

**AGENDA  
REGULAR MEETING  
SIERRA MADRE CITY COUNCIL,  
SUCCESSOR AGENCY, AND  
PUBLIC FINANCE AUTHORITY**



*Gene Goss, Mayor  
Rachelle Arizmendi, Mayor Pro Tem  
John Capoccia, Council Member  
Denise Delmar, Council Member  
John Harabedian, Council Member*

**Tuesday, May 24, 2016**

**Closed Session 5:00 pm  
Open Session 6:30 pm**

*Melinda Carrillo, City Clerk  
Michael Amerio, City Treasurer*

**City Hall Council Chambers  
232 W. Sierra Madre Boulevard  
Sierra Madre, California 91024**

**PUBLIC COMMENT**

The Council will listen to the public on any item on the agenda. Under the Brown Act, Council is prohibited from taking action on items not on the agenda, but the matter may be referred to staff or to a subsequent meeting. Each speaker will be limited to three continuous minutes, which may not be delegated. These rules will be enforced but may be changed by appropriate City Council action.

**PUBLIC COMMENT FOR ITEMS ON THE AGENDA:**

Persons wishing to speak on any item on the agenda will be called at the time the agenda item is brought forward. Persons wishing to speak on closed session items have a choice of doing so either immediately prior to the closed session or at the time for comments on items at the open session.

**PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:**

Time shall be devoted to audience participation early on the agenda.

**CLOSED SESSION**

**CALL TO ORDER/ROLL CALL**

Mayor Goss, Mayor Pro Tem Arizmendi, Council Member Capoccia, Council Member Delmar, and Council Member Harabedian

**PUBLIC COMMENT**

Regarding Closed Session Items

**RECESS TO CLOSED SESSION REGARDING:**

**CONFERENCE WITH LEGAL COUNSEL**

Pursuant to Calif. Government Code Section 54956.9(a)

The City Council/Agency finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the local agency in the litigation.

Existing Litigation: Case No. GC046442

Case Name: City of Sierra Madre v. Jeffrey M. Hildreth and Taryn N. Hildreth d/b/a The Sterling Oak; Suntrust Mortgage, Inc. a Virginia Corporation; and does 1-50 inclusive

**CONFERENCE WITH LABOR NEGOTIATOR**

Pursuant to Calif. Government Code Section 54957.6

City Negotiators: City Manager Elaine Aguilar and Assistant City Manager Elisa Cox  
Employee Organization: Police Association

**PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE**

Pursuant to Calif. Government Code Section 54957

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**OPEN SESSION**

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**CALL TO ORDER/ROLL CALL  
MEMBERS OF THE CITY COUNCIL**

Mayor Goss, Mayor Pro Tem Arizmendi,  
Council Members Capoccia, Delmar, and Harabedian

**PLEDGE OF ALLEGIANCE AND  
INVOCATION/INSPIRATION**

Mayor Gene Goss

**REPORT OUT FROM CLOSED SESSION**

City Attorney report from the closed session.

**APPROVAL OF AGENDA**

Vote of the Council to proceed with City business.

**MAYOR AND CITY COUNCIL REPORTS**

Council Member activities relating to City business.

**PUBLIC COMMENT**

Regarding items not on the Agenda.

**PRESENTATION**

Recognition of 2016 Sierra Madre Older American  
Ann Tyler

**PRESENTATION**

Proclamation declaring the month of May as  
“Older American Month.”

**PRESENTATION**

Sierra Madre Civic Club Philanthropy Awards

**PRESENTATION**

Update from Public Works Director Inman regarding  
water conservation and the City’s Water Quality  
Report

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**ACTION ITEMS**

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1. **CONSENT**

a) **[ADOPTION OF RESOLUTION 16-32  
OF THE CITY COUNCIL OF THE  
CITY OF SIERRA MADRE  
APPROVING CERTAIN DEMANDS](#)**

Recommendation that the City Council approve  
Resolution 16-32 for approval of payment of City  
Warrants in aggregate amount of \$321,963.79; Library  
warrants in the aggregate amount of \$7,822.74, and  
payroll transfer in the aggregate amount of \$613,023.54  
for fiscal year ending June 2016.

b) **[CITY COUNCIL CHAMBERS AUDIO  
AND BROADCAST EQUIPMENT  
REPLACEMENT](#)**

Recommendation that the City Council authorize the  
purchase of broadcasting and sound equipment for City  
Council Chambers in an amount not to exceed \$72,000.

c) [AWARD OF BID FOR A TELECOMMUNICATIONS SYSTEM AND CARRIER SERVICES PARTNER](#)

Recommendation that the City Council approve the RingCentral Office Plan Purchase Agreement for an initial equipment cost of \$22,724 (plus tax) and an ongoing monthly price of \$3,626.07 for 36 months; and approve the Professional Services Agreement with a not-to-exceed amount of \$20,000..

d) [CANCELLATION OF BOTH AUGUST 2016 CITY COUNCIL MEETINGS](#)

Recommendation that the City Council approve the cancellation of the August 9, 2016 and August 23, 2016 City Council meetings and direct staff to pay all necessary expenses during that time.

S e) [RECOMMENDATION TO APPROVE THE PURCHASE OF TWO PUBLIC WORKS FLEET UTILITY VEHICLES UTILIZING AB 2766 MOBILE SOURCE REDUCTION GRANT FUNDS](#)

Recommendation that the City Council provide an additional appropriation from available AB 2766 Fund balance in the amount of \$23,517, approve the expenditure of \$92,217 on the purchase of two CNG-fueled utility vehicles for the Public Works Department and declare units numbered 5111 and 5118 to be surplus equipment upon arrival of their replacement vehicles.

f) [CONSIDERATION OF RESOLUTION 16-33 REGARDING CITY CLERK COMPENSATION](#)

Recommendation that the City Council approve Resolution 16-33 regarding City Clerk compensation.

g) [RESOLUTION 16-34 AUTHORIZING SUBMITTAL OF APPLICATIONS FOR CALRECYCLE PAYMENT PROGRAMS AND RELATED AUTHORIZATIONS](#)

Recommendation that the City Council approve Resolution 16-34 authorizing submittal of application for payment programs and related authorizations.

**PUBLIC HEARINGS**

2. [MUNICIPAL CODE TEXT AMENDMENT 16-01: AMENDMENTS TO THE INSTITUTIONAL ZONE ORDINANCE \(CHAPTER 17.38\) OF THE SIERRA MADRE MUNICIPAL CODE](#)

Recommendation that the City Council open a Public Hearing, introduce and approve for first reading, by title only, and waive further reading of Ordinance 1376; and direct the City Attorney to prepare a summary of Ordinance 1376 pursuant to Government Code Section 36933(c)(1).

3. [FISCAL YEAR 2016-2017 ASSESSMENT DISTRICTS: PUBLIC HEARING AND RESOLUTION OF CONFIRMATION 16-30 AND 16-31 SETTING ASSESSMENT RATES FOR AD VALOREM MAINTENANCE DISTRICTS 1, 3A, AND 3B](#)

Recommendation that the City Council open a Public Hearing and adopt Resolution 16-30 confirming the levy of assessments for Districts 3, 5, and Community Facilities District 1, E. Miramonte Sewer District, and E. Bonita Sewer District for Fiscal Year 2016-2017; and adopt Resolution 16-31 setting taxes for Ad Valorem Districts 1, 3A, and 3B.

## **ITEMS FOR DISCUSSION**

4. **CONSIDERATION OF RESOLUTION 16-24:  
A RESOLUTION COMBINING THE  
LIBRARY SERVICES AND COMMUNITY  
SERVICES DEPARTMENTS UNDER ONE  
DIRECTOR AND AMENDING THE  
CLASSIFICATION PLAN AND SALARY  
MATRIX TO REFLECT POSITIONS IN THE  
COMBINED DEPARTMENT**

Recommendation that the City Council approve Resolution 16-24 combining the Library and Community Services Departments under one Director and approving the Classification Plan and Salary Matrix to reflect positions in the combined department.
  
5. **WATER SYSTEM FINANCING OPTIONS  
AND MONTHLY UTILITY BILLING**

Recommendation that the City Council obtain 20-year loan financing to refund the current outstanding bond debt, purchase an AMI system, and fund identified water infrastructure.

### **ACTION ITEMS**

Regardless of staff recommendation on any agenda item, the City Council will consider such matters, including action to approve, conditionally approve, reject, or continue such item.

### **PUBLIC HEARING**

The appellant and/or applicant will each be provided a total of ten (10) minutes to address their item. A portion of their allotted time may be reserved for rebuttal or a summary conclusion at the close of public comment. All other speakers will be limited to a total of three continuous minutes, which cannot be delegated.

### **AVAILABILITY OF AGENDA MATERIALS**

Materials related to items on this agenda are available for public inspection on the City's website at [www.cityofsierramadre.com](http://www.cityofsierramadre.com), and during normal business hours at City Hall, 232 W. Sierra Madre Blvd. and at the Sierra Madre Public Library, 440 W. Sierra Madre Blvd.

### **LIVE BROADCASTS**

Regular City Council meetings are broadcasted live on Cable Channel 3 and rebroadcast on Wednesday and Saturday at 5:30 p.m.

### **MEETING ASSISTANCE**

If you require special assistance to participate in this meeting, please call the City Manager's office at (626) 355-7135 at least 48 hours prior to the meeting.

### **ADJOURNMENT**

The City Council will adjourn to a Regular Meeting at this same place on Tuesday, June 14, 2016

**RESOLUTION NUMBER 16 – 32**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE  
APPROVING CERTAIN DEMANDS**

**WHEREAS**, the following demands have been reviewed and approved by the Finance Director; and,

**WHEREAS**, the Finance Director has verified that appropriated funds are available for payment thereof; and,

**WHEREAS**, the register of audited demands has been submitted to the City Council for approval; and

**WHEREAS**, City Warrants are the payment of bills, invoices and contractual obligations incurred by the City of Sierra Madre during the period enumerated therein, based on the approved fiscal year budget and existing budgetary authority, Municipal Code authority, or prior policy direction by the City Council; and

**WHEREAS**, Payroll Transfer is the transfer of funds to cover the payroll costs for all City employees for the period enumerated therein.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Sierra Madre does hereby approve payment of City Warrants in the aggregate amount of \$321,963.79; Sierra Madre Library Warrants in aggregate amount of \$7,822.74 and Payroll Transfer in the aggregate amount of \$613,023.54 for the fiscal year ending June 30, 2016.

**APPROVED AND ADOPTED** this 24<sup>th</sup> day of May, 2016.

\_\_\_\_\_  
Mayor, City of Sierra Madre, California

I hereby certify that the foregoing Resolution Number 16 – 32 was adopted by the City Council of the City of Sierra Madre at a regular meeting held on the 24<sup>th</sup> day of May, 2016.

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
City Clerk, City of Sierra Madre, California

**City of Sierra Madre  
Department of Finance  
Warrant Register Recap  
City Council Meeting of May 24, 2016**

**CITY OF SIERRA MADRE AND SIERRA MADRE LIBRARY**

City of Sierra Madre Warrant .....	\$321,963.79
Sierra Madre Library Warrant .....	\$7,822.74
Payroll #9 Transfer.....	\$299,525.30
Payroll #10 Transfer.....	\$313,498.24

**Warrant Register 5/24/16**

**Attachment 1A**

Fiscal Year	Description	Amount	Page #
FY 1516	Manual Warrants	7,095.68	1-2
FY 1516	General Warrants - Utility Bills	47,428.33	3-4
FY 1516	General Warrants	267,439.78	5-9
	Total	321,963.79	

Fiscal Year	Description	Amount	10
FY 1516	Library Warrants	7,822.74	
	Total	7,822.74	

Date: 5/5/2016	Payroll #9 Electronic Tansfers From: City of Sierra Madre-General Acct. To: City of Sierra Madre-Payroll Acct.	299,525.30	
5/19/2016	Payroll #10 Electronic Tansfers From: City of Sierra Madre-General Acct. To: City of Sierra Madre-Payroll Acct.	313,498.24	



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Packet: APPKT02891 - MAN 5/10/16  
Vendor Set: 01 - Vendor Set 01

Check Date: 05/11/2016

Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
<b>Fund: 10000 - GENERAL FUND</b>					
<u>0823</u>	BANK OF AMERICA				
APBWEST	Check	<u>INV018388</u>	EC-ADVERTISING/INTERVIEW PANEL LUNCH	10000.12000.52206	49.78
		<u>INV018384</u>	EA- WEBSITE HOSTING/ELECTION WORKERS ME	10000.12000.52207	113.88
				10000.30000.53999	4.00
		<u>INV018389</u>	JO-LASD Volunteer Assoc	10000.50000.53409	100.00
		<u>INV018392</u>	LG-BATTERY CHARGER/EXTENSION CABLE	10000.50000.53999	183.73
		<u>INV018391</u>	LG-BATTERY CHARGER/JUMP STARTER	10000.50000.53999	293.14
		<u>INV018390</u>	SH-DSR JUMP STARTER/FF MANUALS/TOOLS/SL	10000.61000.53102	349.65
				10000.61000.53300	521.58
				10000.61000.53999	157.88
		<u>INV018387</u>	EC-ALA LIBRARY WEBINAR	10000.90000.52205	178.20
<u>0833</u>	HOME DEPOT				
APBWEST	Check	<u>CM0000304</u>	CREDIT MEMO	10000.82000.53999	-49.53
		<u>1381537</u>	Hardware Supplies	10000.82000.53999	41.05
				10000.83300.53001	205.80
		<u>6383818</u>	Hardware Supplies	10000.83500.53206	45.71
<u>1497</u>	MOUNTAIN VIEWS NEWS				
APBWEST	Check	<u>CM140316</u>	Publication Services	10000.12000.52206	189.00
<b>Fund 10000 Total:</b>					<b>2,383.87</b>
<b>Fund: 35004 - PUB SAFETY AUGMENTATION FUND</b>					
<u>VENO2666</u>	V & V MANUFACTURING INC				
APBWEST	Check	<u>42770</u>	Badges	35004.50000.53999	2,753.83
<b>Fund 35004 Total:</b>					<b>2,753.83</b>
<b>Fund: 60001 - INT SVC FND - FACILITIES MGT</b>					
<u>0833</u>	HOME DEPOT				
APBWEST	Check	<u>8094907</u>	Hardware Supplies	60001.83200.53200	151.76
		<u>7105205</u>	Hardware Supplies	60001.83200.53200	166.66
<b>Fund 60001 Total:</b>					<b>318.42</b>
<b>Fund: 60002 - INT SVC FND - ADMINISTRATION</b>					
<u>0823</u>	BANK OF AMERICA				
APBWEST	Check	<u>INV018385</u>	MM-GOVERNMENT FINANCE CONFERENCE	60002.30000.53402	585.00
<b>Fund 60002 Total:</b>					<b>585.00</b>
<b>Fund: 60003 - INT SVC FND - TECHNOLOGY</b>					
<u>0823</u>	BANK OF AMERICA				
APBWEST	Check	<u>CM0000303</u>	EA-WEBSITE HOSTING	60003.30000.52200	-51.96
<b>Fund 60003 Total:</b>					<b>-51.96</b>
<b>Fund: 60007 - INT SVC FND - PERSONNEL AND RISK MGMT</b>					
<u>0823</u>	BANK OF AMERICA				
APBWEST	Check	<u>INV018388</u>	EC-ADVERTISING/INTERVIEW PANEL LUNCH	60007.70101.53999	75.22
<b>Fund 60007 Total:</b>					<b>75.22</b>
<b>Fund: 71002 - SGVVD GRANT</b>					
<u>0823</u>	BANK OF AMERICA				
APBWEST	Check	<u>INV018393</u>	BI-CAR MAGNET PRINTS	71002.81100.53405	367.30
<b>Fund 71002 Total:</b>					<b>367.30</b>
<b>Fund: 72000 - SEWER</b>					
<u>0823</u>	BANK OF AMERICA				
APBWEST	Check	<u>INV018394</u>	CC-CWEA MEMBERSHIP	72000.81200.53409	164.00
		<u>INV018395</u>	CC-CWEA RENEWAL	72000.81200.53409	250.00
<b>Fund 72000 Total:</b>					<b>414.00</b>
<b>Fund: 77003 - SPECIAL EVENTS</b>					

Packet: APPKT02891 - MAN 5/10/16

Check Date: 05/11/2016

Vendor Set: 01 - Vendor Set 01

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Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
<u>0823</u>	BANK OF AMERICA				
APBWEST	Check	<u>INV018386</u>	EC-SENIOR TRIP GIBBON	77003.79003.52999	250.00
<b>Fund 77003 Total:</b>					<b>250.00</b>
<b>Report Total:</b>					<b>7,095.68</b>



City of Sierra Madre, CA

# Check Approval

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Packet: APPKT02901 - Utility 5/24/16  
Vendor Set: 01 - Vendor Set 01

Check Date: 05/17/2016

Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
<b>Fund: 32005 - LIGHTING DISTRICT #1 - OAKWOOD/VISTA</b>					
<u>0384</u>	SOUTHERN CALIF. EDISON CO.				
APBWEST	Check	<u>2011946423-050716</u>	ELECTRICITY	32005.83500.55003	141.27
<b>Fund 32005 Total:</b>					<b>141.27</b>
<b>Fund: 32006 - LIGHTING DISTRICT - ZONE A</b>					
<u>0384</u>	SOUTHERN CALIF. EDISON CO.				
APBWEST	Check	<u>2011946423-050716</u>	ELECTRICITY	32006.83500.55003	236.73
<b>Fund 32006 Total:</b>					<b>236.73</b>
<b>Fund: 32007 - LIGHTING DISTRICT - ZONE B</b>					
<u>0384</u>	SOUTHERN CALIF. EDISON CO.				
APBWEST	Check	<u>2011946423-050716</u>	ELECTRICITY	32007.83500.55003	1,016.31
<b>Fund 32007 Total:</b>					<b>1,016.31</b>
<b>Fund: 32008 - PARKING ASSMNT DIST</b>					
<u>0384</u>	SOUTHERN CALIF. EDISON CO.				
APBWEST	Check	<u>2037520756-INV0184</u>	ELECTRICITY	32008.83000.55003	410.35
<b>Fund 32008 Total:</b>					<b>410.35</b>
<b>Fund: 32009 - SANTA ANITA/ARNO ASSESSMENT</b>					
<u>0384</u>	SOUTHERN CALIF. EDISON CO.				
APBWEST	Check	<u>2011946423-050716</u>	ELECTRICITY	32009.83500.55003	167.57
<b>Fund 32009 Total:</b>					<b>167.57</b>
<b>Fund: 38005 - GAS TAX FUND</b>					
<u>0384</u>	SOUTHERN CALIF. EDISON CO.				
APBWEST	Check	<u>2037520756-INV0184</u>	ELECTRICITY	38005.83500.55003	52.61
		<u>2011946423-050716</u>	ELECTRICITY	38005.83500.55003	4,148.41
<b>Fund 38005 Total:</b>					<b>4,201.02</b>
<b>Fund: 60000 - INT SVC FND - FLEET</b>					
<u>0216</u>	THE GAS COMPANY				
APBWEST	Check	<u>11826147883-040111</u>	NATURAL GAS FUEL	60000.83100.55001	446.92
<b>Fund 60000 Total:</b>					<b>446.92</b>
<b>Fund: 60001 - INT SVC FND - FACILITIES MGT</b>					
<u>0129</u>	AT&T				
APBWEST	Check	<u>81829102416611-05</u>	TELECOM DIV 911 PRGM	60001.83200.55005	148.03
<u>0384</u>	SOUTHERN CALIF. EDISON CO.				
APBWEST	Check	<u>2037520756-INV0184</u>	ELECTRICITY	60001.83200.55003	7,673.14
		<u>2036613305-050516</u>	ELECTRICITY	60001.83200.55003	948.51
<u>0216</u>	THE GAS COMPANY				
APBWEST	Check	<u>16861877005-051111</u>	GAS	60001.83200.55004	157.11
		<u>16651877009-051111</u>	GAS	60001.83200.55004	10.06
		<u>13511935002-051211</u>	GAS	60001.83200.55004	81.20
		<u>19591871009-051111</u>	GAS	60001.83200.55004	21.70
<u>0642</u>	VERIZON WIRELESS - LA				
APBWEST	Check	<u>9764450720</u>	CELL PHONE SVC	60001.83200.55005	872.35
<b>Fund 60001 Total:</b>					<b>9,912.10</b>
<b>Fund: 60003 - INT SVC FND - TECHNOLOGY</b>					
<u>VEN02262</u>	GLOBAL CAPACITY				
APBWEST	Check	<u>49458066</u>	CABLE SVC	60003.30000.52200	1,298.70
<u>1439</u>	TIME WARNER CABLE				
APBWEST	Check	<u>8448300220131806-1</u>	CABLE SVC	60003.30000.52200	508.48
		<u>8448300220164625-1</u>	CABLE SVC	60003.30000.52200	403.42
<u>VEN02100</u>	TIME WARNER CABLE-BROADBAND				
APBWEST	Check	<u>039966201-050116</u>	Broadband HSD SVC	60003.30000.52200	144.99

Fund 60003 Total: 2,355.59

Check Date: 05/17/2016

Packet: APPKT02901 - Utility 5/24/16

Vendor Set: 01 - Vendor Set 01

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Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
Bank Code	Payment Type				
<b>Fund: 71000 - WATER ENTERPRISE FUND</b>					
<u>0384</u>	SOUTHERN CALIF. EDISON CO.				
APBWEST	Check	<u>2037520756-INV0184</u>	ELECTRICITY	71000.81100.55003	26,163.84
<b>Fund 71000 Total:</b>					<b>26,163.84</b>
<b>Fund: 77001 - AQUATICS</b>					
<u>0384</u>	SOUTHERN CALIF. EDISON CO.				
APBWEST	Check	<u>2037520756-INV0184</u>	ELECTRICITY	77001.71000.55003	477.19
<u>0216</u>	THE GAS COMPANY				
APBWEST	Check	<u>13721935008-051216</u>	GAS	77001.71000.55004	1,899.44
<b>Fund 77001 Total:</b>					<b>2,376.63</b>
<b>Report Total:</b>					<b>47,428.33</b>



City of Sierra Madre, CA

# Check Approval

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Packet: APPKT02913 - GEN 05/24/16  
Vendor Set: 01 - Vendor Set 01

Check Date: 05/18/2016

Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
<b>Fund: 10000 - GENERAL FUND</b>					
<u>0433</u>	ALLSTAR FIRE EQUIPMENT, INC.				
APBWEST	Check	<u>189606</u>	SUPPRESSION EQUIPMENT	10000.61000.53300	267.05
<u>1553</u>	ARNOLD'S FRONTIER HARDWARE				
APBWEST	Check	<u>73965</u>	Hardware supplies	10000.50000.53204	7.32
<u>1552</u>	ARNOLD'S FRONTIER HARDWARE				
APBWEST	Check	<u>073864</u>	HARDWARE SUPPLIES	10000.61000.53204	7.62
<u>1786</u>	AXONTECH LLC				
APBWEST	Check	<u>7355</u>	Computer supplies	10000.50000.53103	504.67
		<u>7353</u>	Computer supplies	10000.50000.53103	2,295.54
		<u>7347</u>	Computer supplies	10000.50000.53103	313.39
<u>1087</u>	CITY OF ARCADIA				
APBWEST	Check	<u>ARMS000009</u>	Police Range/Feb & Apr 2016	10000.50000.52200	600.00
<u>0326</u>	CITY OF PASADENA				
APBWEST	Check	<u>INV018425</u>	INMATE HOUSING /4-16	10000.50000.52003	188.00
		<u>INV018423</u>	INMATE HOUSING /3-16	10000.50000.52003	336.00
<u>0190</u>	DECCO AWARDS INC				
APBWEST	Check	<u>16-10055</u>	Plaques, Name Plates	10000.11000.53999	671.17
<u>0713</u>	DEPT OF JUSTICE				
APBWEST	Check	<u>164338</u>	FINGERPRINTS /4-16	10000.50000.52200	292.00
<u>VEN01528</u>	GALLS / QUARTERMASTER				
APBWEST	Check	<u>005284384</u>	Volunteer Uniforms	10000.50000.53303	63.62
		<u>005273257</u>	Volunteer Uniforms	10000.50000.53303	68.16
		<u>005275229</u>	Volunteer Uniforms	10000.50000.53303	1,375.55
<u>1275</u>	HAINES & CO, INC.				
APBWEST	Check	<u>5633549-040516</u>	DISPATCH REFERENCE BOOK	10000.50000.53406	342.41
<u>1272</u>	IAFC MEMBERSHIP				
APBWEST	Check	<u>89614-2016</u>	ANNUAL DUES	10000.61000.53409	279.00
<u>1185</u>	KEYSTONE UNIFORM				
APBWEST	Check	<u>074348</u>	Uniform repairs	10000.50000.53303	30.00
		<u>074292</u>	Uniform repairs	10000.50000.53303	68.16
		<u>074372</u>	Uniform repairs	10000.50000.53303	24.00
		<u>074283</u>	Uniform repairs	10000.50000.53303	16.00
		<u>074281</u>	Uniform repairs	10000.50000.53303	42.49
		<u>074280</u>	Uniform repairs	10000.50000.53303	27.00
		<u>074349</u>	Uniform repairs	10000.50000.53303	133.50
		<u>074391</u>	Uniform repairs	10000.50000.53303	28.00
		<u>074293</u>	Uniform repairs	10000.50000.53303	35.54
		<u>074371</u>	Uniform repairs	10000.50000.53303	16.00
		<u>074302</u>	Uniform repairs	10000.50000.53303	32.00
		<u>074301</u>	Uniform repairs	10000.50000.53303	18.00
<u>1348</u>	LANDS' END BUSINESS OUTFITTERS				
APBWEST	Check	<u>SIN3768883</u>	Uniforms	10000.50000.53303	91.70
<u>1065</u>	MAIL BOX & POSTAL				
APBWEST	Check	<u>231419</u>	SHIPPING & POSTAGE	10000.50000.53101	19.25
<u>1613</u>	MUNICIPAL CODE CORPORATION				
APBWEST	Check	<u>00266350</u>	Annual Website Hosting/Municipal Code	10000.12000.52204	900.00
		<u>00266825</u>	Municipal Code Supplement Pages	10000.12000.52204	1,807.57
<u>0307</u>	MYERS-STEVENS & CO. INC.				
APBWEST	Check	<u>1205038</u>	FF Insurance - March 2016	10000.61000.51205	36.00
		<u>1204651</u>	FF Insurance - April 2016	10000.61000.51205	225.00
<u>0786</u>	OFFICE DEPOT, INC				
APBWEST	Check	<u>837189898001</u>	Office Supplies	10000.50000.53100	79.32
		<u>834112261001</u>	OFFICE/STATION SUPPLIES	10000.50000.53100	653.35

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Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount		
0323	APBWEST	Check	837190721001	Office Supplies	10000.50000.53100	33.22	
0332	PASADENA HUMANE SOCIETY	APBWEST	Check	INV018422	ANIMAL CONTROL SVCS/5-16	10000.50000.52004	1,901.60
1443	PETTY CASH FUND-ADMIN	APBWEST	Check	INV018406	Refund/UUT	10000.00000.42003	9.73
0378	SMART & FINAL	APBWEST	Check	INV018413	Postage/City Clerk Packet	10000.12000.53101	11.90
		APBWEST	Check	INV018398	Community Workshop/LA County Needs Assessr	10000.73000.53999	17.42
0389	SHRED-IT	APBWEST	Check	9410563914	SHREDDING SVCS /5-16	10000.50000.52200	199.70
0389	STAPLES, INC.	APBWEST	Check	305665 0135103	City Council Reception	10000.11000.53999	26.07
		APBWEST	Check	305665 0182337	City Council Reception	10000.11000.53999	100.39
		APBWEST	Check	305665 0157571	City Council Reception	10000.11000.53999	13.06
		APBWEST	Check	305665 0124799	City Council Reception	10000.11000.53999	16.26
VEN02444	SUPERIOR COURT OF CA, CO OF L. A.	APBWEST	Check	019679	Computer keyboard	10000.50000.53103	98.09
0404	TOM'S UNIFORMS	APBWEST	Check	740A-MAR2016	COURT FEES/PARKING REV DISTRIBUTION-MAR	10000.50000.52200	1,892.00
		APBWEST	Check	4910	PD New Employee Uniforms	10000.50000.53303	604.95
		APBWEST	Check	3679	PD New Employee Uniforms	10000.50000.53303	575.52
		APBWEST	Check	4968	Uniforms for New Community Service Officer	10000.50000.53303	481.24
		APBWEST	Check	3863	PD Employee Uniforms	10000.50000.53303	47.96
		APBWEST	Check	3829	PD Employee Uniforms	10000.50000.53303	32.70
		APBWEST	Check	4883	UNIFORMS	10000.61000.53303	167.10
VEN01208	VERSATILE INFORMATION PRODUCTS, INC	APBWEST	Check	4161	Digital Voice Recorders	10000.50000.53301	6,564.78
<b>Fund 10000 Total:</b>					<b>24,688.07</b>		
<b>Fund:</b>	34001 - DEVELOPMENT FEES						
0114	AMERICAN PLANNING ASSOCIATION	APBWEST	Check	228633-1643	Membership - Leticia Cardoso	34001.40000.53409	590.00
VEN02795	HAROUT GULESSERIAN	APBWEST	Check	INV018421	Refund of Home Occupation Permit	34001.00000.47010	347.00
VEN02631	THE CODE GROUP INC	APBWEST	Check	71824	Planning Consulting Services	34001.40000.52100	536.25
0425	WILLBAN ASSOCIATES	APBWEST	Check	002-16442	Plan Check and Inspection Services/4-16	34001.40000.52100	20,343.95
		APBWEST	Check	002-16641	Contract Plan Check and inspection/3-16	34001.40000.52100	27,432.61
<b>Fund 34001 Total:</b>					<b>49,249.81</b>		
<b>Fund:</b>	35004 - PUB SAFETY AUGMENTATION FUND						
VEN01797	4IMPRINT	APBWEST	Check	11903240	Padfolios	35004.50000.53999	612.26
<b>Fund 35004 Total:</b>					<b>612.26</b>		
<b>Fund:</b>	36001 - EMERGENCY MEDICAL SERVICES						
0109	AIRGAS USA	APBWEST	Check	9936160981	MEDICAL OXYGEN	36001.64000.53300	400.50
VEN02156	LA CO DEPT OF HEALTH SERVICES	APBWEST	Check	SM16-003	CONTROLLED SUBSTANCES /3RD QTR FYE16	36001.64000.53300	144.00
0404	TOM'S UNIFORMS	APBWEST	Check	4883	UNIFORMS	36001.64000.53303	71.61
<b>Fund 36001 Total:</b>					<b>616.11</b>		
<b>Fund:</b>	37004 - LOCAL TRANSPORTATION/PROP A						
0267	LACMTA	APBWEST	Check	6001528	CPOS TAP CARD	37004.70000.52001	45.00
		APBWEST	Check	6002083	CPOS TAP CARD - April 2016	37004.70000.52001	175.00
<b>Fund 37004 Total:</b>					<b>220.00</b>		
<b>Fund:</b>	37007 - SM COMMUNITY FOUNDATION						
0332	PETTY CASH FUND-ADMIN	APBWEST	Check	INV018414	City Hall Landscape Project Supplies	37007.83200.52209	10.76

Packet: APPKT02913 - GEN 05/24/16

Vendor Set: 01 - Vendor Set 01

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Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
<b>Fund: 38004 - ENVIRONMENTAL FUND</b>					
<u>VEN02746</u>	UTILITY CRANE & EQUIPMENT INC				
APBWEST	Check	<u>0321770</u>	EQUIPMENT MAINTENANCE & REPAIR	38004.83300.52302	5,879.06
<b>Fund 38004 Total:</b>					<b>5,879.06</b>
<b>Fund: 38005 - GAS TAX FUND</b>					
<u>1024</u>	ATHENS				
APBWEST	Check	<u>2108826</u>	STREET SWEEPING/4-16	38005.81201.52200	7,669.89
<b>Fund 38005 Total:</b>					<b>7,669.89</b>
<b>Fund: 38006 - BIKEWAY/SIDEWALK FUND</b>					
<u>1200</u>	BLUE DIAMOND MATERIALS				
APBWEST	Check	<u>683843</u>	ASPHALT	38006.83600.53211	101.37
		<u>690450</u>	ASPHALT	38006.83600.53211	445.03
<b>Fund 38006 Total:</b>					<b>546.40</b>
<b>Fund: 50003 - REDEVELOPMENT OBLIGATION RETIREMENT FND</b>					
<u>0773</u>	THE BANK OF NEW YORK MELLON				
APBWEST	Check	<u>252-1943524</u>	Bank Admin Fee/Tax Inc Rev Refunding 1998A	50003.30000.54806	2,565.20
<b>Fund 50003 Total:</b>					<b>2,565.20</b>
<b>Fund: 60001 - INT SVC FND - FACILITIES MGT</b>					
<u>0169</u>	CITY WHOLESALE ELECTRIC CO.				
APBWEST	Check	<u>216390</u>	ELECTRICAL SUPPLIES	60001.83200.53200	241.87
		<u>216428</u>	ELECTRICAL SUPPLIES	60001.83200.53200	115.76
<u>VEN02779</u>	FIVE DOLLAR BLIND				
APBWEST	Check	<u>1373</u>	FACILITY MAINTENANCE/BLINDS	60001.83200.53200	998.30
<u>1639</u>	GMS ELEVATOR SERVICES INC				
APBWEST	Check	<u>00082901</u>	ELEVATOR MAINTENANCE	60001.83200.52200	175.00
<u>0399</u>	TELETRONIC ALARM SYSTEMS				
APBWEST	Check	<u>B6426026-5-16</u>	ALARM SVC - LIBRARY /5-16	60001.83200.52200	60.00
<b>Fund 60001 Total:</b>					<b>1,590.93</b>
<b>Fund: 60002 - INT SVC FND - ADMINISTRATION</b>					
<u>0893</u>	CREATIVE FORMS & CONCEPTS, INC				
APBWEST	Check	<u>114673</u>	Laser AP Checks	60002.30000.53102	453.27
<u>0814</u>	HDL, COREN & CONE				
APBWEST	Check	<u>0022757</u>	Prof Svc/Property Tax Report/May-June 2016	60002.30000.52100	120.00
<u>0786</u>	OFFICE DEPOT, INC				
APBWEST	Check	<u>837173711001</u>	Office Supplies/CH	60002.30000.53100	31.49
		<u>837173712001</u>	Office Supplies/CH	60002.30000.53100	16.19
		<u>837173653001</u>	Office Supplies/CH	60002.30000.53100	79.19
<u>0332</u>	PETTY CASH FUND-ADMIN				
APBWEST	Check	<u>INV018416</u>	CalPERS Classes/Parking	60002.30000.52205	13.00
		<u>INV018415</u>	CalPERS Classes/Mileage	60002.30000.53404	14.80
		<u>INV018408</u>	Reim/Bank Fee	60002.30000.54703	12.00
<u>1799</u>	TYLER TECHNOLOGIES INC				
APBWEST	Check	<u>025-153914</u>	Annual Maint/Fixed Assest, Prjt Acct, Call Center	60002.30000.52200	4,945.59
<b>Fund 60002 Total:</b>					<b>5,685.53</b>
<b>Fund: 60003 - INT SVC FND - TECHNOLOGY</b>					
<u>1799</u>	TYLER TECHNOLOGIES INC				
APBWEST	Check	<u>025-154433</u>	UB Online Svc Fee and Transaction Fee/5-16	60003.30000.52200	225.00
<b>Fund 60003 Total:</b>					<b>225.00</b>
<b>Fund: 60007 - INT SVC FND - PERSONNEL AND RISK MGMT</b>					
<u>0842</u>	ANTOINETTE BUCKNER				
APBWEST	Check	<u>INV018382-JUNE2016</u>	RETIREE HEALTH INSURANCE/JUNE2016	60007.70100.51302	466.11
<u>1428</u>	DAN GINTER				
APBWEST	Check	<u>INV018381-JUNE2016</u>	RETIREE HEALTH INSURANCE/JUNE2016	60007.70100.51302	466.11
<u>0209</u>	FEDERAL EXPRESS CORPORATION				
APBWEST	Check	<u>5-393-19394</u>	Shipping	60007.70100.53101	34.15
		<u>5-385-49189</u>	Shipping	60007.70100.53101	55.96
<u>1359</u>	HIRERIGHT, LLC				

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Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
	Bank Code	Payment Type			
	APBWEST	Check	H0075805 Background Check Svc	60007.70101.52100	179.12
1044	JESSE TORIBIO				
	APBWEST	Check	INV018379-JUNE2016 RETIREE HEALTH INSURANCE/JUNE2016	60007.70100.51302	233.06
1156	JOHN FORD				
	APBWEST	Check	INV018377-JUNE2016 RETIREE HEALTH INSURANCE/JUNE2016	60007.70100.51302	326.28
VEN01660	LISA VOLPE				
	APBWEST	Check	INV018375-JUNE2016 RETIREE HEALTH INSURANCE/JUNE2016	60007.70100.51302	372.89
1711	MARIO OLANO				
	APBWEST	Check	INV018374-JUNE2016 RETIREE HEALTH INSURANCE/JUNE2016	60007.70100.51302	466.11
0332	PETTY CASH FUND-ADMIN				
	APBWEST	Check	INV018400 Employee Recognition Supplies	60007.70100.53403	10.90
			INV018399 Employee Recognition Supplies	60007.70100.53403	16.12
			INV018407 Refreshment for Interview Panel	60007.70100.53999	23.35
			INV018404 Refreshment for Interview Panel	60007.70101.53999	15.75
			INV018402 Refreshment for Interview Panel	60007.70101.53999	19.99
			INV018412 Refreshment for Interview Panel	60007.70101.53999	22.00
			INV018405 Refreshment for Interview Panel	60007.70101.53999	72.35
0704	STEPHEN ABERNETHY				
	APBWEST	Check	INV018373-JUNE2016 RETIREE HEALTH INSURANCE/JUNE2016	60007.70100.51302	466.11
2016	STEVE POCK				
	APBWEST	Check	INV018372-JUNE2016 RETIREE HEALTH INSURANCE/JUNE2016	60007.70100.51302	466.11
<b>Fund 60007 Total:</b>					<b>3,712.47</b>

**Fund: 71000 - WATER ENTERPRISE FUND**

0109	AIRGAS USA				
	APBWEST	Check	9936163339 WELDING GAS	71000.81100.53200	37.40
0567	GENERAL PUMP COMPANY				
	APBWEST	Check	24939 PUMP EQUIPMENT REPAIR/BSTR 6	71000.81100.56011	2,247.00
VEN01500	INLAND WATER WORKS SUPPLY CO.				
	APBWEST	Check	283568 DISTRIBUTION SYSTEM REPAIR SUPPLIES	71000.81100.53200	708.50
			283566 DISTRIBUTION SYSTEM REPAIR SUPPLIES	71000.81100.53200	87.20
			283580 DISTRIBUTION SYSTEM REPAIR SUPPLIES	71000.81100.53200	715.15
			283569 DISTRIBUTION SYSTEM REPAIR SUPPLIES	71000.81100.53200	418.36
			283567 DISTRIBUTION SYSTEM REPAIR SUPPLIES	71000.81100.53200	52.32
			283650 CREDIT MEMO	71000.81100.53200	-667.08
VEN01557	LALONDE EQUIPMENT RENTAL				
	APBWEST	Check	25115.1.3 EQUIPMENT RENTAL	71000.81100.53210	4,860.00
0797	SAN GAB VALLEY MUNICIPAL WATER DISTRICT				
	APBWEST	Check	5 Loan/Mira Monte Reservoir Station Replacemen	71000.00000.27301	145,687.50
0773	THE BANK OF NEW YORK MELLON				
	APBWEST	Check	252-1943523 Bank Admin Fee/Water Rev Refunding 1998A	71000.81100.54806	2,565.20
0158	VULCAN MATERIALS COMPANY				
	APBWEST	Check	71114086 ASPHALT	71000.81100.53206	589.54
0335	WATERLINE TECHNOLOGIES				
	APBWEST	Check	5335328 WATER TREATMENT	71000.81100.53209	3,142.13
			5333260 POOL CHEMICAL	71000.81100.53209	-600.00
			5332099 WATER TREATMENT	71000.81100.53209	2,641.15
0426	WESTERN WATER WORKS				
	APBWEST	Check	416862-00 DISTRIBUTION SYSTEM REPAIR	71000.81100.53200	393.65
			417046-00 DISTRIBUTION SYSTEM REPAIR	71000.81100.53200	620.69
<b>Fund 71000 Total:</b>					<b>163,498.71</b>

**Fund: 77002 - RECREATION CLASSES**

0514	ANDREA WALSH				
	APBWEST	Check	INV018426 Yoga Lessons	77002.77000.52200	89.70
1394	ANDREAS WEYERMANN				
	APBWEST	Check	INV018427 Tennis Lessons	77002.77000.52200	140.40
VEN02797	PAMELA WOOD				
	APBWEST	Check	2003 Refund / Recreation Class - Austin Wood	77002.00000.47020	80.00
<b>Fund 77002 Total:</b>					<b>310.10</b>

**Fund: 77003 - SPECIAL EVENTS**

0332	PETTY CASH FUND-ADMIN				
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Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
<u>Bank Code</u>	<u>Payment Type</u>				
APBWEST	Check	<u>INVO18403</u>	Excursion Driver's Tip	77003.79003.52999	50.00
		<u>INVO18411</u>	Excursion Driver's Tip	77003.79003.52999	94.00
		<u>INVO18410</u>	Huck Finn Fishing Derby Supplies	77003.79006.53999	37.65
		<u>INVO18409</u>	Huck Finn Fishing Derby Supplies	77003.79006.53999	69.57
		<u>INVO18401</u>	MWTR Supplies	77003.79007.53999	18.26
<u>VEN02801</u>	SAN ANTONIO WINERY MADDALENA RESTAURANT				
APBWEST	Check	<u>3627</u>	Senior Excursion - San Antonio Winery	77003.79003.52999	90.00
<b>Fund 77003 Total:</b>					<b>359.48</b>
<b>Report Total:</b>					<b>267,439.78</b>



City of Sierra Madre, CA

# Check Approval

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Packet: APPKT02904 - LIB 05/24/16  
Vendor Set: 01 - Vendor Set 01

Check Date: 05/18/2016

Vendor Number	Vendor Name	Invoice #	Invoice Description	Account Number	Distribution Amount
<b>Fund: 10000 - GENERAL FUND</b>					
<u>0132</u>	BAKER & TAYLOR, INC.				
APBWEST	Check	<u>4011589322</u>	Processing Fees	10000.90000.52200	5.62
		<u>4011596079</u>	Processing Fees	10000.90000.52200	38.13
		<u>4011588041</u>	Processing Fees	10000.90000.52200	81.10
		<u>4011591777</u>	Processing Fees	10000.90000.52200	4.48
		<u>4011588040</u>	Books and Reference	10000.90000.53406	1,622.18
		<u>4011596078</u>	Books and Reference	10000.90000.53406	738.59
		<u>4011589321</u>	Books and Reference	10000.90000.53406	173.34
		<u>4011580560</u>	Books and Reference	10000.90000.53406	45.86
<u>1123</u>	COMPRISE TECHNOLOGIES, INC.				
APBWEST	Check	<u>1605-4694</u>	Smart Access Manager (SAM) Renewal	10000.90000.52200	2,547.00
<u>1366</u>	ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC				
APBWEST	Check	<u>93118711</u>	ArcGIS Online Level 1 Software	10000.90000.52200	1,250.00
<u>0314</u>	OCLC, INC.				
APBWEST	Check	<u>0000459485</u>	'15-'16 OCLC & Baker & Taylor Subscriptions	10000.90000.52200	429.50
<b>Fund 10000 Total:</b>					<b>6,935.80</b>
<b>Fund: 39002 - LIBRARY - GIFT AND MEMORIAL</b>					
<u>0378</u>	SMART & FINAL				
APBWEST	Check	<u>305665 0125796</u>	Awards Ceremony Supplies	39002.90000.53999	107.64
<b>Fund 39002 Total:</b>					<b>107.64</b>
<b>Fund: 39006 - FRIENDS OF THE LIBRARY DONATION FUND</b>					
<u>0132</u>	BAKER & TAYLOR, INC.				
APBWEST	Check	<u>4011591776</u>	DVDs, CDs, LP, Audiobooks	39006.90000.53406	15.12
		<u>T38090450</u>	DVDs, CDs, LP, Audiobooks	39006.90000.53406	14.18
<u>VEN02733</u>	JOHN ABRAMS				
APBWEST	Check	<u>INV018396</u>	Youth Summer Reading Program Performer (FY 2 39006.90000.53999		350.00
<u>VEN02758</u>	WILDLIFE LEARNING CENTER				
APBWEST	Check	<u>030216-AS-062716</u>	Animal from around the World - Summer Progra	39006.90000.53999	400.00
<b>Fund 39006 Total:</b>					<b>779.30</b>
<b>Report Total:</b>					<b>7,822.74</b>



# City of Sierra Madre Agenda Report

*Gene Goss, Mayor*  
*Rachelle Arizmendi, Mayor Pro Tem*  
*John Capoccia, Council Member*  
*Denise Delmar, Council Member*  
*John Harabedian, Council Member*

*Melinda Carrillo, City Clerk*  
*Michael Amerio, City Treasurer*

TO: Honorable Mayor and Members of the City Council

FROM: Elaine I. Aguilar, City Manager 

INITIATED BY: James Carlson, Management Analyst 

REVIEWED BY: Elisa Cox, Assistant City Manager 

DATE: May 24, 2016

**SUBJECT: CITY COUNCIL CHAMBERS AUDIO AND BROADCAST  
EQUIPMENT REPLACEMENT**

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## **SUMMARY**

Staff is seeking authorization from City Council to direct AxonTech to purchase replacement audio and broadcasting equipment in the amount not to exceed \$72,000.00, and to coordinate the removal of old equipment and installation of new equipment.

