period beginning May 2, 2012 and ending November 30, 2011, seven (7) months~~ year ending December 1; upon all of the Bonds of the applicable Series then Outstanding and there are no unpaid interest amounts for prior years, and ~~On June-December 1~~ of each year, any excess amounts in the respective Participating Agency Interest Account not needed to pay interest on such date (and not held to pay interest on the applicable Bonds having Interest Payment Dates other than June 1 and December 1) shall be released to the Participating Agency (but excluding, in each case, any moneys on deposit in the Participating Agency Interest Account from the proceeds of any

Series of Bonds or other source and reserved as capitalized interest to pay interest on any future Interest Payment Dates following such Interest Payment Dates).

SECTION 24.02 Amendments to Section 5.02(A)(2). The first paragraph of Section 5.02(A)(2) of the Indenture is hereby amended by deleting and inserting the text marked in the following paragraph:

Principal Fund; Participating Agency Principal Accounts; Participating Agency Sinking Accounts. The Principal Fund, and within the Principal Fund a Participating Agency Principal Account and a Participating Agency Sinking Account in respect of each Series, are hereby created. Following deposit of the Pledged Allocable Sales Tax Revenues into the applicable Participating Agency Sales Tax Revenue Account, the Trustee shall transfer therefrom to and deposit in ~~the applicable Participating Agency Principal Account~~ as soon as practicable ~~in such~~ each month (beginning on December 2, 2014 and for each month during the annual period ending on December 1 thereafter) Pledged Allocable Sales Tax Revenues in the applicable Participating Agency Principal Account until an amount equal to at least (a) one-eighth of the aggregate yearly amount of Bond Obligation becoming due and payable on such Bonds that are Serial Bonds having annual maturity dates within the next twelve (12) months, except for the period beginning on May 2, 2012 and ending on May 31, 2013, which shall be period of thirteen (13) months, until the requisite amount for the next payment is on deposit in each Principal Account and Sinking Account, as applicable, plus (b) one-eighth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next twelve (12) 12-month period into the respective Sinking Accounts for the Bonds that are Term Bonds of a Series secured on a parity by such Pledged Allocable Sales Tax Revenues for which Sinking Accounts shall have been created and for which annual mandatory redemption is required from such Sinking Accounts; provided, that if sufficient Pledged Allocable Sales Tax Revenues are not on deposit in the applicable Participating Agency Sales Tax Revenue Account for the Trustee to make the full ~~monthly~~ deposit required by this Section 5.02(A)(2), the Trustee shall deposit as soon as possible thereafter the amount of Pledged Allocable Sales Tax Revenues required for the period from the last ~~monthly~~ deposit for which sufficient Pledged Allocable Sales Tax Revenues were actually deposited to the date of such late deposit. With respect to a Series of Bonds secured on a parity by such Pledged Allocable Sales Tax Revenues, all of the aforesaid deposits made in connection with future Mandatory Sinking Account Payments shall be made without priority of any payment into any one such Sinking Account over any other such payment.

ARTICLE 25

MISCELLANEOUS PROVISIONS

SECTION 25.01 Effect of Supplemental Indenture. Except as in this Supplemental Indenture expressly provided, every term and condition contained in the Indenture shall apply to this Supplemental Indenture with the same force and effect as if the same were herein set forth, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Supplemental Indenture.

This Supplemental Indenture and all the terms and provisions herein contained shall form part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Indenture. The Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

SECTION 25.02 Effective Date of Supplemental Indenture. This Supplemental Indenture shall take effect upon its execution and delivery.

SECTION 25.03 Execution in Counterparts. This Supplemental Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Supplemental Indenture by their officers thereunto duly authorized as of the day and year first written above.

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

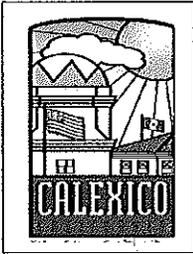
By: _____
Executive Director

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Officer

**AGENDA
ITEM**

10



AGENDA STAFF REPORT

DATE: December 16, 2014

TO: Mayor and City Council

APPROVED BY: Richard N. Warne, Interim City Manager *[Signature]*

PREPARED BY: Gabriela T. Garcia, Deputy City Clerk *[Signature]*

SUBJECT: Conflict of Interest Code:
 a. Resolution of The City Council of the City of Calexico, California Amending the Conflict of Interest Code and Adopting through Incorporation by Reference the Standard Conflict of Interest Provisions of 2 California Code of Regulations Section 18730.
 b. Resolution of The City Council of the City of Calexico, California Adopting a Conflict of Interest Code for the Successor Agency and Oversight Board for the Calexico Redevelopment Agency Successor Agency and adopting through Incorporation by Reference the Standard Conflict of Interest Provisions of 2 California Code of Section 18730.

=====

Recommendation:

Approve Resolutions:

- a. Resolution of The City Council of the City of Calexico, California Amending the Conflict of Interest Code and Adopting through Incorporation by Reference the Standard Conflict of Interest Provisions of 2 California Code of Regulations Section 18730 with corresponding appendices.
- b. Resolution of The City Council of the City of Calexico, California Adopting a Conflict of Interest Code for the Successor Agency and Oversight Board for the Calexico Redevelopment Agency Successor Agency and adopting through Incorporation by Reference the Standard Conflict of Interest Provisions of 2 California Code of Section 18730 with its corresponding appendices.

AGENDA ITEM 10

Background:

The Political Reform Act (codified at California Government Code sections 87100 et seq., and 2 Cal. Code of Regulations section 18700 et seq.) requires all agencies that make decisions that could materially affect economic interests to adopt a conflict of interest code for its employees. A conflict of interest code lists the employees or officers who are required to file economic disclosure statements ("designated employees") and prescribes the types of interests that must be disclosed by those employees ("disclosure categories"). The code also incorporates by reference the terms of Regulation 18730, which is a standard conflict of interest code, including provisions regarding timing and manner of reporting, and types of interests that must be reported.

Pursuant to AB x1 26 ("AB.26"), passed by the Legislature and signed into law in 2011, the Calexico Community Redevelopment Agency was dissolved. In January of 2012, after dissolution of the Redevelopment Agency, the City of Calexico elected to retain the housing assets and functions and act as the successor agency to the Community Redevelopment Agency. Also pursuant to AB 26, an oversight board to the successor agency was established. The Calexico Community Redevelopment Agency Successor Agency and Oversight Board are separate agencies subject to the Political Reform Act and may adopt their own conflict of interest codes. The Successor Agency has adopted its Conflict of Interest Code (on the December 18, 2012 agenda) and the Oversight Board has adopted its own Conflict of Interest Code and, pursuant to California Government Code section 87306.5, they have submitted them to the code reviewing body. The code reviewing body for the City Code, the Successor Agency Code and the Oversight Board Code is the City Council.

In all codes, employees that must be designated in the codes are those who are in high level management positions, or employees that make or participate in making governmental decisions such as appointment of personnel, purchasing decisions, entering into a contract on behalf of the agency, negotiating with other parties, or advising an agency decision-maker with the intent of influencing agency decisions. Employees in clerical and manual positions do not need to be designated. It is up to each agency to determine who should be designated in the conflict code, within state law guidelines. The agency also has discretion to determine the categories of interests that must be disclosed by the designated employees.

It should be noted that certain high-level officials do not need to be listed in the conflict code, because they must file economic disclosure statements as a matter of state law ("statutory filers"). The statutory filers include the Mayor and City Council Members, City Manager, City Attorney, City Treasurer, Members of the Planning Commission, and any officials who manage public investments.

Under the Political Reform Act, the City Council is the "code reviewing body" that must approve the conflict of interest code, and must also periodically review the conflict of interest code to make sure that it is up to date. Pursuant to state law, the City Council is the code reviewing body for the City, the Successor Agency and the Oversight Board. The City Clerk is the filing official, who must supply the necessary forms to designated employees, receive the reports and keep them on file, determine whether required documents have been filed, notify employees when they have missed a filing deadline, and report apparent violations to the state enforcement agency.

Discussion & Analysis:

In 2012, the City Council approved an updated conflict of interest code. That same year the City Council approved and updated a conflict of interest code for the Community Redevelopment Agency Successor Agency and the Oversight Board for the Calexico Community Redevelopment Agency Successor Agency. Every two years, the state requires the City to review and update its codes, if updates are necessary.

This year, due to change in duties and job titles, revisions to the City Code are suggested. The proposed revisions submitted are shown on the tables in Appendix A for the City Code. The revisions to the City Code are shown in underlined text.

The Assuming Office Statement will be for the reporting period of the previous twelve months. The City Clerk's office will work to ensure that all affected personnel are supplied with a form, and receive the assistance that they need to comply with the filing deadline for assuming office statements. In future years, designated employees will be required to file annual statements by April 1, which are for the reporting period of the previous calendar year.

Fiscal Impact:

None.

Coordinated With:

Richard Warne, City Manager.

Attachment:

Resolution No. 2014-_____ Updating the City Code
Resolution No. 2014-_____ Adopting the Successor Agency and Oversight Board Codes
Appendix A City Code Update
Appendix B City Code Update
Appendix A Oversight Board Code Update
Appendix B Oversight Board Code Update
Appendix A Successor Agency Code Update
Appendix B Successor Agency Code Update

RESOLUTION NO. 2014-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO,
CALIFORNIA AMENDING THE CONFLICT OF INTEREST CODE AND
ADOPTING THROUGH INCORPORATION BY REFERENCE THE
STANDARD CONFLICT OF INTEREST PROVISIONS OF 2 CALIFORNIA
CODE OF REGULATIONS SECTION 18730**

WHEREAS, the Political Reform Act of 1974 (“Act”), Government Code sections 81000, et seq., requires every California city to adopt and promulgate a conflict of interest code designating employees who must disclose economic interests, and designating what financial interests must be disclosed by those employees, and prohibiting the participation by such employees in decisions in which they have a financial interest; and

WHEREAS, the Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations, Section 18730, which contains the terms of a standard conflict of interest code. It can be incorporated by reference, therefore, the terms of 2 California Code of Regulations, Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference, and, along with Appendix “A” in which officials and employees are designated and Appendix “B” in which disclosure categories are set forth, does constitute the Conflict of Interest Code of the City of Calexico, and;