## **ANALYSIS**

### **Background**

In an effort to plan for the future needs of the City's infrastructure, the City Council has approved funding for various capital purchases within many City Departments. For fiscal year 2015-2016, funds were budgeted within the Administrative Services Department's Internal Services IT fund to address aging equipment in the City Council Chambers for audio/visual, WiFi, and Streaming reliability and improvements.

Over the past two years, staff has repeatedly been informed by the Executive Director and operators of the Community Media of the Foothills (CMF) that there are components of the current broadcasting equipment that are nearing the end of their useful life and are beginning to fail. Specifically, CMF operators have indicated that the "Globecaster", which is a central component of the broadcasting functions, has needed to be restarted up to 3 times during a number of City Council meetings. Fortunately, the skilled operators were able to restart the equipment without losing the broadcast. However, while the minimal broadcast was maintained, operators were unable to switch between camera angles, re-position cameras as needed, and the titling that

accompanies the play back (i.e. title of Action Item being discussed) was lost for the duration of the restart.

As a result, CMF was asked to provide a list of recommended equipment replacements (or rehabilitation if possible) that they felt should be considered in the near future. After reviewing the list and asking for a range of rough estimates of the equipment, it was determined that some additional analysis was required in order to stay within the internal service's budget for the equipment and work.

Staff has incorporated the assistance of Josh Freifield, owner of AxonTech, which is the City's technical services contractor. Mr. Freifield has knowledge and experience with audio/visual equipment and reviewed the list of equipment from CMF. Subsequently he has met with staff and operators of CMF to determine cost/benefit and reliability options for the proposed equipment replacements.

CMF had indicated that they had recently worked with the cities of Monrovia and Temple City to incorporate equipment replacements and upgrades for their broadcast systems. Monrovia's upgrades far exceeded the restraints of Sierra Madre's prudent budgeting. However, Temple City's recent upgrades, while still exceeding Sierra Madre's budget amount by approximately 22%, seemed to be closer to the range for our needs and fiscal limitations, and on March 31<sup>st</sup>, staff toured their City Council Chambers with Mr. Freifield and the CMF representatives.

The line item budget for the recommended equipment replacements is included with this report as Attachment A. This represents what staff feels is the best alternative to provide sustainable audio and broadcasting services to our community within the budget limitations. In order to summarize the numerous discussions on the equipment options, the following considerations were taken into account to produce the recommendations included with this report;

#### Video Switcher

The highest priority equipment replacement is the previously mentioned "Globecaster" that is now consistently failing and has the highest potential of causing a failure to broadcasting City Council, Planning Commission, and other Special meetings. The "Globecaster" is a video switcher, and there are two viable options that were identified. One option would be to get the newest version of the "Globecaster" while the other option would be to obtain a video switcher from "Newtek". CMF indicated that while they would be comfortable with both options, they had a slight preference to getting a new "Globecaster", explaining how they could customize the software themselves to have additional benefits, such as off-site broadcasting adjustments and troubleshooting. This method was accomplished in Temple City and demonstrated to staff and Mr. Freifield.

After numerous questions and time for consideration, staff is recommending in this report that the City purchase the "Newtek" equipment. For one, staff would feel more comfortable recommending equipment that was not customized. There is some concern that customizing the software would eliminate warranty protection. Also, while staff is very satisfied with the talents of the CMF operators and the organization in general, there may come a time when an alternate vendor is used, and having a more industry-standard system would be better than that which is customized for a previous vendor. Finally, the "Newtek" has a much more simple and intuitive interface which would most likely be a benefit for City Staff that is required to use it for emergency communication operations, most often performed without the aid of CMF operators. See Attachment B. Mr. Freifield supports this recommendation.

There are a few ancillary components that the CMF staff and Mr. Freifield recommend that the City purchase for a number of reasons outlined below;

**Upgrade Options to Base Newtek Switcher** – It is recommended that AxonTech purchase a software upgrade to the base Newtek switcher to allow for increased performance and future upgrade capabilities. The cost for the software upgrade is \$2,000.00. CMF has also recommended that 2 "Blackmagic" output cards be included in the upgrade to the base system in the amount of \$990.00. Finally, staff is recommending purchasing two new PC units to run the broadcasting equipment and enhance the performance and reliability of the video streaming process at a cost of \$5000.00. These purchases are represented by line items 2, 8, and 9 of Attachment A.

**Warranty Protection** – Staff has incorporated the maximum warranty levels (total of 3 years) that are recommended by Mr. Freifield. One of the major considerations was a warranty level that provided quick temporary equipment should the City's equipment need to be shipped out and repaired. This is important in the effort to provide reliable broadcasts of our public meetings. The cost of the recommended warranty protection is \$9,000.00 and represented by line items 12, and 13 of Attachment A.

**Dais Microphones** – Staff is recommending that most beneficial upgrade to our sound system would be new microphones on the dais. Staff often receives complaints during broadcasted meetings, or from audience members that the sound level of the Council or Commission members at the dais is too low or at different levels. Staff has often hired Studio Spectrum to optimize the sound engineering, and have asked CMF operators to do their best to alleviate these issues. Staff feels that the engineering adjustments have done all they could do, and new microphones would be the most beneficial investment. The new microphones are designed to be more 'directional' and will do a better job of consistency in picking up the sound from a wide variety of volumes and distances of the speakers. The cost of the new microphones is estimated at \$4,500.00 and represented by line item 6 of Attachment A.

**DVD Recorders (“burners”)** – Per our contract with CMF, their operators are required to provide a number of DVD copies of each broadcasted meeting to the City Clerk and Assistant to the City Manager within 12 hours. There are currently 3 such burners, of which only one works intermittently. This upgrade is highly recommended as the replacements are relatively inexpensive, and the need for quick copies can be important. The cost of the new DVD Recorders is estimated at \$678.00 and represented by line item 4 of Attachment A.

**Remote Presentation Capability** – When discussing the potential upgrades, and touring Temple City’s Council Chambers, it was noted that technology exists for a presenter to be able to wirelessly load and advance a PowerPoint (or similar) presentation from their laptop or iPad-like device. This would not only help staff presentations but would greatly help guest presenters that bring their presentations on their own devices. Mr. Freifield has also indicated that this is a relatively simple and inexpensive upgrade, and the cost of the new DVD Recorders is estimated at \$150.00 and represented by line item 7 of Attachment A. A portion of this work will also be covered under line item 10, miscellaneous cabling and interconnects.

**Room Reorganization** - As you may have noticed, the broadcast room attached to the west of the dais is very small and cramped. A number of pieces of equipment, such as VHS recorders and redundant monitors can be removed. Also, in conjunction with Mr. Freifield and the CMF Operators, a new desk and interface for the new equipment is recommended. The new desk could now be much smaller, and access to the rear of the equipment could be greatly improved. This is often necessary to locate and utilize on/off switches, power, reset mechanisms, and most of the wiring. The cost of the new desk and monitors is estimated at \$2,476.00 and represented by line items 3 and 5 of Attachment A. A portion of this work will also be covered under line item 10, miscellaneous cabling and interconnects.

**Labor** – Mr. Freifield has provided an estimate of labor to be performed by a combination of AxonTech and CMF in the amount of \$6,000.00 and represented by line 11 of Attachment A.

#### Items for Future Upgrades

At this time, in order to meet budgetary restraints, staff is comfortable in Mr. Freifield’s analysis that the majority of sound equipment is in fair to good shape, and should be considered for rehabilitation or replacement in a future budget process. This includes sound amplifiers and mixers. Also, while the cameras are relatively older models and were in the original consideration for replacement, staff feels that they are still very reliable, and future upgrades to the cameras, as well as incorporating newer camera technology, can also be delayed. Should a future project include the desire for additional cameras, or wireless capability of the cameras, the \$2,000.00 software upgrade mentioned above would be able to incorporate these technological requirements.

### **FINANCIAL REVIEW**

The costs for the audio and broadcast equipment upgrades proposed falls in line with the Administrative Departments FY 15/16 budgeted amount for capital improvements in the internal services fund for information technology, which is \$72,000.00. Staff had bifurcated the budgeted amount, originally applying \$30,000.00 for Council Chamber upgrades and \$42,000.00 for server upgrades. However the server upgrades can be postponed because the needs of the audio and broadcasting are more imminent. Therefore staff recommends that the full IT budget allocation for capital improvements be used for the audio and broadcasting equipment. This project will have no impact to the General Fund.

### **PUBLIC NOTICE PROCESS**

This item has been noticed through the regular agenda notification process. Copies of the report are available via the City's website at [www.cityofsierramadre.com](http://www.cityofsierramadre.com), at the City Hall public counter, and the Sierra Madre Public Library.

### **ALTERNATIVES**

1. The City Council may authorize staff to direct AxonTech to purchase the replacement broadcasting and sound equipment in the amount not to exceed \$72,000.00, and to coordinate the removal of old equipment and installation of new equipment.
2. The City Council may decline to authorize staff to direct AxonTech to purchase the replacement broadcasting and sound equipment in the amount not to exceed \$72,000.00, and to coordinate the removal of old equipment and installation of new equipment.
3. The City Council may choose to add or remove portions of the recommended equipment replacements and provide direction to staff.
4. The City Council may direct staff to return this item for consideration with additional information.

### **STAFF RECOMMENDATION**

Staff is seeking authorization from City Council to direct Axontech to purchase replacement broadcasting and sound equipment in the amount not to exceed \$72,000.00, and to coordinate the removal of old equipment and installation of new equipment.

Attachments (2):

Attachment A: Line Item Budget for Equipment Replacements

Attachment B: NewTek Operator Interface (picture)

# ATTACHMENT A

Item	Hardware & Software		
1	NewTek TriCaster 8000	Video switcher with eight (8X) analog inputs	\$35,000
2	NewTek TriCaster Advanced Edition	Software upgrade to allow for NDI IP cameras, compositing, and other advanced functionality	\$2,000
3	(3X) Viewsonic 27" LED LCD	Viewsonic VX2757-MHD LED LCD 1920x108 w/ DisplayPort, HDMI, and VGA Inputs	\$705
4	(2X) Magnavox DVD Recorder	Magnavox MDR868H HD DVR/DVD Recorder with Digital Tuner	\$678
5	Anthro Bench II 60" Wide	Anthro Bench II 60" wide with 5" casters and 10 outlet power bar	\$1,771
6	Microphones	Directional microphones, mounting hardware, and services	\$4,500
7	AppleTV	Remote presentations	\$150
8	(2X) Computers	Computers with i7 Processors, SSD primary drives, mechanical secondary	\$5,000
9	(2X) Blackmagic Output Card	Blackmagic Design DeckLink Duo with 2 SDI In and 2 SDI Out, switchable SD/HD	\$990
10	Misc Cabling & Interconnects	HDMI, DVI, DisplayPort, etc. for projector/computers/etc.	\$1,000

**Subtotal for equipment \$51,794**

Sales Tax	(for items where sales tax is not included in estimate)	\$5,179
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**Subtotal for equipment with sales tax \$56,973**

Labor & Services			
11	Consulting and Labor	Estimated consulting time for AxonTech & CMF for data and video cabling, PC and video system setup, integration, etc.	\$6,000
12	NewTek Protek Care 2 Years	Two years of hardware warranty including advanced replacement	\$6,000
13	NewTek Protek Care 1 Year	One additional year of hardware warranty, the most we can purchase	\$3,000

**Subtotal for labor and warranty \$15,000**

**Total \$71,973**





# City of Sierra Madre Agenda Report

*Gene Goss, Mayor  
Rachelle Arizmendi, Mayor Pro Tem  
John Capoccia, Council Member  
Denise Delmar, Council Member  
John Harabedian, Council Member*

*Melinda Carrillo, City Clerk,  
Michael Amerio, City Treasurer*

TO: Honorable Mayor and Members of the City Council

FROM: Elaine I. Aguilar, City Manager 

INITIATED BY: Elisa C. Cox, Assistant City Manager

DATE: May 24, 2016

**SUBJECT: Award of Bid for a Telecommunications System and Carrier Services Partner**

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## **SUMMARY**

The City Council approved a request for proposals (RFP) to solicit bids for a telecommunications system at its March 22, 2016 meeting. The City received seven proposals and invited two vendors to present their services. Staff is recommending that the City Council approve the RingCentral Office Plan Purchase Agreement for an initial equipment cost of \$22,724 (plus tax) and an ongoing monthly price of \$3,626.07 for 36-months as well as approve the Professional Services Agreement with a not-to-exceed amount of \$20,000.

## **ANALYSIS**

The City's current telecommunications system is obsolete. The system itself has not been supported for over 10 years, the voice mail system is running on Windows 3.1, and replacement parts can only (sometimes) be found on eBay. The replacement of the system has been identified as a capital project for at least five fiscal years, but due to varying financial and personnel constraints, the project has been carried over a number of times.

The RFP requested proposals for the telephone system and data network equipment as well as future maintenance. The proposals could have been for either a premise based or hosted VoIP (voice over internet protocol) telephone system. The majority of the proposals received were for a premise based system.

<b>Company</b>	<b>Premise</b>	<b>Cloud</b>
RingCentral		X
TelePacific		X
Frontier	X	
DTC	X	
Ameritel	X	
Intelisys One	X	
Blue Violet Networks	X	

The upfront costs for the premise based systems ranged from \$51,990 to \$83,997, while the upfront costs for the cloud-based, voice over IP systems (VoIP) were under \$45,000. While all the systems and proposals provided for slightly different services, staff and the City's contract IT Administrator (collectively referred to as "staff") felt that the VoIP systems would suit the City's needs at a more competitive price point and therefore only interviewed the proposers of the cloud based systems.

After fully reviewing the proposals and interviewing both RingCentral and TelePacific, staff is recommending the City enter into a three-year contract with RingCentral to provide the City's telecommunications system and carrier services. RingCentral provides a complete, all-inclusive cloud communications solution supporting voice, SMS, e-fax, video/audio conferencing, contact center, screen sharing, and team/project collaboration. They service organizations from small and medium sized governments and businesses to schools and enterprise businesses with thousands of employees. RingCentral is one of the fastest growing companies in the industry and has held an A+ rating with the Better Business Bureau for over 10 years. As the largest hosted-VoIP provider, RingCentral handles over 4 billion minutes of voice traffic annually. RingCentral has maintained a customer retention rate of 99%. RingCentral's Network Operations Center (NOC) is monitored 24/7/365 by highly skilled engineers. RingCentral provides 99.99% reliability and includes cutting-edge feature and system innovations.

### **FINANCIAL REVIEW**

The City Council budgeted \$50,000 this fiscal year for the replacement of the antiquated telecommunications system. The implementation of the new RingCentral system will cost under \$20,000 for the planning, design, implementation and training<sup>1</sup>. The phone hardware will cost just under \$25,000, including taxes and delivery. The VoIP system requires some adaptation to connect to the City's 911 system; these costs will be less than \$5,000 for a total implementation cost of \$50,000.

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<sup>1</sup> Staff was able to negotiate a free month of service (\$3,626.07) to cover the cost of RingCentral's implementer's travel and expenses, which RingCentral considers a "pass through" cost and therefore did not include a number for the line item in the scope of work. RingCentral estimates for an implementation of this size, the travel and expenses costs generally range from \$2,500 - \$3,000. The updated Office Plan Purchase Agreement reflecting the free month of service will be provided at the meeting.

Please note, the math on the Office Plan Purchase Agreement is a little confusing.

Product	Total Price
1. Office Premium – Contract	\$3,254.07
2. Compliance and Administrative Cost Recovery Fee - Contract	\$279.00
3. E911 Fee – Contract	93.00
4. Polycom VVX-410 + 1 expansion module – Discount Price	\$1,257.00
5. Cisco SPA-122 ATA	\$632.00
6. Polycom 6000 conference	4,194.00
7. Polycom VVX-410	\$16,644.00
<b>Total Initial Price</b>	<b>\$26,353.07</b>
<b>Total Monthly Price</b>	<b>\$3,626.07</b>
<b>Total 12 Month Amount</b>	<b>\$66,239.84</b>

The *Total Initial Price* is lines 1-7: the equipment + the monthly price. (Note: the revised purchase agreement should just be equipment listed in lines 4-7.) The *Total Monthly Price* is lines 1-3. The *Total 12 Month Amount* is the *Total Monthly Price* x 11 months + the *Total Initial Price*.

The City currently spends approximately \$80,000 a year for its telecommunications services (excluding the 911 System and mobile phones). The annual software cost with RingCentral will be \$46,320. However, the City will need increased internet speeds and reliability to run the VoIP system – this will increase the City’s internet budget by approximately \$30,000 per year for a fiber internet connection. This connection will also be used as the City’s main internet and data connection and is one of the top recommendations in the IT Master Plan that will be coming before the City Council in a future meeting. With the annual telecommunication software cost and cost for fiber internet, the City will realize a small savings of approximately \$3,680 each year from previous years’ telecommunications costs.

### **PUBLIC NOTICE PROCESS**

This item has been noticed through the regular agenda notification process. Copies of the report are available via the City’s website at [www.cityofsierramadre.com](http://www.cityofsierramadre.com), at the City Hall public counter, and the Sierra Madre Public Library.

### **ALTERNATIVES**

1. The City Council may approve the Office Plan Purchase Agreement and Professional Services Agreement with RingCentral as well as the necessary expenses for a new telecommunications system and carrier services.
2. The City Council may deny the agreements with RingCentral and provide alternate direction to staff.

### **STAFF RECOMMENDATION**

Staff recommends the City Council approve Office Plan Purchase Agreement and Professional Services Agreement with RingCentral as well as the necessary expenses for a new telecommunications system and carrier services.

Attachments (2):

1. RingCentral Office Plan Purchase Agreement<sup>2</sup>
2. RingCentral Professional Services Agreement

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<sup>2</sup> Will bring updated agreement to the Council meeting.

# ATTACHMENT



## RingCentral® Office Plan Purchase Agreement

This RingCentral® Office Plan Purchase Agreement (this "Agreement") is a binding agreement between RingCentral, Inc., a Delaware corporation ("RingCentral"), and the Customer, for the purchase of RingCentral Office services (such services, the "Office Services" or "Services"; such plan, Your "Office Plan") during the Initial Term or then-current Renewal Term, as applicable (defined below). RingCentral and Customer are each herein referred to as a "Party" and collectively as the "Parties."

City of Sierra Madre

("Customer," "You," or "Your,")

### Summary of Service

**Start Date:** May 31<sup>st</sup>, 2016

**Initial Term:** 36 Months

**Renewal Term:** 12 Months

**Payment Schedule:** Monthly Payment Period

PRODUCT	QUANTITY	UNIT PRICE	TOTAL PRICE
Office Premium - Contract	93	\$34.99	\$3,254.07
Compliance and Administrative Cost Recovery Fee - Contract	93	\$3.00	\$279.00
E911 Fee - Contract	93	\$1.00	\$93.00
Polycom VVX-410 + 1 expansion module - Discount Price	3	\$419.00	\$1,257.00
Cisco SPA-122 ATA	8	\$79.00	\$632.00
Polycom 6000 conference	6	\$699.00	\$4,194.00
Polycom VVX-410	76	\$219.00	\$16,644.00
<b>Total Initial Price*</b>			\$26,353.07
<b>Total Monthly Price*</b>			\$3,626.07

# ATTACHMENT

Total 12 Month Amount*	\$66,239.84
	*Excludes applicable Taxes

## Special Terms & Notes

### Service Commitment / Minimum Term / Automatic Renewal

Your RingCentral Office plan requires a minimum service commitment period beginning on the Start Date indicated above and continuing for the number of months listed as the Initial Term indicated above. You hereby acknowledge and agree that You are purchasing the Office Services for at least the full Initial Term and any subsequent Renewal Terms.

This Agreement shall automatically renew for successive Renewal Terms as indicated above unless either Party delivers written notice of termination of this Agreement to the other Party at least thirty (30) days prior to the applicable termination date (with such termination date being the last day of the Initial or then-current Renewal Term), in which case the Agreement and all underlying Services shall terminate on the last day of such Initial or Renewal Term.

Upon written notice provided to You at least 60 days prior to the end of the Initial Term or any Renewal Term, RingCentral may revise the price for the Office Services for the immediately succeeding Renewal Term; provided, however, that the revised price shall in no event be greater than the then-current merchandised list price for such Office Services, in the United States or Canada, as applicable.

Upon at least 30 days prior written notice provided to You, RingCentral may revise any of the following fees charged to You to the then-current fees generally charged to RingCentral's customers in the United States or Canada, as applicable, including but not limited to the Compliance and Administrative Cost Recovery Fee, the E911 Fee, and any taxes, surcharges or assessments; any fees or amounts that are mandatory for RingCentral or Customer; or any fees or amounts related to governmental, official, or legal/regulatory matters (including without limitation any fees or amounts related to or charged in relation to RingCentral's contribution to the federal Universal Service Fund or any similar state fund, tax, contribution, or fee). For more information, see the "Taxes and Fees" section at <http://www.ringcentral.com/legal.html>.

You hereby agree to pay for the Office Plan, and, if applicable, phones and equipment, in advance on the Payment Schedule and at the rates set forth above under "Summary of Service(s)", as may be revised from time to time in accordance with this Agreement.

**The prices indicated above do not include taxes, fees or additional services You may select, which include but are not limited to, additional digital lines, international or toll-free usage, additional local numbers, and additional toll-free numbers. Sales tax varies by jurisdiction of purchase and may be calculated based on full retail price or RingCentral cost price, as determined by the tax law in the jurisdiction of purchase.**

If, at any time, You purchase additional digital lines as part of Your Office plan, then all of these additional digital lines shall be subject to all of the terms and conditions of this Agreement including but not limited to the Initial or then-current Renewal Term. To be clear, Customer may, at any time, purchase additional digital lines, however, those additional digital lines may not be removed from Customer's account except for upon the conclusion of the then current Initial or Renewal Term.

# ATTACHMENT

## General Terms

This Agreement, any addenda or exhibits hereto, along with the RingCentral End User License Agreement and Terms of Service (“EULA TOS”), available at <http://www.ringcentral.com/legal/eulatos.html> together with the End User License Agreement and Terms of Service for Glip (the “Glip EULA”), available at <http://www.ringcentral.com/legal/glip-eulatos.html> represents the entire Agreement regarding the Office Services and supersedes and replaces all prior or contemporaneous negotiations, correspondence, writings or Agreements regarding the RingCentral Office Services.

Capitalized terms not defined in this Agreement shall be used as defined in the RingCentral End User License Agreement and Terms of Service (the “EULA TOS”) or the End User License Agreement and Terms of Service for Glip (“the “Glip EULA”).

The Customer represents and warrants that the individual signing this Agreement on the Customer’s behalf possesses the legal right, capacity, ability, and has full power and authority to execute and deliver this Agreement on the Customer’s behalf, and to perform all of the obligations hereunder. This Agreement is the binding obligation of the Customer, enforceable against the Customer in accordance with its terms. This Agreement will bind the personal representatives, successors, and assigns of both You and RingCentral, and inure to the benefit of You and RingCentral and their successors and assigns.

This Agreement may not be modified or amended except in a written amendment generated by RingCentral and signed by both You and a duly authorized officer of RingCentral. In no event shall handwritten or “typed-on” changes to the terms or conditions of an Agreement Document be effective.

In the event of a conflict between the terms of this Agreement and the EULA TOS such conflict will be resolved according to the following order of precedence: (1) this RingCentral Office Plan Purchase Agreement, (2) the Glip EULA, and (3) the EULA TOS.

In no event shall any failure or delay by a Party to (i) assert any right, (ii) demand fulfillment or performance of any obligation, or (iii) avail itself of any remedy under this Agreement, in whole or in part, be deemed to be a waiver of any right or remedy under the Agreement on such occasion or any other occasion. All rights and remedies stated in the Agreement are cumulative and in addition to any other rights and remedies available under the Agreement, at law, or in equity.

For purposes of construing this Agreement, any ambiguities shall not be construed against either party as based upon the source of the draftsmanship. If any provision of this Agreement is determined to be invalid, unlawful, illegal, void or unenforceable, in whole or in part, then that provision or portion shall be construed in such a manner as to render the provision or portion enforceable and, to the extent possible, to reflect the Parties’ original intent and the other provision of this Agreement shall remain in full force and effect.

This Agreement will be deemed to have been entered into and will be construed and enforced in accordance with the laws of the State of California, U.S.A. as applied to contracts made and to be performed entirely within California. Venue for all disputes shall be the court of proper jurisdiction in San Francisco, CA.

## Cancellation Policy / Termination

### Termination By You During 30-Day Trial Period.

If you were not a RingCentral customer before execution of this Agreement, You may terminate this Agreement for convenience with written notice to RingCentral at any time during the first thirty (30) days of the Initial Term, in which case You shall not owe any additional fees and shall be entitled to a pro-rata refund of any prepaid and unused fees. You must return any phones,

## **ATTACHMENT**

headsets and phone accessories purchased with Your Service in good working order or RingCentral may charge You Equipment Return Fees in accordance with the RingCentral Equipment Return Policy available at <http://www.ringcentral.com/legal/eulatos.html>.

### **Termination by You After 30 days.**

If You terminate this Agreement on or after the 31st day but before expiration of the Initial Term for any reason other than pursuant to the change of terms, conditions or rates as set forth below, You will owe RingCentral all outstanding contractual amounts due for the remainder of the Initial, or then-current Renewal Term for each digital line associated with Your Office plan at the time of termination and hereby agree to pay any such amounts and authorize RingCentral to charge Your credit card or invoice you, as applicable, for all such amounts. The collection of such fees is not a penalty, but rather a charge to compensate RingCentral for your failure to satisfy the Initial or then-current Renewal Term, on which Your rate plan is based.

RingCentral may also charge You an Equipment Return Fee for any purchased equipment in accordance with its Equipment Return Policy contained in the EULA TOS.

### **Termination, Cancellation or Suspension by RingCentral.**

RingCentral may interrupt or terminate Your Services without notice for any conduct by You that, in RingCentral's sole discretion, violates the EULA TOS or any terms and conditions applicable to this Agreement; provided that, RingCentral will give You at least thirty (30) days to cure such breach before interrupting or terminating Your Service, to the extent that RingCentral reasonably determines that it is possible to cure such breach (in which case, all outstanding contractual amounts due for the remainder of the Initial or then-current Renewal Term shall be immediately due and You hereby agree to pay any such amounts and authorize RingCentral to charge Your credit card or invoice you, as applicable, for all such amounts).

RingCentral may terminate this Agreement with thirty (30) days' advance written notice to the other party in the event that (i) Customer files a petition in bankruptcy or if a petition in bankruptcy is filed against it and such petition is not dismissed within thirty (30) days after the effective filing date thereof, or (ii) a trustee or receiver is appointed over any of Customer's relevant property (each a "Customer Bankruptcy Event"). In the event that RingCentral terminates this Agreement pursuant to and in accordance with the immediately preceding sentence, you shall not be liable for any outstanding contractual amounts due for the Initial; or then-current Renewal Term, subsequent to the effective date of the termination.

### **Assent and Agreement**

You are required to indicate your assent and agreement to this Agreement when you sign this Agreement and return it to RingCentral. This Agreement shall become binding upon both parties upon customer's execution and delivery of this Agreement to RingCentral.

This Agreement and your use of RingCentral's Services are subject to the EULA TOS. RingCentral's Office Services shall also each be considered a RingCentral "Service" as that term is used in the EULA TOS.

If you choose to participate in RingCentral's Phone Rental/Lease Program, the Program your rental of any phones and related equipment shall be subject to the terms and conditions of the RingCentral Phone Rental/Lease Program and Rental Agreement, available at <http://www.ringcentral.com/legal/lease-rental.html>. The Phone Rental/Lease Program is offered and available to United States Residents only. You must agree to an Initial Term of at least 24 months, and a Renewal Term of at least 12 months to be eligible to participate in the Phone Rental/Lease Program.

# ATTACHMENT

By signing below, the Customer hereby agrees to and accepts all of the terms and conditions of this Agreement, including but not limited to the Initial Term, Renewal Term, Payment Schedule, and the initial number of digital lines for RingCentral Office Services, as indicated in the section entitled "Summary of Service" above.

Please Sign Below

Customer

RingCentral, Inc.

By: \s1\  
\_\_\_\_\_

By: *Ryan Azus*

Name: \n1\  
\_\_\_\_\_

Name: Ryan Azus

Title: \t1\  
\_\_\_\_\_

Title: SVP, Sales

Date: \d1\  
\_\_\_\_\_

Date: \_\_\_\_\_

Last Updated: 2015/08/21

# ATTACHMENT



## RingCentral Professional Services Agreement

THIS RINGCENTRAL OFFICE PROFESSIONAL SERVICES AGREEMENT (this "Professional Services Module") is entered into by the Parties as of the date of the last Party's execution of it (the "Effective Date"), pursuant to the RingCentral Office Plan Purchase Agreement (the "Office Agreement") executed by City of Sierra Madre and RingCentral, Inc. on or about \_\_\_\_\_, 2016.

NOW, THEREFORE, in consideration of the promises and mutual covenants set forth below, Customer and RingCentral hereby agree as follows:

### 1. GENERAL TERMS; DEFINITIONS

The provisions of the Section entitled "General Terms" of the Office Agreement (the "General Terms") shall apply to this Professional Services Module and be incorporated herein by reference. Other than the General Terms and such other provisions of the Office Agreement that are herein expressly made applicable to this Professional Services Module or incorporated herein, no provisions of the Office Agreement or any other Module or agreement shall apply to or be incorporated into this Professional Services. In the event of any conflict between the provisions of the Office Agreement that apply to this Professional Services Module and the provisions of this Professional Services Module, such provisions of the Office Agreement shall prevail. Capitalized terms used in this Professional Services Module shall be defined as set forth herein or, if not defined herein but defined in the Office Agreement, shall be defined as set forth in the Office Agreement.

### 2. SERVICES

2.1. **STATEMENTS OF WORK.** RingCentral shall provide the professional services (including but not limited to Implementation Services and Premium Support Services), (collectively the "Services") related to the Plan Services' that are set forth in those RingCentral Professional Services Statements of Work, if any, executed by the Parties pursuant to this Professional Services Module (such services, the "Services"; such Statements of Work, "SOWs"). The Services shall be provided in accordance with the terms and conditions of this Professional Services Module and the applicable SOW(s). In the event of any conflict between this Professional Services Module and any SOW, this Professional Services Module shall prevail.

2.2. **SERVICE LIMITATIONS.** Notwithstanding anything to the contrary in this Professional Services Module or any SOW, RingCentral shall in no event be required to do any of the following:

- a. anything that could, in its reasonable discretion, endanger its personnel, agents, or others,
- b. perform the Services outside of Canada or the United States or in any language other than English,
- c. configure end-point IP devices that RingCentral has not expressly certified as compatible with the Office Services ("Uncertified Devices"),
- d. move any furniture, equipment, or other materials heavier than forty (40) pounds,
- e. transport Customer equipment or other materials (including without limitation telephones) to, from, or between areas or sites,

## ATTACHMENT



- f. perform the Services outside of business hours (8 am to 5 pm local time on weekdays excluding holidays),
- g. make changes to Customer's network,
- h. provide custom recordings for IVR/Auto Receptionist features, or
- i. implement anything other than the Plan Services.

Customer acknowledges and agrees that in the event that RingCentral elects in its sole discretion to implement and/or provision any Uncertified Device, such provisioning may, for various reasons (including without limitation RingCentral's lack of familiarity with and lack of standardized configurations for such devices), be unsuccessful, cause delays, and/or require changes to the Implementation Timetable(s).

**2.3. STAFFING AND MANNER AND MEANS OF PERFORMANCE.** RingCentral may choose in its sole and exclusive control and discretion the manner and means by which it shall perform the Services or otherwise perform under this Professional Services Module and any SOWs. Without limiting the foregoing, RingCentral shall determine, in its sole discretion, (i) the appropriate location, place, and time for such performance, (ii) the equipment and tools that it shall use in connection with such performance, and (iii) the personnel and staffing (including without limitation employees or third-party subcontractors) that it shall use for such performance.

**2.4. SOW CHANGES.** The sole and exclusive means by which a SOW may be changed or amended shall be both Parties' execution of a written SOW change or amendment document specifically referencing the applicable SOW.

### **3. COMPENSATION**

The fees and charges set forth in a SOW shall be incurred by Customer and become due and payable as set forth in this Section 2 and Sub-Section 5.3 or a SOW. Customer acknowledges and agrees that all fees and charges shall be due and payable without any deduction, withholding, or offset of any kind, including without limitation for any levy or tax.

**3.1. TAXES.** Customer agrees (i) to be solely responsible for any and all applicable taxes and similar charges or fees, including without limitation sales and use taxes, value added tax, excise tax, consumption tax, and customs duties ("**Taxes**") and (ii) that Taxes shall be incurred by Customer and become due and payable upon invoice by RingCentral.

**3.2. ADDITIONAL FEES.** Customer agrees to incur and be liable for any additional fees or other amounts provided for in a SOW, in accordance with the applicable terms set forth in such SOW.

**3.3. LATE FEES.** Customer agrees that time is of the essence for payment of all Implementation Amounts. Any Implementation Amounts not paid when due shall incur interest at a rate of the lesser of (i) eighteen percent (18%) per annum or (ii) the highest rate allowed by Law. RingCentral's acceptance of late or partial payments (regardless of how they are marked or designated (including without limitation as "Paid in Full," "Accord and Satisfaction," or similarly)) shall not waive, limit, or prejudice in any way RingCentral's rights to collect any amount due. In addition to other rights and remedies available to RingCentral hereunder or at law or in equity, RingCentral may suspend its provision of any Services until any delinquent Implementation Amount is received.

## ATTACHMENT



**3.4. INVOICING AND PAYMENT OF PROFESSIONAL SERVICES AMOUNTS.** Except to the extent otherwise provided in an SOW, all Professional Services Amounts shall be invoiced upon the completion of Implementation Services or on a monthly basis, in advance for Premium Support Services, and all amounts invoiced thereunder will be due within thirty (30) days of the date of invoice ("**Net 30**"). All invoices hereunder shall be deemed to have been duly delivered to Customer upon the earlier of the date that they are emailed to the email address set forth in the applicable SOW or the date actually received by Customer. Completion of Implementation Services shall be documented via sign-off on a standard completion document (see a sample form of sign-off document at Exhibit A), any such sign-off shall not be unreasonably withheld.

**3.5. DISPUTED AMOUNTS.** Customer agrees that any dispute relating to any Professional Services Amount not raised by Customer through its provision of notice to RingCentral as provided herein within fifteen (15) business days of the date of invoice shall be forever and irrevocably waived by Customer.

**3.6. FULL STATEMENT OF CONDITIONS FOR CUSTOMER PAYMENT OBLIGATIONS.** Customer acknowledges and agrees that this Sub-Section 3.6 and Sub-Section 6.3 set forth in full the conditions under which the Professional Services Amounts shall be incurred and become due and payable, and in no event shall Customer's incurring of or obligation to pay any Professional Services Amount be contingent on or tied in any way to the occurrence of any event not specifically identified in this Professional Services Module as such a condition with respect to such Professional Services Amount ("**Extraneous Events**"). Extraneous Events shall include without limitation (i) the successful implementation or deployment of the Plan Services or other goods or services, (ii) the completion of certain tasks or the achievement of certain results, (iii) the successful porting of numbers, (iv) the successful implementation or provisioning of any device, (v) adherence to any Implementation Timetable, or (vi) Customer's agreement or certification that any Services have been performed in full or to its satisfaction.

## **4. RINGCENTRAL RESPONSIBILITIES**

**4.1. RINGCENTRAL PROJECT MANAGEMENT RESPONSIBILITIES.** For each SOW, RingCentral shall provide a functional project manager (the "**RingCentral Project Manager**" for that SOW), this RingCentral Project Manager may be a single individual or multiple individuals depending on the complexity and resources required by a specific SOW.

## **5. CUSTOMER RESPONSIBILITIES**

**5.1. GENERAL CUSTOMER RESPONSIBILITIES.** Customer shall maintain and ensure safe working conditions at all Sites and other locations visited by RingCentral personnel in connection with this Professional Services Module or any SOW and shall promptly inform the RingCentral Project Manager of any hazardous conditions at any such Site or other location prior to any visit by RingCentral personnel thereto. Customer shall also provide RingCentral with all reasonable information, cooperation, and assistance that RingCentral requests in connection with performing under this Professional Services Module or any SOW. While Customer shall not be required under this Professional Services Module to perform any equipment, resource, or system or network configuration changes that RingCentral might recommend to improve interoperation with the Plan Services, Customer acknowledges and agrees that failure to do so could prevent or impede RingCentral's performance of the Services or result in undesirable performance of the Plan Services or other goods or services.

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**5.2. CUSTOMER PROJECT MANAGEMENT RESPONSIBILITIES.** For each SOW, Customer shall designate a project manager (the "**Customer Project Manager**" for that SOW) and a back-up project manager to act in the Customer Project Manager's stead (the "**Back-Up Customer Project Manager**"). The Customer Project Manager and Back-Up Customer Project Manager shall have a technical background sufficient to effectively perform data gathering and design call flows and to reasonably assist with RingCentral's performance of the Services under the applicable SOW. Customer may substitute a different individual to act as Customer Project Manager or Back-Up Customer Project Manager with reasonable advance notice to RingCentral. The Customer Project Manager for a SOW shall be deemed to be acting as Customer's project manager for that SOW (the "**Acting Customer Project Manager**" for that SOW) except to the extent that Customer notifies the RingCentral Project Manager that the Back-Up Customer Project Manager is acting as such.

The Acting Customer Project Manager shall be responsible for (a) working with the RingCentral Project Manager to generate the applicable SOW and decide on an implementation timetable for each Site Visit that is to occur under that SOW, (b) acting as one of Customer's points of contact for RingCentral with respect to that SOW, and (c) acting as a single point of contact for Premium Support Services (should the customer purchase premium support).

**5.3. SITE DISCOVERY.** At least fifteen (15) days prior to a Site Visit or as otherwise agreed in the applicable SOW, the Acting Customer Project Manager shall provide to the RingCentral Project Manager the following information for the Site to be visited ("**Site Discovery Information**" for that Site):

- a. (In the form of a Microsoft Excel file suitable for use with the Office Service's bulk configuration utility) the first and last name, extension number, and email address (for delivery of message notification emails) of each User for which the Plan Services are to be implemented at the Site and any other information that RingCentral requests to configure the digital lines that are part of such Plan Services to be implemented,
- b. Written or illustrated diagrams of dial plans and data and call flows,
- c. Information related to configurations, equipment, and deployment requirements for the Site, as requested by RingCentral, and
- d. The name and contact information for both a primary and backup contact for the Site.

**5.4. CUSTOMER NETWORK PREPARATION.** Customer acknowledges and agrees that (a) the Office Services require a high performance network and broadband Internet connection for optimum performance, and that anything less may result in undesirable performance of the Plan Services or other services utilizing the same network or Internet connection and (b) VoIP traffic is not recommended over 3G or 4G networks. Accordingly, Customer shall, prior to each Site Visit, perform network readiness testing at the Site to be visited and shall ensure that the network and broadband Internet services and connections for that Site are configured and ready for transporting toll-quality voice.

**5.5. CUSTOMER SUPPLIED NETWORK EQUIPMENT.** Prior to each Site Visit, Customer shall ensure that it possesses and is ready to supply the following equipment for use at that Site by RingCentral in connection with its performance of the applicable Services:

- a. A firewall with quality of service and port triggering or port rules for use with the Plan Services.
  - In order to ensure that the firewall is ready for use, Customer shall open the following UDP port ranges on the firewall: 5060-5xxx (where "xxx" is equal to 5060 plus (the number of

## ATTACHMENT



projected Customer phones using the RingCentral VoIP Services + 10%)), 8000-8200, and 16384-16482 and shall disable load balancing in the firewall.

- b. A modem, router/firewall, and switch.
- c. All cabling required to connect downstream local area network devices to the patch panel.

**5.6. CUSTOMER SITE VISIT RESPONSIBILITIES.** Customer shall be responsible for doing the following during each Site Visit:

- a. Providing RingCentral with access to Customer's system administrators and other personnel relevant to the implementation of the Plan Services,
- b. Upgrading, maintaining, and making changes to all networks and Internet connections used by the Plan Services to be implemented at that Site,
- c. Installing all personal computer-based software, hardware, and other components (e.g., the RingCentral softphone) for use with the Plan Services to be implemented at that Site, and
- d. installing all telephone station cabling (which must be Category 5 or better) for the Plan Services to be implemented at that Site.

Should customer fail to provide all of the above-referenced items, and should that cause a delay in the applicable project schedule, RingCentral may, at its sole options change the project delivery schedule.

**5.7. KNOWLEDGE TRAINING.** Customer shall be responsible for ensuring that all appropriate personnel attend each Office Services training sessions provided by RingCentral. Customer acknowledges and agrees that its failure to do so may necessitate multiple training sessions, resulting in delays, changes to the applicable professional services timetable, or RingCentral's inability to perform certain Services.

## **6. TERM AND TERMINATION**

This Professional Services Module shall become effective on the Effective Date and shall remain in effect until terminated in accordance with this Section 6 or the Office Agreement is terminated (the "**Term**").

**6.1. TERMINATION OF PROFESSIONAL SERVICES MODULE.** Either Party may terminate this Professional Services Module for the other Party's material breach of this Professional Services Module or a SOW with ten (10) days' advance written notice to the other Party. Termination of this Professional Services Module shall result in the automatic and immediate termination of all SOWs the Services to be performed under which have not been fully performed ("**Outstanding SOWs**") as of the Professional Services Module's termination.

**6.2. TERMINATION OF OUTSTANDING SOWS.** Any Outstanding SOW may be terminated by either Party for the other Party's material breach of the Outstanding SOW or this Professional Services Module with five (5) days' advance written notice to the other Party. In no event shall the termination of one SOW result in the termination of, or otherwise affect, any other SOW.

**6.3. EFFECT OF TERMINATION OF PROFESSIONAL SERVICESMODULE OR OUTSTANDING SOWS.** In the event that an Outstanding SOW is terminated (i) for or based on RingCentral's material breach of the Outstanding SOW or this Professional Services Module or (ii) by RingCentral for Customer's material breach of the Outstanding SOW or this Professional Services Module (each a "**No-Fault Termination**"),

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Customer shall be obligated to pay for any Implementation Services that have been completed and shall be obligated to pay for all Service Expenses (as defined in the applicable SOW) and for fifty percent (50%) of the fees that would be due upon completion of any Implementation Services Amount for any Site Visit that had not concluded as of the termination of the Outstanding SOW. In no other event shall termination of any SOW or this Professional Services Module negate or affect in any way Customer's obligation to pay Professional Services Amounts.

**6.4. POST-TERMINATION NOTICE WRAP-UP.** Upon receiving or providing notice of termination of this Professional Services Module or an Outstanding SOW, RingCentral shall be relieved of and excused from any obligation to continue to perform Services or to perform under any affected Outstanding SOW, but shall have the right to elect in its sole discretion to continue to perform such Services in the period prior to the Outstanding SOW's termination.

**6.5. SURVIVAL.** The following shall survive termination or expiration of this Professional Services Module:

- (i) Sections 6, 7, 8 and 10 of this Professional Services Module;
- (ii) The Sections of the General Terms relating to Notices, Third Party Beneficiaries, Choice of Law, Dispute Resolution, Severability, and Execution;
- (iii) Customer's payment obligations under this Professional Services Module or any SOW; and
- (iv) Any provision that by its nature is intended to survive the termination or expiration of this Professional Services Module or a SOW, as applicable.

## 7. CONFIDENTIALITY

RingCentral shall not use or disclose any confidential information relating to Customer's networks, systems, or operations that RingCentral receives from Customer in the course of performing the Services ("**Customer Confidential Information**"), except (i) in connection with performing or improving the Services or otherwise performing under this Professional Services Module or a SOW, (ii) in connection with complying with any Law, court or administrative order, or official request or guidance or complying with or responding to any subpoena, civil investigation demand, warrant, or other official request or process, or (iii) as permitted in writing by Customer. In addition, RingCentral shall protect Customer Confidential Information with at least a reasonable degree of care. "Customer Confidential Information" shall not include any data or information that (a) was received or generated in connection with a RingCentral Party's offering, provision, or support of any product or service (including without limitation the Plan Services) other than the Services or RingCentral's performance under any other agreement or agreement document, (b) was independently developed by RingCentral or a third party or lawfully received free of restriction from another source having the right to so furnish it, (c) has become generally available to the public without breach of this agreement by RingCentral, (d) was already known to or possessed by RingCentral at the time of receipt, or (e) Customer confirms in writing is free of such restrictions.

## 8. LIMITATIONS OF LIABILITY

**IN NO EVENT SHALL RINGCENTRAL BE LIABLE FOR COSTS OF PROCUREMENT, COVER, OR**

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SUBSTITUTION GOODS OR SERVICES; LOSS OF USE, DATA, EQUIPMENT, PRODUCTS, BUSINESS OPPORTUNITIES, OR PROFITS; INTERRUPTION OF BUSINESS; TRANSACTIONS ENTERED INTO OR NOT ENTERED INTO; OR SPECIAL, EXEMPLARY, INDIRECT, INCIDENTAL, CONSEQUENTIAL, REPUTATIONAL, OR PUNITIVE DAMAGES OF ANY KIND, HOWEVER CAUSED AND WHETHER ARISING UNDER CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR ANY OTHER THEORY OF LIABILITY, EVEN IF RINGCENTRAL HAS BEEN INFORMED IN ADVANCE OF THE POSSIBILITY OF – OR COULD HAVE FORESEEN – SUCH COSTS, LOSSES, OR DAMAGES. IN ADDITION TO THE FOREGOING, NEITHER RINGCENTRAL NOR ITS PERSONNEL SHALL BE LIABLE FOR ANY CORRUPTION, DAMAGE, OR DESTRUCTION TO CUSTOMER’S NETWORKS, SOFTWARE, HARDWARE, OR OTHER COMPONENTS NOT DIRECTLY CAUSED BY RINGCENTRAL’S OR ITS PERSONNEL’S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT IN PERFORMING THE SERVICES. RINGCENTRAL'S TOTAL LIABILITY (ARISING OUT OF ANY SINGLE EVENT OR IN THE AGGREGATE) ARISING OUT OF OR RELATED TO THIS PROFESSIONAL SERVICES MODULE OR ANY AND ALL SOWS SHALL BE LIMITED AND CAPPED IN ITS ENTIRETY TO THE PROFESSIONAL SERVICES AMOUNTS PAYABLE UNDER THE SOW UNDER WHICH THE EVENTS GIVING RISE TO THE LIABILITY OCCURRED. THE EXCLUSIONS AND LIMITATIONS OF LIABILITY SET FORTH IN THIS SECTION (LIMITATIONS OF LIABILITY) REFLECT THE ALLOCATION OF RISK BETWEEN THE PARTIES. THE PARTIES AGREE, AND IT IS THEIR INTENTION, THAT THE LIMITATIONS AND EXCLUSIONS OF LIABILITY SPECIFIED IN THIS SECTION SHALL SURVIVE TERMINATION OR EXPIRATION OF THE PROFESSIONAL SERVICES MODULE AND ANY SOW AND SHALL APPLY IN ANY AND ALL CIRCUMSTANCES, INCLUDING WITHOUT LIMITATION IN THE EVENT OF ANY FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED WARRANTY PROVIDED HEREIN. SOME JURISDICTIONS DO NOT ALLOW CERTAIN LIMITATIONS OF LIABILITY, SO CERTAIN OF THE FOREGOING LIMITATIONS MAY NOT APPLY TO CUSTOMER.

### 9. WARRANTY DISCLAIMER

THE SERVICES AND ALL OTHER SERVICES TO BE PROVIDED HEREUNDER OR UNDER ANY SOW ARE PROVIDED “AS IS,” AND RINGCENTRAL MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, INFRINGEMENT, TITLE, QUIET ENJOYMENT, AND FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING OR USAGE IN TRADE, TOGETHER WITH SIMILAR WARRANTIES, WHETHER ARISING UNDER ANY LAW OR OTHERWISE. SPECIFICALLY AND WITHOUT LIMITING THE FOREGOING IN ANY WAY, RINGCENTRAL SPECIFICALLY DISCLAIMS ANY WARRANTY THAT ANY SERVICE OR PRODUCT WILL ACHIEVE ANY RESULT, MEET ANY PARTICULAR REQUIREMENTS, OR BE UNINTERRUPTED, TIMELY, SECURE, ERROR-FREE, OR THAT ANY DEFECTS IN ANY SERVICE OR PRODUCT WILL BE CORRECTED. SOME JURISDICTIONS DO NOT PERMIT THE DISCLAIMER OF CERTAIN IMPLIED WARRANTIES, SO SOME OF THE DISCLAIMERS SET FORTH IN THIS SECTION (WARRANTY DISCLAIMER) MAY NOT APPLY TO YOU. THE PARTIES AGREE, AND IT IS THEIR INTENTION, THAT IN NO EVENT SHALL ANY WARRANTY PROVIDED BY LAW APPLY UNLESS REQUIRED TO APPLY BY APPLICABLE STATUTE NOTWITHSTANDING THEIR EXCLUSION BY CONTRACT. TO THE EXTENT THAT RINGCENTRAL CANNOT DISCLAIM ANY SUCH WARRANTY AS A MATTER OF APPLICABLE LAW, THE SCOPE AND DURATION OF SUCH WARRANTY SHALL BE LIMITED TO THE FULLEST EXTENT PERMITTED BY LAW.

### 10. INDEMNIFICATION

Except to the extent of RingCentral Party’s gross negligence or willful misconduct, Customer shall

**ATTACHMENT**



indemnify and hold harmless the RingCentral Parties from and against any and all liabilities, losses, damages, fines, penalties, costs, and expenses, including without limitation reasonable attorneys' fees:

- (i) arising from or relating to any personal injury or damage to property (including without limitation any equipment, device, network, system, or structure) occurring during any visit by any RingCentral Party or any representative, personnel, or agent of thereof to any Site or
- (ii) resulting or arising from any claim, action, allegation, demand, or proceeding by or on behalf of any workforce member, contractor, agent, representative, or invitee of Customer.

IN WITNESS WHEREOF, the Parties have executed this Implementation Module below through their duly authorized representatives.

**Customer**

**RingCentral**

**City of Sierra Madre**

**RingCentral, Inc.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# ATTACHMENT



## EXHIBIT A

### IMPLEMENTATION SERVICES PROJECT COMPLETION SIGNOFF

**Overview:** This document is used by the Dedicated Onsite Deployment team to ensure the client agrees the physical onsite deployment project is now complete. The client understands that additional activities may be performed by client's staff post deployment, and these activities are not part of the original scope of work.

**Audience:** [CUSTOMER REPRESENTATIVE],  
[RINGCENTRAL IMPLEMENTATION MANAGEMENT REPRESENTATIVE]

**RingCentral Implementation Engineer Assigned:** [NAME]

**Prepared By:** [RingCentral Implementation Management Representative]

**Prepared For:** [Customer Representative]

**Date:** [DATE]

#### RingCentral Project Completion Checklist

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1. Client has tested inbound call flow and agrees it works as project plan states to the extent that it needs to be addressed by Onsite Engineer.
  - Call flow has been tested; call forwarding is working as intended.
2. Client has submitted port request for numbers, or primary porting request completed.
  - Primary Port Completion – [DATE]
3. Client has downloaded and installed RingCentral for Desktop on all devices needed.
  - Installed on Machines, RC Team Trained during End-User Trainings.
4. Client has download RingCentral Meetings and has had chance to demo it.
  - RC Meetings downloaded on IT Staff Machines, Highlighted in Exec Training
5. Client has verified and changed if needed all e911 address assigned to physical devices inside the RingCentral interface.
  - 911 Checked upon Upload, Export Available in Google Workbook
6. Client has installed and logged into the RingCentral Mobile App on a mobile device.
  - IT Staff has downloaded, no training (per customer request) in End-User Training. Mobile app available to Users (log in covered)

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7. All RingCentral devices have been connected and tested (at deployment site).

Customer Staff to deploy any additional phones as needed

**RingCentral On-Site Deployment Test Plan and Project Completion Sign off**

---

**Customer**

**RingCentral**

\_\_\_\_\_

**RingCentral, Inc.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# ATTACHMENT



## RingCentral Professional Services

### Statement of Work for Implementation Services

This RingCentral Professional Services Statement of Work for Implementation Services is executed by the Parties pursuant to, and is subject to, the RingCentral Professional Services Module executed by City of Sierra Madre and RingCentral on or about \_\_\_\_\_, 2016.

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**Customer:** City of Sierra Madre

**Labor Cost:** \$14,700.00

**Account Number(s):** TBD

**Travel & Expenses:** will be billed at their actual price

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**Sub-total\*:** \$14,700.00

\*Does not include travel and expenses which will be billed at their actual rate

**Number of Site Visits:** (5)

**Customer's Email Address for Submission of Invoices:** \_\_\_\_\_

**Hourly Services Rate:** \$275.00

---

RingCentral shall perform the Services set forth in the Professional Services Module and this Implementation Services SOW starting on the Start Date of this SOW and continuing until acceptance of those Services at all applicable Location(s) in accordance with the Professional Services Agreement and this Implementation Services SOW. This Agreement is only for work that RingCentral will perform at the Location(s) listed below, or performed remotely in support of the Location(s) listed below, and it does not include any number porting projects. Also, we are tracking in increments of 30 minutes and rounding up.

#### 1. SITE VISITS.

The Services shall generally be performed during visits by RingCentral technical specialist ("**Implementation Engineer**") to a site of or relating to Customer (a "**Site**") on a single day or over a block of consecutively-occurring days ("**Site Visits**"). For clarity, any such visit that occurs at a different Site or outside of such a block of consecutively-occurring days shall constitute a separate Site Visit.

#### 2. IMPLEMENTATION SERVICES HOURLY SERVICE FEES.

Customer agrees that for each hour that one or more Implementation Engineers spend at a site of or relating to Customer (a "**Site**") performing the Services (each a "**Work Hour**"), Customer shall incur and be liable for service fees at the rate set forth as the "**Hourly Services Rate**" in the applicable SOW ("**Hourly Services Fees**"), provided that Customer agrees that it shall, upon any Implementation Engineer's arrival at a Site for a Site Visit, automatically incur and be liable for a minimum Site Visit fee equal to twenty-four (24) Work Hours (the "**Minimum Site Visit Fee**" for that Site Visit). Hourly Services Fees for a Site Visit in excess of the Minimum Site Visit Fee shall be incurred by Customer as such excess

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Work Hours are performed. For clarity, the Hourly Service Rate and Hourly Service Fees as well as the Minimum Site Visit Fee shall only apply to Implementation Services performed at Customer Sites that not listed on this SOW.

### 3. IMPLEMENTATION SERVICES SERVICE EXPENSES.

Customer agrees to reimburse RingCentral for its reasonable travel, meal, and lodging expenses incurred in connection with any Site Visit ("**Service Expenses**"). All Service Expenses shall be reasonably itemized on the applicable invoice and shall be accompanied by reasonable supporting documentation. Service Expenses shall be limited as follows:

- Airline Transportation: Not to Exceed \$250.00 over lowest available direct fare based on carrier preference.
- Hotels: Average 3 star hotel where available.
- Food: Not to exceed \$60 per employee per day.

### 4. SITE VISIT CHANGE FEES.

The Parties acknowledge and agree that Customer's cancellation or change of the dates of a Site Visit (including without limitation as a result of any termination of this Implementation Module or the applicable SOW that is not a No-Fault Termination, as defined below) at any time during the fourteen (14) days immediately prior to the date that the Site Visit is scheduled to take place (a "**Late Site Visit Change**") will cause RingCentral substantial economic damages and losses (including without limitation RingCentral's costs in rescheduling the Site Visit and/or loss of opportunity for other business during the period during which such Site Visit was to take place). Accordingly, Customer agrees that for each Late Site Visit Change, it shall incur (at the time of cancellation or change) and be liable for, as liquidated damages, an amount equal to fifteen percent (15%) of the Minimum Site Visit Fee that would have been incurred had the Site Visit occurred as set forth in the applicable SOW. The Parties acknowledge and agree that this amount is a fair, reasonable, and appropriate pre-estimate of the losses that RingCentral will incur as a result of any single Late Site Visit Change.

### 5. RINGCENTRAL RESPONSIBILITIES.

The RingCentral Project Manager shall be in charge of generating a projected timetable of events for each Site Visit that is to occur under the applicable SOW (an "**Implementation Timetable**" for the applicable Site Visit) and managing RingCentral's performance of Services under such SOW.

#### RINGCENTRAL SITE VISIT RESPONSIBILITIES.

For each Site Visit, RingCentral shall provide to Customer at least one on-site Implementation Engineer, which such Implementation Engineer(s) RingCentral may change in its sole discretion upon reasonable prior written notice to Customer. The Implementation Engineer(s) shall be in charge of performing Services for the applicable Site Visit.

# ATTACHMENT



## Planning and Design Location (1):

City of Sierra Madre: City Hall  
232 W. Sierra Blvd.  
Sierra Madre, CA 91024  
USA

## Onsite Implementation Locations (4):

City of Sierra Madre: City Hall  
232 W. Sierra Madre Blvd.  
Sierra Madre, CA 91024  
USA

City of Sierra Madre: Police Department  
242 W. Sierra Madre Blvd.  
Sierra Madre, CA 91024  
USA

City of Sierra Madre: Senior Center  
222 W. Sierra Madre Blvd.  
Sierra Madre, CA 91024  
USA

City of Sierra Madre: Public Works Maintenance  
621 E. Sierra Madre Blvd.  
Sierra Madre, CA 91024  
USA

City of Sierra Madre: Library  
440 W. Sierra Madre Blvd.  
Sierra Madre, CA 91024  
USA

**Planning & Design Session** – An onsite engagement will capture the details of the existing environment across all Deployment Sites (listed above):

- Voice network and topology
- User profiles
- Performance and feature needs
- Call Flow – Current state and future state desires
- Any/all other relevant information to fully understand the customer's phone system's current state
- New environment criteria will be explored and documented
- A network/VoIP readiness assessment will be conducted
- High level RingCentral design and project scope will be documented

**UI Build Out** – This off-site phase will provide a complete build-out of the following features:

- Auto Attendant
- Call Routing
- Users

**Onsite Implementation** – An onsite engagement will provide for the following items:

- RingCentral Project Management
- 4 Administrative Training Sessions
- 1-3 End User Training Sessions

**ATTACHMENT**



- Floor-walk providing availability to all End Users for questions and answers and Go-Live Support
- Help Desk knowledge transfer training
- Testing / Staging / Deployment of RingCentral Phones/Software

**See SOW (above):** Per hour rate for any additional services

**IN WITNESS WHEREOF**, the Parties have executed this RingCentral Professional Services Statement of Work for Implementation Services below through their duly authorized representatives.

**Customer**

**RingCentral**

**City of Sierra Madre**

**RingCentral, Inc.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



# City of Sierra Madre Agenda Report

*Gene Goss, Mayor*  
*Rachelle Arizmendi, Mayor Pro Tem*  
*John Capoccia, Council Member*  
*Denise Delmar, Council Member*  
*John Harabedian, Council Member*

*Melinda Carrillo, City Clerk*  
*Michael Amerio, City Treasurer*

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Elaine I. Aguilar, City Manager 

**INITIATED BY:** Laura M. Aguilar, Assistant to the City Manager 

**DATE:** May 24, 2016

**SUBJECT:** CANCELLATION OF BOTH AUGUST 2016 CITY COUNCIL MEETINGS

---

## **SUMMARY**

It is recommended that the City Council approve the cancellation of both regular City Council meetings in the month of August 2016.

## **ANALYSIS**

Sierra Madre Municipal Code section 2.04.010 requires that meetings of the City Council shall be held at 6:30 pm on the second and fourth Tuesdays of each calendar month unless and until the City Council establishes another regular meeting time by resolution.

Although it is not formally addressed in the Municipal Code, traditionally in August of each year the City Council has cancelled one or both meetings to allow City Council Members, residents, and staff, many of whom have school-age children, to spend some quality time with their families. Inasmuch as the City Council meetings fall early in the month (August 9) and late in the month (August 23), they often conflict with the permissible time frames during which many families are able to vacation. Therefore, it is recommended that the City Council approve the cancellation of the regular City Council meetings during August and direct staff to pay all necessary expenses during that time.

## **FINANCIAL REVIEW**

There is no financial impact with this item.

**PUBLIC NOTICE PROCESS**

This item has been noticed through the regular agenda notification process. Copies of the report are available at the City Hall public counter, the Sierra Madre Public Library, and the City's website at [www.cityofsierramadre.com](http://www.cityofsierramadre.com)

**ALTERNATIVES**

1. The City Council may choose to approve the cancellation of both the August 9 and August 23 meetings, and direct staff to pay all necessary expenses during that time;
2. The City Council may choose to hold both City Council meetings in August; or
3. The City Council may choose to modify the meeting schedule for the month of August.

**STAFF RECOMMENDATION**

It is recommended that the City Council approve the cancellation of both regular City Council meetings in August and direct staff to pay all necessary expenses during that time.



# City of Sierra Madre Agenda Report

*Gene Goss, Mayor*  
*Rachelle Arizmendi, Mayor Pro Tem*  
*John Capoccia, Council Member*  
*Denise Delmar, Council Member*  
*John Harabedian, Council Member*

*Melinda Carrillo, City Clerk*  
*Michael Amerio, City Treasurer*

TO: Honorable Mayor and Members of the City Council

FROM: Elaine I. Aguilar, City Manager 

DATE: May 24, 2016

SUBJECT: Resolution 16-33 Regarding City Clerk Compensation

---

## **SUMMARY**

At the May 10<sup>th</sup> meeting, the City Council directed staff to prepare a resolution establishing the City Clerk's compensation at \$900 per month for the period of April 2016 to April 2018. Attached is a draft resolution memorializing the City Council's decision.

## **FINANCIAL REVIEW**

The current FY 2015/2016 Budget included the \$900 (\$250 + \$650) per month, plus the additional \$7,500 for former City Clerk Shollenberger's election related services. Staff is in the process of preparing the FY 2016/2017 budget and adequate funding will be included in the budget based upon the Council's final decision.

## **PUBLIC NOTICE PROCESS**

This item has been noticed through the regular agenda notification process. Copies of the report are available via the City's website at [www.cityofsierramadre.com](http://www.cityofsierramadre.com), at the City Hall public counter, and the Sierra Madre Public Library.

## **ALTERNATIVES**

Pursuant to the Municipal Code, the City Council has the authority to establish the compensation for the City Clerk. California Government Code section 36517, specifies that the City Clerk shall receive, at stated times, a compensation fixed by ordinance or resolution.

The alternatives are:

1. The City Council could approve Resolution 16-33 establishing the City Clerk's compensation at \$900 per month, for months when at least one Council meeting is held, for the period of April 2016 to April 2018.
2. The City Council could request additional information and direct that this matter be placed on a future agenda.

3. The City Council could take no action and the City Clerk would receive \$250 in compensation.
4. Any other alternative the Council desires.

**STAFF RECOMMENDATION**

It is recommended that the City Council approve Resolution 16-33.

Attachments: Resolution 16-33 regarding City Clerk Compensation

# ATTACHMENT

## RESOLUTION NO. 16-33

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE, CALIFORNIA, REGARDING CITY CLERK COMPENSATION

WHEREAS, the Sierra Municipal Code Section 2.12.020, specifies that the compensation for the City Clerk shall be established by Resolution of the City Council; and

WHEREAS, the duties of the City Clerk are established by applicable law, and other duties as may be assigned to the City Clerk by the City Council; and

WHEREAS, the City Council will establish City Clerk compensation for administering Municipal Elections when the Council considers resolutions calling for a General Municipal Election;

WHEREAS, any other Resolutions establishing compensation for the City Clerk are hereby rescinded.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SIERRA MADRE, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The City Clerk duties include, but are not limited to following:

1. Administer and file Oaths of Office for each City Officer.
2. Keep an accurate record of the proceedings of the legislative body in books bearing the appropriate titles and devoted exclusively to such purposes respectively. The books shall have a comprehensive general index. The City Clerk shall enter the ayes and noes in the official minutes, and on Resolutions and Ordinances.
3. Keep a book of Ordinances, and record in it all City Ordinances with the certificate attached to each indicating that:
  - a. It is a true and correct copy of a City Ordinance.
  - b. The Ordinance Number
  - c. That the Ordinance has been published or posted pursuant to law.
4. Keep a book of Resolutions, and record in it all City Resolutions.
5. Act as Custodian of the City Seal.
6. Performs additional duties as prescribed by Council direction, or by Ordinance.
7. May appoint deputies. Such deputy will hold office at the pleasure of the City Clerk.
8. Ensure all FPPC forms are complete and filed with the FPPC.
9. Perform the duties of a Public Notary

10. Publish ordinances in the newspaper in accordance with state and local law and send copies to the publisher of the City's Municipal Code
11. Maintaining all City Clerk department official records at City Hall, including but not limited to FPPC filings, election related documents, minutes, ordinances, resolutions, correspondence, etc. No city records shall be stored or maintained at any location other than City Hall.
12. Assist the public, provide information, and prepares reports for matters within the City Clerk's purview.

SECTION 2. The compensation for the duties described in Section 1, shall be Nine Hundred dollars (\$900) per month, for months when the City Council conducts at least one City Council meeting. For months when the City Council does not conduct a meeting, there will be no compensation.

SECTION 3. The compensation specified in Section 2 shall be effective on April 26, 2016 and shall cease on April 10, 2018. If no action is taken by the City Council prior to April 10, 2018, the City Clerk compensation shall be \$250 per month beginning on April 11, 2018.

SECTION 4. This Resolution will terminate automatically in the event the City Clerk Melinda Carrillo is no longer the elected City Clerk of Sierra Madre, or upon the City Council's action to modify or rescind this Resolution.

PASSED, APPROVED AND ADOPTED ON MAY 24, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

---

Melinda Carrillo, City Clerk  
City of Sierra Madre

---

Gene Goss, Mayor  
City of Sierra Madre



# City of Sierra Madre Agenda Report

*Gene Goss, Mayor*  
*Rachelle Arizmendi, Mayor Pro Tem*  
*John Capoccia, Council Member*  
*Denise Delmar, Council Member*  
*John Harabedian, Council Member*

*Melinda Carrillo, City Clerk*  
*Michael Amerio, City Treasurer*

TO: Honorable Mayor Goss and Members of the City Council

FROM: Elaine I. Aguilar, City Manager 

INITIATED BY: Bruce Inman, Director of Public Works 

DATE: May 24, 2016

**SUBJECT: RECOMMENDATION TO APPROVE THE PURCHASE OF TWO  
PUBLIC WORKS FLEET UTILITY VEHICLES UTILIZING AB2766  
MOBILE SOURCE REDUCTION GRANT FUNDS**

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## SUMMARY

Some of the vehicles in the City's Public Works fleet have reached the end of their effective service lives. Among the five that are in need of replacement are a Water Department utility truck and a Facilities Maintenance pickup. Funding is available from a grant source to allow for their immediate replacement. Staff recommends that the City Council provide an additional appropriation from available AB 2766 Fund balance in the amount of \$23,517, approve the expenditure of \$92,217 on the purchase of two CNG-fueled utility vehicles for the Public Works Department and declare units numbered 5111 and 5118 to be surplus equipment upon arrival of their replacement vehicles.

## ANALYSIS

Several Public Works service/utility vehicles are at the end of their useful service lives and are in need of replacement. Two of the recommended vehicle replacements are brought to City Council at this time in order to satisfy repeated inquiries by SCAQMD as to the City's plans for use of restricted AB2 2766 funds. Funds from the AB2766 program has been allowed to accumulate over several years with the purpose of using the funds to replace the City's emergency generators. That plan has been set aside upon finding that the funds may only be used for reduction of mobile sources of air pollution. Staff is recommending that the City return to its prior use of the funds, that for the purchase of qualifying alternative fuel vehicles.

### Replace Unit #5111

Public Works Unit #5111 is a 1996 Ford F250 pickup with a utility body. Its odometer shows 84,514 miles. The truck is the Water Department's primary response vehicle for addressing water system leaks, and it has seen heavy service over the last year. The

truck has suspension problems and is frequently in the shop for emissions malfunctions.

Staff has received a quote for the replacement of this vehicle with a CNG-fueled 2016 F250 truck with a CTEC utility body. The quote, from National Auto Fleet Group, in the amount of \$50,571.

#### Replace Unit #5118

Public Works Unit #5118 is a 1999 Chevy C2500 pickup. It has 103,002 miles on it. The truck is assigned to the Public Works Facilities Maintenance Foreman. It is used to transfer supplies, tools, and equipment from the maintenance yard to other city buildings for maintenance, and is often dispatched out of town to pick up materials or tools from the Department's suppliers. Unit 5118 consumes an excessive amount of oil.

Staff has received a quotation on replacement of this vehicle with a 2016 Ford F250 CNG-fueled pickup in the amount of \$41,646. The quote is from National Auto Fleet Group.

National Auto Fleet Group is the vendor awarded the National Joint Powers Alliance (NJPA) National Contract for Passenger Cars, Light Duty, Medium Duty, and Heavy Duty Trucks With Related Accessories. NJPA contracts #102811 were recently awarded by the NJPA Board of Directors under the category of "Passenger Cars, Light Duty, Medium Duty, and Heavy Duty Trucks with Related Accessories." NJPA contracts are nationally solicited, competitively bid and awarded on behalf of NJPA current and potential government and education member agencies.

Because formal bidding for these vehicles has already taken place, the purchase may be awarded under SMMC §3.08.080(D) Alternative Purchasing Procedures.

Funding for the recommended vehicle purchase is derived from the AB 2766 Motor Vehicle Subvention Program. In September 1990, California AB 2766 was signed into law (Health & Safety Code Sections: 44220 - 44247). This legislation authorized a \$4 per vehicle surcharge on annual registration fees. This money is used to fund the implementation of programs to reduce air pollution from motor vehicles pursuant to air quality plans and provisions of the California Clean Air Act.

#### FINANCIAL

The FYE 2016 budget provides \$68,700 from Fund 37008 (AB 2677 Fund) for the purchase of a hybrid sedan and one utility truck. Since the time of budget adoption, departmental priorities have changed, making the sedan less a priority and increasing the need to replace a utility vehicle. In addition, vehicle prices have risen since prior quotes were received.

At this time, the projected June 30, 2016 balance in the City's AB 2766 Fund is \$100,751. Ample funding from this grant source is thus available to allow for the City

Council to make the necessary appropriation of an additional \$23,517 to allow for the purchase of both vehicles at this time.

**ALTERNATIVES**

1. The City Council may provide an additional appropriation from available AB 2766 Fund balance in the amount of \$23,517, approve the expenditure of \$92,217 on the purchase of two CNG-fueled utility vehicles for the Public Works Department and declare units numbered 5111 and 5118 to be surplus equipment upon arrival of their replacement vehicles.
2. The City Council may defer the purchase of these vehicles to a later date. This could allow the dealer's stock of 2016 vehicles to be reduced such that there are none left available. The City would then be forced to purchase at a higher cost; it is estimated that the 2017 models will be 8% higher in cost.
3. The City Council may deny staff's recommendation to replace vehicles at this time.

**PUBLIC NOTICE PROCESS**

This item has been noticed through the regular agenda notification process. Copies of the report are available via the City's website at [www.cityofsierramadre.com](http://www.cityofsierramadre.com), at the City Hall public counter, and the Sierra Madre Public Library.

**STAFF RECOMMENDATION**

Staff recommends that the City Council provide an additional appropriation from available AB 2766 Fund balance in the amount of \$23,517, approve the expenditure of \$92,217 on the purchase of two CNG-fueled utility vehicles for the Public Works Department and declare units numbered 5111 and 5118 to be surplus equipment upon arrival of their replacement vehicles.

Attached: Vehicle Quotes (Cover sheets only)



Quote Date: 5/5/16

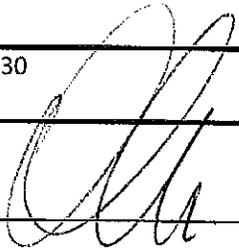
Agency: City of Sierra Madre  
 Contact: Bruce Inman  
 Address 232 w. Sierra Madre Blvd  
 Address Sierra Madre, CA 91024  
 Phone: Ph: 626-355-5839  
 Email [binman@cityofsierramadre.com](mailto:binman@cityofsierramadre.com)

National Auto Fleet Group is pleased to submit the following quotation for your consideration:

Qty	Line Item	Option #	Description	Unit Price	Extended
1			2016 Ford Super Duty Reg. Cab. 2wd SRW	\$ 25,016.52	\$ 25,016.52
1			CNG Conversion 20 GGE Underbody	\$ 13,950.00	\$ 13,950.00
					\$ -
					\$ -
					\$ -
					\$ -
			Subtotal	\$ 38,966.52	\$ 38,966.52
			Sales Tax 9 %	\$ 3,506.99	\$ 2,669.82
			Tire Fee	\$ 8.75	\$ 8.75
			DMV Fees (approx)	\$ -	\$ -
			Delivery (non taxable)		\$ -
			<b>TOTAL PURCHASE ORDER AMOUNT</b>	<b>\$ 42,482.26</b>	<b>\$ 41,645.09</b>

Notes:

Terms:	Net 30
Delivery:	

Quoted by:  Clarke Cooper, Fleet Manager (626) 457-5590  
 1247 W. Main St., Alhambra, CA. 91801

\*This price is available under the National Auto Fleet Group Contract Number 102811.  
 Please reference this number on all orders



Quote Date: 5/6/16

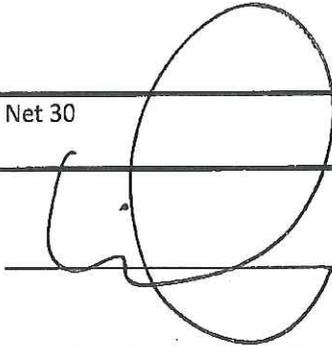
Agency: City of Sierra Madre  
 Contact: Bruce Inman  
 Address 232 w. Sierra Madre Blvd  
 Address Sierra Madre, CA 91024  
 Phone: Ph: 626-355-5839  
 Email [binman@cityofsierramadre.com](mailto:binman@cityofsierramadre.com)

National Auto Fleet Group is pleased to submit the following quotation for your consideration:

Qty	Line Item	Option #	Description	Unit Price	Extended
1			2016 Ford Super Duty Reg. Cab. 2wd SRW	\$ 25,016.52	\$ 25,016.52
1			CNG Conversion 20 GGE Underbody	\$ 13,950.00	\$ 13,950.00
1			CTEC Service Body	\$ 8,925.00	\$ 8,925.00
					\$ -
					\$ -
					\$ -
			Subtotal	\$ 47,891.52	\$ 47,891.52
			Sales Tax 9 %	\$ 4,310.24	\$ 2,669.82
			Tire Fee	\$ 8.75	\$ 8.75
			DMV Fees (approx)	\$ -	\$ -
			Delivery (non taxable)		\$ -
			<b>TOTAL PURCHASE ORDER AMOUNT</b>	<b>\$ 52,210.51</b>	<b>\$ 50,570.09</b>

Notes:

Terms: Net 30
Delivery:

Quoted by:  Clarke Cooper, Fleet Manager (626) 457-5590  
 1247 W. Main St., Alhambra, CA. 91801

\*This price is available under the National Auto Fleet Group Contract Number 102811.  
 Please reference this number on all orders

U.S.