WHEREAS, designated employees shall file Statements of Economic Interest with the City Clerk, who will make the Statements available for public inspection and reproduction pursuant to Government Code section 81008, and;

WHEREAS, nothing in this Resolution is intended to modify or abridge the provisions of the Act commencing at Government Code section 87100, which is applicable to all public officials of the City, and directs that no public official of the City shall make, participate in the making, or in any way attempt to use their official position to influence a City decision in which the official knows, or has reason to know, that he or she has a financial interest as defined by the Act, and;

WHEREAS, nothing in this Resolution is intended to modify or abridge the provisions of the Act commencing at Government Code section 87200, which requires the Mayor, members of the City Council, members of the Planning Commission, City Manager, City Attorney, City Treasurer and other public officials who manage investments to file a financial disclosure statement using Form 700, and;

WHEREAS, this Resolution intends to designate those public officials of the City who are involved in City decisions, and to require designated officials to disclose those financial interests, using Form 700, which could foreseeably be affected, in a material manner, by a City decision made by the official in the performance of the official’s responsibilities.

NOW THEREFORE, be it hereby resolved by the City Council of the City of Calexico as follows:

1. The above recitations are true.
2. The standard Conflict of Interest Code set forth in 2 California Code of Regulations, Section 18730, and any amendments thereto duly adopted by the Fair Political Practices Commission (“Standard Code”), is incorporated by reference.
3. The list of designated positions subject to the requirements of the City Conflict of Interest Code are set forth in Appendix “A” (attached to this Resolution) and their respective disclosure categories are set forth in Appendix “B” (attached to this Resolution).
4. The Standard Code and Appendices “A” and “B” constitute the Conflict of Interest Code for the City of Calexico.
5. Unless otherwise indicated, the definitions of the Act, regulations and amendments thereto and binding judicial opinions thereon are incorporated herein, and this Resolution shall be interpreted in a manner consistent with such definitions.
6. The City Council hereby directs the City Clerk to coordinate the preparation of a revised Conflict of Interest Code in succeeding even-numbered years in accordance with Government Code sections 87306 and 87306.5. The revised Code should reflect any changes in department or employee designations. If no revisions to the Code are required, the City Clerk shall submit a report no later than October 1st of the same year stating that amendments to the Code are not required.

PASSED, ADOPTED, AND APPROVED by the City Council of the City of Calexico at the regular meeting this 16th day of December, 2014.

JOHN M. MORENO, Mayor

ATTEST:

GABRIELA T. GARCIA, Deputy City Clerk

STATE OF CALIFORNIA)
CITY OF CALEXICO) ss.
COUNTY OF IMPERIAL)

I, Gabriela T. Garcia, Deputy City Clerk of the City of Calexico, do hereby certify under the penalty of perjury, that the foregoing Resolution No. 2014-___, was duly adopted by the City Council at a meeting of said City Council held on the 16th day of December 2014, and that it was so adopted by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Gabriela T. Garcia, Deputy City Clerk

CITY OF CALEXICO CONFLICT OF INTEREST CODE
APPENDIX A
DESIGNATED POSITIONS

General Provisions

1. All designated employees required to submit an initial Statement of Financial Interest shall file the original with the City Clerk within thirty days after the effective date of this Resolution. Initial statements shall cover the period of the twelve months prior to the date of the adoption of this Conflict of Interest Code.
2. All individuals appointed, promoted, or transferred to a designated position shall file statements within thirty days of assuming office. These "assuming office" statements cover the period of the twelve months prior to the date of assuming office.
3. Annual statements shall be filed with the City Clerk by April 1st by all designated employees. Such statements shall cover the period of the preceding calendar year.
4. Every designated employee who leaves office shall file, within thirty days of leaving office, a statement disclosing financial interests held or received at any time during the period between the closing date of the last statement required to be filed and the date of leaving office.
5. Any employee serving in dual roles may file a combined statement by reporting according to their broadest range of disclosure.
6. Failure to file the required statement in a timely fashion may result in the imposition of administrative, criminal, and civil sanctions as provided in Government Code sections 81000-91014.

Designated Officials

It has been determined that the positions listed below are required to file Form 700 because they are public officials who make, participate in making or have the ability to influence City decisions that may foreseeably have a material effect on any financial interest:

DESIGNATED POSITIONS	DISCLOSURE CATEGORIES
ADMINISTRATION	
Deputy City Clerk	1, 2
DEVELOPMENT SERVICES DEPARTMENT	
Development Services Director	1, 2
Planning Manager	1, 2
Building Manager	1, 2
Senior Planner	2, 3, 4, 7
Building Inspector I, II	2, 3, 4, 7
Code Enforcement Officer	2, 3, 4, 7
ENGINEERING DEPARTMENT	
City Engineer	1, 2, 3, 4, 7
FINANCE DEPARTMENT	
Director of Financial Services/ <i>City Treasurer*</i>	1, 2
Finance Manager	3, 6, 7
Accountant	3, 6, 7
FIRE DEPARTMENT	
Fire Chief	1, 2
Fire Captain	1, 2
Fire Marshal	1, 2
HUMAN RESOURCES & RISK MANAGEMENT	
Human Resources Director/Risk Manager	1, 2
POLICE DEPARTMENT	
Police Chief	1, 2
Lieutenant	1, 2
PUBLIC WORKS DEPARTMENT	
Public Works Manager	1, 2
Chief Waste Water Treatment Plant Operator-Collections	2, 3, 4, 6
Chief Waste Water Treatment Plant Operator-Operations	2, 3, 4, 6
Chief Water Plant Operator-Distribution	2, 3, 4, 6
Chief Water Plant Operator-Treatment	2, 3, 4, 6
COMMUNITY SERVICES DEPARTMENT/LIBRARY	
Community Services Director	1, 2
Community Sports Coordinator	3, 7

DESIGNATED POSITIONS	DISCLOSURE CATEGORIES
Community Recreation Coordinator	3, 7
CITY ATTORNEY	
Assistant City Attorney	1, 2
PERSONNEL COMMISSION	
Member	3, 7
LIBRARY BOARD OF TRUSTEES	
Member	1, 2
ARTS COMMISSION	
Member	3, 6
ECONOMIC DEVELOPMENT COMMISSION	
Member	1, 2

*The office of City Treasurer is a “statutory filer” pursuant to Cal. Govt. Code §87200 and therefore does not need to be listed here. However, the title has been combined with that of Director of Financial Services and the combined title is included here for informational purposes only.

Consultants

Consultants shall be included in the list of designated positions, and shall file economic statements when, pursuant to a contract with the City, the consultant either: (a) makes government decisions, or (b) “serves in a staff capacity” performing the same or substantially all the same duties for the City that would otherwise be performed by an individual holding a designated position in this Conflict of Interest Code.

Consultant does not include a person who performs duties pursuant to a contract with the City but possesses no authority with respect to any City decision beyond the rendition of information, advice, recommendation or counsel.

Consultants who “serve in a staff capacity” as described in (b) above shall disclose financial interests in the same manner as is required for the designated position the duties for which are performed, in whole or part, by the consultant.

Consultants who make government decisions pursuant to (a) above shall disclose financial interests according to disclosure categories 1- 7, with the following limitation: The City Manager may determine that a particular consultant, although in a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure required. The determination shall be included in the contract by which the consultant is hired by the City. The City Manager’s determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

Officials Who Manage Public Investments

It has been determined that the positions listed below manage public investments, as that term is defined in 2 Cal. Code of Regulations, section 18701(b) and will file a Statement of Economic Interests (Form 700, All Schedules) without any limitation as to disclosure categories, pursuant to Government Code section 87200:

Public Officials Listed in Government Code section 87200

The following positions must file a Statement of Economic Interests (Form 700, All Schedules) without limitation as to disclosure categories, pursuant to Government Code section 87200:

Mayor
Members of the City Council
Members of the Planning Commission
City Manager
City Clerk
City Attorney
City Treasurer

CITY OF CALEXICO CONFLICT OF INTEREST CODE
APPENDIX B
DISCLOSURE CATEGORIES

General Provisions

1. When a designated employee is required to disclose investments in business entities, and business entities that are sources of income, the employee need only disclose investments in and income from sources that do business in the jurisdiction, plan to do business in the jurisdiction, or have done business in the jurisdiction in the past two years. In addition to other activities, a business entity is doing business in the jurisdiction if it owns real property within the jurisdiction.
2. When a designated employee is required to disclose interest in real property, the employee need only disclose real property, other than the employee's principal residence, which is located in whole or in part within or not more than two miles outside the boundaries of the jurisdiction, or within two miles of any land owned or used by the City.
3. When a designated employee is required to disclose investments and real property interests, the employee is required to disclose his or her own interests, and the interests of the employee's spouse and dependent children.
4. When a designated employee is required to disclose income, the employee is required to disclose his or her own income, and the employee's community property interest (50%) in his or her spouse's income.
5. When a designated employee is required to disclose income, the employee is not required to disclose salary or reimbursement for expenses from a government agency.

Disclosure Categories

Category 1 – Investments (Schedules A-1, A-2, C) and sources of income (Schedules A-2, C, D, E, F)

Category 2 – Interests in Real Property (Schedules A-2, B, C).

Category 3 – Investments (Schedules A-1, A-2, C), interests in real property (Schedules A-2, B, C) and sources of income (Schedules A-2, C, D, E, F) subject to regulatory, permit or licensing authority of the department.

Category 4 – Investments (Schedules A-1, A-2, C) in business entities and sources of income that engage in land development, construction or the acquisition or sale of real property.

Category 5 – Investments (Schedules A-1, A-2, C) in business entities and sources of income (Schedules A-2, C, D, E, F) of the type which, within the past two years, have contracted with the City of Calexico to provide services, supplies, materials, machinery or equipment.

Category 6 – Investments (Schedules A-1, A-2, C) in business entities and sources of income (Schedules A-2, C, D, E, F) of the type which, within the past two years, have contracted with your department to provide services, supplies, materials, machinery or equipment.