**CALIFORNIA TRUCK EQUIPMENT CO.**

12351 Bellflower Blvd, Downey CA 90242

PH - 562-803-4466 F - 562-803-8795

**QUOTE**

Quote Date	Quote #
5/6/2016	7198

<b>Sold To:</b>	<b>Ship To</b>	ctec-truckbody.com	
Bob Wondries Ford 400 South Atlantic Boulevard Alhambra, CA 91801-3642	City of Sierra Madre Attn: Bruce Inman binman@cityofsierramadre.com	Terms	Net 10
		FOB	
		Rep	RA

Model Cab	Fuel	Truck Available	Rear wheel	Bed width	Compartment depth	CA
F250 Reg Cab	Gas	no	SRW	49" x 79"		56"

Description	Qty	Total
FORD F250 - GASOLINE - 56 INCH CA - SRW		
CTEC model 9843-VFT-79 Body is 98 inches long - vertical configuration with flip tops - 43 inches tall - 79 inches wide - bed width 49 inches - compartment depth 15 inches Mounted and painted white unless custom color is ordered LED Legal lights Step Bumper painted silver Paint to match wheel well tubing Stainless steel T - handle pockets Flat key lock with 4 keys Gas shocks on compartment doors Overcab Side Mounted Rack - drawing to be approved by customer	1	
PDI AND DELIVERY TO CITY OF SIERRA MADRE	1	

Order accepted by: \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_ PO # \_\_\_\_\_

**Subtotal** \$8,925.00

**Sales Tax (0.0%)** \$0.00

ANY AND ALL WARRANTY WORK WILL BE DONE BY CTEC AT 12351 BELLFLOWER BLVD - CTEC IS NOT RESPONSABLE FOR ANY WORK DONE BY 3RD PARTIES

**Total** \$8,925.00



# City of Sierra Madre Agenda Report

*Gene Goss, Mayor*  
*Rachelle Arizmendi, Mayor Pro Tem*  
*John Capoccia, Council Member*  
*Denise Delmar, Council Member*  
*John Harabedian, Council Member*

*Melinda Carrillo, City Clerk*  
*Michael Amerio, City Treasurer*

TO: Honorable Mayor and Members of the City Council

FROM: Elaine I. Aguilar, City Manager 

INITIATED BY: James Carlson, Management Analyst 

REVIEWED BY: Bruce Inman, Director of Public Works 

DATE: May 24, 2016

**SUBJECT: RESOLUTION NO. 16-34. AUTHORIZING SUBMITTAL OF APPLICATIONS FOR CALRECYCLE PAYMENT PROGRAMS AND RELATED AUTHORIZATIONS**

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## **SUMMARY**

Staff recommends that the City Council approve Resolution No. 16-34 (Attachment A) authorizing submittal of application for CalRecycle Payment Programs and related authorizations.

## **ANALYSIS**

### **Background**

The City of Sierra Madre has received \$5,000.00 each year since FY 1999/2000 from the CalRecycle Beverage Container Recycling City/County Payment Program. These funds have typically been used to purchase recycled-content equipment for our Public Works Department and Community Services Department. The application and grant management requirements for this grant are among the simplest of grants that are received by the City.

On February 1, 2016, CalRecycle proposed and was approved for changes to this program as outlined in a CalRecycle Report (Attachment B) and new requirements are now in effect.

### **Resolution No. 16-34**

As can be seen in the CalRecycle Report, item number 3 requires all recipients to submit an approved resolution. This resolution will be submitted with the next cycle of funding requests.

#### Two-year terms for expenditure of funds

This is a new requirement for the timing of expenditures. We will no longer be able to pool our funding cycles for larger purchases if desired.

#### Regional Applications

This is a new option that City staff may explore with neighboring communities to see if there would be any advantages to working collaboratively on the grant.

#### Removal of Recycled Content Products

Unfortunately, we will no longer be able to use these funds on items that we have in the past years. This includes park benches, playground equipment, road equipment, and general street maintenance items like delineators or cones. Staff will need to identify expenditures that comply with the new requirements and benefit our community and its efforts to recycle. Page 2 of 4 on the attached report lists a number of qualified expenditures. While there not be adequate planning time before this cycle's June 1, 2016 deadline to partner with a regional effort, there may be an opportunity in the future to consider using these funds to individually or regionally pursue programs to help agencies' AB 341 Mandatory Commercial Recycling requirements.

For the June 1, 2016 application, staff intends to identify public education regarding general recycling and public education regarding the Mandatory Recycling requirements as well as identify locations in the Kersting Court area that have periodic increases of waste stream that does include the qualifying beverage containers that could be recycled.

#### **FINANCIAL REVIEW**

There is no fiscal impact on the approval of the Resolution. Past funding opportunities have been eliminated and new requirements for using these funds are in place. Staff will need to analyze the best use and timing for use of these future funds.

#### **PUBLIC NOTICE PROCESS**

This item has been noticed though the regular agenda notification process. Copies of the report are available via the City's website at [www.cityofsierramadre.com](http://www.cityofsierramadre.com), at the City Hall public counter, and the Sierra Madre Public Library.

#### **ALTERNATIVES**

1. The City Council may approve Resolution No. 16-34 authorizing submittal of application for CalRecycle Payment Programs and related authorizations.
2. The City Council may decline to approve Resolution No. 16-34 authorizing submittal of application for CalRecycle Payment Programs and related authorizations.
3. The City Council may direct staff to bring back this consideration with additional

information. (Note June 1, 2016 deadline for next cycle)

**STAFF RECOMMENDATION**

Staff recommends that the City Council approve Resolution No. 16-34 (Attachment A) authorizing submittal of application for CalRecycle Payment Programs and related authorizations.

Attachments (2):

Attachment A: Resolution 16-34 authorizing submittal of application for CalRecycle Payment Programs and related authorizations.

Attachment B: February 1, 2016 CalRecycle Report on Request for approval of Proposed Changes.

RESOLUTION NO. 16-34

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE  
AUTHORIZING SUBMITTAL OF APPLICATION FOR PAYMENT PROGRAMS AND  
RELATED AUTHORIZATIONS**

WHEREAS, pursuant to Public Resources Code sections 48000 et seq., 14581, and 42023.1(g), the Department of Resources Recycling and Recovery (CalRecycle) has established various payment programs to make payments to qualifying jurisdictions; and

WHEREAS, in furtherance of this authority CalRecycle is required to establish procedures governing the administration of the payment programs; and

WHEREAS, CalRecycle's procedures for administering payment programs require, among other things, an applicant's governing body to declare by resolution certain authorizations related to the administration of the payment program.

NOW, THEREFORE, BE IT RESOLVED that the City Sierra Madre is authorized to submit an application to CalRecycle for any and all payment programs offered; and

BE IT FURTHER RESOLVED that the Director of Public Works, or his/her designee, is hereby authorized as Signature Authority to execute all documents necessary to implement and secure payment; and

BE IT FURTHER RESOLVED that this authorization is effective until rescinded by the Signature Authority or this governing body.

The City Clerk shall certify as to the adoption of this resolution and shall cause the same to be processed in the manner required by law.

Approved and Adopted on the 24<sup>th</sup> day of May, 2016.

I, the undersigned, hereby certify that the foregoing Resolution Number No. 16-34 was duly adopted by the Sierra Madre City Council following a roll call vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Gene Goss, Mayor

ATTEST:

Melinda Carrillo, City Clerk

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REQUEST FOR APPROVAL

**To:** Howard Levenson  
Deputy Director, Materials Management and Local Assistance Division

**From:** Michelle Martin  
Branch Chief, Financial Resources Management Branch

**Request Date:** February 1, 2016

**Decision Subject:** Eligibility Criteria, Evaluation Process, and Program Management for the Beverage Container Recycling City/County Payment Program (California Beverage Container Recycling Fund)

**Action By:** February 16, 2016

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**Summary of Request**

Staff seeks approval of the proposed eligibility criteria, evaluation process, and program management for the Beverage Container Recycling City/County Payment Program (Program) beginning fiscal year (FY) 2015-16 and going forward.

Staff proposes to implement the *Proposed Changes* summarized below.

1. Implement an approximate two year term for recipients to expend Program funds.
2. Allow jurisdictions to submit a regional application (Funding Request).
3. Require all recipients to submit an approved resolution.
4. Require authorized signatures with submittal of Funding Request and Expenditure Reporting.
5. Implement a proportionate cost policy for all eligible projects.
6. Remove Recycled Content Products as an eligible expenditure.
7. Require all recipients to submit an expenditure report with supporting documentation for funds expended.

**Recommendation**

Staff recommends approval of the proposed eligibility criteria, evaluation process, and program management for the Beverage Container Recycling City/County Payment Program.

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**Deputy Director Action**

On the basis of the information and analysis in this Request for Approval and the findings set out herein, I hereby approve the project eligibility criteria, evaluation process, and program management for the Beverage Container Recycling City/County Payment Program.



Howard Levenson  
Deputy Director



Dated

## Background and Analysis

### Statutory Authority

Pursuant to Public Resources Code section 14581(a)(3)(A) of the California Beverage Container Recycling and Litter Reduction Act, the Department of Resources Recycling and Recovery (CalRecycle) is distributing \$10,500,000 in FY 2015–16 to eligible cities and counties specifically for beverage container recycling and litter cleanup activities.

### Program Background

The fundamental goal of CalRecycle's beverage container recycling program is to reach and maintain an 80 percent recycling rate for all California Refund Value beverage containers - aluminum, glass, plastic and bi-metal. Projects implemented by cities and counties will assist in reaching and maintaining this goal.

### Proposed Process and Eligibility

Staff will review the funding requests for completeness and determine eligibility. The recommended payment amount will be based on each jurisdiction's allocation. Each city is eligible to receive \$5,000, or an amount calculated by CalRecycle on a per capita basis, whichever is greater. Each county is eligible to receive \$10,000, or an amount calculated by CalRecycle on a per capita basis, whichever is greater. The per capita calculation is based upon the population as of January 1, 2015, in the incorporated areas of a city or a city and county, or the unincorporated area of a county, as stated in the annual *E-1 Cities, Counties and the State Population Estimates with Annual Percentage Change—January 1, 2014 and 2015* report submitted to the governor by the California Department of Finance.

Local governments (cities, counties, or cities and counties) in California, as identified by the California Department of Finance, are eligible to receive funding under this Program, unless otherwise determined by CalRecycle.

Eligible activities include:

- New or existing curbside recycling programs.
- Neighborhood drop-off recycling programs.
- Public education promoting beverage container recycling.
- Litter prevention and cleanup where the waste stream includes beverage containers that will be recycled.
- Cooperative regional efforts among two or more cities or counties, or both.
- Other beverage container recycling programs.
- Supporting AB 341 Mandatory Commercial Recycling requirements.
  - Infrastructure for businesses to recycle beverage containers.
  - Support for new or existing beverage container recycling programs for multi-family residential dwellings.
  - Public education and outreach that includes a beverage container recycling component.

Jurisdictions that do not submit a complete funding request or Resolution by their respective due dates are ineligible. These funds will be reallocated to all eligible jurisdictions.

### ***Proposed Changes***

Some of these are being implemented as a result of findings in a California State Auditor report completed in 2010 and 2014 on the Beverage Container Recycling Program. Since then, CalRecycle has addressed how it will address those findings through a Corrective Action Plan. Other recommended changes will promote increased fiscal accountability and alignment of this Program with CalRecycle's other payment programs. Staff is proposing the following changes to the application process and management of the program as described below.

**1. Implement an approximate two-year term to expend Program funds.**

This requirement was implemented in the FY 2014–15 cycle as a result of the California State Auditor's Corrective Action Plan. Recipients will have approximately two years from the date of award to expend their funding. Any unspent or unreported funds at the end of the term must be repaid to CalRecycle by the recipient. Failure to meet these requirements may result in the denial of future funding.

In previous years, many recipients have carried over funding from past cycles to fund a larger project or activity. In some instances, funding from previous years remained unspent. Prior-year payment cycles did not include a term date to expend funds and recipients were not required to report or reimburse the department for any unspent or unreported funds. Implementing a term date will assist recipients in utilizing the funds in a timely manner and ensuring proper cycle closure. This change will also encourage recipients to identify and plan for their most critical needs related to beverage container recycling.

**2. Allow recipients to apply as a regional applicant.**

Local governments may join together in a regional funding request in which two or more eligible jurisdictions join together for the purpose of program implementation. A Regional Lead Participant (Lead) must be designated to act on behalf of all participating applicants. The Lead is the recipient who will be responsible for the performance of the payment program and all required documentation. CalRecycle will direct all official correspondence and payments to the Lead. If an applicant is a participant in a regional funding request, it may not apply individually.

**3. Require all recipients to submit an approved resolution.**

All recipients are required to submit an approved resolution with their funding request. The resolution must identify the job title of the signature authority who shall be authorized to sign the funding request and all expenditure reporting. Other authorizing documents may be required based on the funding request and will be defined in the Program Guidelines.

**4. Require authorized signatures with submittal of Funding Request and Expenditure Reporting Certifications.**

The Signature Authority, identified in the approved Resolution, or their designee must sign a Funding Request Certification at time of submittal. The Signature Authority or designee, must also sign an Expenditure Reporting Certification for reported expenditures after funds have been spent. The City/County Annual Payment and Reporting System (CAPRS) will include a summary of the Funding Request or reported expenditures.

**5. Implement a proportionate cost policy for all eligible activities.**

Components of a project or activity unrelated to beverage container recycling and litter cleanup activities will not be funded by the Program. The funding level for beverage container portions for activities will be approved on a case-by-case basis by CalRecycle staff as further defined in the Program Guidelines.

For example, suppose a recycling education resource guide costs \$5,000. The guide includes material topics such as oil, electronic waste, sharps, organics, cardboard, and beverage container recycling. The beverage container recycling portion is 1 of 4 pages of the entire guide. Therefore, staff would approve 25% (or \$1,250) in this case as an eligible expenditure for the beverage container recycling portion.

**6. Remove Recycled Content Products as an eligible expenditure.**

Public Resources Code section 14581(a)(3)(C) explicitly states that funds shall not be used for activities unrelated to beverage container recycling or litter reduction. In previous cycles, recycled content products were identified as an eligible expenditure. There is no direct correlation between beverage container recycling, litter cleanup activities, or market development for recycled-content products (i.e. parking stops, playground equipment, posts for signage, and park benches). In addition, it is extremely difficult for recipients and staff to determine whether the recycled-content products are produced from California feedstock and/or include California Redemption Value materials.

**7. Require all recipients to submit an expenditure report with supporting documentation for funds expended.**

This requirement was implemented in the FY 2011–12 cycle for a sample of 60 payment recipients, as a result of the California State Auditor's Corrective Action Plan. Subsequently, the California State Auditor recommended that CalRecycle should require all recipients to submit an expenditure report with supporting documentation to ensure proper expenditure of the funds. Staff will review and determine whether the expenditures were related to beverage container recycling and litter cleanup activities. Supporting documentation may include, but is not limited to: expenditure ledgers, time sheets, paid warrants, contracts/change orders, invoices, receipts, and cancelled checks.

Tentative Timeline for FY 2015–16

Staff will post a Notice of Funds Available on CalRecycle's website that includes the funding, eligibility requirements, deadlines, and other important information. Notices will be distributed to all recipients.

**Tentative Timeline**

<b>FY 2015–16</b>	<b>Activity</b>
March 2016	Post Notice of Funds Available, funding request, and related instructions and documents on the website
June 2016	Funding requests due with authorizing Resolution
July 2016	Awards and distribution of payments

Please refer to CalRecycle's website:

<http://www.calrecycle.ca.gov/BevContainer/Grants/CityCounty/default.htm> for more information.



# City of Sierra Madre Agenda Report

*Gene Goss, Mayor*  
*Rachelle Arizmendi, Mayor Pro Tem*  
*John Capoccia, Council Member*  
*Denise Delmar, Council Member*  
*John Harabedian, Council Member*

*Melinda Carrillo, City Clerk*  
*Michael Amerio, City Treasurer*

TO: Honorable Mayor and Members of the City Council

FROM: Elaine I. Aguilar, City Manager 

INITIATED BY: Vincent Gonzalez, Director of Planning & Community Preservation 

REVIEWED BY: Leticia Cardoso, Planning Manager

DATE: May 24, 2016

**SUBJECT: Municipal Code Text Amendment 1601 (MCTA 16-01):  
Amendments to the Institutional Zone Ordinance (Chapter 17.38)  
of the Sierra Madre Municipal Code**

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## SUMMARY

The Institutional Zone, codified under Chapter 17.39 of the Sierra Madre Municipal Code, was adopted by the City Council in 1998 to provide development standards and allowable uses for properties designated as Institutional (I) in the City's Zoning Map, such as schools, churches and Pioneer Cemetery.

Following the adoption of the General Plan Update document in July 2015, the City started the process of amending various ordinances in the Municipal Code, including the Institutional zoning ordinance, in compliance with State law which requires that zoning be consistent with the General Plan.

The changes include revisions to the purpose and intent of the institutional zone, permitted uses, uses subject to approval of a conditional use permit, master plan requirements, development standards and criteria for modification of development standards.

At the meetings on February 18 and March 3, 2016, the Planning Commission reviewed and discussed potential changes to the ordinance, and directed staff to return with agreed-upon changes for recommendation to the City Council.

As part of the amendments to the development standards, staff suggested to the Planning Commission that they might want to consider limiting the allowable floor area for communal residential facilities and housing for institutional uses. The code currently sets maximum height and lot coverage standards, but is silent regarding allowable floor area. At the April 21, 2016 public hearing, the Commission recommended approval of Ordinance No. 1376 to the City Council as reflected in Planning Commission Resolution 16-02 attached as Exhibit C, and agreed to consider limiting allowable floor area in the Institutional Zone in the near future.

Attached as Exhibit A is City Council Ordinance No. 1376 that includes the abovementioned changes agreed upon by the Commission. The redlined version of the ordinance is also included herein as Exhibit B.

## **ANALYSIS**

### **Purpose of Amendments and Consistency with General Plan**

The proposed amendments are required out of public necessity, convenience and general welfare (SMMC 17.64.010) as they would further the goals of preserving the small town character of the community while allowing institutional uses to be located on those properties designated as Institutional. The proposed revisions to the purpose and intent of the institutional zone, permitted uses, and uses subject to approval of a conditional use permit, master plan requirements, development standards and criteria for modification of development standards would serve to ensure that institutional uses can be accommodated while maintaining the character of the surrounding community. Furthermore, all of the proposed amendments are generally consistent with the goals, policies, and objectives of the General Plan in that they would help ensure that expansion of institutional uses is compatible with and complement adjacent land uses in the City.

## **FINANCIAL REVIEW**

There is no financial impact related to the proposed MCTA 16-01 to Title 17, Chapter 17.38. Staff time was incurred in the preparation of the report and draft ordinance.

## **CEQA**

The project qualifies for an exemption from the California Environmental Quality Act review pursuant to Title 14, Section 15061(b)(3) of the California Code of Regulations as it can be seen with certainty that there is no possibility the adoption of this Ordinance may have a significant effect on the environment, because it will impose greater

limitations on development in the City and protect the aesthetic character of Sierra Madre, thereby serving to reduce potential significant adverse environmental impacts.

### **PUBLIC NOTICE PROCESS**

This item has been noticed through the regular agenda notification process. Copies of the report are available via the City's website at [www.cityofsierramadre.com](http://www.cityofsierramadre.com), at the City Hall public counter, and the Sierra Madre Public Library. Notice of the hearing was published consistent with the requirements of Government Code Section 65090, including publication of a summary notice of public hearing in the local adjudicated newspaper.

### **ALTERNATIVES**

The City Council can consider the following alternatives:

1. Introduce and approve for first reading by title only, and waive further reading, Ordinance No. 1376. Designate the City Attorney to prepare a summary of Ordinance No. 1376 pursuant to Government Code Section 36933(c)(1).
2. Introduce and approve for first reading by title only, and waive further reading, Ordinance No. 1376, as amended by the City Council. Designate the City Attorney to prepare a summary of Ordinance No. 1376 pursuant to Government Code section 36933(c)(1).
3. Recommend denial of Ordinance No. 1376.

### **PLANNING COMMISSION RECOMMENDATION**

At a noticed Public Hearing on April 21, 2016, the Planning Commission unanimously recommended to the City Council approval of Ordinance No. 1376.

### **STAFF RECOMMENDATION**

Staff recommends Alternative No. 1 above, that the City Council introduce and approve for first reading by title only, and waive further reading, Ordinance No. 1376 in accordance with proposed text amendments to Chapter 17.38 pursuant to Planning Commission Resolution 16-02, and to Designate the City Attorney to prepare a summary of Ordinance No. 1376 pursuant to Government Code Section 36933(c)(1).

Attachments (3):

Exhibit A: Institutional Zone Ordinance No. 1376

Exhibit B: Institutional Zone Municipal Code Text Amendments 16-01– Redlined  
Version

Exhibit C: Planning Commission Resolution 16-02

ORDINANCE NO. 1376

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE  
AMENDING MUNICIPAL CODE CHAPTER 17.38, TITLED "INSTITUTIONAL  
ZONE."**

**SECTION 1.** Chapter 17.38 ("Institutional Zones") is revised to read as follows:

**17.38.010 - Purpose and intent.**

The institutional zone ("I") is established to:

- A. Allow public and private uses which provide public services to the community.
- B. Allow for the integration of adjacent commercially zoned property into the institutional environment, provided there is no net loss of commercial space.

(Ord. 1143 § 1 (part), 1997)

**17.38.020 - Permitted uses.**

The following uses shall be permitted in the "I" zone:

- A. Repairs, maintenance, interior alterations, minor exterior alterations, and minor structural alterations that do not result in expansion of the use as determined by the Director;
- B. Minor accessory structures customarily used in conjunction with a permitted use;
- C. Construction equipment, supplies and offices during a construction period (as permitted in the "I" zone, and for thirty days after completion of such construction, provided the same is on the subject lot or an adjacent lot (with the consent of the owner thereof), and is shielded from the street by a construction fence;
- D. Parks, playgrounds, recreational areas, and open space; and,
- E. Signs, as provided by Chapter 17.72.

(Ord. 1143 § 1 (part), 1997)

**17.38.030 - Conditional use permit required.**

A. The following are permitted only after a conditional use permit is approved pursuant to Chapter 17.60, as supplemented by this Chapter 17.38:

- 1. Arboretums or botanical gardens;
- 2. Cemeteries or columbariums;
- 3. Churches and other places of religion;
- 4. Civic uses;
- 5. Communal residential facilities;
- 6. Cultural centers;
- 7. Daycare/preschool facilities;
- 8. Hospitals, convalescence facilities;
- 9. Housing for institutional uses such as dormitories;

10. Museums;
  11. Places of assembly
  12. Public recreation facilities;
  13. Retreat centers, health spas and similar uses;
  14. Schools;
  15. Social service offices, but excluding "for profit" activities;
  16. Any of the above (as a principal use) may be combined with a conditional use permit for a subordinate use permitted (or conditionally permitted) in an abutting "C" zone; and,
  17. Any new structure or addition to, structural alteration of, or intensification of an existing use or structure except as permitted in Section 17.38.020.
- B. Conversion of school sites is only allowed if the site is no longer needed to meet further educational needs of the city. In addition, priority should be given to uses that fulfill open space and recreational needs of the city, such as, without limitation, arboretums or botanical gardens in determining the substitute uses for school sites to the extent possible.

(Ord. 1143 § 1 (part), 1997)

**17.38.040 – Master Plan.**

Any application for a conditional use permit in the "I" zone shall also require a master plan which shall comply with all of the following:

- A. Master Plan Objectives and Requirements. In addition to the findings required for a conditional use permit, the planning commission, and city council on appeal, shall find that the proposed master plan is consistent with the general plan and that all of following provisions are met:
1. Structures shall convey the village theme in their siting, massing, scale, use of open space and architectural character, and shall otherwise be consistent and compatible with adjacent uses;
  2. Historic structures shall be preserved to the maximum extent possible, and the project improvements shall be located and designed in a manner that does not adversely affect properties in the immediate neighborhood nor adversely affect cultural, historic, and environmental resources;
  3. Structures should be designed to a high level of architectural quality, being a visual asset in the area in which they are located;
  4. Buildings and sites shall be designed to enhance the pedestrian character of the city, by opening directly onto sidewalks, providing walkways, other pedestrian linkages, and other amenities and incorporating public open activity spaces;
  5. Landscaping shall be incorporated with the building design and reflect the overall visual character of the district which surrounds it, and shall consist of a combination of trees, shrubs and ground cover with careful consideration given to eventual size, form, susceptibility to disease and pests, durability, and adaptability to existing soil and climate conditions;

6. The project shall incorporate water conservation practices such as, but not limited to, greywater plumbing, permeable ground surfaces, drought tolerant landscaping, green building materials, rainwater capture devices, and low-flow fixtures;
7. Any development of a site located north of the "Hillside view line" defined in Section 17.52.080 of this title or adjacent to R-H-zoned property shall protect the natural environment from change, preserve and protect views and preserve and maintain the identity, image and environmental quality of the R-H zone; and
8. The project will not displace or encroach into existing commercial uses.

B. Contents of a Master Plan. A master plan shall include the following components:

1. A diagram encompassing all parcels owned or controlled by the applicant, showing the following:
  - a. Existing buildings, structures, yards, walls, walks, vehicle parking areas, and landscaping and their respective date of original construction;
  - b. Street alignments, grades and widths;
  - c. Drainage and sanitary facilities and utilities, including alignments and grades thereof;
  - d. Location and size of all required easements and rights-of-way;
  - e. Location of fire hydrants, fire roads and firebreaks;
  - f. Lot size and configuration;
  - g. Traffic access;
  - h. Grading;
  - i. Land to be dedicated for park and/or recreational purposes, if any; and
  - j. Other specific physical requirements in the plan and configuration as may be necessary to ensure consistency with, or implementation of, the general plan, or other applicable specific plan.
2. A plan showing the proposed development on the site and any expansion or new or intensified principal use (under the institution's ownership or control), shall indicate the following:
  - a. All proposed changes or alterations to existing buildings, structures, yards, walls, walks, vehicular parking areas, landscaping, building setback lines, flood hazard zones, seismic lines and setbacks, geologic mapping, and archaeological sites, and other such features as may be needed to make the development attractive, adequately buffered from adjacent uses and compatible with the character of the surrounding area; and
  - b. The plan shall include a boundary survey prepared by, or under, the direction of a registered civil engineer or licensed land surveyor. If the applicant does not have a record title ownership interest in the premises, the applicant shall provide satisfactory evidence that the persons with the record title ownership have consented to the proposed development.

For the purposes of this paragraph, "record title ownership" shall mean fee or lesser interest of record. Record title ownership does not include ownership of mineral rights or other subsurface interests which have been severed from ownership of the surface.

3. A landscape plan, or plans, prepared by a licensed landscape architect, or other qualified landscape professional, drawn to scale of not less than one inch equals ten feet, and includes the following information:
  - a. Total square footage of all landscaped areas;
  - b. Square footage of each landscaped area;
  - c. Percentage of the total premises devoted to landscaping;
  - d. Type of plant materials, i.e., the botanical and common names;
  - e. Location, container size and number of all new plant materials;
  - f. Type, size and location of a permanent irrigation system adequate for the proposed landscaping; and
  - g. Location of existing trees four inches or greater in diameter, measured eighteen inches above ground level, and an indication of whether they are to be retained or removed.

C. Development Standards. The following development standards shall guide the design of the institutional ("I") zone sites and except as modified in an approved master plan, shall apply to sites in the institutional ("I") zone:

1. Height.
  - a. Adjacent to R-1 and Commercial ("C") Zones. Building height shall not exceed the height limits set forth below when located within the distances specified from the boundary line of a lot classified in the following zones:

Zone	Distance	Height
R-1 or more restrictive	0 to 49 feet	25 feet
	50 feet and greater	33 feet
Commercial	0 to 49 feet	25 feet
	50 feet and greater	33 feet

- b. Special Design Features. Notwithstanding subsection (A)(1) of this section, architectural elements such as but not limited to towers, belfries and pedimented entryways may exceed the mandatory height limits; provided that it is in keeping with the architectural style of the building.
2. Permissible Lot Coverage. Maximum coverage of all buildings, accessory buildings and structures, and enclosed porches, excluding courtyards, breezeways and covered walkways, shall not exceed the following amount:

Adjacent Zone	Percentage
R-1 or more restrictive	35
Commercial	60

The percentage may be increased up to a maximum of seventy percent site coverage, by an amount equal to the area of required on-site vehicle parking which is reduced through off-site joint use of parking facilities pursuant to Section 17.68.060(D) of this title. Minimum site open space shall be thirty percent of the site area. As used in this chapter, open space are those areas of the site not improved for vehicle parking, buildings, accessory buildings and structures, and enclosed porches and includes landscaped areas, playing fields (but not viewing stands), walkways, front, side and rear yard areas, and required buffers.

3. Yards. Same as specified in the immediately adjacent zone.
4. Facades. Building facades shall not be blank, but shall be modulated and articulated compatible with the design and architectural context of adjacent structures.
5. Exterior Lighting. All lighting shall be shielded and directed onto the site. No floodlighting shall be located so as to shine directly onto any adjacent residential property. This condition shall not preclude the installation of low-level security lighting. All lighting shall be designed and located so as to confine direct rays to premises.
6. Access and Parking. Parking spaces as required by Chapter 17.68 shall be provided as well as adequate provisions for vehicular access and loading to prevent undue congestion on adjacent streets and highways.
7. Loading Space. Loading spaces as provided in Chapter 17.36.
8. Landscaping. All open areas including vehicular accessways and parking areas, pedestrian walkways and paved and/or covered recreational facilities shall be landscaped and irrigated if planted. Parking areas shall be screened from the street by landscaping trees and shrubs to a height of at least forty-two inches. Such landscaping and irrigation systems shall be permanently maintained. If an existing tree with a diameter of four inches or greater, measured eighteen inches from ground level is removed, it shall be replaced with a similar or acceptable substitute specimen tree (minimum thirty-inch box container size) elsewhere on the site.

(Ord. 1258 § 1, 2006; Ord. 1256 § 1 (Exh. A (part)), 2006; Ord. 1143 § 1 (part), 1997)

#### **17.38.050 - Modifications to development standards.**

Adjustments to the development standards of this chapter may be permitted in the master plan provided the planning commission finds that the project:

- A. Contains activities and functions which will be a significant asset for the city;
- B. Adequately mitigates impacts attributable to any increase in floor area ratio and height; and
- C. Provides additional benefits to the community above those which can be exacted to account for the development's direct impact. Such benefits would include, without

limitation, making available parking to the public when not needed for the use, dedication of on-site recreational space or parkland, facilities for public meetings, and child care available to the public.

(Ord. 1143 § 1 (part), 1997)

**SECTION 2. Severability:** If any selection, subsection, subdivision, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional or otherwise invalid, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, subdivision, sentence, clause and phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

**SECTION 3. CEQA:** This amendment is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) as it can be seen with certainty that there is no possibility that the changes would have a significant effect on the environment because it will impose greater limitations on development in the City and protect the aesthetic character of Sierra Madre, thereby serving to reduce potential significant adverse environmental impacts.

**SECTION 4. CERTIFICATION.** The City Clerk shall certify to the adoption of this ordinance and shall cause the same to be published or posted in the manner prescribed by law.

PASSED AND ADOPTED this 24<sup>th</sup> day of May, 2016.

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Gene Goss, Mayor

ATTEST:

---

Melinda Carrillo, City Clerk

Chapter 17.38 - INSTITUTIONAL ZONE

Sections:

17.38.010 - Purpose and intent.

The institutional zone ("I") is established to:

- A. Allow public and private uses which provide public services to the community.
- B. Allow for the ~~reuse of large institutional properties (over twenty acres), recognizing that such parcels in urban areas are unique and shall be considered eligible for future conversion to other uses, including, but not limited to, public recreational facilities and low density residential, subject to appropriate regulatory and zoning procedures.~~
- C. ~~Allow for the~~ integration of adjacent commercially zoned property into the institutional environment, provided there is no net loss of commercial space.

(Ord. 1143 § 1 (part), 1997)

17.38.020 - Permitted uses.

The following uses shall be permitted in the "I" zone:

- A. ~~Principal Use. Any use, to the extent lawfully existing on a parcel on the date such property is rezoned into the "I" zone, may be continued as a permitted use together with any and all restrictions such as conditional use permits or variances applicable thereto. Any structural alterations or additions and any new use substantially superseding such existing use shall not be deemed a permitted use. Repairs, maintenance, interior alterations, minor exterior alterations, and minor structural alterations that do not result in expansion of the use as determined by the Director;~~
- B. ~~Accessory Uses.~~
  - ~~1. Accessory Minor accessory structures customarily used in conjunction with a permitted use (as set forth in subsection A of this section);;~~
  - 2C. Construction equipment, supplies and offices during a construction period (as permitted in the "I" zone, and for thirty days after completion of such construction, provided the same is on the subject lot or an adjacent lot (with the consent of the owner thereof), and is shielded from the street by a construction fence;
  - 3D. Parks, playgrounds, recreational areas, and open space; and,
  - 4E. Signs, as provided by Chapter ~~1217.72.~~

(Ord. 1143 § 1 (part), 1997)

17.38.030 - Conditional use permit required.

A. The following ~~uses~~ are permitted only after a conditional use permit is approved pursuant to Chapter 17.60, as supplemented by this Chapter 17.38:

- 1. Arboretums or botanical gardens;
- 2. Cemeteries or columbariums;

3. Churches and other places of religion;
  4. D. ~~Cultural centers;Civic uses;~~
  5. E. ~~Daycare/preschoolCommunal residential~~ facilities;
  6. ~~F. Hospitals, convalescence facilities; Conversion of school sites is only allowed if the site is no longer needed to meet further educational needs of the city. In addition, priority should be given to uses that fulfill open space and recreational needs of the city in determining the substitute uses for school sites to the extent possible; \_\_\_\_\_~~
  7. ~~6.~~ G. ~~Museums;Cultural centers;~~
  8. ~~7.~~ H. ~~Places of assembly;Daycare/preschool facilities;~~
  9. ~~8.~~ I. ~~Retreat centers, health spas and similar uses;Hospitals, convalescence facilities;~~
  10. ~~9.~~ J. ~~Schools (educational) of every type, but excluding vocational schools;Housing for institutional uses such as dormitories;~~
  11. ~~10.~~ K. ~~Communal residential facilities;Museums;~~
  12. ~~11.~~ L. ~~Social service offices, but excluding "for profit" activities; and,Places of assembly;~~
  12. M. ~~Public recreation facilities;~~
  13. N. ~~Retreat centers, health spas and similar uses;~~
  14. O. ~~Schools;~~
  15. P. ~~Social service offices, but excluding "for profit" activities;~~
  13. ~~16.~~ Q. ~~Any of the above (as a principal use) may be combined with a conditional use permit for a subordinate use permitted (or conditionally permitted) in an abutting "C" zone-; and,~~
  17. P. ~~Any new structure or addition to, structural alteration of, or intensification of an existing use or structure except as permitted in Section 17.38.020.~~
- B. ~~Conversion of school sites is only allowed if the site is no longer needed to meet further educational needs of the city. In addition, priority should be given to uses that fulfill open space and recreational needs of the city, such as, without limitation, arboretums or botanical gardens in determining the substitute uses for school sites to the extent possible.~~

(Ord. 1143 § 1 (part), 1997)

17.38.040 ~~Requirements for new structures or new principal uses.-~~ Master Plan.

Any application for a ~~new structure, or structural alteration of an existing structure, or any new principal~~ conditional use of an existing property, permit in the "I" zone shall also ~~require a master plan which shall~~ comply with all of the following, except as may be found to be not applicable by the city manager.;

- A. ~~Development~~ Master Plan Objectives, and Requirements. In addition to the findings required by ~~Section 17.60.040 for a conditional use permit,~~ the planning commission, and city council on appeal, shall find that the proposed ~~development master~~ plan is consistent with the general plan, ~~with respect to the- and that all of~~ following provisions: are met:
  1. ~~Building~~ Structures shall convey the village theme in their siting, massing ~~and,~~ scale, use of open space and architectural character, and shall otherwise be consistent and compatible with adjacent uses;
  2. Historic structures shall be preserved to the maximum extent possible, and the project improvements shall be located and designed in a manner that does not adversely affect

properties in the immediate neighborhood nor adversely affect cultural, historic, and environmental resources;

3. Structures should be designed to a high level of architectural quality, being a visual asset in the area in which they are located;
- ~~3. Landscaping shall be incorporated with the building design and reflect the overall visual character of the district which surrounds it;~~
4. Building Buildings and sites shall be designed to enhance the pedestrian character of the city, by opening directly onto sidewalks, providing walkways, other pedestrian linkages, and other amenities and incorporating public open activity spaces; ~~and~~
5. ~~Compatible with adjacent uses.~~ Landscaping shall be incorporated with the building design and reflect the overall visual character of the district which surrounds it, and shall consist of a combination of trees, shrubs and ground cover with careful consideration given to eventual size, form, susceptibility to disease and pests, durability, and adaptability to existing soil and climate conditions;
- ~~B. Contents of a Site Development Plan. A site development~~<sup>6.</sup> The project shall incorporate water conservation practices such as but not limited to greywater plumbing, permeable ground surfaces, drought tolerant landscaping, green building materials, rainwater capture devices, and low-flow fixtures;
7. Any development of a site located north of the "Hillside view line" defined in Section 17.52.080 of this title or adjacent to R-H-zoned property shall protect the natural environment from change, preserve and protect views and preserve and maintain the identity, image and environmental quality of the R-H zone; and
8. The project will not displace or encroach into existing commercial uses.

B. Contents of a Master Plan. A master plan shall include the following components:

1. A diagram encompassing all parcels owned or controlled by the applicant, showing the following:
  - a. Existing buildings, structures, yards, walls, walks, vehicle parking areas, and landscaping and their respective date of original construction;
  - b. Street alignments, grades and widths;
  - c. Drainage and sanitary facilities and utilities, including alignments and grades thereof;
  - d. Location and size of all required easements and rights-of-way;
  - e. Location of fire hydrants, fire roads and firebreaks;
  - f. Lot size and configuration;
  - g. Traffic access;
  - h. Grading;
  - i. Land to be dedicated for park and/or recreational purposes, if any; and
  - j. Other specific physical requirements in the plan and configuration as may be necessary to ensure consistency with, or implementation of, the general plan, or other applicable specific plan.
2. A ~~proposed development~~ plan showing the proposed development on the site and any "expansion" ~~(as defined herein)~~ or new or intensified principal use (under the institution's ownership or control), shall indicate the following:
  - a. All proposed changes or alterations to existing buildings, structures, yards, walls, walks, vehicular parking areas, landscaping, building setback lines, flood hazard zones, seismic lines and setbacks, geologic mapping, and archaeological sites, and other such

features as may be needed to make the development attractive, adequately buffered from adjacent uses and compatible with the character of the surrounding area; and

- b. The plan shall include a boundary survey prepared by, or under, the direction of a registered civil engineer or licensed land surveyor. If the applicant does not have a record title ownership interest in the premises, the applicant shall provide satisfactory evidence that the persons with the record title ownership have consented to the proposed development. For the purposes of this paragraph, "record title ownership" shall mean fee or lesser interest of record. Record title ownership does not include ownership of mineral rights or other subsurface interests which have been severed from ownership of the surface.
3. A landscape plan, or plans, prepared by a licensed landscape architect, or other qualified landscape professional, drawn to scale of not less than one inch equals ten feet, and includes the following information:
    - a. Total square footage of all landscaped areas;
    - b. Square footage of each landscaped area;
    - c. Percentage of the total premises devoted to landscaping;
    - d. Type of plant materials, i.e., the botanical and common names;
    - e. Location, container size and number of all new plant materials;
    - f. Type, size and location of a permanent irrigation system adequate for the proposed landscaping; and
    - g. Location of existing trees four inches or greater in diameter, measured eighteen inches above ground level, and an indication of whether they are to be retained or removed.

~~Landscaping shall consist of a combination of trees, shrubs and ground cover with careful consideration given to eventual size, form, susceptibility to disease and pests, durability, and adaptability to existing soil and climate conditions.~~

- C. ~~Site-Development Plan Objectives. In addition to the findings required by Section 17.60.040, the planning commission, and city council on appeal, shall find that the proposed development plan is consistent with the general plan, with respect to the following provisions: Standards. The following development standards shall guide the design of the institutional ("I") zone sites and except as modified in an approved master plan, shall apply to sites in the institutional ("I") zone:~~
  - ~~1. Building, siting, massing and scale shall be consistent and compatible with adjacent uses;~~
  - ~~2. Structures should be designed to a high level of architectural quality, being a visual asset in the area in which they are located;~~
  - ~~3. Landscaping shall be incorporated with the building design and reflect the overall visual character of the district which surrounds it;~~
  - ~~4. Building and sites shall be designed to enhance the pedestrian character of the city, by opening directly onto sidewalks, providing walkways, other pedestrian linkages, and other amenities and incorporating public open activity spaces; and~~
  - ~~5. Compatible with adjacent uses.~~
- D. ~~Plan Design Objectives. The site development plan shall include the following:~~
  - ~~1. Fully mitigate all impacts attributable to any increase in floor area ratio and height above that prescribed in Chapter 17.20;~~
  - ~~2. Convey the village theme in its siting of structures, massing, scale, use of open space and architectural character;~~

- ~~3. Contain improvements located and designed in a manner that does not adversely affect properties in the immediate neighborhood nor adversely affect cultural, historic, and environmental resources;~~
- ~~4. Any development of a site located north of the "Hillside view line" defined in Section 17.52.080 of this title or adjacent to R-H-zoned property shall protect the natural environment from change, preserve and protect views and preserve and maintain the identity, image and environmental quality of the R-H zone.~~

~~E. Development Standards. The following development standards shall guide the design of the institutional ("I") zone sites and except as modified in an approved plan of site development, shall apply to sites in the institutional ("I") zone:~~

1. Height.

- a. Adjacent to R-1 and Commercial ("C") Zones. Building height shall not exceed the height limits set forth below when located within the distances specified from the boundary line of a lot classified in the following zones:

Zone	Distance	Height
R-1 or more restrictive	0 to 49 feet	25 feet
	50 feet and greater	33 feet
Commercial	0 to 49 feet	25 feet
	50 feet and greater	33 feet

- b. Special Design Features. Notwithstanding subsection (A)(1) of this section, architectural elements such as but not limited to towers, belfries and pedimented entryways may exceed the mandatory height limits; provided that it is in keeping with the architectural style of the special design feature does not exceed twenty percent of the lot frontage building.

- 2. Permissible Lot Coverage. Maximum coverage of all buildings, accessory buildings and structures, and enclosed porches, excluding courtyards, breezeways and covered walkways, shall not exceed the following amount:

Adjacent Zone	Percentage
R-1 or more restrictive	35
Commercial	60

The percentage may be increased up to a maximum of seventy percent site coverage, by an amount equal to the area of required on-site vehicle parking which is reduced through off-site joint use of parking facilities pursuant to Section 17.68.060(D) of this title. Minimum site open space shall be thirty percent of the site area. As used in this chapter, open space are those areas of the site not improved for vehicle parking, buildings, accessory buildings and

structures, and enclosed porches and includes landscaped areas, playing fields (but not viewing stands), walkways, front, side and rear yard areas, and required buffers.

3. Yards. Same as specified in the immediately adjacent ~~commercial ("C") zone or residential zone. In those situations when there are more than one zone immediately adjacent, the design of the structures on the institutional ("I") zone site shall be such as to harmonize with neighboring structures.~~
4. Facades. Building facades shall not be blank, but shall be modulated and articulated compatible with the design and architectural context of adjacent structures.
5. Exterior Lighting. All lighting shall be shielded and directed onto the site. No floodlighting shall be located so as to shine directly onto any adjacent residential property. This condition shall not preclude the installation of low-level security lighting. All lighting shall be designed and located so as to confine direct rays to premises.
6. Access and Parking. Parking spaces as required by Chapter 17.68 shall be provided as well as adequate provisions for vehicular access and loading to prevent undue congestion on adjacent streets and highways.
7. Loading Space. Loading spaces as provided in Chapter 17.36.
8. Landscaping. All open areas including vehicular accessways and parking areas, pedestrian walkways and paved and/or covered recreational facilities shall be landscaped and irrigated if planted. Parking areas shall be screened from the street by landscaping trees and shrubs to a height of at least forty-two inches. Such landscaping and irrigation systems shall be permanently maintained. If an existing tree with a diameter of four inches or greater, measured eighteen inches from ground level is removed, it shall be replaced with a similar or acceptable substitute specimen tree (minimum thirty-inch box container size) elsewhere on the site.

(Ord. 1258 § 1, 2006; Ord. 1256 § 1 (Exh. A (part)), 2006; Ord. 1143 § 1 (part), 1997)

#### 17.38.050 - Modifications to development standards.

Adjustments to the development standards of this chapter may be permitted in the site development master plan approved by provided the planning commission, ~~provided additional findings can be made as follows: finds that the project:~~

- A. ~~The project as proposed will be consistent with the general plan content and design objectives;~~
- B. ~~Contain~~Contains activities and functions which will be a significant asset for the city;
- C. ~~Preserve historic structures to the maximum extent possible; and,~~
- D. ~~Provide~~B. Adequately mitigates impacts attributable to any increase in floor area ratio and height; and
- C. Provides additional benefits to the community above those which can be exacted to account for the development's direct impact. Such benefits would include, without limitation, making available parking to the public when not needed for the use, dedication of on-site recreational space or parkland, facilities for public meetings, and child care available to the public, ~~contribution to park site acquisition, offsets impacts to historic structures with monetary contribution to a preservation fund.~~

(Ord. 1143 § 1 (part), 1997)

PC RESOLUTION 16-02

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SIERRA MADRE RECOMMENDING APPROVAL OF ORDINANCE NO. 1376 TO AMEND CHAPTER 17.38 (INSTITUTIONAL ZONE) OF THE SIERRA MADRE MUNICIPAL CODE.**

WHEREAS, the Institutional Zoning Ordinance (Chapter 17.38 of the Municipal Code), was adopted to regulate institutional uses and provide development standards for properties located in the Institutional Zone of the City;

WHEREAS, the City Council adopted a General Plan Update in July 2015 and as part of the General Plan Implementation Program, the City is currently in the process of amending various ordinances in the Municipal Code, including the Institutional zoning ordinance, to translate the new goals and policies of the updated document into specific zoning standards;

WHEREAS, the City is also seeking to clarify and reorganize the conditional use permit and master plan requirements in the existing ordinance as they are unclear and difficult to follow in their current form;

WHEREAS, the proposed amendments to Chapters 17.38 of the Municipal Code have been drafted to revise the purpose and intent of the institutional zone, permitted uses, uses subject to approval of a conditional use permit, master plan requirements, development standards and criteria for modification of development standards;

WHEREAS, the Planning Commission discussed these revisions at two meetings and wish to recommend to the City Council the subject Municipal Code text amendment as the proposed changes will help preserve the City's institutional properties while ensuring their compatibility with the surrounding residential and commercial neighborhoods;

WHEREAS, the amendments are generally consistent with the goals, policies, and objectives of the General Plan in that it would help provide for institutional uses that are consistent with the small-town character of the City;

WHEREAS, the Planning Commission has received the report and recommendations of staff;

WHEREAS, the amendment qualifies for an Exemption, pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) as it can be seen with certainty that there is no possibility that the changes would have a significant effect on the environment because it will impose greater limitations on development in the City and protect the aesthetic character of Sierra Madre, thereby serving to reduce potential significant adverse environmental impacts; and

**WHEREAS**, notice was duly given of the public hearing on the matter, which public hearing was held before the Planning Commission on April 21, 2016, with all testimony being received being made part of the public record;

NOW THEREFORE, in consideration of the evidence received at the hearing, and for the reasons discussed by the Commissioners at said hearing, the Planning Commission now resolves as follows:

Recommend that the City Council approve the ordinance amending Chapter 17.38 attached hereto as Exhibit A.

APPROVAL RECOMMENDED, the 21<sup>st</sup> day of April, 2016, by the following vote:

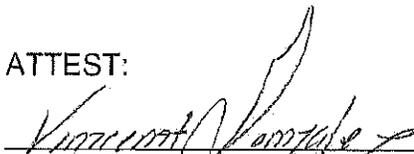
AYES: 6

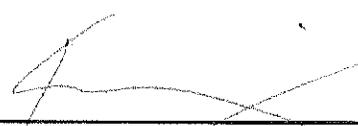
NOES: 0

ABSTAIN: 0

ABSENT: 1 (Commissioner Frierman-Hunt)

ATTEST:

  
\_\_\_\_\_  
Vincent Gonzalez, Director  
Planning and Community Preservation

  
\_\_\_\_\_  
Ken Goldstein, Chair  
Planning Commission





**Ordinance No. 1376  
Amending the Institutional  
Zoning Ordinance of Title 17,  
Chapter 17.38 of the Sierra  
Madre Municipal Code**

Sierra Madre City Council Meeting  
May 24, 2016

# Purpose of the Municipal Code Text Amendments

- The amendments reflect the continuing work required to translate the new policies of the July 2015 General Plan Update into zoning requirements.
- Revisions were needed to further the goals of preserving the small town character of the community while allowing institutional uses to be located on those properties designated as Institutional.



# Amendments to Chapter 17.38.010

## Purpose and Intent

### **The Institutional Zone is established to:**

- A. Allow public and private uses which provide services to the community (such as schools, churches, and Pioneer Cemetery).
- B. Allow for the integration of adjacent commercially zoned property in the institutional environment, provided there is no net loss of commercial space.



# Amendments to Chapter 17.38.020

## Permitted Uses

### **Uses permitted in the Institutional Zone:**

- A. General maintenance, interior alterations, and minor exterior and structural alterations that do not result in the expansion of the use.
- B. Minor accessory structures in conjunction with a permitted use.
- C. On-site construction equipment, operations and storage.
- D. Parks, playgrounds, recreational areas, and open space.
- E. Signs.



# Amendments to Chapter 17.38.030

## A. Conditional Use Permit Required

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>• Arboretums / botanical gardens</li><li>• Cemeteries or columbarium</li><li>• Churches</li><li>• Civic Uses</li><li>• Communal residential facilities</li><li>• Cultural Centers</li><li>• Daycare/preschool facilities</li></ul> | <ul style="list-style-type: none"><li>• Housing for institutional uses (dormitories)</li><li>• Museums</li><li>• Places of assembly</li><li>• Public recreation facilities</li><li>• Retreat centers, health spas, Schools</li><li>• Social service office (excluding for profit activities)</li></ul> |
|--|--|

## B. Conversion of School Sites

Is only allowed if the site is no longer needed to meet further educational needs of the city. In addition, priority should be given to uses that fulfill open space and recreational needs of the city, such as, without limitation, arboretums or botanical gardens in determining the substitute uses for school sites to the extent possible.



# Amendments to Chapter 17.38.040

## Any Application for a Conditional Use Shall Require a Master Plan

### A. Plan Objectives and Requirements

1. Convey the village theme in their siting, massing, scale use of open space and architectural character.
2. Preservation of historic structures.
3. Structures designed to a high level of architectural quality.
4. Buildings and sites shall be designed to enhance the pedestrian character of the city.
5. Landscaping shall be incorporated with the building design to reflect the overall visual character of the district.
6. Incorporate water conservation practices.
7. Development north of the “Hillside View Line” shall protect the natural environment and views form change.
8. The project will not displace or encroach into the commercial district.



## B. Contents of a Master Plan

1. Diagram encompassing all parcels owned or controlled by the applicant.
2. A Plan showing all development on the site and any expansion.
3. Landscape Plan

## C. Development Standards

- 1. Height.** a. Adjacent to R-1 & Commercial Zones (buildings shall not exceed height specified below as measured from property boundary lines)

Zone	Distance	Height
R-1 or more restrictive	0 to 49 feet	25 feet
	50 feet and greater	33 feet
Commercial	0 to 49 feet	25 feet
	50 feet and greater	33 feet

- b. Special Design Features.** Architectural elements may exceed the mandatory height limits provided it is in keeping with architectural style of the building.



## Development Standards, continued.

### 2. Permissible Lot Coverage.

Maximum coverage of all buildings, accessory buildings, and enclosed porches, excluding courtyards, breezeways and covered walkways.

Adjacent Zone	Percentage
R-1 or more restrictive	35
Commercial	60

**3. Yards.** As specified in the immediately adjacent zone.

**4. Facades.** Compatible with architectural context of adjacent structures.

**5. Exterior Lighting.** Shall be designed to confine direct rays to premises.

**6. Access and Parking.** Shall comply with requirements of Chapter 17.68.

**7. Loading Space.** Shall comply with requirements of Chapter 17.36.

**8. Landscaping.** All open areas shall be landscaped.



# Amendments to Chapter 17.38.050

## Modifications to Development Standards

Adjustments to the development standards in the master plan may be permitted if the project:

- A. Contains activities and functions which will be a significant asset for the city.
- B. Adequately mitigates impacts attributable to any increase in floor area ratio and height.
- C. Provides additional benefits to the community such as, without limitation, making available parking to the public when not in use, dedication on on-site recreational space or parkland, facilities for public meetings, and child care available to the public.



# Alternative Recommendations

1. Introduce and approve for first reading by title only, and waive further reading, Ordinance No. 1376. Designate the City Attorney to prepare a summary of Ordinance No. 1376 pursuant to Government Code Section 36933(c)(1).
2. Introduce and approve for first reading by title only, and waive further reading, Ordinance No. 1376, as amended by the City Council. Designate the City Attorney to prepare a summary of Ordinance No. 1376 pursuant to Government Code section 36933(c)(1).
3. Recommend denial of Ordinance No. 1376.



# Staff Recommendation

- Staff recommends Alternative No. 1, that the City Council introduce and approve for first reading by title only, and waive further reading, Ordinance No. 1376 in accordance with proposed text amendments to Chapter 17.38 pursuant to Planning Commission Resolution 16-02, and to Designate the City Attorney to prepare a summary of Ordinance No. 1376 pursuant to Government Code Section 36933(c)(1).





# City of Sierra Madre Agenda Report

*Gene Goss, Mayor*  
*Rachelle Arizmendi, Mayor Pro Tem*  
*John Capoccia, Council Member*  
*Denise Delmar, Council Member*  
*John Harabedian, Council Member*

*Melinda Carrillo, City Clerk*  
*Michael Amerio, City Treasurer*

TO: HONORABLE MAYOR GOSS AND CITY COUNCIL

FROM: ELAINE I. AGUILAR, CITY MANAGER 

INITIATED BY: BRUCE INMAN, DIRECTOR OF PUBLIC WORKS   
MARCIE MEDINA, DIRECTOR OF FINANCE.  
KEV TCHARKHOUTIAN, CITY ENGINEER

DATE: March 24, 2016

**SUBJECT: 2016-2017 ASSESSMENT DISTRICTS - PUBLIC HEARING AND RESOLUTION OF CONFIRMATION 16-30 AND RESOLUTION 16-31 SETTING ASSESSMENT RATES FOR AD VALOREM MAINTENANCE DISTRICTS 1, 3A AND 3B**

The provisions of the Landscaping and Lighting Act of 1972 require that the City Council conduct a public hearing to confirm assessments and to notify affected property owners. In addition, Section 22566 of the California Streets and Highway Code requires the City Engineer to prepare a report of the City's intention to levy assessments for the subsequent fiscal year.

It is recommended that the City Council:

Open the public hearing, receive testimony, and,

- 1.) Adopt Resolution No. 16-24 confirming assessment proceedings for Assessment Districts 3, and 5, Community Facilities District No 1, E Miramonte Sewer District, and E. Bonita Sewer District for Fiscal Year 2016-2017, and approving the City Engineer's Report ; and
- 2.) Adopt Resolution No. 16-31 setting tax rates for Ad Valorem Districts No. 1, 3A, and 3B.

### **FY 2016-2017 ASSESSMENT DISTRICT ANALYSIS**

The assessment districts for consideration this evening are:

#### **Direct Assessments**

Central Business District Landscaping Maintenance  
Central Business Parking District

District No. 3  
District No. 5

Community Facilities District No 1, One Carter

Tract 54016

**Sewer Assessments**

E. Miramonte Sewer Assessment District

E. Bonita Sewer Assessment District

**Municipal Lighting Districts**

Maintenance District No 1

Maintenance District , Zone A

Maintenance District , Zone B

As illustrated below, the revenues generated by Districts 3, 5 and Ad Valorem Districts A, and B, are not adequate to cover the expenses incurred in those Districts. In order to adjust the assessments to provide the revenue to fully fund those Districts it would be necessary to increase the assessments, the City would be required to initiate the Proposition 218 process. A study prepared by the City Engineer in 2010 indicated that at that time most assessments would have had to be at least doubled in order to balance the individual District's budgets. It was determined at that time that the City would not go forward with an adjustment to the assessments.

That situation remains unchanged at this time. Districts 3, 5, and the 2 Ad Valorem Districts continue to be subsidized by other funding sources. The City Council may at any time direct staff to initiate the Proposition 218 process to increase the assessments to levels that cover expenses. This process would necessitate an update of the 2010 Engineer's Report and a "majority protest" balloting of the owners of only those properties within the districts.

**Sierra Madre Landscape District No. 3, Central Business District Landscape (Fund 32002, County Account 256.94)**

This district has historically included the annual trimming of parkway trees and four pepper trees located in the Central Business District. The funds may also be used for lighting, landscape maintenance, irrigation water, and replacement of damaged landscaping materials in the Sierra Madre Boulevard and Baldwin Avenue landscape bow-outs.

The district is comprised of 82 parcels. The annual assessment is divided among the 82 parcels based on the size of the lot and the frontage width. This district was formed in 1982 under Resolution 82-41.

District No. 3 Fund activity overview:

6/30/2015 Fund Balance	\$0
Projected Revenues for 2016-2017	\$6,000
Expenditures (Estimated) for 2016-2017	\$14,849
Projected Subsidy	\$8,849

Current assessments vary between \$45 and \$180, based on the lot frontage. The proposed assessment rate represents no increase above last year's assessment rates for the Sierra Madre Landscape District. Note that while it is possible to reduce the landscape maintenance and irrigation components of the district costs, staff does not recommend doing so, as the effect of maintenance reduction will adversely impact the downtown area.

**Sierra Madre Parking District No. 5, (Fund 32008, County Account 256.99)**

This Assessment District was established by the City Council on June 9, 1992 with the adoption of Resolution of Intention 92-21. The district provides for the streetlights, energy, maintenance, water, street sweeping, and landscaping costs for the City's four parking lots. Parcels are assessed based on their respective areas as shown on the Los Angeles County Assessor's rolls.

District No. 5 Fund activity overview:

6/30/2015 Fund Balance	\$0
Projected Revenues for 2016-2017	\$9,000
Expenditures (Estimated) for 2016-2017	\$26,890
Projected Subsidy	\$17,890

It is recommended that the current assessments for District No. 5 remain unchanged for 2016-2017. The maximum assessment per parcel per owner is set at \$200 per year. The rate table is based on an evaluation of the use and benefit each parcel receives from the City's public parking lots. The parking lots, which are part of this district, are Mariposa, North Auburn, North and South Baldwin Avenue.

In previous fiscal years the assessment rates have not covered all of the costs assigned to the assessment districts. The Districts have been supported by transfers of funding from the facilities fund in those years. In FY 2016-2017 actual expenditures will again exceed revenue and it will be necessary to transfer funds again from facilities.

**Community Facilities District No 1**

This District was established in January 2012 under Ordinance No. 1327 to fund maintenance of portions of the County owned and maintained storm drain system serving the Stonegate (One Carter) development. The District is comprised of 28 parcels. The assessment for each parcel is \$238 annually, which increases by a CPI factor each year, in order to avoid the budgeting shortfalls seen in other City assessment districts. This assessment is designed to cover the cost of maintaining the clarifier, the catch basins, the administrative costs associated with the District, and the cost of eventual replacement of the clarifier, if needed. 2012-2013 is the first year the charge was implemented.

## **1. SEWER ASSESSMENT DISTRICTS**

The City also has two sewer assessment districts, both formed to recover the design and construction cost for installation of public sewers under the Municipal Improvement Act of 1913. The East Mira Monte Sewer Assessment District (Fund 546) was formed April 4, 2004 under Resolution 04-028. The East Bonita Sewer Assessment District (Fund 549) was formed June 13, 2006 under Resolution 06-039. Funds collected under these districts reimburse the "loan" of city's sewer fund reserves for the design and construction costs. Inasmuch as the term of the districts and the amount assessed each property owner was set at the time of formation of the two sewer districts, it is not necessary for the City Council to set the assessment amounts every year.

## **4. MUNICIPAL LIGHTING AND MAINTENANCE DISTRICTS (AD VALOREM)**

These Districts were established in the early 60's, and are not direct assessments, but rather charges assessed to parcels annually for municipal lighting and maintenance costs. The Districts are identified by the County Auditor-Controller as Sierra Madre Lighting and Maintenance District 3, Zone A; Sierra Madre Lighting and Maintenance District 3, Zone B; and Sierra Madre Lighting and Maintenance District No. 1.

Maintenance District No. 1 is comprised of those residential parcels created under Tract No. 15709; located on Santa Anita Avenue, Oakwood Place, and Vista Avenue; bounded on the north by Elkins Avenue, east by the Arcadia/Sierra Madre boundary, south by Grandview Avenue and west by Santa Anita Avenue. Parcels in this district are charged roughly 17 cents per \$100 of assessed value.

Maintenance District No. 3, Zone A is comprised of commercial parcels on the north and south sides of West Sierra Madre Boulevard from Hermosa Avenue to just west of Lima Street. Parcels in this district are charged approximately 31 cents per \$100 of assessed value.

Maintenance District No. 3, Zone B is also comprised of commercial parcels, on West Sierra Madre Boulevard, from Hermosa Avenue to Baldwin Avenue, and on both sides of North and South Baldwin Avenue from Suffolk Avenue to West Montecito. Parcels in this district are charged approximately 31 cents per \$100 of assessed value.

The Assessment rates were last set in 2005 with City Council Resolution 05-062. The rates are re-adopted by the City Council unchanged each year; the County Assessor has in recent years begun requiring an annual City Council Resolution specifying the rates. The attached Resolution 16-31 fulfills that County requirement.

These per parcel charges have outlived Proposition 218. Since these districts are not direct assessments but are associated with property taxes, adoption of resolutions and engineer's reports are not necessary to collect the annual charges. Sierra Madre automatically receives the revenues from the County in installments.

The projected expenses and revenues, under the Municipal Lighting and Maintenance Districts are as follows:

<b>District A (Fund 32006, County Account 256.53)</b>		<b>District B (Fund 32007, County Account 256.54)</b>		<b>District No. 1 (Fund 32005, County Account 256.51)</b>	
Revenues	\$4,700	Revenues	\$24,600	Revenues	\$16,106
Expenses	\$4,113	Expenses	\$21,330	Expenses	\$1,880
Projected Subsidy	\$0	Projected Subsidy	\$0	Projected Subsidy	\$0

The Tax Rate to be set for these districts shall remain unchanged for FY 2016-2017, at:

			<u>Tax Rate</u>
256.51	Lighting District #1		0.168475
256.53	Lighting District #3	Zone A	0.309025
256.54	Lighting District #3	Zone B	0.309025

**FINANCIAL REVIEW**

The Los Angeles County Assessor’s Office collects the assessments. The four assessment districts are identified as direct assessments and are added to the annual County property tax bill. The Maintenance districts are identified as ad valorem districts. The City receives payment for these assessments in April and December of each year. The payments received in December 2016 and April 2017 will be applied toward the fiscal year.

**PUBLIC NOTICE PROCESS**

This item has been noticed through the regular agenda notification process. Copies of this report are available at the City Hall public counter and the Sierra Madre Public Library.

**STAFF RECOMMENDATION**

It is recommended that the City Council:

- 1.) Open the public hearing, receive testimony, and Adopt Resolution No. 16-30 confirming the levy of assessments for Districts 3, and 5, Community Facilities District No 1, E Miramonte Sewer District, and E. Bonita Sewer District for Fiscal Year 2016-2017, and approving the City Engineer’s Report for 2016-2017; and,
- 2.) Adopt Resolution 16-31 setting tax rates for Ad Valorem Districts No. 1, 3A, and 3B.

**Attachments:**

Engineer’s Report

Resolution No.16-30 confirming the levy of assessments for Districts 3, and 5, Community Facilities District No 1, E Miramonte Sewer District, and E. Bonita Sewer District, for Fiscal Year 2016-2017, and approving the City Engineer’s Report for 2016-2017.

Resolution 16-31 setting tax rates for Ad Valorem Districts No. 1, 3A, and 3B.

**RESOLUTION NO. 16-31**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE CONFIRMING THE TAX RATES APPLICABLE IN CONNECTION WITH THE CITY'S LIGHTING MAINTENANCE DISTRICTS FOR FISCAL YEAR 2016-2017**

WHEREAS, prior to the adoption of Article XIII of the California Constitution (Proposition 13) by the voters in 1979 and prior to the enactment of Revenue and Taxation Code Section 95 *et seq.* (AB 8), the City of Sierra Madre established its Lighting Maintenance Districts ; and

WHEREAS, by prior action the City Council declared its intention to levy the assessments, which remain unchanged for Fiscal Year 2016-2017 as set forth in this Resolution; and

WHEREAS, pursuant to AB 8, these Lighting Maintenance Districts have been allocated a portion of the ad valorem tax collected by Los Angeles County; and

WHEREAS, the City uses the proceeds of this tax allocation only for the purposes of maintaining and operating street lights within the Lighting Maintenance Districts; and

WHEREAS, the City requires its full tax allocation in order to properly fulfill the purposes of the Lighting Maintenance Districts.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SIERRA MADRE DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1: The City Council confirms that the tax rates for the Lighting Maintenance Districts continue to be as follows:

256.51 Lighting District #1		0.168475
256.53 Lighting District #3	Zone A	0.309025
256.54 Lighting District #3	Zone B	0.309025

SECTION 2: The City Clerk shall certify to the passage and adoption of this Resolution; shall cause the same to be entered among the original Resolutions of said City of Sierra Madre, and shall make a minute of the passage and adoption thereof in the records for the meeting at which the same was passed and adopted.

APPROVED AND ADOPTED this 24th day of May, 2016

---

Mayor  
City of Sierra Madre, California

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Sierra Madre at a regular meeting held on the 24th day of May, 2016, by the following vote:

AYES:  
NOES:  
ABSENT:

---

Melissa Carrillo, City Clerk  
City of Sierra Madre, California

# Engineer's Report

## Landscaping and Lighting Districts City of Sierra Madre Fiscal Year 2016-2017

District No. 3 (Central Business District Landscape Maintenance)  
District No. 5 (Central Business District Parking)

Prepared by: Kev Tcharkhoutian, P.E.  
Dated: May 2016

## Certification

Pursuant to the direction of the City Council of the City of Sierra Madre, I have prepared and filed this Engineer's Report for the Landscaping and Lighting Districts of the City of Sierra Madre pursuant to Section 22565 of the California Streets and Highways Code.

I, the undersigned, respectfully submit this Engineer's Report and state that, to the best of my knowledge, information and belief, the assessments set forth herein have been prepared and computed in accordance with the order of the City Council of the City of Sierra Madre.

Dated: May 10, 2016

\_\_\_\_\_, PE  
City Engineer

I have received and filed this report as directed by Resolution of the City Council of the City of Sierra Madre.

Dated: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

## District Information and Budget

### District No. 3                      Central Business District Landscaping

#### A.     Improvement Plans and Specifications.

This district has historically included street lighting and the annual trimming of parkway trees and four pepper trees located in the Central Business District. The funds may also be used for landscape maintenance and replacement of damaged landscaping materials.

#### B.     Estimate of Costs

It is expected that the activities funded in connection with this district will cost \$11,964 for Fiscal Year 2016-2017.

6/30/2016 Fund Balance (Projected)	\$0
Fund Revenues (Estimated) for 2016-2017	\$6,000
Expenditures (Estimated) for 2016-2017	\$14,849
Subsidy from Facilities Internal Services Fund (Projected)	\$8,849
6/30/2017 Fund Balance (Projected)	\$0

#### C.     Map and Diagram

Reference is made to the official maps of the Los Angeles County Assessor for a full and complete description of the parcels assessed herein. Each parcel is assessed by reference to the assessors parcel number assigned by the Assessor and indicated on the assessment tables attached.

#### D.     Assessment

All assessments for fiscal year 2016-2017 will remain unchanged and will be at the same levels as for fiscal year 2015-2016

The assessment is based on benefit units at \$45 per benefit unit. For each 50 feet of parcel frontage on Sierra Madre Boulevard or Baldwin Avenue one benefit unit is charged. Each additional increment of 50 (or portion thereof) is an additional benefit unit.

The assessment, including all information required by Section 22572 of the Streets and Highways Code, is attached hereto and incorporated herein by reference.

E. Bonds

No bonds have been issued in connection with this district.

Fiscal Year 2016-2017 ASSESSMENTS  
 SIERRA MADRE LIGHTING & LANDSCAPING District No. 3  
 CITY OF SIERRA MADRE  
 ASSESSOR'S ACCOUNT NO: 256.94

#	PARCEL NO.	ADDRESS	AMOUNT
1	5767-015-030	54 N. Baldwin Avenue	\$90.00
2	5767-015-031	52 N. Baldwin Avenue	\$90.00
3	5767-015-032	38 N. Baldwin Avenue	\$45.00
4	5767-015-033	34 N. Baldwin Avenue	\$45.00
5	5767-015-034	26 N. Baldwin Avenue	\$45.00
6	5767-015-037	12 N. Baldwin Avenue	\$45.00
7	5767-015-038	4 N. Baldwin Avenue	\$205.00
8	5767-018-002	47 W. Sierra Madre Blvd.	\$45.00
9	5767-018-003	37 W. Sierra Madre Blvd.	\$45.00
10	5767-018-006	31 W. Sierra Madre Blvd.	\$45.00
11	5767-018-007	25 W. Sierra Madre Blvd.	\$90.00
12	5767-018-011	17 Kersting Court	\$45.00
13	5767-018-012	15 Kersting Court	\$45.00
14	5767-018-013	13 Kersting Court	\$45.00
15	5767-018-016	11 Kersting Court	\$45.00
16	5767-018-020	29 N. Baldwin Avenue	\$45.00
17	5767-018-021	31 N. Baldwin Avenue	\$45.00
18	5767-018-024	41 N. Baldwin Avenue	\$45.00
19	5767-019-017	73 N. Baldwin Avenue	\$45.00
20	5767-019-018	65 N. Baldwin Avenue	\$90.00
21	5767-019-021	55 N. Baldwin Avenue	\$90.00
22	5767-020-002	91 W. Sierra Madre Blvd.	\$45.00
23	5767-020-004	87 W. Sierra Madre Blvd.	\$45.00
24	5767-020-006	81 W. Sierra Madre Blvd.	\$45.00
25	5767-020-009	71 W. Sierra Madre Blvd.	\$45.00
26	5767-020-024	55 E. Sierra Madre Blvd.	\$135.00
27	5767-022-010	127 W. Sierra Madre Blvd.	\$45.00
28	5767-022-011	191 W. Sierra Madre Blvd.	\$90.00
29	5767-022-012	181 W. Sierra Madre Blvd.	\$90.00
30	5767-022-039	147 W. Sierra Madre Blvd.	\$90.00
31	5767-022-046	161 W. Sierra Madre Blvd.	\$90.00
32	5767-022-052	201 W. Sierra Madre Blvd.	\$135.00
33	5767-022-054	115 W. Sierra Madre Blvd.	\$135.00
35	5767-023-001	2 W. Sierra Madre Blvd.	\$182.50
36	5767-023-002	12 W. Sierra Madre Blvd.	\$45.00
37	5767-023-003	14 W. Sierra Madre Blvd.	\$45.00
38	5767-023-004	16 W. Sierra Madre Blvd.	\$45.00
39	5767-023-005	18 W. Sierra Madre Blvd.	\$45.00
40	5767-023-006	24 W. Sierra Madre Blvd.	\$45.00
41	5767-023-007	31 S. Baldwin Ave.	\$45.00
42	5767-023-009	31 W. Sierra Madre Blvd.	\$45.00

43	5767-023-009	38 W. Sierra Madre Blvd.	\$45.00
44	5767-023-013	100 W. Sierra Madre Blvd.	\$45.00
45	5767-023-018	82 W. Sierra Madre Blvd.	\$45.00
46	5767-023-019	80 W. Sierra Madre Blvd.	\$45.00
47	5767-023-020	78 W. Sierra Madre Blvd.	\$45.00
48	5767-023-021	74 E. Sierra Madre Blvd.	\$45.00
49	5767-023-022	70 W. Sierra Madre Blvd.	\$45.00
50	5767-023-025	62 W. Sierra Madre Blvd.	\$45.00
51	5767-023-026	60 W. Sierra Madre Blvd.	\$45.00
52	5767-023-031	38 W. Sierra Madre Blvd.	\$90.00
53	5767-023-036	41 S. Baldwin Ave.	\$90.00
54	5767-023-038	90 W. Sierra Madre Blvd.	\$45.00
55	5767-023-039	48 W. Sierra Madre Blvd.	\$90.00
56	5767-024-009	170 W. Sierra Madre Blvd.	\$90.00
57	5767-024-010	154 W. Sierra Madre Blvd.	\$90.00
58	5767-024-012	140 W. Sierra Madre Blvd.	\$90.00
59	5767-024-014	120 W. Sierra Madre Blvd.	\$90.00
60	5767-024-015	110 W. Sierra Madre Blvd.	\$90.00
61	5767-025-042	14 E. Sierra Madre Blvd.	\$205.00
62	5768-018-009	373 W. Sierra Madre Blvd.	\$45.00
63	5768-018-009	365 W. Sierra Madre Blvd.	\$45.00
64	5768-018-010	359 W. Sierra Madre Blvd.	\$45.00
65	5768-018-023	341 W. Sierra Madre Blvd.	\$90.00
66	5768-019-001	321 W. Sierra Madre Blvd.	\$135.00
67	5768-019-003	303 W. Sierra Madre Blvd.	\$45.00
68	5768-019-026	297 W. Sierra Madre Blvd.	\$90.00
70	5768-019-041	245 W. Sierra Madre Blvd.	\$205.00
71	5768-020-001	330 W. Sierra Madre Blvd.	\$182.50
72	5768-020-020	322 W. Sierra Madre Blvd.	\$45.00
73	5768-020-022	314 W. Sierra Madre Blvd.	\$45.00
74	5768-020-024	304 W. Sierra Madre Blvd.	\$90.00
75	5768-020-028	300 W. Sierra Madre Blvd.	\$45.00
76	5768-020-030	280 W. Sierra Madre Blvd.	\$45.00
77	5768-021-009	350 W. Sierra Madre Blvd.	\$205.00
78	5768-021-031	370 W. Sierra Madre Blvd.	\$135.00
	<b>GRAND TOTAL</b>		<b>\$6,000</b>

**District No. 5**

**Central Business District Parking**

**A. Improvement Plans and Specifications.**

This district, established by the City Council in 1992, finances streetlights, energy, maintenance, water, street sweeping, and landscaping costs for the City's four parking lots. The parking lots are Mariposa, North Auburn, and North and South Baldwin Avenue.

**B. Estimate of Costs**

It is expected that the activities funded in connection with this district will cost \$24,799 for Fiscal Year 2016-2017.

6/30/2016 Fund Balance	\$0
Fund Revenues (Estimated) for 2016-2017	\$9,000
Expenditures (Estimated) for 2016-2017	\$26,890
Subsidy from Facilities Internal Services Fund (Projected)	\$17,890
6/30/2017 Fund Balance (Projected)	0

**C. Map and Diagram**

Reference is made to the official maps of the Los Angeles County Assessor for a full and complete description of the parcels assessed herein. Each parcel is assessed by reference to the assessors parcel number assigned by the Assessor and indicated on the assessment rolls prepared by and on file in the Office of the Assessor.

**D. Assessment**

The assessment formula is as follows:

<b>Parcels in Zone Contiguous to Lots</b>	
Increased benefit level	\$0.0605/sf
Reduced benefit level	\$0.0454/sf
<b>Parcels not in such Zone</b>	
Increased benefit level	\$0.03/sf
Reduced benefit level	\$0.0227/sf

The maximum assessment for any single parcel is \$200.

All assessments for fiscal year 2016-2017 will remain unchanged and will be at the same levels as for fiscal year 2015-2016

A parcel is considered to be contiguous to a parking lot if it adjacent or separated from the parking lot only by a public street or and alley  
The assessment, including all information required by Section 22572 of the Streets and Highways Code is attached.

E. Bonds

No bonds have been issued in connection with this district.