Category 7 – Business Positions (Schedules A-2, C).

5. The Standard Code and Successor Agency Appendices "A" and "B" constitute the Conflict of Interest Code for the Successor Agency for the Calexico Community Redevelopment Agency Successor Agency.
6. Unless otherwise indicated, the definitions of the Act, regulations and amendments thereto and binding judicial opinions thereon are incorporated herein, and this Resolution shall be interpreted in a manner consistent with such definitions.
7. The City Council hereby directs the City Clerk to coordinate the preparation of a revised Successor Agency and Oversight Board Conflict of Interest Codes in succeeding even-numbered years in accordance with Government Code sections 87306 and 87306.5. The revised Codes should reflect any changes in department or employee designations. If no revisions to the Codes are required, the City Clerk shall submit a report no later than October 1st of the same year stating that amendments to the Codes are not required.
8. The City Council hereby repeals the Conflict of Interest Code for the Calexico Community Redevelopment Agency as set out in Resolution No. 10-131A adopted on December 21, 2010.

PASSED, ADOPTED, AND APPROVED by the City Council of the City of Calexico at the regular meeting this 18th day of December, 2012.

MARITZA HURTADO, Mayor

ATTEST:

GABRIELA GARCIA, Deputy City Clerk

STATE OF CALIFORNIA)
 CITY OF CALEXICO) ss.
 COUNTY OF IMPERIAL)

I, Gabriela Garcia, Deputy City Clerk of the City of Calexico, do hereby certify under the penalty of perjury, that the foregoing Resolution No. 12-___, was duly adopted by the City Council at a meeting of said City Council held on the 18th day of December, 2012, and that it was so adopted by the following vote:

RESOLUTION NO. 2014-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO, CALIFORNIA ADOPTING A CONFLICT OF INTEREST CODE FOR THE OVERSIGHT BOARD AND SUCCESSOR AGENCY FOR THE CALEXICO COMMUNITY REDEVELOPMENT AGENCY SUCCESSOR AGENCY, AND ADOPTING THROUGH INCORPORATION BY REFERENCE THE STANDARD CONFLICT OF INTEREST PROVISIONS OF 2 CALIFORNIA CODE OF REGULATIONS SECTION 18730

WHEREAS, the Political Reform Act of 1974 (“Act”), Government Code sections 81000, et seq., requires every public agency in California to adopt and promulgate a conflict of interest code designating employees who must disclose economic interests, and designating what financial interests must be disclosed by those employees, and prohibiting the participation by such employees in decisions in which they have a financial interest; and

WHEREAS, Assembly Bill x1 26 (AB 26) was passed by the Legislature and signed into law in 2011. AB 26 dissolved local redevelopment agencies and provided for an administrative process to wind down agency activities. Also pursuant to AB 26, successor agencies to the former redevelopment agencies are required to be designated for that purpose and be vested with the authority, rights, duties, and obligations previously vested with the former redevelopment agency and each successor agency is to have an oversight board composed of seven members; and

WHEREAS, a successor agency was designated by the City and its oversight board, the Oversight Board for the Calexico Community Redevelopment Agency Successor Agency, were established by the City pursuant to AB 26; and

WHEREAS, the Calexico Community Redevelopment Agency Successor Agency is an agency separate from the City of Calexico, subject to compliance with the Political Reform Act and thus the Successor Agency and Oversight Board are required to formulate their own Conflict of Interest Codes to be reviewed and approved by the City Council, the code reviewing body; and

WHEREAS, pursuant to Government Code section 82011, the City Council of the City of Calexico is the code reviewing body for the Successor Agency and the Oversight Board for the Calexico Community Redevelopment Agency Successor Agency, and therefore is the approval authority for the conflict of interest codes; and

WHEREAS, the Successor Agency and the Oversight Board for the Calexico Community Redevelopment Agency Successor Agency have adopted Conflict of Interest Codes and submitted them to the code reviewing body for approval by this resolution; and

WHEREAS, the Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations, Section 18730, which contains the terms of a standard conflict of interest code. It can be incorporated by reference, therefore, the terms of 2 California Code of Regulations, Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference, and, along with Oversight Board Appendix “A” and Successor Agency Appendix “A” in which officials and employees are designated and Oversight Board Appendix “B” and Successor Agency Appendix “B” in which disclosure categories are set forth, do constitute the Conflict of Interest Codes of the Successor Agency and the Oversight Board for the Calexico Redevelopment Agency Successor Agency;

WHEREAS, designated employees shall file Statements of Economic Interest with the City Clerk, who will make the Statements available for public inspection and reproduction pursuant to Government Code section 81008, and;

WHEREAS, nothing in this Resolution is intended to modify or abridge the provisions of the Act commencing at Government Code section 87100, which is applicable to all public officials of the Agency, and directs that no public official of the City shall make, participate in the making, or in any way attempt to use their official position to influence a City decision in which the official knows, or has reason to know, that he or she has a financial interest as defined by the Act, and;

WHEREAS, this Resolution intends to designate those public officials of the Agency who are involved in Agency decisions, and to require designated officials to disclose those financial interests, using Form 700, which could foreseeably be affected, in a material manner, by an Agency decision made by the official in the performance of the official’s responsibilities.