Fiscal Year 2016-2017 Assessments,  
PARKING DISTRICT District No. 5  
CITY OF SIERRA MADRE  
ASSESSOR'S ACCOUNT NO:256.99

#	PARCEL NO.	ADDRESS	AMOUNT
1	5767-015-030	54 N. Baldwin Avenue	\$200.00
2	5767-015-031	52 N. Baldwin Avenue	\$200.00
3	5767-015-032	38 N. Baldwin Avenue	\$35.87
4	5767-015-033	34 N. Baldwin Avenue	\$47.10
5	5767-015-034	26 N. Baldwin Avenue	\$135.79
6	5767-015-036	12-1/2 N. Baldwin Avenue	\$41.00
7	5767-015-037	12 N. Baldwin Avenue	\$62.10
8	5767-015-038	4 N. Baldwin Avenue	\$155.63
9	5767-015-039	25 E. Sierra Madre Blvd.	\$95.43
10	5767-015-104	20 N. Baldwin Avenue	\$135.79
11	5767-018-001	47 W. Sierra Madre Blvd.	\$48.80
12	5767-018-002	47 W. Sierra Madre Blvd.	\$84.00
13	5767-018-003	37 W. Sierra Madre Blvd.	\$61.97
14	5767-018-004	37 W. Sierra Madre Blvd.	\$38.00
15	5767-018-005	31 W. Sierra Madre Blvd.	\$42.51
16	5767-018-006	31 W. Sierra Madre Blvd.	\$53.57
17	5767-018-007	25 W. Sierra Madre Blvd.	\$132.00
18	5767-018-009	N/A	\$42.51
19	5767-018-009	17 Kersting Court	\$18.59
20	5767-018-010	No address exists	\$16.41
21	5767-018-011	17 Kersting Court	\$24.03
22	5767-018-012	15 Kersting Court	\$24.03
23	5767-018-013	13 Kersting Court	\$48.10
24	5767-018-014	9 Montecito Court	\$34.70
25	5767-018-015	11 Kersting Court	\$16.13
26	5767-018-016	11 Kersting Court	\$53.77
27	5767-018-019	29 N. Baldwin Avenue	\$19.77
28	5767-018-020	29 N. Baldwin Avenue	\$47.46
29	5767-018-021	31 N. Baldwin Avenue	\$43.13
30	5767-018-022	No address exists	\$26.60
31	5767-018-023	No address exists	\$25.60
32	5767-018-024	41 N. Baldwin Avenue	\$43.13
33	5767-018-025	1 Kersting Court	\$200.00
34	5767-019-016	20 W. Montecito	\$67.15
35	5767-019-017	73 N. Baldwin Avenue	\$102.65
36	5767-019-018	65 N. Baldwin Avenue	\$87.53
37	5767-019-019	72 Montecito Court	\$116.71
38	5767-019-020	50 Montecito Court	\$80.99
39	5767-019-021	55 N. Baldwin Avenue	\$123.21
40	5767-019-024	41 N. Baldwin Avenue	\$81.72
41	5767-019-025	41 N. Baldwin Avenue	\$29.96

42	5767-020-001	No address exists	\$200.00
43	5767-020-002	91 W. Sierra Madre Blvd.	\$30.29
44	5767-020-003	N/A	\$30.00
45	5767-020-004	87 W. Sierra Madre Blvd.	\$200.00
46	5767-020-005	81 W. Sierra Madre Blvd.	\$200.00
47	5767-020-006	N/A	\$200.00
48	5767-020-007	73 W. Sierra Madre Blvd.	\$200.00
49	5767-020-009	N/A	\$200.00
50	5767-020-023	Jailhouse B & B	\$134.64
53	5767-020-024	55 E. Sierra Madre Blvd.	\$200.00
54	5767-022-006	15 Auburn	\$31.00
55	5767-022-010	127 W. Sierra Madre Blvd.	\$79.40
56	5767-022-011	191 W. Sierra Madre Blvd.	\$80.00
57	5767-022-012	181 W. Sierra Madre Blvd.	\$81.72
58	5767-022-039	147 W. Sierra Madre Blvd.	\$49.10
59	5767-022-046	161 W. Sierra Madre Blvd.	\$172.70
60	5767-022-052	201 W. Sierra Madre Blvd.	\$200.00
61	5767-022-054	115 W. Sierra Madre Blvd.	\$200.00
62	5767-022-055	125 E. Sierra Madre Blvd.	\$80.00
63	5767-023-001	N/A	\$200.00
64	5767-023-002	12 W. Sierra Madre Blvd.	\$126.68
65	5767-023-003	14 W. Sierra Madre Blvd.	\$119.52
66	5767-023-004	16 W. Sierra Madre Blvd.	\$119.52
67	5767-023-005	18 W. Sierra Madre Blvd.	\$174.81
68	5767-023-006	24 W. Sierra Madre Blvd.	\$200.00
69	5767-023-013	100 W. Sierra Madre Blvd.	\$200.00
70	5767-023-018	82 W. Sierra Madre Blvd.	\$200.00
71	5767-023-019	80 W. Sierra Madre Blvd.	\$102.15
72	5767-023-020	78 W. Sierra Madre Blvd.	\$81.72
73	5767-023-021	74 E. Sierra Madre Blvd.	\$61.29
74	5767-023-022	70 W. Sierra Madre Blvd.	\$168.65
75	5767-023-025	62 W. Sierra Madre Blvd.	\$136.20
76	5767-023-026	60 W. Sierra Madre Blvd.	\$163.44
77	5767-023-031	38 W. Sierra Madre Blvd.	\$200.00
78	5767-023-038	90 W. Sierra Madre Blvd.	\$52.10
79	5767-023-039	48 W. Sierra Madre Blvd.	\$160.38
80	5767-023-040	No address exists	\$63.46
81	5767-024-013	120 W. Sierra Madre Blvd.	\$200.00
82	5767-025-041	No address exists	\$200.00
83	5767-025-066	50 S. Baldwin Avenue	\$200.00
84	5767-025-042	Howie's	\$200.00
85	5767-025-038	Howie's	\$200.00
86	5767-025-041	Howie's	\$200.00
	<b>TOTAL</b>		<b>\$9,000</b>

## RESOLUTION 16-30

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE, CALIFORNIA, CONFIRMING THE LEVY OF ASSESSMENTS FOR FISCAL YEAR 2016-2017 IN CONNECTION WITH DISTRICT NO 3 (CENTRAL BUSINESS DISTRICT LANDSCAPE MAINTENANANCE;) DISTRICT NO. 5 (CENTRAL BUSINESS DISTRICT PARKING) , COMMUNITY FACILITIES DISTRICT No 1, E MIRAMONTE SEWER DISTRICT, and E. BONITA SEWER DISTRICT, FOR FISCAL YEAR 2016-2017, AND APPROVING THE ENGINEER'S REPORT FOR FISCAL YEAR 2016-2017.**

WHEREAS, by prior resolution, the City Council initiated proceedings for Fiscal Year 2016-2017 levy of such assessments and ordered the City Engineer, as Assessment Engineer, to prepare and file a report with respect to the Fiscal Year 2016-2017 levies; and

WHEREAS, the City Council has approved the report of the Assessment Engineer entitled "Engineer's Report, Landscaping and Lighting Districts, City of Sierra Madre, Fiscal Year 2016-2017" described in the Engineer's Report and are incorporated herein by reference. A copy of the Report is on file in the Office of the City Clerk and available for public inspection; and

WHEREAS, by prior resolution the City Council declared its intention to levy the assessments, which remain unchanged for Fiscal Year 2016-2017 as set forth in the Report and set May 24, 2016 as the date for a hearing on the proposed levies; and

WHEREAS, on May 24, 2016 the City Council held a properly noticed public hearing on the levies at which all interested persons had an opportunity to testify and to present written objections; and

WHEREAS, the City Council desires to levy the assessments within the Districts for Fiscal Year 2016-2017.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SIERRA MADRE, CALIFORNIA, DOES RESOLVE, DECLARE, FIND, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The foregoing recitals are all true and correct.

SECTION 2. The City Council overrules all objections and protests.

SECTION 3. The Diagram and Assessment contained in the Report is hereby approved.

SECTION 4. The adoption of this Resolution constitutes the levy of the assessment within the Districts for Fiscal Year 2016-2017,

SECTION 5. The City Clerk shall certify to the adoption of this resolution and shall cause the same to be processed in the manner required by law.

SECTION 6. This Resolution shall take effect immediately.

PASSED, APPROVED, AND ADOPTED this 24th day of May 2016.

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MAYOR,  
City of Sierra Madre, California

I hereby certify that the foregoing Resolution was adopted by the City Council of the City of Sierra Madre at a regular meeting held on the 24th day of May, 2016, by the following vote:

AYES

NOES:

ABSENT:

---

Melissa Carrillo  
City Clerk, City of Sierra Madre

**RESOLUTION NO. 16-31**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE CONFIRMING THE TAX RATES APPLICABLE IN CONNECTION WITH THE CITY'S LIGHTING MAINTENANCE DISTRICTS FOR FISCAL YEAR 2016-2017**

WHEREAS, prior to the adoption of Article XIII of the California Constitution (Proposition 13) by the voters in 1979 and prior to the enactment of Revenue and Taxation Code Section 95 *et seq.* (AB 8), the City of Sierra Madre established its Lighting Maintenance Districts ; and

WHEREAS, by prior action the City Council declared its intention to levy the assessments, which remain unchanged for Fiscal Year 2016-2017 as set forth in this Resolution; and

WHEREAS, pursuant to AB 8, these Lighting Maintenance Districts have been allocated a portion of the ad valorem tax collected by Los Angeles County; and

WHEREAS, the City uses the proceeds of this tax allocation only for the purposes of maintaining and operating street lights within the Lighting Maintenance Districts; and

WHEREAS, the City requires its full tax allocation in order to properly fulfill the purposes of the Lighting Maintenance Districts.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SIERRA MADRE DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1: The City Council confirms that the tax rates for the Lighting Maintenance Districts continue to be as follows:

256.51 Lighting District #1		0.168475
256.53 Lighting District #3	Zone A	0.309025
256.54 Lighting District #3	Zone B	0.309025

SECTION 2: The City Clerk shall certify to the passage and adoption of this Resolution; shall cause the same to be entered among the original Resolutions of said City of Sierra Madre, and shall make a minute of the passage and adoption thereof in the records for the meeting at which the same was passed and adopted.

APPROVED AND ADOPTED this 24th day of May, 2016

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Mayor  
City of Sierra Madre, California

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Sierra Madre at a regular meeting held on the 24th day of May, 2016, by the following vote:

AYES:  
NOES:  
ABSENT:

---

Melissa Carrillo, City Clerk  
City of Sierra Madre, California



# City of Sierra Madre Agenda Report

*Gene Goss, Mayor*  
*Rachelle Arizmendi, Mayor Pro Tem*  
*John Capoccia, Council Member*  
*Denise Delmar, Council Member*  
*John Harabedian, Council Member*

*Melinda Carrillo, City Clerk*  
*Michael Amerio, City Treasurer*

TO: Honorable Mayor and Members of the City Council

FROM: Elaine I. Aguilar, City Manager

INITIATED BY: Elisa C. Cox, Assistant City Manager

DATE: May 24, 2016

**SUBJECT: RESOLUTION NO. 16-24: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE COMBINING THE LIBRARY SERVICES AND COMMUNITY SERVICES DEPARTMENTS UNDER ONE DIRECTOR AND AMENDING THE CLASSIFICATION PLAN AND SALARY MATRIX TO REFLECT POSITIONS IN THE COMBINED DEPARTMENT**

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## **SUMMARY**

As part of the Midyear Budget Review, staff recommended the City Council combine the Community Services and Library Services Departments under one Director. The City Council requested that the Community Services Commission, Library Board of Trustees, and Senior Community Commission provide input to the Council on this proposal. At a special joint meeting on Monday, May 16, 2016 the three bodies met and came to consensus that the proposal should be implemented with a joint Commissions and Board review session before next year's midyear budget review.

## **ANALYSIS**

At the end of April 2016, the City was preparing to start a second recruitment for a Library Services Director as the only viable candidate from the first recruitment respectfully turned down the City's job offer. At this same time the City was faced with opening a third recruitment in two years for the Community Services Manager position. Understanding that both positions are currently compensated under market, 20% and 25% respectively, staff recommended to the City Council that the Director position be upgraded to a Director of Library and Community Services and the Community Services Manager be downgraded to a Community Services Supervisor. This proposal provided that both positions be a 10% below the market (a salary benchmark set by the current City Council in 2014) without increasing the City's overall costs.

The concept of combing two departments under one department head is very common in Sierra Madre. Other than the former Community & Personnel Services Director, the City currently has a Public Safety Director overseeing both Police and Fire Departments and a Public Works Director who oversees both Public Works and the Water Department. In a small city like Sierra Madre, great operational efficiencies are found in these models.

However, the combination of Library and Community Services under one director is not a new idea. Many other cities in California use this model, including, but not limited to:

- City of Monrovia
- City of San Marino
- City of Salinas
- City of Corona
- City of Stockton
- City of Santa Fe Springs
- City of Torrance
- City of Beverly Hills

At this time, it is not envisioned that any of the current programs or operations would change for either the Library or Community Services. All staff would remain housed where they are currently located. All current Commission and Boards would remain intact. The only immediate changes envisioned are that the Community Services Administrative Aide would support the Director of Library and Community Services, overseeing the administrative aspects for both Community Services and Library, which would enable the Library's current part-time Administrative Clerk to work the Library's front desk, increasing desk coverage at the Library. The Director would also assume the oversight for the Community Services budget, contracts, and master planning, allowing the Supervisor to focus on the Community Services' special events and programs.

### **FINANCIAL REVIEW**

This proposal would result in no net increase to the General Fund. Furthermore, all funding and accounts would remain as they are today – there would be no co-mingling of library and community services funds and donation accounts would keep their status quo.

### **PUBLIC NOTICE PROCESS**

This item has been noticed through the regular agenda notification process. Copies of the report are available via the City's website at [www.cityofsierramadre.com](http://www.cityofsierramadre.com), at the City Hall public counter, and the Sierra Madre Public Library.

### **ALTERNATIVES**

1. The City Council may approve Resolution 16-24 combining the Library and Community Services Departments under one Director and approving the Classification Plan and Salary Matrix to reflect positions in the combined department.
2. The City Council may deny Resolution 16-24 and direct staff to continue operating under the current staffing model and Classification Plan and Salary Matrix.
3. The City Council may ask questions and provide alternate direction to staff.

**COMMISSION AND BOARD RECOMMENDATION**

The Community Services Commission, Library Board of Trustees, and Senior Community Commission came to consensus to recommend that the City Council approve the staffing proposal. The bodies expressed concerns about the dilution of any one of the community services, library, and/or senior programs, but were willing to support the proposal as long as the City Council understood these concerns. Furthermore, the bodies requested a joint meeting prior to the next mid-year budget review to provide input on the initial results combining the Departments.

**STAFF RECOMMENDATION**

Staff recommends that the City Council approve Resolution 16-24 combining the Library and Community Services Departments under one Director and approving the Classification Plan and Salary Matrix to reflect positions in the combined department.

Attachment: Resolution 16-24

**RESOLUTION NO. 16-24**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE  
COMBINING THE LIBRARY SERVICES AND COMMUNITY SERVICES  
DEPARTMENTS UNDER ONE DIRECTOR AND AMENDING THE  
CLASSIFICATION PLAN AND SALARY MATRIX TO REFLECT POSITIONS IN THE  
COMBINED DEPARTMENT**

**THE CITY COUNCIL OF THE CITY OF SIERRA MADRE DOES HEREBY  
RESOLVE:**

**WHEREAS**, since 2012 there has been no director over the Community Services Department and since that time the Department has struggled with retaining both full- and part-time employees who provide the programs and services of the Community Services Department to Sierra Madre's residents; and

**WHEREAS**, a Library is more than a place to check-out books, it is a community center, a place of cultural and civic engagement, where people of all backgrounds gather for reflection, discovery, participation and growth; and

**WHEREAS**, the mission of Community Services is to provide quality services, and programs that are affordable, open, and friendly to enrich the overall quality of life for all visitors and residents; and

**WHEREAS**, Library Services and Community Services can work in concert to provide quality programs, services, and events to the Sierra Madre community under one Director who can provide the necessary oversight and guidance to enrich the traditions that are integral to the character of Sierra Madre; and

**WHEREAS**, the City Council is authorizing changing the Library Services Director to a Library and Community Services Director whose responsibilities will be to plan, direct, manage, and oversee the functions, programs, and operations of the Library and Community Services Department including library, recreation, and senior services and activities; and

**WHEREAS**, the City Council is authorizing changing the Recreation Supervisor to a Community Services Supervisor whose responsibilities will be to direct, manage, supervise and coordinate programs and services in the Community Services Division of the Department, specifically in the areas of special programs and events and senior programming; and

**WHEREAS**, in the amended Classification Plan and Salary Matrix, the information contained within the plan in regards to duties, responsibilities, training and experience for all other positions remains status quo; and

**WHEREAS**, in the amended Classification Plan and Salary Matrix, the salary information contained within the plan for all other positions remains status quo;

**NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF SIERRA MADRE DOES HEREBY DETERMINE AND ORDER AS FOLLOWS:**

Section 1. The City of Sierra Madre amends the salary matrix as presented in Exhibit A.

Section 2. Effective Date. This Resolution shall go into effect May 25, 2016.

**PASSED, APPROVED AND ADOPTED** this 24<sup>th</sup> day of May, 2016.

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Gene Goss, Mayor  
City of Sierra Madre, California

I hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Sierra Madre held on the 24<sup>th</sup> day of May, 2016 by the following vote:

AYES:

NOES:

ABSENT:

---

Melinda Carrillo, City Clerk  
City of Sierra Madre, California



# City of Sierra Madre Agenda Report

*Gene Goss, Mayor*  
*Rachelle Arizmendi, Mayor Pro Tem*  
*John Capoccia, Council Member*  
*Denise Delmar, Council Member*  
*John Harabedian, Council Member*

*Melinda Carrillo, City Clerk*  
*Michael Amerio, City Treasurer*

TO: Honorable Mayor and Members of the City Council

FROM: Elaine I. Aguilar, City Manager 

INITIATED BY: Bruce Inman, Director of Public Works  
Marcie Medina, Finance Director

DATE: May 24, 2016

**SUBJECT: Water System Financing Options and Monthly Utility Billing**

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## **SUMMARY**

This staff report considers financing options for the water system. Included are debt financing options, such as Bonds and Loans. Also, included are cost savings due to change in operations and public private partnerships.

## **ANALYSIS**

### **Current Status of Water Operation**

#### **Capital Needs of the Water System:**

At the October 2015 Strategic Plan meeting, under the three-year goal of Updating our Outdated Infrastructure, the City Council directed staff to "Recommend to the City Council for action a list of 9 infrastructure areas to be updated in priority order, including known funding sources. At the January 12, 2016 City Council meeting a report was presented providing the information requested. The report's #1 priority was the Water Distribution System.

Staff presented a list of the top 20 high maintenance water mains in need of replacement, see Table A below. The shaded rows 1A, 1B, 2, 3, 6, and 7 have been included in the FY 2015-16 CIP by prior Council action. From that top 20 list, 15 remain to be addressed, at an estimated combined cost of \$2,065,360. Replacing the top 20 high maintenance mains will leave 91 segments in the distribution system that are 75 years old or older, with an estimated total replacement cost of \$11,177,425. The total amount needed for infrastructure replacement that has not been funded is estimated at \$13,242,800.

Table A

1A	Skyland/Idlehour from Orange to Orange (1930)	\$ 406,680
1B	Canyon Crest from Idle Hour to Orange (1930)	75,960
2	Fern Glen from Canyon Crest to Fern Dr.(1932)	63,315
3	W. Montecito from Baldwin to Auburn (1923)	132,420
4	Fane from Colony to Holdman (1954)	63,315
5	Colony from SA Ct to Fane (1954)	123,110
6	X-Country Canyon Crest to Middle Brookside (1930)	176,450
7	Woodland 16" Transmission Line. (1930)	338,285
8	N. Michillinda from Alegria to Edgeview (1952)	282,200
9	Santa Anita Ct from Sierra Pl to Mt Trail (1930)	76,910
10	Santa Anita Ct. Between Mt. Trail and Rancho (1930)	63,315
11	San Gabriel Ct from Sierra Pl to Mt Trail (1930)	69,930
12	Sierra Pl. from E SMB to Lowell (1930)	121,100
13	W. Alegria from Sunnyside east to end (1960)	34,110
14	Fairview Ave. from Grove St to Michillinda (1953-1960)	222,250
15	Key Vista from Sierra Keys to end (1963)	35,510
16	Cross-country above Lower Brookside (1930)	103,680
17	Gatewood Ln from Michillinda to include Gatewood Terr. (1953)	180,900
18	W. Bonita between Baldwin and Hermosa (1924)	203,700
19	Liliano From Arno to Stonehouse (1962)	359,990
20	Manzanita Ave from Hermosa to Lima St (1930)	125,340
	<b>Total</b>	<b>\$3,258,470</b>

#### Current Utility Billing System

Under the current drought conditions, the City has instituted multiple water conservation programs. One such measure is the implementation of water conservation goals, a mandatory 30% reduction in customers' water use over that of FY 12-13. A concern over that program which is commonly heard by the City Council and staff is that with the current bi-monthly billing system, the customers are not able to accurately or conveniently track their water use in real time; their first indication that their water use is too high comes on their water bill, long after the water has been used.

With bi-monthly water billing it is impossible to determine the amount of non-revenue water (leakage) that is being produced. While the amount of water going into the water distribution system is being accurately measured and tracked, and the amount of water used is also accurately measured and tracked, the production data and consumption data cannot be accurately correlated in order to determine the daily, monthly or even annual difference between the two datasets. One solution that has been proposed in order to provide correlation between production and consumption and to provide customers more timely water consumption information is to go to monthly water billing.

The City's water billing system/procedure is currently provided by an available staff of one Administrative Clerk in City Hall and six Public Works water department field staff. This staff provides billing activities on a monthly basis but provides that service to only one-half the city each month. The east side of the City (East of Baldwin Avenue) is billed odd-numbered months; the west side is billed even-numbered months. The billing process continues to be evaluated by staff and adjusted when new efficiencies are realized. The current billing process and the hours spent each month are described as follows:

1. *One-two days before the second Tuesday of each month water staff and the water billing administrative clerk coordinate to ensure all meter change-outs have been entered into the handheld meter reading data recorders (handhelds)*
2. *The water billing process begins on the second Tuesday of each month when the handhelds are loaded for reading.*
3. *Meter reading takes three men 1-2 days to complete all the reading routes.*
4. *Water billing administrative clerk prepares a billing packet in the Tyler system.*
5. *Handhelds are downloaded Tuesday or Wednesday and an exception report is generated by water department noting re-reads, high exceptions, low or no consumption, and any field notes taken by the meter reader.*
6. *Field staff is provided copies of the first exception report, which they then use to:*
  - a. *Repair leaking, stopped or damaged meters; then*
  - b. *Verify high reads and low consumption, checking for leaks and stuck meters*
  - c. *This takes 2 men 1 day to complete*
  - d. *Field staff meets with water billing administrative clerk and provides clerk with register sheets noting all of the corrections made in the raw data from the initial meter reading.*
7. *Water billing staff processes the raw handheld data which creates an error list, then utilizes the field staff register lists to correct the raw data.*
8. *If there are remaining errors or suspected errors, the administrative clerk generates a second exception list.*
9. *Field staff utilizes the second exception list to make additional re-reads, inspections and/or repairs. This takes 1 man 1 day.*
10. *Once the second exceptions report is completed, the handheld data is turned over for billing.*
11. *The billing process is completed. Billing is reviewed by Account Manager.*
12. *Bills are printed and prepared for mailing house pick-up.*

*Altogether, the administrative clerk spends about 5 hours on this process beginning to end. Water Department field staff spend approximately 81 man-hours. This is for the billing process alone. It does not include handling calls and service orders resulting from billing, issuance of late notices, posting of 24 hour notices, shut-offs, and the overtime hours typically required for turning water back on after shutoffs.*

In order to go to a monthly water billing program in which all city water customers are billed at the same time for the same use period, utilizing the current manual meter reading process, the amount of staff time described above would double. This would severely impact Public Works water department operations, requiring all of the field staff to concentrate on meter reading for 1-2 days a month. First exception report follow-up would take 4 men two days, and second exception list corrections would take two men one day. During these periods, the staff members involved in the water billing operations are unavailable for emergency operations (leak repair) if billing is to be kept on schedule.

Switching to monthly billing with the current metering system would add a significant workload and cost to the existing billing process. However, monthly utility billing would work well with implementation of AMI. Advanced Metering Infrastructure would reduce the cost of transitioning to a monthly billing system, would streamline the process, and provide for timely & accurate data availability to the customer and the City.

#### Current Meter Situation:

The water operations use a combination of meter reading methods, including touchpad, radio reading and primarily manual/visual inspection for meter reading to collect data for utility billing on a bi-monthly basis. On average the City spends about \$75,000 a year in meter replacement, and about 70% of the meters are over 15 years old and need to be replaced. As water meters age, they lose their accuracy which means meters to be replaced are only about 92% accurate.

As a part of the infrastructure needs, the City has an outdated meter reading system with over 70% of the meters in need of replacement. The meter system does not provide timely information that is of utmost importance in meeting the state conservation requirements. Furthermore, meters lose their accuracy as they age which translates to loss of revenues.

#### Water Rates:

The water rates implemented as a result of the 2013 Water & Wastewater Rate Study have not increased water revenues as originally projected. For Fiscal Year 2015-2016, Water Revenues from charges for services excluding penalties have decreased from prior year. The rate increase has not kept up with the decrease in water consumption due to water conservation.

The rate study is not meeting its objectives and not meeting its targets. The study did not account for current water conservation, and is not generating the revenues needed to: ensure capital replacement and maintenance, provide adequate reserves, meet debt service coverage requirements and improve the financial health of the enterprise. A new rate study is needed in order to properly meet the financial objectives of the Water operation.

Debt Obligations:

The Water Operation has two outstanding Bonds, the 1998-A Water Revenue Refunding Bonds with an outstanding balance of \$1,415,000 and the 2003 Water Revenue Parity Bonds with an outstanding balance of \$6,750,000. The total bond debt outstanding is \$8,165,000 with an annual debt service payment of \$850,000.

**Financial Options**

City staff has conducted research and met with various vendors in order to explore ways of financing the various needs of the Water Fund. The options vary from debt financing to public private partnerships. Some of the options can work alone or in conjunction with other options.

Debt Financing:

The current low interest environment provides the City with the opportunity to refund current bond debt at significant savings and to issue additional debt to provide funding for infrastructure needs. There are two debt financing options, bonds or a loan.

Bonds:

- Pro's:
  - Larger amount of capital financing, up to \$20,975,000. Sufficient to refinance current bond debt, purchase an AMI system and fund the \$13.2 million of identified capital projects. 30 year term provides for a longer repayment period and therefore a larger amount of financing.
- Con's:
  - High cost of issuance. Total cost of issuing bonds is estimated at \$723,689 (\$210,000 cost of issuance, \$209,750 underwriter's discount, and \$ 303,939 bond insurance).
  - Higher interest cost overtime. Estimated average rate of 4.87% (rate may vary based on market conditions). Semi-Annual payments of debt service. 30 year term results higher interest costs.
  - Higher cost of over the term of the bonds: trustee fees, annual bond disclosure, and compliance costs.

Loan:

- Pro's:
  - Loan proceeds up to \$18,769,522, sufficient to refinance current bond debt, purchase an AMI system and fund a large portion of identified capital projects.
  - Low cost of issuance. Total cost of loan processing \$5,000.
  - Low interest cost over the term of the loan. Estimated rate of 3.85% fixed over life of loan (rate may vary based on market conditions). Quarterly payments provide for savings due to faster payment of interest and principal.

- Con's:
  - Lower amount of capital financing available, due to higher debt service payments due to shorter repayment period, 20 year term.

Debt financing is an option that would work well together with the acquisition of an Advanced Metering Infrastructure System. This would also provide for additional monies available to fund a significant portion of the water main replacement needs. The refinancing of existing debt would result in cost savings that can then be reinvested into the water operation. Furthermore, the restructuring of the existing debt would release the City from current debt coverage restrictions and allow the City to be in compliance with new terms.

#### Advanced Metering Infrastructure (AMI):

Advanced Metering Infrastructure (AMI) has been seen as an alternative to the doubling up on staff time to do monthly billing. In fact, with an AMI system's ability to provide almost real-time water use data, this alternative is superior to monthly billing in that it can provide a customer with high use notifications or leak alerts at any time during a billing period. AMI would free field staff from almost all meter reading functions, allowing for those staff members more time in maintenance of the infrastructure and in customer service at City Hall.

This report considers standard city-hosted AMI only. Cloud based AMI offerings are not proposed at this time due to their high implementation costs.

The City's water system would greatly benefit from a new metering system. Advance Metering Infrastructure (AMI) is not only a purchase of new meters. AMI goes beyond reading meters quickly and accurately, it provides for timely two-way communications between the utility system and metering endpoints.

#### Benefits of AMI:

- Financial Benefits:
  - Improved meter accuracy should increase City's consumptive water revenue. Estimated increase in billings of \$135,000 a year.
  - Cost savings due to operational efficiencies estimated at \$35,000 per year. Elimination of manual reads and re-reads. Virtual turn-ons & turn-offs. Reduction in customer service calls.
- Non-Financial Benefits:
  - Advance leak detection.
  - Improved water conservation.
  - Enhanced customer service.
  - Consumption behavior available online.

- Other increased operational efficiencies. Elimination of human error in meter-reading. Availability of timely & accurate data for staff to work with.

The cost of an AMI system is about \$1,365,000. With revenue recovery and cost savings of about \$180,000 a year, the system would pay for itself in about 7.6 years and provide for ongoing efficiencies and cost savings for the life of the system, 20 years.

Ferguson Waterworks/ Equarius Waterworks Proposal.

Included with this staff report is a conceptual proposal from Equarius Waterworks for the installation of AMI citywide. This is a basic approach to AMI installation, without the significant operational changes associated with the other two AMI-related proposals included with this report.

Utility Partnership - FATHOM:

FATHOM Solutions offers an integrated Advanced Metering Infrastructure (AMI) system & Customer Information System (CIS) with a Utility Billing Solution. Below is a comparison of the City's cost of service for monthly billing purchasing AMI to the monthly billing costs with FATHOM.

City Monthly Billing Cost with purchase of AMI		
Description	Per Meter Per Month	Annual
Hard Costs	\$ 8.98	\$ 402,921
Revenue Loss	8.58	385,395
Adjustment for monthly bill printing & Postage	0.29	12,981
AMI Equipment Cost	2.90	130,190
<b>Total Cost of Service</b>	<b>\$ 20.75</b>	<b>\$ 931,487</b>
Monthly Billing Cost with FATHOM		
Description	Per Meter Per Month	Annual
FATHOM Full Bundle:		
Managed Services and SaaS	\$ 4.37	\$ 196,178
Meters and AMI Infrastructure	5.27	236,734
<b>Total FATHOM Full Bundle</b>	<b>9.64</b>	<b>432,912</b>
Retained Costs:		
59% Labor Costs Retained by City	\$ 4.77	\$ 214,320
60% Unrecoverable Water Loss	4.85	217,557
<b>Total Retained Costs</b>	<b>9.62</b>	<b>431,877</b>
<b>Total Cost of Service with FATHOM</b>	<b>\$ 19.26</b>	<b>\$ 864,789</b>
<b>POTENTIAL SAVINGS</b>	<b>\$ 1.49</b>	<b>\$ 66,698</b>

The City has the option of obtaining the Managed billing and customer service and purchasing the AMI system independently or contract for the full bundle of FATHOM services. However, the FATHOM solution can only be implemented with an AMI system.

Public-Public Partnership – Veolia:

This option provides for a partnership for management of the water and waste water systems through a newly formed entity, a joint powers authority (JPA) or other quasi-public structure.

The partnership would work as follows:

- A new entity is formed which will act on behalf of the City.
- The Water & Sewer Systems are leased to a third party, the newly formed entity, under a long-term agreement (usually 30 years)
- The new entity is responsible for the system operation and maintenance.
  - The new entity operates under a contract which outlines performance standards agreed to by the City. Compliance is monitored by the City.
  - The new entity performance is supported by an operational contract with Veolia.
  - The new entity collects rate payments and funds operations and usually capital.
- The new entity makes payments to the City's General Fund.
  - The new entity can make upfront payments to the City based on a portion of future savings.
  - The new entity can also make annual payments during the life of the contract to reflect: 1) the value of the lease agreed in the contract and 2) growth in the system.
- Transparency to City and Community.
  - Performance on operations and environmental compliance is reported to the City according to agreed metrics.
  - The City or designated Board of Directors participate in performance monitoring and establish rates.

This solution provides for savings from outsourcing the management and maintenance of the water and wastewater systems. The savings are realized through operational and administrative cost savings, capital program and debt management, and revenue enhancement from meter management and energy generation.

An estimated \$750 thousand of cost reductions and other savings could result in an upfront payment of about \$7 million and an annual lease payment of \$300 thousand to the City.

Veolia has recently entered into this type of arrangement with the nearby City of Rialto. Rialto is using a 30-year public-private concession model to strengthen the city's financial position and improve infrastructure services. As part of the concession, the City of Rialto and the Rialto Utility Authority created Rialto Water Services (RWS).

Under the RWS concession, the City retains full possession of its water and wastewater systems, retains all water rights and supply, and possesses the rate-setting authority associated with those facilities. RWS provides financial backing, oversight and concession services for the life of the agreement. RWS hired Veolia to manage the city's water and wastewater systems, provide billing and customer service, and oversee a \$41 million capital improvement program to upgrade/replace aging facilities. This long-planned upgrade to the infrastructure introduces cost and energy efficiencies for the City, seismic retrofits, and improved water supply and wastewater capacity.

The concession generates annual lease payments to the City, in addition to a \$35 million upfront payment committed to key jobs-creating economic development projects of the City. The concession can be seen as an important and innovative solution to aging infrastructure.

Veolia has only limited competition in this field, with French firm Suez Environment as the only other firm found to offer these services.

### **FISCAL IMPACT**

There is no financial impact from this action.

### **PUBLIC NOTICE PROCESS**

This item has been noticed through the regular agenda notification process. Copies of the report are available via the City's website at [www.cityofsierramadre.com](http://www.cityofsierramadre.com), at the City Hall public counter, and the Sierra Madre Public Library.

### **RECOMMENDATION**

Staff recommends the City obtain 20-year loan financing to: refund the current outstanding bond debt; purchase an AMI system and fund identified water infrastructure in priority order.

### **ATTACHMENTS**

- Exhibit A Review of September 2012 Infrastructure Report.
- Exhibit B Bond Financing - Presentation to the City of Sierra Madre
- Exhibit C Loan Financing – Debt Service Schedule
- Exhibit D Ferguson/Equarius - City of Sierra Madre and AMI Investment
- Exhibit E FATHOM – A Partnership Opportunity with City of Sierra Madre, California
- Exhibit F Veolia – Sierra Madre Water and Sewer “Public-Public Partnership”
- Exhibit G September 24, 2013 Staff Report recommending purchase of AMI System



# City of Sierra Madre Agenda Report

*John Capoccia Mayor*  
*Gene Goss, Mayor Pro Tem*  
*Rachelle Arizmendi, Council Member*  
*Denise Delmar, Council Member*  
*John Harabedian, Council Member*

*Nancy Shollenberger, City Clerk*  
*Richard Mays, City Treasurer*

TO: Honorable Mayor Capoccia and Members of the City Council

FROM: Elaine I. Aguilar, City Manager 

INITIATED BY: Bruce Inman, Director of Public Works 

DATE: January 12, 2016

**SUBJECT: REVIEW OF SEPTEMBER 2012 INFRASTRUCTURE REPORT  
(October 2015 Strategic Plan Item)**

## **SUMMARY**

Staff recommends that the City Council direct staff to continue with the implementation of street, sewer, and water improvement projects as provided for in the FY 2015-16 budget and in previous Council direction.

## **ANALYSIS**

At the October 2015 Strategic Planning retreat, under the three-year goal of Updating our Outdated Infrastructure, the City Council directed staff to "Recommend to the City Council for action a list of 9 infrastructure areas to be updated in priority order, including known funding sources." This report, based on the September 25, 2012 Sierra Madre State of the Infrastructure report to City Council identifies and prioritizes 9 infrastructure areas which should be addressed in the near future.

### **Priority 1 – Water Distribution System**

In light of the significant increase in distribution system leakage since 2012, repairs and replacement of distribution system components has swapped places on the priority list with Water Supply to become the highest priority.

The City's water distribution system is comprised of 328 one-block segments of water main totaling about 214,100 liner feet. Of that total, 104 segments (58,600 lf) were constructed prior to 1940. Some of those segments are on the list of high maintenance mains, however, there are 13 additional segments totaling 13,500 linear feet on the high maintenance list that were built since 1940, some as recently as 1963.

On October 19<sup>th</sup>, staff presented a list of the top 20 high maintenance water mains for prioritization of replacement. Table A below is updated from the similar table in the

10/129 staff report. The shaded rows 1A, 1B, 2, 3, 6, and 7 have been included in the FY 2015-16 CIP by prior Council action. From that top 20 list, 15 remain to be addressed, at an estimated combined cost of \$2,065,360.

**Table A**

1A	Canyon Crest/Skyland/Idlehour from Orange to Orange (1930)	\$ 406,680
1B	Canyon Crest from Idle Hour to Orange (1930)	75,960
2	Fern Glen from Canyon Crest to Fern Dr.(1932)	63,315
3	W. Montecito from Baldwin to Auburn (1923)	132,420
4	Fane from Colony to Holdman (1954)	63,315
5	Colony from SA Ct to Fane (1954)	123,110
6	X-Country Canyon Crest to Middle Brookside (1930)	176,450
7	Woodland 16" Transmission Line. (1930)	338,285
8	N. Michillinda from Alegria to Edgeview (1952)	282,200
9	Santa Anita Ct from Sierra Pl to Mt Trail (1930)	76,910
10	Santa Anita Ct. Between Mt. Trail and Rancho (1930)	63,315
11	San Gabriel Ct from Sierra Pl to Mt Trail (1930)	69,930
12	Sierra Pl. from E SMB to Lowell (1930)	121,100
13	W. Alegria from Sunnyside east to end (1960)	34,110
14	Fairview Ave. from Grove St to Michillinda (1953-1960)	222,250
15	Key Vista from Sierra Keys to end (1963)	35,510
16	Cross-country above Lower Brookside (1930)	103,680
17	Gatewood Ln from Michillinda to include Gatewood Terr. (1953)	180,900
18	W. Bonita between Baldwin and Hermosa (1924)	203,700
19	Liliano From Arno to Stonehouse (1962)	359,990
20	Manzanita Ave from Hermosa to Lima St (1930)	125,340
	<b>Total</b>	<b>\$3,258,470</b>

Replacing the top 20 high maintenance mains will leave 91 segments in the distribution system that are 75 years old or older, with an estimated total replacement cost of \$11,177,425.

**Priority 2 – Water Supply**

In spite of El Nino conditions, California's ongoing drought and concerns about sustainable water supplies remain critical. The City has undergone two years of strict reliance on the direct use of imported water, with far less than satisfactory results. While at this time the imported water is being used for groundwater recharge to replace that which the City is producing from its wells, this process is costly, at more than three times the City's cost to simply pump from its wells and rely on groundwater recharge.

One effort to improve the City's water supply is already in the design stages with the Los Angeles County Department of Public Works and is expected to begin construction in late 2016. This is the Santa Anita Headworks/Diversion Structure that will improve the capture and diversion of water released from Santa Anita Dam to Sierra Madre's spreading grounds. The City made the first of its two \$450,470 payments to the County for the project in FY 2014-15, with the final installment delayed until FY 2016-17 to preserve funding for water main replacements this fiscal year.

Staff is in discussions with the City of Arcadia regarding the potential for developing a joint use well agreement under which Sierra Madre could access its imported water from the Main San Gabriel Basin via Arcadia's production and distribution system. This would reduce the cost of purchasing the water via MWD by 50 percent, however the savings would be offset by San Gabriel Basin Watermaster fees and Arcadia's fees for production, treatment and pumping the water to Sierra Madre.

In addition, page 17 of the attached report notes an option for the construction of the City's own well in the Main San Gabriel Basin and a pipeline connecting the well to Sierra Madre. The cost of that option is estimated at \$6,441,065. The City sent a letter in march of 2013 to the San Gabriel Valley Municipal Water District requesting their assistance with such a project, there has been no movement towards initiating the project. Both SGVMWD Director Tom Love and general Manager Darin Kasamoto have expressed support for the project and City staff has repeatedly brought the matter up at SGVMWD Strategic Planning meetings.

#### Priority 3 – Storm Drain/NPDES/EWMP

While compliance with the current Los Angeles regional NPDES permit is not a popular topic, it is nevertheless should be considered a high priority as good faith effort towards compliance and as a potential method to diversify the City's water resources and as a potential component of a program to improve the city's streets and streetscapes at the same time.

To the extent possible, a green street component should be included in the FY 2015-16 street improvement project. This could include modifications to sidewalks and parkway tree plantings.

#### Priority 4 – Streets

The 2012 report noted that the City's Pavement Condition Index (PCI) of 69.4 was slightly better than the State average PCI of 66 and the L.A. region at 62.4. However the report further noted that these PCI levels should be viewed as a warning that increased costs lie ahead if adequate pavement management efforts are not soon implemented. Recent work done on South Michillinda, Sierra Madre Boulevard and South Baldwin. Have improved the PCI value on the City's arterial streets to about 75. Local street PCI has not improved; pavement damage due to water system leaks and repairs, as well as normal wear and tear have negated any improvement in average PCI

that has been gained by street repairs done since the last Engineering report was done in 2013, the next update will be required in 2016.

The FY 2015-16 budget provides limited funding for street repairs. One hundred thousand is set aside from Proposition C funds for street resurfacing; these funds can only be used for re-paving (not slurry seal) on streets utilized by scheduled transit services. Inasmuch as the City's streets which are used by Foothill Transit have all been paved very recently, use of the Prop C funds will be limited to use on streets on the City's Round-a-Bout service. In addition to the Prop C funding, the City Council has previously set aside a one-time allocation of \$404,000 in general funds for street resurfacing. That sum is included in the FY 2015-16 budget. Beyond \$510 thousand proposed in the FY2016-17 budget fiscal year, there are no further funds programmed in the CIP for street repair, although the estimated cost for streets citywide currently exceeds \$5.5 million.

The streets proposed for repair in FY 2015-16 are:

Skyland Drive, Idle Hour Lane, & portion of Canyon Crest		
General Fund	Estimated Cost	\$316,455
West Grandview, Michillinda Avenue to Jameson Court		
Court Prop C and General Fund	Estimated Cost	<u>\$181,930</u>
Estimated project total		\$498,385

Street repairs are funded through the use of Gas Tax, or more recently Highway User Taxes (HUTA), Measure R funds, Proposition C funds, federal STP-L funds, and general funds. For FY 15-16 projected revenues for the three primary sources of street maintenance funding are as follows:

Gas Tax/HUTA	\$241,859
Prop C	\$166,170
Measure R	\$124,629
STP-L	\$32,900

Under current general fund limitations, a large portion of Public Works operational budget is taken from Gas Tax/HUTA, leaving only prop C, Measure R, and STP-L funds for capital projects. STP-L funds are not used annually, as their use is extremely limited and the high level of administrative effort to get projects approved and costs reimbursed via Caltrans makes small projects ( $\pm$ \$33,000) unattractive to contractors. Staff therefore allows annual allocations to accrue into larger amounts to make more contractor-attractive projects, or has been done in the past, the City sells the funds to the County for street funds that may be used at the City's sole discretion.

#### Priority 5 – Trees

The City has an inventory of approximately 5200 trees in its parks, city properties and street parkways. According to the International Society of Arboriculture most trees should be trimmed every 3-5 years.

Environmental Fund revenue is projected to be \$88,971 for FY 15-16. The funds are derived from franchise fees from Athens Services and revenue received as a portion of the proceeds of Athens' sale of recyclable materials collected from Sierra Madre.

The FY 15-16 Environmental Fund budget provides \$10,000 for tree removals and \$41,000 for tree maintenance (trimming). The City has been utilizing West Coast Arborists for a number of years based on "piggybacking" on other cities bid processes. The current cost per tree for WCA grid trimming is \$42.30 per tree. Grid trimming describes the contractor coming in and trimming every tree within a staff-generated grid covering a portion of the city. All trees in the grid are trimmed for the single specified cost, regardless of size or specie. Indications from WCA are that the cost will go up in 2016.

The FY 2015-16 budget provides \$41,000 for grid trimming and \$10,000 for tree removals. A 5-year interval grid trimming program would cost \$44,000; a three year program \$73,350. With the funding in the current budget if tree removals are kept to a minimum, the funding allocated for tree work could be used to carry out a 5-year scaled grid trimming program this fiscal year. This will depend as well on whether or not WCA raises its grid-trimming rate before we can get the trimming done.

#### Priority 6 – Sidewalks

In February 2015 the City Council adopted a Sidewalk Master Plan. Since that time sidewalk replacements have been made through the ongoing Sidewalk Partnership Program and temporary repairs are made when sidewalk defects are identified through inspection.

Sidewalk installation and repair funding is derived from Transportation Development Act of 1971, a state measure to assist in the implementation of transit and pedestrian programs and projects. Sierra Madre receives about \$7,000 per year from this funding source. The funds are typically used for the purchase of sidewalk replacement and repair materials. This year's capital funding includes an accumulated \$23,125 that could be utilized for a sidewalk infill project if so directed by Council. The top priority for installation of new sidewalk would be the south side of Esperanza Avenue, as described in option 2b(1) of the Sidewalk Master Plan.

Staff proposes to utilize the funding for materials purchase for replacement of existing damaged sidewalk in locations where the repairs can be done without removing or seriously harming parkway trees. Under this recommendation, staff will utilize the inventory provided in the Sidewalk Master Plan to identify the locations to be addressed

and will then undertake the work by Public Works field staff, with the goal to be completed by the end of FY 2015-16.

#### Priority 7 – Sewers

The City's Sewer System Management Plan (SSMP) is a document required by the State; a planning tool for sewer repairs and maintenance activities. The SSMP was first prepared for the City in 2007 and was updated as required in 2012. The next update will be required in 2017.

The SSMP identifies one location at which sewer capacity is inadequate; that situation was corrected during FY 2014-15. Beyond the capacity limitation, the SSMP notes (in 2015 dollars) a total of \$382,285 in priority 3-priority 5 to priority sewer repairs:

Priority 5 (Worst Condition) \$231,425 in repairs needed, including replacement of a manhole, replacement of 7 sections of sewer main, and lining 3,318 lf of existing 8-inch mains to seal cracks and broken sections. Per SSMP these mains may fail at any time in the next 5 years.

Priority 4 (Bad Condition) \$84,968 in repairs needed in 8 locations, consisting of the lining 1,916 lf of existing 8-inch pipe. These sections may become priority 5 sections if not repaired soon.

Priority 3 (Poor Condition) \$66,432 in repairs, including one section of main replacement, and lining of an additional 1,294 lf of main.

The adopted FY 2015-16 Budget provides for the expenditure of \$82,000 this fiscal year for sewer improvements, which will address a portion of the Priority 5 mains. The following 3 fiscal years are projected to include \$100,000 each year for sewer repair.

#### Priority 8 – ADA Compliance

The City's programs and facilities must meet the requirements of the federal Americans with Disabilities Act. The first step in complying with the Act relative to the City's infrastructure (Buildings and Rights-of-Way) is the performance of a citywide inspection and preparation of a "Transition Plan" to identify areas of non-compliance and improvements to buildings, parks, and city streets to bring the City into compliance.

The Act, which was passed in 1990, is enforced by the US Justice Department through complaints, lawsuits, consent decrees, settlement agreements, and alternate dispute resolution (mediation). While the Act has been in place for 25 years and city buildings have been brought up to ADA standards when remodeling is done, there is no known existence of a Sierra Madre ADA Plan or Transition Plan. Although it is assumed that the City did at one time prepare, or have prepared such a plan, no record of such a plan has been located. Having such a Plan would not only be a major step towards ADA compliance; it would also be of assistance in identifying local uses for CDBG funds. ADA compliance improvements are one of the few projects or programs that the City may use CDBG funds for. Currently CDBG funds are programmed for use in ADA improvements to the Sierra Madre Public Library.

The City's insurer, the California Joint Powers Insurance Authority (CJPIA), is very supportive of its member cities doing everything possible to limit liability against ADA-related claims. The CJPIA has provided a proposal to the City for the preparation of an inspection and Transition Plan. The total Plan cost is proposed at \$54,550, with the CJPIA underwriting \$26,300 of that cost and the City's share being \$26,300.

Without the inspection and ADA Plan staff is not able to provide a comprehensive list of necessary ADA improvements to be made citywide. The City was recently provided a list of needed ADA improvements for the Library, totaling an estimated \$47,300. There are a total of \$43,920 in CDBG funds to cover a portion of those costs.

#### Priority 9 – Facilities Maintenance

The attached Status of the Infrastructure report lists a large number of parks and building repairs and improvements that were necessary in 2012. The Building facilities list begins on page 37; staff has lined through those items which are no longer on the list, as a representation of what has been accomplished since September of 2012. Most notably removed from the list are the roofs of the City Hall and Public Safety Buildings, where roof repairs have kept the buildings dry through recent rains, several modifications to the Library, the elimination of the need to replace the emergency generators, and the elimination of the Duty Man House.

For the current Fiscal Year the remaining facility and parks projects are:

- Library Painting \$35,000
- Civic Center Parking Lot Resurface \$45,000

However, a great number of building maintenance issues remain. With a current balance in the Facilities Maintenance Internal Services Fund of slightly over \$1.6 million, it may be possible to move some of the items in the 5-year CIP from the unfunded list into the upcoming FY 2016-17 budget. While it is an attractive option to move some of the unfunded projects now, staff recommends waiting until the next fiscal year budget is approved, based on the outcome of the UUT ballot measure.

#### **FINANCIAL (Funding Sources from 2012 State of the Infrastructure report)**

As stated in the September 2012 report, "Much of Sierra Madre's infrastructure is old, and regular infrastructure maintenance has often been deferred due to a lack of adequate funding. The situation that Sierra Madre finds itself in is not new; infrastructure maintenance funding shortages are chronic in Sierra Madre as they are elsewhere in the state." This statement remains true today, because there are no *existing* funding sources that are sufficient to address the continual deterioration of infrastructure.

### General Funds

The City can use General funds for any municipal purpose. However, the City's General fund revenues are barely adequate to fund City services and programs. Allocating General fund revenues to capital projects would necessitate a reduction in services or programs. The City also has General Fund reserves, and the reserves could be used to fund capital projects; but would result in lower reserves available for future emergencies.

### Parcel Taxes

Parcel Taxes can be used as a mechanism to generate revenue. Since the passage of Proposition 218, all parcel taxes require 2/3 voter approval. Therefore any parcel tax, regardless of the service, program or project it funds, would require a 2/3rd majority to pass. Placing a parcel tax on the ballot will require professional services to determine the actual amount of the tax and the method that the tax would be distributed to properties in order to be legally defensible.

As a very rough estimate, there are approximately 4,100 parcels in the City. If each parcel was assessed \$500, approximately \$2 million in revenues would be generated. The parcel taxes are placed on property tax bills and are paid along with the property taxes.

### Dedicated Sales Tax Increase

The City currently receives approximately \$200,000 in sales taxes each year. The imposition of a dedicated sales tax would not result in an increase in revenues sufficient to meet financial needs.

### Assessments

An assessment is not assessed on "property ownership" like a parcel tax. It is based upon the value received by the parcel for the service rendered. Parcels can only be assessed for the special benefit they receive and general public services cannot be financed through an assessment. This is the mechanism currently used by the City for lighting assessment districts and maintenance districts.

An assessment requires an enabling statute, and the implementation process requires the preparation of a resolution of intent ordering the preparation of an engineer's report.

Once the report is ready, a second resolution must be passed to approve the report and order the holding of a mail ballot election (for property owners only). There are two hearings required, and if a majority of the ballots, weighted by dollars is received in favor of the assessment, it passes.

### Bonds

Bonds can be issued for infrastructure improvements. There are costs associated with issuing bonds, and a revenue source must be identified to repay the bonds. However, the issuance of bonds can be accomplished without a public vote.

**PUBLIC NOTICE PROCESS**

This item has been noticed through the regular agenda notification process. Copies of the report are available via the City's website at [www.cityofsierramadre.com](http://www.cityofsierramadre.com), at the City Hall public counter, and the Sierra Madre Public Library.

**STAFF RECOMMENDATION**

Staff recommends that the City Council direct staff to continue with the implementation of street, sewer, and water improvement projects as provided for in the FY 2015-16 budget and in previous Council direction.

Attached: 2012 State of the Infrastructure Report

Exhibit B



Presentation to the:  
**City of Sierra Madre**

Date of Presentation: **February 17, 2016**

## Role of the Working Group and Introductions

- **Financial Advisor:** Advises the Issuer on Structure, Timing, Marketing, Fairness of Pricing, Terms and Bond Ratings; Oversees, Coordinates, and Manages the Financing Team in Connection with the Issuance of Bonds
- **Bond Counsel:** Opines that the Bonds have been Validly Issued and, if Tax Exemption is Intended, that the Bonds are Tax-Exempt Bonds
- **Disclosure Counsel:** Provides Advice on Issuer Disclosure Obligations and to Prepare the Official Statement and/or Continuing Disclosure Agreement

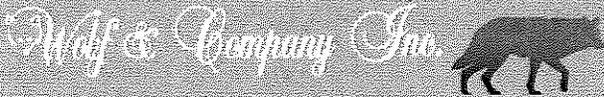
### **Financial Advisor** **Wolf & Company, Inc.**

#### **Wes Wolf, President**

- Over 35 Years of Financial and Government Experience
- Over \$9 Billion of State and Local Tax-Exempt and Taxable Bonds

#### **Manny De Dios, Municipal Advisor**

- 45 Years of Municipal Experience; Last 25 Years as Series 24 Municipal Securities Principal



### **Bond/Disclosure Counsel** **Norton Rose Fulbright**

#### **Danny Kim, Partner**

- 18 Years Experience with one of the Largest Public Finance Practices in the Nation
- Worked as Bond and Disclosure Counsel on Prior Financings

#### **Jonathan Guz, Senior Associate**

- Joined Norton Rose Fulbright in 2008
- Has Assisted Clients in Various Credits(Including Enterprise Financings)



## Role of the Working Group and Introductions (cont.)

- **Underwriter:** Purchases New Issue of Municipal Securities from the Issuer for Resale in a Primary Offering
- **Underwriter's Counsel:** Represents the Interests of an Underwriter in Connection with the Purchase of a New Issue of Municipal Securities

### **Underwriter** **Stifel**

#### **Jose Vera, Managing Director**

- 16 Years of Experience with Largest and Most Active Underwriter Firm in California
- Assisted Issuer Clients on the Issuance of Over \$6 billion of Par Amount

#### **Tom Jacob, Vice President**

- 9 Years of Public Finance Experience
- Assisted Issuer Clients on the Issuance of Over \$4 billion of Par Amount

**STIFEL**

### **Underwriter's Counsel** **Nossaman LLP**

#### **Albert Reyes, Partner**

- 14 years of Public Finance Experience as Underwriter's Counsel, Bond Counsel and Disclosure Counsel
- Has Assisted Underwriters and Various Cities and Water Districts on Multiple Water System Bond Financings

 **NOSSAMAN** LLP

# Understanding of the City's Water System

- **The City's Water System Service Area Coincides with the City of Sierra Madre Boundary**

- Approx. 3,800 Connections Serving a Population of 11,133 as of January 1, 2015<sup>1</sup>

- **Customer Base Primarily Residential**

- Some Commercial, Institutional, Industrial, and Landscape Irrigation Users
- Limited Customer Growth Potential due to Built-Out Nature of City

- **Main Source of Water Supply is Groundwater; Pumped from Santa Anita Sub-Area of the Raymond Basin**

- Drought Conditions have led to Additional Source of Purchased Water from MWD

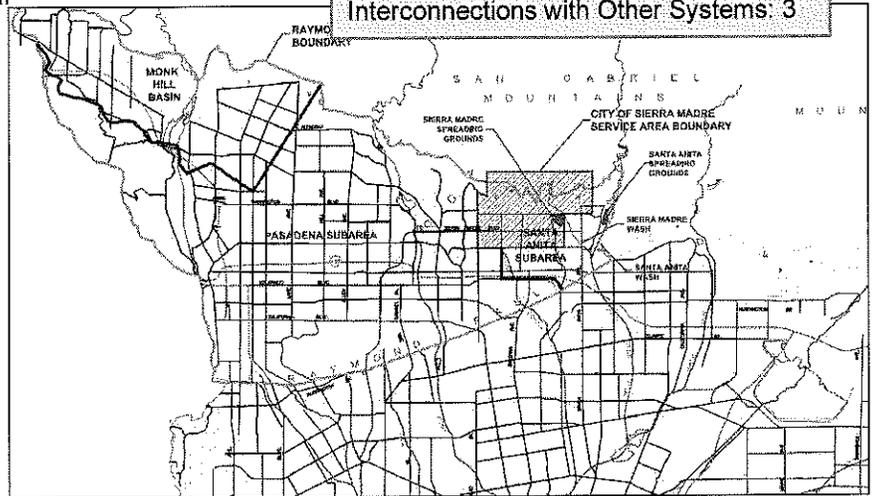
### Water System Statistics<sup>2</sup>

#### Background

Population Served: 11,133  
Connections: Approx. 3,800  
User Accounts: Residential, Commercial/Institutional, Industrial, Landscape Irrigation

#### Infrastructure

Wells: 4  
Reservoirs: 8 (7.46 MG Capacity)  
Miles of Pipeline: 46  
Interconnections with Other Systems: 3



<sup>1</sup>California Department of Finance, Population as of Jan. 1 2015

<sup>2</sup>Statistics Taken from 2015 Urban Water Management Plan RFP and Final 2010 Urban Water Management Plan

## Rating Agency Views of the Water System

- **Both S&P and Moody's have Assigned Credit Ratings to the Water System**
- **S&P Suspended its Rating in Late 2007 Due to Lack of Financial Information; Moody's Most Recently Assigned a "Ba1" in May 2015**
  - Primary Reason: Coverage Reported to have Fallen Below Rate Covenant (1.20x)
  - *Cited Coverage Increases and Regular Rate Increases as Factors that could Move Credit Rating Higher*
- **Moody's Most Recent Review of the Water System's Credit (May 2015)**
  - + Affluent Community Located within LA Metro Area
  - + Recent Management Action to Implement Revenue-Neutral Conservation Measures
  - Expected Rise in Operating Expenses Tied to Increased Cost of Water Purchases
  - History of Rate Covenant Violations
  - Aging Infrastructure Requiring Significant Reinvestment
  - Uncertain Water Supply

## Rating Agency Considerations

- **Local Economic Conditions: Job Base, Population Growth, Wealth Levels**
  - Local Area Economy Noted Strength of the City by both S&P and Moody's
- **Customer Profile: Customer Type, Current & Future Demand, Concentration**
  - High Residential Customer Base (~85%) is Notable Strength
- **Operational Factors: Capacity, Assets, Supply, Management, Regulatory Compliance**
  - Increasing Reliance on Imported Water, Aging Infrastructure Cause for Concerns
- **Rate Criteria: Rate Sufficiency, Comparative Rates, Rate Affordability, Rate-Setting**
  - Perceived Rate Covenant Violations Major Factor of Moody's Downgrade
- **Financial Data: Stability and Consistency of Revenues, Liquidity, Collections History, Reserves, Debt Service Coverage**
  - Financial Performance/Debt Service Coverage Listed as Credit Challenges
- **Legal Structure and Covenants: Revenue Pledge, Rate Covenant, Reserve Fund, Debt Structure, Additional Bonds Test**
  - Cash-Funded Reserves Notable Credit Positive; Rate Covenant/ABT Standard

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Source: S&P and Moody's Credit Rating Reports

## Current Credit Profile of the Water System

- Upon Review by Staff and the Proposed Team, Historical Debt Service Coverage Calculation did not take into Account Certain Revenues and Expenses
  - O&M Costs Allow for the Exclusion of “Reasonable Administrative and In Lieu Costs of the City Attributable to the Operation and Maintenance of the Water Enterprise”

- Revised Coverage Indicates that Water System has met its Covenant Most Years

- Council Recently Adopted Rate Increases in FY 2014
  - Further Increases Expected

- Sufficient Revenues to Cover Proposed Capital Improvements

Statement of Revenues and Expenses: Debt Service Coverage (\$ in Thousands)					
	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Draft FY 2015
<b>Revenues:</b>					
Charges for Services	\$ 2,887.53	\$ 3,027.67	\$ 3,554.36	\$ 3,828.24	\$ 4,373.85
Licenses and Permits	0.62	10.39	3.80	5.78	-
Miscellaneous	267.50	-	-	-	-
Grants (Non-Oper)	29.62	-	316.93	258.88	242.50
Investment Income (Non-Oper)	7.65	-	-	4.49	4.27
Other Income (Non-Oper)	-	-	-	12.69	-
<b>TOTAL REVENUES</b>	<b>\$ 3,192.92</b>	<b>\$ 3,038.06</b>	<b>\$ 3,875.09</b>	<b>\$ 4,110.07</b>	<b>\$ 4,620.62</b>
<b>Expenses:</b>					
Total Operating Expenses	\$ 2,751.54	\$ 3,314.33	\$ 3,477.29	\$ 3,084.06	\$ 4,121.62
Less: Depreciation	(568.25)	(553.62)	(552.12)	(551.52)	(563.94)
Less: Personnel Services	(555.95)	(757.19)	(798.08)	(800.22)	(802.85)
<b>TOTAL EXPENSES</b>	<b>\$ 1,627.33</b>	<b>\$ 2,003.52</b>	<b>\$ 2,127.09</b>	<b>\$ 1,732.32</b>	<b>\$ 2,754.83</b>
<b>Net System Revenues</b>	<b>\$ 1,565.58</b>	<b>\$ 1,034.54</b>	<b>\$ 1,748.00</b>	<b>\$ 2,377.76</b>	<b>\$ 1,865.79</b>
<b>Debt Service</b>	<b>\$ 863.27</b>	<b>\$ 842.67</b>	<b>\$ 847.18</b>	<b>\$ 848.03</b>	<b>\$ 843.01</b>
<b>Debt Service Coverage</b>	<b>1.81x</b>	<b>1.23x</b>	<b>2.06x</b>	<b>2.80x</b>	<b>2.21x</b>
Revenues for Personnel Services	\$ 702.32	\$ 191.87	\$ 900.82	\$ 1,529.72	\$ 1,022.78
Revenues Net of Personnel Services	146.36	(565.32)	102.74	729.50	219.93
<b>Days Cash (Liquidity)</b>	<b>515</b>	<b>305</b>	<b>223</b>	<b>300</b>	<b>196</b>

Source: City Provided Comprehensive Annual Financial Reports (2011-Draft of 2015)  
Liquidity Calculation Equals Unrestricted Cash and Investments Divided by O&M Expenses Divided by 365 Days

## Capital Needs of the Water System

- **\$13.2 Million of Capital Projects Identified to Address Water System's Aging Infrastructure**

Identified Projects	Cost
Skyland/Idlehour to Orange	\$ 406,680
Canyon Crest from Idle Hour to Orange	75,960
Fern Glen from Canyon Crest to Fern Dr.	63,315
W. Montecito from Baldwin to Auburn	132,420
Fane from Colony to Holdman	63,315
Colony from SACT to Fane	123,110
X-County Canyon Crest to Middle Brookside	176,450
Woodland 16" Transmission Line	338,285
N. Michillinda from Alegria to Edgeview	282,200
Santa Anita Ct. from Sierra Pl to Mt Trail	76,910
Santa Anita Ct. Between Mt. Trail and Rancho	63,315
San Gabriel Ct. from Sierra Pl to Mt. Trail	69,930
Sierra Pl from E SMB to Lowell	121,100
W. Alegria from Sunnyside east to end	34,110
Fairview Ave. from Grover St. to Michillinda	222,250
Key Vista from Sierra Keys to end	35,510
Cross-country above Lower Brookside	103,680
Gatewood Ln from Michillinda to include Gatewood Terr.	180,900
W. Bonita between Baldwin and Hermosa	203,700
Liliano from Arno to Stonehouse	359,990
Manzanita Ave. from Hermosa to Lima St.	125,340
Top 20 High Maintenance Replacement Costs	\$ 3,258,470
Less: Completed Projects	(1,493,110)
Plus: Segments Over 75 Years Old Replacement Costs	11,177,425
<b>Total Replacement Costs</b>	<b>\$ 13,242,785</b>

## Debt Obligations of the Water System

- **Water System has Two Long-Term Outstanding Obligations which are Currently Callable**

- 1998A Water Bonds: \$1.4 million Callable On Any Date @ Par
- 2003 Water Bonds: \$6.8 million Callable On Any Date/Any Interest Payment Date @ Par\*

Series	Original Amount	Outstanding Amount	Final Coupon	Final Maturity	Ratings (M/S&P/F)	Call Features
1998 Water Bonds	\$ 6,740,000	\$ 1,415,000	5.00%	11/01/18	Ba1/WD/--	Currently Callable @ Par
2003 Water Bonds	6,750,000	6,750,000	5.00%	11/01/33	Ba1/WD/--	2016-2032: Any Interest Payment Date @ 100 2033-Maturity: Any Date @ 100
SGVMWD Loan	1,456,880	874,124	0.00%	06/30/21		Not Available
<b>Total</b>	<b>\$14,946,880</b>	<b>\$ 9,039,124</b>				

- **Current Low Interest Environment Provides City with an Opportunity to Refinance the 1998A and 2003 Water Revenue Bonds for Meaningful Savings**

- \*Before the Issuance of New Debt, the City will Need to Address Past Continuing Disclosure Non-Compliance and Adopt a New Continuing Disclosure Policy

Debt Outstanding as of Fiscal Year 2015 (June 30, 2015)  
\*Different Maturities Subject to Different Call Provisions

## Financial Impact of Proposed Bonds

- **Analysis: Refinance 1998A and 2003 Bonds and Issue New Debt to Fund \$13.25 million of Identified Capital Improvements**
- **Revenue Assumptions**
  - Zero Growth Based on Revised FY 2015 Net Revenues
- **Interest Rate Assumptions**
  - All Current Rates are Based on Market Conditions as of February 9, 2016
- **Structuring Assumptions**
  - Debt Service Reserve Fund
  - Bond Insurance
  - Standard 10-Year Par Call
  - May (Interest) and November (Principal) Payment Dates

Fiscal Year	Pledged Revenues <sup>1</sup>	Refunding Bonds	New Money Bonds	Total Debt	Coverage
2017	\$ 1,866	\$ 646	\$ 647	\$ 1,293	1.44x
2018	1,866	645	647	1,292	1.44x
2019	1,866	646	647	1,293	1.44x
2020	1,866	559	720	1,279	1.46x
2021	1,866	557	722	1,280	1.46x
2022	1,866	554	723	1,278	1.46x
2023	1,866	559	719	1,278	1.46x
2024	1,866	558	720	1,278	1.46x
2025	1,866	556	720	1,276	1.46x
2026	1,866	558	715	1,274	1.46x
2027	1,866	560	716	1,275	1.46x
2028	1,866	555	720	1,275	1.46x
2029	1,866	559	715	1,274	1.46x
2030	1,866	558	714	1,272	1.47x
2031	1,866	560	713	1,273	1.47x
2032	1,866	561	712	1,273	1.47x
2033	1,866	560	711	1,271	1.47x
2034	1,866	559	714	1,273	1.47x
2035	1,866	-	1,268	1,268	1.47x
2036	1,866	-	1,271	1,271	1.47x
2037	1,866	-	1,267	1,267	1.47x
2038	1,866	-	1,267	1,267	1.47x
2039	1,866	-	1,264	1,264	1.48x
2040	1,866	-	1,265	1,265	1.48x
2041	1,866	-	1,263	1,263	1.48x
2042	1,866	-	1,264	1,264	1.48x
2043	1,866	-	1,262	1,262	1.48x
2044	1,866	-	1,258	1,258	1.48x
2045	1,866	-	1,261	1,261	1.48x
2046	1,866	-	1,256	1,256	1.49x
	<b>\$ 55,974</b>	<b>\$ 10,310</b>	<b>\$ 27,858</b>	<b>\$ 38,168</b>	

<sup>1</sup>Revised FY 2015 Revenue Figure  
Figures in Chart in Thousands (\$)

## Projected Cash Flow of Water System (Post 2016 Bonds)

- Approved Rate Increases Expected to Increase Revenues by \$400,000 in FY 2017 and by \$600,000 in FY 2018
- Sufficient Revenues to Absorb Capital, Maintain Rate Covenant and Pay Expenses

Statement of Revenues and Expenses: Debt Service Coverage (\$ in Thousands)					
	Draft		Projected		
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Revenues:</b>					
Charges for Services	\$ 4,373.85	\$ 4,373.85	\$ 4,773.85	\$ 5,373.85	\$ 5,373.85
Licenses and Permits	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Grants (Non-Oper)	242.50	247.35	252.30	257.34	262.49
Investment Income (Non-Oper)	4.27	4.36	4.44	4.53	4.62
Other Income (Non-Oper)	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 4,620.62</b>	<b>\$ 4,625.55</b>	<b>\$ 5,030.59</b>	<b>\$ 5,635.72</b>	<b>\$ 5,640.96</b>
<b>Expenses:</b>					
Total Operating Expenses	\$ 4,121.62	\$ 4,204.05	\$ 4,288.13	\$ 4,373.90	\$ 4,461.37
Less: Depreciation	(563.94)	(575.22)	(586.72)	(598.46)	(610.42)
Less: Personnel Services	(802.85)	(818.91)	(835.29)	(851.99)	(869.03)
<b>TOTAL EXPENSES</b>	<b>\$ 2,754.83</b>	<b>\$ 2,809.93</b>	<b>\$ 2,866.13</b>	<b>\$ 2,923.45</b>	<b>\$ 2,981.92</b>
<b>Net System Revenues</b>	<b>\$ 1,865.79</b>	<b>\$ 1,815.63</b>	<b>\$ 2,164.46</b>	<b>\$ 2,712.27</b>	<b>\$ 2,659.04</b>
<b>Debt Service</b>	<b>\$ 843.01</b>	<b>\$ 845.72</b>	<b>\$ 1,299.48</b>	<b>\$ 1,302.80</b>	<b>\$ 1,299.00</b>
<b>Debt Service Coverage</b>	<b>2.21x</b>	<b>2.15x</b>	<b>1.67x</b>	<b>2.08x</b>	<b>2.05x</b>
Revenues for Personnel Services	\$ 1,022.78	\$ 969.91	\$ 864.99	\$ 1,409.47	\$ 1,360.04
Revenues Net of Personnel Services	219.93	151.00	29.70	557.48	491.01

Zero Growth (Year-over-Year) Assumed for FY 2016 and FY 2019

# Preliminary Financing Schedule

<b>Preliminary Schedule: 2016 Water Revenue Bonds</b>	
<b>Date</b>	<b>Activity</b>
Wednesday, February 17 <sup>th</sup>	Presentation to the City
Wednesday, March 9 <sup>th</sup>	Distribute 1 <sup>st</sup> Draft of POS and Legal Docs
Tuesday, March 15 <sup>th</sup>	Conference Call to Review POS and Legal Docs
Tuesday, March 22 <sup>nd</sup>	Distribute 2 <sup>nd</sup> Draft of POS and Legal Docs
Thursday, March 24 <sup>th</sup>	Distribute 1 <sup>st</sup> Draft of Rating Agency Presentation
Tuesday, March 29 <sup>th</sup>	Conference Call to Review POS and Legal Docs
Tuesday, April 5 <sup>th</sup>	Distribute 3 <sup>rd</sup> Draft of POS and Legal Docs; Distribute Package to Rating Agency (and Bond Insurer)
Thursday, April 7 <sup>th</sup>	Rating Agency Presentations
Monday, April 11 <sup>th</sup>	Finalize POS and Legal Docs
Tuesday, April 12 <sup>th</sup>	Agenda Deadline (~2 Weeks Prior)
w/o April 18 <sup>th</sup>	Obtain Underlying Ratings; Bond Insurance Commitment Letter (if applicable)
<b>Tuesday, April 26<sup>th</sup></b>	<b>Approval of the 2016 Water Revenue Bonds</b>
Wednesday, April 27 <sup>th</sup>	Post Preliminary Official Statement; Begin Pre-Marketing
Wednesday, May 4 <sup>th</sup>	Pre-Pricing
Thursday, May 5 <sup>th</sup>	Price the 2016 Bonds; Execute BPA
w/o May 9 <sup>th</sup>	Draft Verification Report Distributed
w/o May 16 <sup>th</sup>	Final Verification Report Distributed; Submit Final Official Statement to the Printer
Wednesday, May 18 <sup>th</sup>	Pre-Closing
Thursday, May 19 <sup>th</sup>	Closing

## Summary of Estimated Fees

- **Except Rating Agency Fees, All Costs will be Contingent Upon the Successful Sale of the Proposed Bonds**

Estimated Par Amount		\$19,870,000
Service	Firm	Total
Bond/Disclosure Counsel	Norton Rose Fulbright	\$ 82,500
Financial Advisor	Wolf & Company, Inc.	60,000
Rating Agency	Standard & Poor's/Moody's*	25,000
Underwriter's Counsel	Nossaman LLP	20,000
Verification Agent	[To be Determined]	3,500
Continuing Disclosure Consultant	[To be Determined]	2,000
Trustee, Escrow Agent & Counsel	Bank of New York Mellon	6,750
Printing	[To be Determined]	3,000
Contingency	-	7,250
<b>Total Estimated Costs of Issuance**</b>		<b>\$ 210,000</b>
Underwriter's Discount	Stifel	\$ 198,700

\*New Series of Bonds may Necessitate Only Rating from One Credit Rating Agency

\*\*Bond Insurance Quotes may be Solicited Depending on Market Conditions at the Time of Sale

## Disclosure

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**SOURCES AND USES OF FUNDS**

Sierra Madre Financing Authority  
2016 Water Revenue Refunding Bonds

\*\*\*\*\*

1998 & 2003 Refunding + New Money

Dated Date            09/01/2016  
Delivery Date        09/01/2016

Sources:	2003 Bonds	1998 Bonds	New Money Bonds	Total
<b>Bond Proceeds:</b>				
Par Amount	5,835,000.00	1,000,000.00	14,140,000.00	20,975,000.00
Premium	1,019,431.60	19,785.80	2,006,207.70	3,045,425.10
	<u>6,854,431.60</u>	<u>1,019,785.80</u>	<u>16,146,207.70</u>	<u>24,020,425.10</u>
<b>Other Sources of Funds:</b>				
Debt Service Reserve Fund	619,029.38	522,695.00		1,141,724.38
	<u>7,473,460.98</u>	<u>1,542,480.80</u>	<u>16,146,207.70</u>	<u>25,162,149.48</u>
<b>Uses:</b>				
<b>Project Fund Deposits:</b>				
Project Fund			14,750,000.00	14,750,000.00
<b>Refunding Escrow Deposits:</b>				
Cash Deposit	0.26	1,444,479.17		1,444,479.43
SLGS Purchases	6,897,903.00			6,897,903.00
	<u>6,897,903.26</u>	<u>1,444,479.17</u>		<u>8,342,382.43</u>
<b>Other Fund Deposits:</b>				
Debt Service Reserve Fund	372,897.53	63,907.03	903,645.44	1,340,450.00
<b>Delivery Date Expenses:</b>				
Cost of Issuance	58,419.55	10,011.92	141,568.53	210,000.00
Underwriter's Discount	58,350.00	10,000.00	141,400.00	209,750.00
Bond Insurance (75 bps)	84,552.40	14,490.56	204,896.48	303,939.44
	<u>201,321.95</u>	<u>34,502.48</u>	<u>487,865.01</u>	<u>723,689.44</u>
<b>Other Uses of Funds:</b>				
Additional Proceeds	1,338.24	-407.88	4,697.25	5,627.61
	<u>7,473,460.98</u>	<u>1,542,480.80</u>	<u>16,146,207.70</u>	<u>25,162,149.48</u>

**UNIVERSAL BOND SOLUTION**

Sierra Madre Financing Authority  
2016 Water Revenue Refunding Bonds

\*\*\*\*\*

1998 & 2003 Refunding + New Money  
Universal Bond Solution Component

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
11/01/2016		117,267	470,042	587,308	1,865,788	1,278,480	317.68457%
11/01/2017		703,600	636,850	1,340,450	1,865,788	525,338	139.19117%
11/01/2018		703,600	634,950	1,338,550	1,865,788	527,238	139.38874%
11/01/2019	85,000	788,600	544,450	1,333,050	1,865,788	532,738	139.96384%
11/01/2020	80,000	780,200	548,650	1,328,850	1,865,788	536,938	140.40622%
11/01/2021	85,000	782,000	547,250	1,329,250	1,865,788	536,538	140.36396%
11/01/2022	90,000	783,600	545,450	1,329,050	1,865,788	536,738	140.38509%
11/01/2023	95,000	785,000	548,250	1,333,250	1,865,788	532,538	139.94285%
11/01/2024	100,000	785,250	547,250	1,332,500	1,865,788	533,288	140.02161%
11/01/2025	100,000	780,250	550,500	1,330,750	1,865,788	535,038	140.20575%
11/01/2026	110,000	785,250	547,750	1,333,000	1,865,788	532,788	139.96909%
11/01/2027	110,000	779,750	549,250	1,329,000	1,865,788	536,788	140.39037%
11/01/2028	115,000	779,250	549,750	1,329,000	1,865,788	536,788	140.39037%
11/01/2029	125,000	783,500	549,250	1,332,750	1,865,788	533,038	139.99535%
11/01/2030	125,000	777,250	552,750	1,330,000	1,865,788	535,788	140.28481%
11/01/2031	135,000	781,000	550,000	1,331,000	1,865,788	534,788	140.17941%
11/01/2032	140,000	779,250	551,250	1,330,500	1,865,788	535,288	140.23209%
11/01/2033	145,000	777,250	551,250	1,328,500	1,865,788	537,288	140.44321%
11/01/2034	705,000	1,330,000		1,330,000	1,865,788	535,788	140.28481%
11/01/2035	740,000	1,329,750		1,329,750	1,865,788	536,038	140.31119%
11/01/2036	780,000	1,332,750		1,332,750	1,865,788	533,038	139.99535%
11/01/2037	815,000	1,328,750		1,328,750	1,865,788	537,038	140.41678%
11/01/2038	860,000	1,333,000		1,333,000	1,865,788	532,788	139.96909%
11/01/2039	900,000	1,330,000		1,330,000	1,865,788	535,788	140.28481%
11/01/2040	945,000	1,330,000		1,330,000	1,865,788	535,788	140.28481%
11/01/2041	995,000	1,332,750		1,332,750	1,865,788	533,038	139.99535%
11/01/2042	1,045,000	1,333,000		1,333,000	1,865,788	532,788	139.96909%
11/01/2043	1,095,000	1,330,750		1,330,750	1,865,788	535,038	140.20575%
11/01/2044	1,150,000	1,331,000		1,331,000	1,865,788	534,788	140.17941%
11/01/2045	1,205,000	1,328,500		1,328,500	1,865,788	537,288	140.44321%
11/01/2046	1,265,000	1,328,250		1,328,250	1,865,788	537,538	140.46964%
	14,140,000	30,550,367	9,974,892	40,525,258	57,839,428	17,314,170	

**BOND PRICING**

Sierra Madre Financing Authority  
2016 Water Revenue Refunding Bonds

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1998 & 2003 Refunding + New Money

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
<b>Serial Bond:</b>									
	11/01/2016	420,000	2.000%	0.600%	100.232				974.40
	11/01/2017	345,000	2.000%	0.860%	101.320				4,554.00
	11/01/2018	350,000	3.000%	0.990%	104.297				15,039.50
	11/01/2019	355,000	4.000%	1.150%	108.836				31,367.80
	11/01/2020	365,000	4.000%	1.340%	110.743				39,211.95
	11/01/2021	380,000	4.000%	1.540%	112.170				46,246.00
	11/01/2022	395,000	4.000%	1.700%	113.409				52,965.55
	11/01/2023	415,000	5.000%	1.820%	121.273				88,282.95
	11/01/2024	435,000	5.000%	1.990%	122.582				98,231.70
	11/01/2025	455,000	5.000%	2.170%	123.406				106,497.30
	11/01/2026	480,000	5.000%	2.310%	122.104 C	2.521%	11/01/2025	100.000	106,099.20
	11/01/2027	500,000	5.000%	2.490%	120.454 C	2.848%	11/01/2025	100.000	102,270.00
	11/01/2028	525,000	5.000%	2.620%	119.279 C	3.087%	11/01/2025	100.000	101,214.75
	11/01/2029	555,000	5.000%	2.690%	118.652 C	3.247%	11/01/2025	100.000	103,518.60
	11/01/2030	580,000	5.000%	2.740%	118.206 C	3.372%	11/01/2025	100.000	105,594.80
	11/01/2031	610,000	5.000%	2.800%	117.674 C	3.489%	11/01/2025	100.000	107,811.40
	11/01/2032	640,000	5.000%	2.860%	117.145 C	3.592%	11/01/2025	100.000	109,728.00
	11/01/2033	670,000	5.000%	2.920%	116.618 C	3.685%	11/01/2025	100.000	111,340.60
	11/01/2034	705,000	5.000%	2.980%	116.094 C	3.768%	11/01/2025	100.000	113,462.70
	11/01/2035	740,000	5.000%	3.040%	115.573 C	3.844%	11/01/2025	100.000	115,240.20
	11/01/2036	780,000	5.000%	3.100%	115.055 C	3.913%	11/01/2025	100.000	117,429.00
		<u>10,700,000</u>							<u>1,677,080.40</u>
<b>Term Bond 2041:</b>									
	11/01/2037	815,000	5.000%	3.270%	113.602 C	4.126%	11/01/2025	100.000	110,856.30
	11/01/2038	860,000	5.000%	3.270%	113.602 C	4.126%	11/01/2025	100.000	116,977.20
	11/01/2039	900,000	5.000%	3.270%	113.602 C	4.126%	11/01/2025	100.000	122,418.00
	11/01/2040	945,000	5.000%	3.270%	113.602 C	4.126%	11/01/2025	100.000	128,538.90
	11/01/2041	995,000	5.000%	3.270%	113.602 C	4.126%	11/01/2025	100.000	135,339.90
		<u>4,515,000</u>							<u>614,130.30</u>
<b>Term Bond 2046:</b>									
	11/01/2042	1,045,000	5.000%	3.330%	113.094 C	4.228%	11/01/2025	100.000	136,832.30
	11/01/2043	1,095,000	5.000%	3.330%	113.094 C	4.228%	11/01/2025	100.000	143,379.30
	11/01/2044	1,150,000	5.000%	3.330%	113.094 C	4.228%	11/01/2025	100.000	150,581.00
	11/01/2045	1,205,000	5.000%	3.330%	113.094 C	4.228%	11/01/2025	100.000	157,782.70
	11/01/2046	1,265,000	5.000%	3.330%	113.094 C	4.228%	11/01/2025	100.000	165,639.10
		<u>5,760,000</u>							<u>754,214.40</u>
		<u>20,975,000</u>							<u>3,045,425.10</u>