NOW THEREFORE, be it hereby resolved by the City Council of the City of Calexico as follows:

1. The above recitations are true.
2. The standard Conflict of Interest Code set forth in 2 California Code of Regulations, Section 18730, and any amendments thereto duly adopted by the Fair Political Practices Commission (“Standard Code”), is incorporated by reference.
3. The list of designated positions subject to the requirements of the Conflict of Interest Code are set forth in Oversight Board Appendix “A” and Successor Agency Appendix “A” (attached to this Resolution) and their respective disclosure categories are set forth in Oversight Board Appendix “B” and Successor Agency Appendix “B” (attached to this Resolution).
4. The Standard Code and Oversight Board Appendices “A” and “B” constitute the Conflict of Interest Code for the Oversight Board for the Calexico Community Redevelopment Agency Successor Agency.

5. The Standard Code and Successor Agency Appendices “A” and “B” constitute the Conflict of Interest Code for the Successor Agency for the Calexico Community Redevelopment Agency Successor Agency.
6. Unless otherwise indicated, the definitions of the Act, regulations and amendments thereto and binding judicial opinions thereon are incorporated herein, and this Resolution shall be interpreted in a manner consistent with such definitions.
7. The City Council hereby directs the City Clerk to coordinate the preparation of a revised Successor Agency and Oversight Board Conflict of Interest Codes in succeeding even-numbered years in accordance with Government Code sections 87306 and 87306.5. The revised Codes should reflect any changes in department or employee designations. If no revisions to the Codes are required, the City Clerk shall submit a report no later than October 1st of the same year stating that amendments to the Codes are not required.

PASSED, ADOPTED, AND APPROVED by the City Council of the City of Calexico at the regular meeting this 16th day of December, 2014.

JOHN M. MORENO, Mayor

ATTEST:

GABRIELA T. GARCIA, Deputy City Clerk

STATE OF CALIFORNIA)
CITY OF CALEXICO) ss.
COUNTY OF IMPERIAL)

I, Gabriela T. Garcia, Deputy City Clerk of the City of Calexico, do hereby certify under the penalty of perjury, that the foregoing Resolution No. 2014-___, was duly adopted by the City Council at a meeting of said City Council held on the 16th day of December 2014, and that it was so adopted by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Gabriela T. Garcia, Deputy City Clerk

OVERSIGHT BOARD FOR THE CALEXICO COMMUNITY REDEVELOPMENT
AGENCY SUCCESSOR AGENCY CONFLICT OF INTEREST CODE
APPENDIX A
DESIGNATED POSITIONS

General Provisions

1. All designated employees required to submit an initial Statement of Financial Interest shall file the original with the City Clerk within thirty days after the effective date of this Resolution. Initial statements shall cover the period of the twelve months prior to the date of the adoption of this Conflict of Interest Code.
2. All individuals appointed, promoted, or transferred to a designated position shall file statements within thirty days of assuming office. These "assuming office" statements cover the period of the twelve months prior to the date of assuming office.
3. Annual statements shall be filed with the City Clerk by April 1st by all designated employees. Such statements shall cover the period of the preceding calendar year.
4. Every designated employee who leaves office shall file, within thirty days of leaving office, a statement disclosing financial interests held or received at any time during the period between the closing date of the last statement required to be filed and the date of leaving office.
5. Any employee serving in dual roles may file a combined statement by reporting according to their broadest range of disclosure.
6. Failure to file the required statement in a timely fashion may result in the imposition of administrative, criminal, and civil sanctions as provided in Government Code sections 81000-91014.

Designated Officials

It has been determined that the positions listed below are required to file Form 700 because they are public officials who make, participate in making or have the ability to influence Successor Agency decisions that may foreseeably have a material effect on any financial interest:

DESIGNATED POSITION	DISCLOSURE CATEGORY
Oversight Board Member	1, 2, 3, 4, 5, 6, 7
Officer of the Oversight Board	1, 2, 3, 4, 5, 6, 7
Employee of the Oversight Board	1, 2, 3, 4, 5, 6, 7

DESIGNATED POSITION	DISCLOSURE CATEGORY
Consultant of the Oversight Board	1, 2, 3, 4, 5, 6, 7

Board Members Who Are Already Required to File Statements of Economic Interests

In an April 25, 2012 letter, the FPPC issued guidance on compliance with the financial disclosure provisions of the Political Reform Act as it applies to oversight boards created under AB1X 26.

It states that if a Board Member is already required to file a Statement of Economic Interest form with his or her appointing agency, filing an Assuming Office Statement for his or her position on the Oversight Board is not required as long as the appointing agency’s jurisdiction and the oversight board share the same jurisdiction. For instance, a city councilmember serving on an oversight board for the city’s former redevelopment agency would not have to file a Statement of Economic Interests with the city in connection with her service on the oversight board because the city and the oversight board share the same jurisdiction. If this is not the case, the official must file a Statement of Economic Interests with both agencies.

Consultants

Consultants shall be included in the list of designated positions, and shall file economic statements when, pursuant to a contract with the Agency, the consultant either: (a) makes government decisions, or (b) “serves in a staff capacity” performing the same or substantially all the same duties for the Agency that would otherwise be performed by an individual holding a designated position in this Conflict of Interest Code.

Consultant does not include a person who performs duties pursuant to a contract with the Agency but possesses no authority with respect to any Agency decision beyond the rendition of information, advice, recommendation or counsel.

Consultants who “serve in a staff capacity” as described in (b) above shall disclose financial interests in the same manner as is required for the designated position the duties for which are performed, in whole or part, by the consultant.

Consultants who make government decisions pursuant to (a) above shall disclose financial interests according to disclosure categories 1-7, with the following limitation: The Executive Director may determine that a particular consultant, although in a “designated position”, is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure required. The determination shall be included in the contract by which the consultant is hired by the

Agency. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

Officials Who Manage Public Investments

It has been determined that the positions listed below manage public investments, as that term is defined in 2 Cal. Code of Regulations, section 18701(b) and will file a Statement of Economic Interests (Form 700, All Schedules) without any limitation as to disclosure categories, pursuant to Government Code section 87200:

Public Officials Listed in Government Code section 87200

The following positions must file a Statement of Economic Interests (Form 700, All Schedules) without limitation as to disclosure categories, pursuant to Government Code section 87200:

- Mayor
- Members of the City Council
- Members of the Planning Commission
- City Manager
- City Clerk
- City Attorney
- City Treasurer

OVERSIGHT BOARD FOR THE CALEXICO COMMUNITY REDEVELOPMENT
AGENCY SUCCESSOR AGENCY CONFLICT OF INTEREST CODE
APPENDIX B
DISCLOSURE CATEGORIES

General Provisions

1. When a designated employee is required to disclose investments in business entities, and business entities that are sources of income, the employee need only disclose investments in and income from sources that do business in the jurisdiction, plan to do business in the jurisdiction, or have done business in the jurisdiction in the past two years. In addition to other activities, a business entity is doing business in the jurisdiction if it owns real property within the jurisdiction.
2. When a designated employee is required to disclose interest in real property, the employee need only disclose real property, other than the employee's principal residence, which is located in whole or in part within or not more than two miles outside the boundaries of the Agency's jurisdiction, or within two miles of any land owned or used by the Agency.
3. When a designated employee is required to disclose investments and real property interests, the employee is required to disclose his or her own interests, and the interests of the employee's spouse and dependent children.
4. When a designated employee is required to disclose income, the employee is required to disclose his or her own income, and the employee's community property interest (50%) in his or her spouse's income.
5. When a designated employee is required to disclose income, the employee is not required to disclose salary or reimbursement for expenses from a government agency.

Disclosure Categories

Category 1 – Investments (Schedules A-1, A-2, C) and sources of income (Schedules A-2, C, D, E, F)

Category 2 – Interests in Real Property (Schedules A-2, B, C).

Category 3 – Investments (Schedules A-1, A-2, C), interests in real property (Schedules A-2, B, C) and sources of income (Schedules A-2, C, D, E, F) subject to regulatory, permit or licensing authority of the department.

Category 4 – Investments (Schedules A-1, A-2, C) in business entities and sources of income that engage in land development, construction or the acquisition or sale of real property.

Category 5 – Investments (Schedules A-1, A-2, C) in business entities and sources of income (Schedules A-2, C, D, E, F) of the type which, within the past two years, have contracted with the City of Calexico to provide services, supplies, materials, machinery or equipment.

Category 6 – Investments (Schedules A-1, A-2, C) in business entities and sources of income (Schedules A-2, C, D, E, F) of the type which, within the past two years, have contracted with your department to provide services, supplies, materials, machinery or equipment.

Category 7 – Business Positions (Schedules A-2, C).

CALEXICO COMMUNITY REDEVELOPMENT AGENCY SUCCESSOR AGENCY
CONFLICT OF INTEREST CODE
APPENDIX A
DESIGNATED POSITIONS

General Provisions

1. All designated employees required to submit an initial Statement of Financial Interest shall file the original with the City Clerk within thirty days after the effective date of this Resolution. Initial statements shall cover the period of the twelve months prior to the date of the adoption of this Conflict of Interest Code.
2. All individuals appointed, promoted, or transferred to a designated position shall file statements within thirty days of assuming office. These "assuming office" statements cover the period of the twelve months prior to the date of assuming office.
3. Annual statements shall be filed with the City Clerk by April 1st by all designated employees. Such statements shall cover the period of the preceding calendar year.
4. Every designated employee who leaves office shall file, within thirty days of leaving office, a statement disclosing financial interests held or received at any time during the period between the closing date of the last statement required to be filed and the date of leaving office.
5. Any employee serving in dual roles may file a combined statement by reporting according to their broadest range of disclosure.
6. Failure to file the required statement in a timely fashion may result in the imposition of administrative, criminal, and civil sanctions as provided in Government Code sections 81000-91014.

Designated Officials

It has been determined that the positions listed below are required to file Form 700 because they are public officials who make, participate in making or have the ability to influence Successor Agency decisions that may foreseeably have a material effect on any financial interest:

DESIGNATED POSITIONS
Successor Agency Board Members (City Council)*
City Employees*

*Board Members of the Calexico Community Redevelopment Agency Successor Agency and any City employees or consultants providing assistance to the Successor Agency are declared to be designated employees and shall have disclosure requirements identical to the requirements they have in their capacity and positions as council members, employees, or consultants of the City of Calexico, to include officials listed in California Government Code § 87200.

Successor Agency Members Who Are Already Required to File Statements of Economic Interests

In an April 25, 2012 letter, the FPPC issued guidance on compliance with the financial disclosure provisions of the Political Reform Act as it applies to oversight boards created under AB1X 26.

It states that if a Board Member is already required to file a Statement of Economic Interest form with his or her appointing agency, filing an Assuming Office Statement for his or her position on the Successor Agency's Board is not required as long as the jurisdictions overlap. For instance, a city councilmember serving on an oversight board for the city's former redevelopment agency would not have to file a Statement of Economic Interests with the city in connection with her service on the oversight board because the city and the oversight board share the same jurisdiction. If this is not the case, the official must file a Statement of Economic Interests with both agencies.

Consultants

Consultants shall be included in the list of designated positions, and shall file economic statements when, pursuant to a contract with the Agency, the consultant either: (a) makes government decisions, or (b) "serves in a staff capacity" performing the same or substantially all the same duties for the Agency that would otherwise be performed by an individual holding a designated position in this Conflict of Interest Code.

Consultant does not include a person who performs duties pursuant to a contract with the Agency but possesses no authority with respect to any Agency decision beyond the rendition of information, advice, recommendation or counsel.

Consultants who "serve in a staff capacity" as described in (b) above shall disclose financial interests in the same manner as is required for the designated position the duties for which are performed, in whole or part, by the consultant.

Consultants who make government decisions pursuant to (a) above shall disclose financial interests according to disclosure categories 1-7, with the following limitation: The Executive Director may determine that a particular consultant, although in a "designated position", is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such determination shall include a description of the consultant's duties and,

based upon that description, a statement of the extent of disclosure required. The determination shall be included in the contract by which the consultant is hired by the Agency. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

Officials Who Manage Public Investments

It has been determined that the positions listed below manage public investments, as that term is defined in 2 Cal. Code of Regulations, section 18701(b) and will file a Statement of Economic Interests (Form 700, All Schedules) without any limitation as to disclosure categories, pursuant to Government Code section 87200:

Public Officials Listed in Government Code section 87200

The following positions must file a Statement of Economic Interests (Form 700, All Schedules) without limitation as to disclosure categories, pursuant to Government Code section 87200:

- Mayor
- Members of the City Council
- Members of the Planning Commission
- City Manager
- City Clerk
- City Attorney
- City Treasurer

CALEXICO COMMUNITY REDEVELOPMENT AGENCY SUCCESSOR AGENCY
CONFLICT OF INTEREST CODE
APPENDIX B
DISCLOSURE CATEGORIES

General Provisions

1. When a designated employee is required to disclose investments in business entities, and business entities that are sources of income, the employee need only disclose investments in and income from sources that do business in the jurisdiction, plan to do business in the jurisdiction, or have done business in the jurisdiction in the past two years. In addition to other activities, a business entity is doing business in the jurisdiction if it owns real property within the jurisdiction.
2. When a designated employee is required to disclose interest in real property, the employee need only disclose real property, other than the employee's principal residence, which is located in whole or in part within or not more than two miles outside the boundaries of the Agency's jurisdiction, or within two miles of any land owned or used by the Agency.
3. When a designated employee is required to disclose investments and real property interests, the employee is required to disclose his or her own interests, and the interests of the employee's spouse and dependent children.
4. When a designated employee is required to disclose income, the employee is required to disclose his or her own income, and the employee's community property interest (50%) in his or her spouse's income.
5. When a designated employee is required to disclose income, the employee is not required to disclose salary or reimbursement for expenses from a government agency.

Disclosure Categories

Category 1 – Investments (Schedules A-1, A-2, C) and sources of income (Schedules A-2, C, D, E, F)

Category 2 – Interests in Real Property (Schedules A-2, B, C).

Category 3 – Investments (Schedules A-1, A-2, C), interests in real property (Schedules A-2, B, C) and sources of income (Schedules A-2, C, D, E, F) subject to regulatory, permit or licensing authority of the department.

Category 4 – Investments (Schedules A-1, A-2, C) in business entities and sources of income that engage in land development, construction or the acquisition or sale of real property.

Category 5 – Investments (Schedules A-1, A-2, C) in business entities and sources of income (Schedules A-2, C, D, E, F) of the type which, within the past two years, have contracted with the City of Calexico to provide services, supplies, materials, machinery or equipment.

Category 6 – Investments (Schedules A-1, A-2, C) in business entities and sources of income (Schedules A-2, C, D, E, F) of the type which, within the past two years, have contracted with your department to provide services, supplies, materials, machinery or equipment.

Category 7 – Business Positions (Schedules A-2, C).