Dated Date	09/01/2016	
Delivery Date	09/01/2016	
First Coupon	11/01/2016	
Par Amount	20,975,000.00	
Premium	3,045,425.10	
Production	24,020,425.10	114.519309%
Underwriter's Discount	-209,750.00	-1.000000%
Purchase Price	23,810,675.10	113.519309%
Accrued Interest		
Net Proceeds	23,810,675.10	

All Numbers and Interest Rates are Preliminary; Subject to Change

**BOND DEBT SERVICE BREAKDOWN**

Sierra Madre Financing Authority  
2016 Water Revenue Refunding Bonds

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1998 & 2003 Refunding + New Money

Period Ending	2003 Bonds	1998 Bonds	New Money Bonds	Total
06/30/2017	278,616.67	337,350	469,066.67	1,085,033.34
06/30/2018	284,850.00	348,550	703,600.00	1,337,000.00
06/30/2019	284,600.00	345,100	703,600.00	1,333,300.00
06/30/2020	539,050.00		786,900.00	1,325,950.00
06/30/2021	542,950.00		778,600.00	1,321,550.00
06/30/2022	541,350.00		780,300.00	1,321,650.00
06/30/2023	539,350.00		781,800.00	1,321,150.00
06/30/2024	540,250.00		782,625.00	1,322,875.00
06/30/2025	538,875.00		782,750.00	1,321,625.00
06/30/2026	541,625.00		777,750.00	1,319,375.00
06/30/2027	538,500.00		782,500.00	1,321,000.00
06/30/2028	539,500.00		777,000.00	1,316,500.00
06/30/2029	539,500.00		776,375.00	1,315,875.00
06/30/2030	538,500.00		780,375.00	1,318,875.00
06/30/2031	541,375.00		774,125.00	1,315,500.00
06/30/2032	538,125.00		777,625.00	1,315,750.00
06/30/2033	538,750.00		775,750.00	1,314,500.00
06/30/2034	538,125.00		773,625.00	1,311,750.00
06/30/2035			1,312,375.00	1,312,375.00
06/30/2036			1,311,250.00	1,311,250.00
06/30/2037			1,313,250.00	1,313,250.00
06/30/2038			1,308,375.00	1,308,375.00
06/30/2039			1,311,500.00	1,311,500.00
06/30/2040			1,307,500.00	1,307,500.00
06/30/2041			1,306,375.00	1,306,375.00
06/30/2042			1,307,875.00	1,307,875.00
06/30/2043			1,306,875.00	1,306,875.00
06/30/2044			1,303,375.00	1,303,375.00
06/30/2045			1,302,250.00	1,302,250.00
06/30/2046			1,298,375.00	1,298,375.00
06/30/2047			1,296,625.00	1,296,625.00
	8,943,891.67	1,031,000	30,550,366.67	40,525,258.34

**SUMMARY OF BONDS REFUNDED**

Sierra Madre Financing Authority  
2016 Water Revenue Refunding Bonds

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1998 & 2003 Refunding + New Money

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Water Revenue Refunding Bonds, Series 1998A, 1998A:					
TERM18	11/01/2016	5.000%	450,000.00	10/01/2016	100.000
	11/01/2017	5.000%	470,000.00	10/01/2016	100.000
	11/01/2018	5.000%	495,000.00	10/01/2016	100.000
			<u>1,415,000.00</u>		
Water Revenue Parity Bonds, Series 2003, 2003:					
TERM25	11/01/2019	5.000%	310,000.00	10/01/2016	100.000
	11/01/2020	5.000%	325,000.00	10/01/2016	100.000
	11/01/2021	5.000%	340,000.00	10/01/2016	100.000
	11/01/2022	5.000%	360,000.00	10/01/2016	100.000
	11/01/2023	5.000%	380,000.00	10/01/2016	100.000
	11/01/2024	5.000%	395,000.00	10/01/2016	100.000
	11/01/2025	5.000%	420,000.00	10/01/2016	100.000
TERM33	11/01/2026	5.000%	440,000.00	10/01/2016	100.000
	11/01/2027	5.000%	460,000.00	10/01/2016	100.000
	11/01/2028	5.000%	485,000.00	10/01/2016	100.000
	11/01/2029	5.000%	180,000.00	10/01/2016	100.000
	11/01/2030	5.000%	190,000.00	10/01/2016	100.000
	11/01/2031	5.000%	195,000.00	10/01/2016	100.000
	11/01/2032	5.000%	210,000.00	10/01/2016	100.000
	11/01/2033	5.000%	215,000.00	10/01/2016	100.000
TERM33_2	11/01/2029	5.100%	330,000.00	11/01/2016	100.000
	11/01/2030	5.100%	350,000.00	11/01/2016	100.000
	11/01/2031	5.100%	370,000.00	11/01/2016	100.000
	11/01/2032	5.100%	385,000.00	11/01/2016	100.000
	11/01/2033	5.100%	410,000.00	11/01/2016	100.000
			<u>6,750,000.00</u>		
			<u>8,165,000.00</u>		

All Numbers and Interest Rates are Preliminary; Subject to Change

**SUMMARY OF REFUNDING RESULTS**

Sierra Madre Financing Authority  
2016 Water Revenue Refunding Bonds

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1998 & 2003 Refunding + New Money

	2003 Bonds	1998 Bonds	Total
Dated Date	09/01/2016	09/01/2016	09/01/2016
Delivery Date	09/01/2016	09/01/2016	09/01/2016
Arbitrage Yield	3.135989%	3.135989%	3.135989%
Escrow Yield	0.181882%		0.181882%
Value of Negative Arbitrage	21,422.25		21,422.25
Bond Par Amount	5,835,000.00	1,000,000.00	6,835,000.00
True Interest Cost	3.061393%	1.777382%	3.036432%
Net Interest Cost	3.393467%	1.795278%	3.364176%
All-In TIC	3.310958%	3.921095%	3.32872%
Average Coupon	4.911943%	2.623413%	4.870000%
Average Life	10.847	1.182	9.433
Par amount of refunded bonds	6,750,000.00	1,415,000.00	8,165,000.00
Average coupon of refunded bonds	5.037618%	5.000000%	5.036785%
Average life of refunded bonds	11.097	1.198	9.382
PV of prior debt	8,031,239.46	1,469,048.01	9,500,287.47
Net PV Savings	1,033,536.17	15,728.65	1,049,264.82
Percentage savings of refunded bonds	15.311647%	1.111565%	12.850763%
Percentage savings of refunding bonds	17.712702%	1.572865%	15.351351%

All Numbers and Interest Rates are Preliminary; Subject to Change

**SAVINGS**

Sierra Madre Financing Authority  
2003 Bonds

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 09/01/2016 @ 3.1359890%
06/30/2017	339,345.00	278,616.67	60,728.33	59,919.71
06/30/2018	339,345.00	284,850.00	54,495.00	52,071.34
06/30/2019	339,345.00	284,600.00	54,745.00	50,707.54
06/30/2020	641,595.00	539,050.00	102,545.00	92,501.47
06/30/2021	640,720.00	542,950.00	97,770.00	85,505.98
06/30/2022	639,095.00	541,350.00	97,745.00	82,899.19
06/30/2023	641,595.00	539,350.00	102,245.00	84,110.63
06/30/2024	643,095.00	540,250.00	102,845.00	82,032.29
06/30/2025	638,720.00	538,875.00	99,845.00	77,210.20
06/30/2026	643,345.00	541,625.00	101,720.00	76,273.23
06/30/2027	641,845.00	538,500.00	103,345.00	75,140.41
06/30/2028	639,345.00	539,500.00	99,845.00	70,384.72
06/30/2029	640,720.00	539,500.00	101,220.00	69,189.78
06/30/2030	640,680.00	538,500.00	102,180.00	67,729.47
06/30/2031	644,090.00	541,375.00	102,715.00	66,021.54
06/30/2032	641,105.00	538,125.00	102,980.00	64,187.56
06/30/2033	641,727.50	538,750.00	102,977.50	62,243.48
06/30/2034	640,830.00	538,125.00	102,705.00	60,201.24
	10,636,542.50	8,943,891.67	1,692,650.83	1,278,329.78

Savings Summary

PV of savings from cash flow	1,278,329.78
Less: Prior funds on hand	-619,029.38
Plus: Refunding funds on hand	374,235.77
Net PV Savings	1,033,536.17

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**SAVINGS**

Sierra Madre Financing Authority  
1998 Bonds

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 09/01/2016 @ 3.1359890%
06/30/2017	509,500.00	337,350.00	172,150.00	171,018.79
06/30/2018	506,500.00	348,550.00	157,950.00	152,210.52
06/30/2019	507,375.00	345,100.00	162,275.00	151,695.19
	1,523,375.00	1,031,000.00	492,375.00	474,924.50

Savings Summary

PV of savings from cash flow	474,924.50
Less: Prior funds on hand	-522,695.00
Plus: Refunding funds on hand	63,499.15
Net PV Savings	15,728.65

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**DISCLOSURE**

Sierra Madre Financing Authority  
2016 Water Revenue Refunding Bonds

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1998 & 2003 Refunding + New Money

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Exhibit C

FOR DISCUSSION PURPOSES ONLY

HOLMAN CAPITAL CORPORATION

CITY OF SIERRA MADRE INDICATIVE FINANCING RATES DATED MAY 16, 2016

OPTION	TOTAL FINANCING AMOUNT	REFINANCING AMOUNT	NEW DEBT AMOUNT	INTEREST RATE	TERM	FIRST PAYMENT DUE	PERIODIC PAYMENTS	QUARTERLY PAYMENTS	TOTAL PAYMENTS
A	\$ 15,293,684.77	\$ 8,165,000.00	\$ 7,128,684.77	3.85%	20 YEARS	90 DAYS	80	\$ 275,000.00	\$ 22,000,000.00
B	\$ 18,769,522.22	\$ 8,165,000.00	\$10,604,522.22	3.85%	20 YEARS	90 DAYS	80	\$ 337,500.00	\$ 27,000,000.00
C	\$ 17,138,506.56	\$ 8,165,000.00	\$ 8,973,506.56	3.85%	20 YEARS	90 DAYS	80	See Amortization	\$ 25,200,000.00



PREPARED BY:  
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949-400-0969



FOR DISCUSSION PURPOSES ONLY

**BORROWER:** CITY OF SIERRA MADRE  
**LENDER:** HOLMAN CAPITAL CORPORATION  
**COMMENCEMENT:** 15-Jun-2016  
**TERM:** 20 YEARS (\$275,000 LEVEL PRINCIPAL & INTEREST PAYMENTS)  
**1ST PAYMENT DUE:** 15-Sep-2016  
**RATE:** 3.8500%

Payment No.	Date	Payment	Interest	Principal	Purchase Option
0	6/15/2016				
1	9/15/2016	\$ 275,000.00	\$ 147,201.72	\$ 127,798.28	\$ 15,620,863.08
2	12/15/2016	\$ 275,000.00	\$ 145,971.66	\$ 129,028.34	\$ 15,487,963.89
3	3/15/2017	\$ 275,000.00	\$ 144,729.76	\$ 130,270.24	\$ 15,353,785.54
4	6/15/2017	\$ 275,000.00	\$ 143,475.91	\$ 131,524.09	\$ 15,218,315.73
5	9/15/2017	\$ 275,000.00	\$ 142,209.99	\$ 132,790.01	\$ 15,081,542.02
6	12/15/2017	\$ 275,000.00	\$ 140,931.89	\$ 134,068.11	\$ 14,943,451.86
7	3/15/2018	\$ 275,000.00	\$ 139,641.48	\$ 135,358.52	\$ 14,804,032.58
8	6/15/2018	\$ 275,000.00	\$ 138,338.65	\$ 136,661.35	\$ 14,663,271.40
9	9/15/2018	\$ 275,000.00	\$ 137,023.29	\$ 137,976.71	\$ 14,521,155.38
10	12/15/2018	\$ 275,000.00	\$ 135,695.26	\$ 139,304.74	\$ 14,377,671.50
11	3/15/2019	\$ 275,000.00	\$ 134,354.45	\$ 140,645.55	\$ 14,232,806.59
12	6/15/2019	\$ 275,000.00	\$ 133,000.74	\$ 141,999.26	\$ 14,086,547.35
13	9/15/2019	\$ 275,000.00	\$ 131,634.00	\$ 143,366.00	\$ 13,938,880.37
14	12/15/2019	\$ 275,000.00	\$ 130,254.10	\$ 144,745.90	\$ 13,789,792.10
15	3/15/2020	\$ 275,000.00	\$ 128,860.92	\$ 146,139.08	\$ 13,639,268.85
16	6/15/2020	\$ 275,000.00	\$ 127,454.33	\$ 147,545.67	\$ 13,487,296.81
17	9/15/2020	\$ 275,000.00	\$ 126,034.21	\$ 148,965.79	\$ 13,333,862.04
18	12/15/2020	\$ 275,000.00	\$ 124,600.41	\$ 150,399.59	\$ 13,178,950.46
19	3/15/2021	\$ 275,000.00	\$ 123,152.81	\$ 151,847.19	\$ 13,022,547.86
20	6/15/2021	\$ 275,000.00	\$ 121,691.28	\$ 153,308.72	\$ 12,864,639.88
21	9/15/2021	\$ 275,000.00	\$ 120,215.69	\$ 154,784.31	\$ 12,705,212.04
22	12/15/2021	\$ 275,000.00	\$ 118,725.89	\$ 156,274.11	\$ 12,544,249.71
23	3/15/2022	\$ 275,000.00	\$ 117,221.75	\$ 157,778.25	\$ 12,381,738.11
24	6/15/2022	\$ 275,000.00	\$ 115,703.14	\$ 159,296.86	\$ 12,217,662.34
25	9/15/2022	\$ 275,000.00	\$ 114,169.90	\$ 160,830.10	\$ 12,052,007.34
26	12/15/2022	\$ 275,000.00	\$ 112,621.91	\$ 162,378.09	\$ 11,884,757.91
27	3/15/2023	\$ 275,000.00	\$ 111,059.02	\$ 163,940.98	\$ 11,715,898.71
28	6/15/2023	\$ 275,000.00	\$ 109,481.09	\$ 165,518.91	\$ 11,545,414.23
29	9/15/2023	\$ 275,000.00	\$ 107,887.97	\$ 167,112.03	\$ 11,373,288.84
30	12/15/2023	\$ 275,000.00	\$ 106,279.52	\$ 168,720.48	\$ 11,199,506.75
31	3/15/2024	\$ 275,000.00	\$ 104,655.58	\$ 170,344.42	\$ 11,024,052.00
32	6/15/2024	\$ 275,000.00	\$ 103,016.02	\$ 171,983.98	\$ 10,846,908.50
33	9/15/2024	\$ 275,000.00	\$ 101,360.67	\$ 173,639.33	\$ 10,668,060.00
34	12/15/2024	\$ 275,000.00	\$ 99,689.40	\$ 175,310.60	\$ 10,487,490.07
35	3/15/2025	\$ 275,000.00	\$ 98,002.03	\$ 176,997.97	\$ 10,305,182.17
36	6/15/2025	\$ 275,000.00	\$ 96,298.43	\$ 178,701.57	\$ 10,121,119.54
37	9/15/2025	\$ 275,000.00	\$ 94,578.42	\$ 180,421.58	\$ 9,935,285.32
38	12/15/2025	\$ 275,000.00	\$ 92,841.87	\$ 182,158.13	\$ 9,747,662.44
39	3/15/2026	\$ 275,000.00	\$ 91,088.59	\$ 183,911.41	\$ 9,558,233.69
40	6/15/2026	\$ 275,000.00	\$ 89,318.45	\$ 185,681.55	\$ 9,366,981.69

Payment No.	Date	Payment	Interest	Principal	Purchase Option
41	9/15/2026	\$ 275,000.00	\$ 87,531.26	\$ 187,468.74	\$ 9,173,888.89
42	12/15/2026	\$ 275,000.00	\$ 85,726.87	\$ 189,273.13	\$ 8,978,937.57
43	3/15/2027	\$ 275,000.00	\$ 83,905.12	\$ 191,094.88	\$ 8,782,109.84
44	6/15/2027	\$ 275,000.00	\$ 82,065.83	\$ 192,934.17	\$ 8,583,387.65
45	9/15/2027	\$ 275,000.00	\$ 80,208.84	\$ 194,791.16	\$ 8,382,752.76
46	12/15/2027	\$ 275,000.00	\$ 78,333.98	\$ 196,666.02	\$ 8,180,186.75
47	3/15/2028	\$ 275,000.00	\$ 76,441.07	\$ 198,558.93	\$ 7,975,671.05
48	6/15/2028	\$ 275,000.00	\$ 74,529.94	\$ 200,470.06	\$ 7,769,186.88
49	9/15/2028	\$ 275,000.00	\$ 72,600.41	\$ 202,399.59	\$ 7,560,715.31
50	12/15/2028	\$ 275,000.00	\$ 70,652.32	\$ 204,347.68	\$ 7,350,237.19
51	3/15/2029	\$ 275,000.00	\$ 68,685.47	\$ 206,314.53	\$ 7,137,733.23
52	6/15/2029	\$ 275,000.00	\$ 66,699.69	\$ 208,300.31	\$ 6,923,183.91
53	9/15/2029	\$ 275,000.00	\$ 64,694.80	\$ 210,305.20	\$ 6,706,569.55
54	12/15/2029	\$ 275,000.00	\$ 62,670.61	\$ 212,329.39	\$ 6,487,870.29
55	3/15/2030	\$ 275,000.00	\$ 60,626.94	\$ 214,373.06	\$ 6,267,066.04
56	6/15/2030	\$ 275,000.00	\$ 58,563.60	\$ 216,436.40	\$ 6,044,136.55
57	9/15/2030	\$ 275,000.00	\$ 56,480.40	\$ 218,519.60	\$ 5,819,061.36
58	12/15/2030	\$ 275,000.00	\$ 54,377.15	\$ 220,622.85	\$ 5,591,819.83
59	3/15/2031	\$ 275,000.00	\$ 52,253.66	\$ 222,746.34	\$ 5,362,391.09
60	6/15/2031	\$ 275,000.00	\$ 50,109.72	\$ 224,890.28	\$ 5,130,754.11
61	9/15/2031	\$ 275,000.00	\$ 47,945.15	\$ 227,054.85	\$ 4,896,887.62
62	12/15/2031	\$ 275,000.00	\$ 45,759.75	\$ 229,240.25	\$ 4,660,770.16
63	3/15/2032	\$ 275,000.00	\$ 43,553.31	\$ 231,446.69	\$ 4,422,380.07
64	6/15/2032	\$ 275,000.00	\$ 41,325.64	\$ 233,674.36	\$ 4,181,695.48
65	9/15/2032	\$ 275,000.00	\$ 39,076.52	\$ 235,923.48	\$ 3,938,694.30
66	12/15/2032	\$ 275,000.00	\$ 36,805.76	\$ 238,194.24	\$ 3,693,354.23
67	3/15/2033	\$ 275,000.00	\$ 34,513.14	\$ 240,486.86	\$ 3,445,652.77
68	6/15/2033	\$ 275,000.00	\$ 32,198.45	\$ 242,801.55	\$ 3,195,567.17
69	9/15/2033	\$ 275,000.00	\$ 29,861.49	\$ 245,138.51	\$ 2,943,074.51
70	12/15/2033	\$ 275,000.00	\$ 27,502.03	\$ 247,497.97	\$ 2,688,151.60
71	3/15/2034	\$ 275,000.00	\$ 25,119.86	\$ 249,880.14	\$ 2,430,775.06
72	6/15/2034	\$ 275,000.00	\$ 22,714.77	\$ 252,285.23	\$ 2,170,921.27
73	9/15/2034	\$ 275,000.00	\$ 20,286.52	\$ 254,713.48	\$ 1,908,566.39
74	12/15/2034	\$ 275,000.00	\$ 17,834.90	\$ 257,165.10	\$ 1,643,686.34
75	3/15/2035	\$ 275,000.00	\$ 15,359.69	\$ 259,640.31	\$ 1,376,256.82
76	6/15/2035	\$ 275,000.00	\$ 12,860.65	\$ 262,139.35	\$ 1,106,253.29
77	9/15/2035	\$ 275,000.00	\$ 10,337.56	\$ 264,662.44	\$ 833,650.98
78	12/15/2035	\$ 275,000.00	\$ 7,790.19	\$ 267,209.81	\$ 558,424.87
79	3/15/2036	\$ 275,000.00	\$ 5,218.29	\$ 269,781.71	\$ 280,549.71
80	6/15/2036	\$ 275,000.00	\$ 2,621.64	\$ 272,378.36	\$ 0.00
<b>Totals</b>		<b>\$ 22,000,000.00</b>	<b>\$ 6,706,315.23</b>	<b>\$ 15,293,684.77</b>	

**OPTION A - 20 YEARS (\$275,000 LEVEL PRINCIPAL & INTEREST PAYMENTS)**



FOR DISCUSSION PURPOSES ONLY

**BORROWER:** CITY OF SIERRA MADRE  
**LENDER:** HOLMAN CAPITAL CORPORATION  
**COMMENCEMENT:** 15-Jun-2016  
**TERM:** 20 YEARS (\$337,500 LEVEL PRINCIPAL & INTEREST PAYMENTS)  
**1ST PAYMENT DUE:** 15-Sep-2016  
**RATE:** 3.8500%

Payment No.	Date	Payment	Interest	Principal	Purchase Option
0	6/15/2016				
1	9/15/2016	\$ 337,500.00	\$ 180,656.65	\$ 156,843.35	\$ 19,171,059.24
2	12/15/2016	\$ 337,500.00	\$ 179,147.03	\$ 158,352.97	\$ 19,007,955.68
3	3/15/2017	\$ 337,500.00	\$ 177,622.89	\$ 159,877.11	\$ 18,843,282.26
4	6/15/2017	\$ 337,500.00	\$ 176,084.07	\$ 161,415.93	\$ 18,677,023.85
5	9/15/2017	\$ 337,500.00	\$ 174,530.44	\$ 162,969.56	\$ 18,509,165.20
6	12/15/2017	\$ 337,500.00	\$ 172,961.86	\$ 164,538.14	\$ 18,339,690.92
7	3/15/2018	\$ 337,500.00	\$ 171,378.18	\$ 166,121.82	\$ 18,168,585.44
8	6/15/2018	\$ 337,500.00	\$ 169,779.26	\$ 167,720.74	\$ 17,995,833.08
9	9/15/2018	\$ 337,500.00	\$ 168,164.95	\$ 169,335.05	\$ 17,821,417.97
10	12/15/2018	\$ 337,500.00	\$ 166,535.10	\$ 170,964.90	\$ 17,645,324.12
11	3/15/2019	\$ 337,500.00	\$ 164,889.56	\$ 172,610.44	\$ 17,467,535.36
12	6/15/2019	\$ 337,500.00	\$ 163,228.18	\$ 174,271.82	\$ 17,288,035.39
13	9/15/2019	\$ 337,500.00	\$ 161,550.82	\$ 175,949.18	\$ 17,106,807.73
14	12/15/2019	\$ 337,500.00	\$ 159,857.31	\$ 177,642.69	\$ 16,923,835.76
15	3/15/2020	\$ 337,500.00	\$ 158,147.49	\$ 179,352.51	\$ 16,739,102.67
16	6/15/2020	\$ 337,500.00	\$ 156,421.23	\$ 181,078.77	\$ 16,552,591.54
17	9/15/2020	\$ 337,500.00	\$ 154,678.34	\$ 182,821.66	\$ 16,364,285.23
18	12/15/2020	\$ 337,500.00	\$ 152,918.68	\$ 184,581.32	\$ 16,174,166.48
19	3/15/2021	\$ 337,500.00	\$ 151,142.09	\$ 186,357.91	\$ 15,982,217.83
20	6/15/2021	\$ 337,500.00	\$ 149,348.39	\$ 188,151.61	\$ 15,788,421.68
21	9/15/2021	\$ 337,500.00	\$ 147,537.44	\$ 189,962.56	\$ 15,592,760.23
22	12/15/2021	\$ 337,500.00	\$ 145,709.05	\$ 191,790.95	\$ 15,395,215.55
23	3/15/2022	\$ 337,500.00	\$ 143,863.06	\$ 193,636.94	\$ 15,195,769.50
24	6/15/2022	\$ 337,500.00	\$ 141,999.30	\$ 195,500.70	\$ 14,994,403.78
25	9/15/2022	\$ 337,500.00	\$ 140,117.61	\$ 197,382.39	\$ 14,791,099.92
26	12/15/2022	\$ 337,500.00	\$ 138,217.80	\$ 199,282.20	\$ 14,585,839.26
27	3/15/2023	\$ 337,500.00	\$ 136,299.71	\$ 201,200.29	\$ 14,378,602.96
28	6/15/2023	\$ 337,500.00	\$ 134,363.16	\$ 203,136.84	\$ 14,169,372.01
29	9/15/2023	\$ 337,500.00	\$ 132,407.97	\$ 205,092.03	\$ 13,958,127.22
30	12/15/2023	\$ 337,500.00	\$ 130,433.96	\$ 207,066.04	\$ 13,744,849.19
31	3/15/2024	\$ 337,500.00	\$ 128,440.95	\$ 209,059.05	\$ 13,529,518.37
32	6/15/2024	\$ 337,500.00	\$ 126,428.75	\$ 211,071.25	\$ 13,312,114.98
33	9/15/2024	\$ 337,500.00	\$ 124,397.19	\$ 213,102.81	\$ 13,092,619.09
34	12/15/2024	\$ 337,500.00	\$ 122,346.08	\$ 215,153.92	\$ 12,871,010.54
35	3/15/2025	\$ 337,500.00	\$ 120,275.22	\$ 217,224.78	\$ 12,647,269.02
36	6/15/2025	\$ 337,500.00	\$ 118,184.43	\$ 219,315.57	\$ 12,421,373.99
37	9/15/2025	\$ 337,500.00	\$ 116,073.52	\$ 221,426.48	\$ 12,193,304.71
38	12/15/2025	\$ 337,500.00	\$ 113,942.29	\$ 223,557.71	\$ 11,963,040.27
39	3/15/2026	\$ 337,500.00	\$ 111,790.55	\$ 225,709.45	\$ 11,730,559.53
40	6/15/2026	\$ 337,500.00	\$ 109,618.09	\$ 227,881.91	\$ 11,495,841.17



Payment No.	Date	Payment	Interest	Principal	Purchase Option
41	9/15/2026	\$ 337,500.00	\$ 107,424.73	\$ 230,075.27	\$ 11,258,863.64
42	12/15/2026	\$ 337,500.00	\$ 105,210.25	\$ 232,289.75	\$ 11,019,605.20
43	3/15/2027	\$ 337,500.00	\$ 102,974.47	\$ 234,525.53	\$ 10,778,043.90
44	6/15/2027	\$ 337,500.00	\$ 100,717.16	\$ 236,782.84	\$ 10,534,157.57
45	9/15/2027	\$ 337,500.00	\$ 98,438.12	\$ 239,061.88	\$ 10,287,923.84
46	12/15/2027	\$ 337,500.00	\$ 96,137.15	\$ 241,362.85	\$ 10,039,320.11
47	3/15/2028	\$ 337,500.00	\$ 93,814.03	\$ 243,685.97	\$ 9,788,323.56
48	6/15/2028	\$ 337,500.00	\$ 91,468.56	\$ 246,031.44	\$ 9,534,911.18
49	9/15/2028	\$ 337,500.00	\$ 89,100.50	\$ 248,399.50	\$ 9,279,059.70
50	12/15/2028	\$ 337,500.00	\$ 86,709.66	\$ 250,790.34	\$ 9,020,745.65
51	3/15/2029	\$ 337,500.00	\$ 84,295.80	\$ 253,204.20	\$ 8,759,945.32
52	6/15/2029	\$ 337,500.00	\$ 81,858.71	\$ 255,641.29	\$ 8,496,634.80
53	9/15/2029	\$ 337,500.00	\$ 79,398.16	\$ 258,101.84	\$ 8,230,789.91
54	12/15/2029	\$ 337,500.00	\$ 76,913.93	\$ 260,586.07	\$ 7,962,386.26
55	3/15/2030	\$ 337,500.00	\$ 74,405.79	\$ 263,094.21	\$ 7,691,399.23
56	6/15/2030	\$ 337,500.00	\$ 71,873.51	\$ 265,626.49	\$ 7,417,803.94
57	9/15/2030	\$ 337,500.00	\$ 69,316.86	\$ 268,183.14	\$ 7,141,575.31
58	12/15/2030	\$ 337,500.00	\$ 66,735.59	\$ 270,764.41	\$ 6,862,687.97
59	3/15/2031	\$ 337,500.00	\$ 64,129.49	\$ 273,370.51	\$ 6,581,116.34
60	6/15/2031	\$ 337,500.00	\$ 61,498.30	\$ 276,001.70	\$ 6,296,834.59
61	9/15/2031	\$ 337,500.00	\$ 58,841.78	\$ 278,658.22	\$ 6,009,816.62
62	12/15/2031	\$ 337,500.00	\$ 56,159.69	\$ 281,340.31	\$ 5,720,036.10
63	3/15/2032	\$ 337,500.00	\$ 53,451.79	\$ 284,048.21	\$ 5,427,466.45
64	6/15/2032	\$ 337,500.00	\$ 50,717.83	\$ 286,782.17	\$ 5,132,080.82
65	9/15/2032	\$ 337,500.00	\$ 47,957.55	\$ 289,542.45	\$ 4,833,852.09
66	12/15/2032	\$ 337,500.00	\$ 45,170.71	\$ 292,329.29	\$ 4,532,752.92
67	3/15/2033	\$ 337,500.00	\$ 42,357.04	\$ 295,142.96	\$ 4,228,755.67
68	6/15/2033	\$ 337,500.00	\$ 39,516.28	\$ 297,983.72	\$ 3,921,832.44
69	9/15/2033	\$ 337,500.00	\$ 36,648.19	\$ 300,851.81	\$ 3,611,955.08
70	12/15/2033	\$ 337,500.00	\$ 33,752.49	\$ 303,747.51	\$ 3,299,095.15
71	3/15/2034	\$ 337,500.00	\$ 30,828.92	\$ 306,671.08	\$ 2,983,223.94
72	6/15/2034	\$ 337,500.00	\$ 27,877.21	\$ 309,622.79	\$ 2,664,312.47
73	9/15/2034	\$ 337,500.00	\$ 24,897.09	\$ 312,602.91	\$ 2,342,331.47
74	12/15/2034	\$ 337,500.00	\$ 21,888.29	\$ 315,611.71	\$ 2,017,251.42
75	3/15/2035	\$ 337,500.00	\$ 18,850.53	\$ 318,649.47	\$ 1,689,042.46
76	6/15/2035	\$ 337,500.00	\$ 15,783.53	\$ 321,716.47	\$ 1,357,674.49
77	9/15/2035	\$ 337,500.00	\$ 12,687.01	\$ 324,812.99	\$ 1,023,117.11
78	12/15/2035	\$ 337,500.00	\$ 9,560.68	\$ 327,939.32	\$ 685,339.61
79	3/15/2036	\$ 337,500.00	\$ 6,404.27	\$ 331,095.73	\$ 344,311.01
80	6/15/2036	\$ 337,500.00	\$ 3,217.47	\$ 334,282.53	\$ 0.00
<b>Totals</b>		<b>\$ 27,000,000.00</b>	<b>\$ 8,230,477.78</b>	<b>\$ 18,769,522.22</b>	

**OPTION B - 20 YEARS (\$337,500 LEVEL PRINCIPAL & INTEREST PAYMENTS)**



FOR DISCUSSION PURPOSES ONLY

**BORROWER:** CITY OF SIERRA MADRE  
**LENDER:** HOLMAN CAPITAL CORPORATION  
**COMMENCEMENT:** 15-Jun-2016  
**TERM:** 20 YEARS (CUSTOMIZED PAYMENTS)  
**1ST PAYMENT DUE:** 15-Sep-2016  
**RATE:** 3.8500%

Payment No.	Date	Payment	Interest	Principal	Purchase Option
0	6/15/2016				
1	9/15/2016	\$ 237,500.00	\$ 164,958.13	\$ 72,541.87	\$17,577,943.62
2	12/15/2016	\$ 237,500.00	\$ 164,259.91	\$ 73,240.09	\$17,502,506.33
3	3/15/2017	\$ 237,500.00	\$ 163,554.97	\$ 73,945.03	\$17,426,342.95
4	6/15/2017	\$ 237,500.00	\$ 162,843.25	\$ 74,656.75	\$17,349,446.51
5	9/15/2017	\$ 237,500.00	\$ 162,124.68	\$ 75,375.32	\$17,271,809.93
6	12/15/2017	\$ 237,500.00	\$ 161,399.19	\$ 76,100.81	\$17,193,426.10
7	3/15/2018	\$ 237,500.00	\$ 160,666.72	\$ 76,833.28	\$17,114,287.82
8	6/15/2018	\$ 237,500.00	\$ 159,927.20	\$ 77,572.80	\$17,034,387.85
9	9/15/2018	\$ 237,500.00	\$ 159,180.57	\$ 78,319.43	\$16,953,718.83
10	12/15/2018	\$ 237,500.00	\$ 158,426.74	\$ 79,073.26	\$16,872,273.37
11	3/15/2019	\$ 237,500.00	\$ 157,665.66	\$ 79,834.34	\$16,790,044.00
12	6/15/2019	\$ 237,500.00	\$ 156,897.26	\$ 80,602.74	\$16,707,023.18
13	9/15/2019	\$ 287,500.00	\$ 156,121.45	\$ 131,378.55	\$16,571,703.27
14	12/15/2019	\$ 287,500.00	\$ 154,856.94	\$ 132,643.06	\$16,435,080.92
15	3/15/2020	\$ 287,500.00	\$ 153,580.25	\$ 133,919.75	\$16,297,143.57
16	6/15/2020	\$ 287,500.00	\$ 152,291.27	\$ 135,208.73	\$16,157,878.58
17	9/15/2020	\$ 287,500.00	\$ 150,989.88	\$ 136,510.12	\$16,017,273.16
18	12/15/2020	\$ 287,500.00	\$ 149,675.97	\$ 137,824.03	\$15,875,314.41
19	3/15/2021	\$ 287,500.00	\$ 148,349.42	\$ 139,150.58	\$15,731,989.32
20	6/15/2021	\$ 287,500.00	\$ 147,010.09	\$ 140,489.91	\$15,587,284.71
21	9/15/2021	\$ 287,500.00	\$ 145,657.88	\$ 141,842.12	\$15,441,187.33
22	12/15/2021	\$ 287,500.00	\$ 144,292.65	\$ 143,207.35	\$15,293,683.76
23	3/15/2022	\$ 287,500.00	\$ 142,914.28	\$ 144,585.72	\$15,144,760.46
24	6/15/2022	\$ 287,500.00	\$ 141,522.64	\$ 145,977.36	\$14,994,403.78
25	9/15/2022	\$ 337,500.00	\$ 140,117.61	\$ 197,382.39	\$14,791,099.92
26	12/15/2022	\$ 337,500.00	\$ 138,217.80	\$ 199,282.20	\$14,585,839.26
27	3/15/2023	\$ 337,500.00	\$ 136,299.71	\$ 201,200.29	\$14,378,602.96
28	6/15/2023	\$ 337,500.00	\$ 134,363.16	\$ 203,136.84	\$14,169,372.01
29	9/15/2023	\$ 337,500.00	\$ 132,407.97	\$ 205,092.03	\$13,958,127.22
30	12/15/2023	\$ 337,500.00	\$ 130,433.96	\$ 207,066.04	\$13,744,849.19
31	3/15/2024	\$ 337,500.00	\$ 128,440.95	\$ 209,059.05	\$13,529,518.37
32	6/15/2024	\$ 337,500.00	\$ 126,428.75	\$ 211,071.25	\$13,312,114.98
33	9/15/2024	\$ 337,500.00	\$ 124,397.19	\$ 213,102.81	\$13,092,619.09
34	12/15/2024	\$ 337,500.00	\$ 122,346.08	\$ 215,153.92	\$12,871,010.54
35	3/15/2025	\$ 337,500.00	\$ 120,275.22	\$ 217,224.78	\$12,647,269.02
36	6/15/2025	\$ 337,500.00	\$ 118,184.43	\$ 219,315.57	\$12,421,373.99
37	9/15/2025	\$ 337,500.00	\$ 116,073.52	\$ 221,426.48	\$12,193,304.71
38	12/15/2025	\$ 337,500.00	\$ 113,942.29	\$ 223,557.71	\$11,963,040.27
39	3/15/2026	\$ 337,500.00	\$ 111,790.55	\$ 225,709.45	\$11,730,559.53
40	6/15/2026	\$ 337,500.00	\$ 109,618.09	\$ 227,881.91	\$11,495,841.17



Payment No.	Date	Payment	Interest	Principal	Purchase Option
41	9/15/2026	\$ 337,500.00	\$ 107,424.73	\$ 230,075.27	\$11,258,863.64
42	12/15/2026	\$ 337,500.00	\$ 105,210.25	\$ 232,289.75	\$11,019,605.20
43	3/15/2027	\$ 337,500.00	\$ 102,974.47	\$ 234,525.53	\$10,778,043.90
44	6/15/2027	\$ 337,500.00	\$ 100,717.16	\$ 236,782.84	\$10,534,157.57
45	9/15/2027	\$ 337,500.00	\$ 98,438.12	\$ 239,061.88	\$10,287,923.84
46	12/15/2027	\$ 337,500.00	\$ 96,137.15	\$ 241,362.85	\$10,039,320.11
47	3/15/2028	\$ 337,500.00	\$ 93,814.03	\$ 243,685.97	\$ 9,788,323.56
48	6/15/2028	\$ 337,500.00	\$ 91,468.56	\$ 246,031.44	\$ 9,534,911.18
49	9/15/2028	\$ 337,500.00	\$ 89,100.50	\$ 248,399.50	\$ 9,279,059.70
50	12/15/2028	\$ 337,500.00	\$ 86,709.66	\$ 250,790.34	\$ 9,020,745.65
51	3/15/2029	\$ 337,500.00	\$ 84,295.80	\$ 253,204.20	\$ 8,759,945.32
52	6/15/2029	\$ 337,500.00	\$ 81,858.71	\$ 255,641.29	\$ 8,496,634.80
53	9/15/2029	\$ 337,500.00	\$ 79,398.16	\$ 258,101.84	\$ 8,230,789.91
54	12/15/2029	\$ 337,500.00	\$ 76,913.93	\$ 260,586.07	\$ 7,962,386.26
55	3/15/2030	\$ 337,500.00	\$ 74,405.79	\$ 263,094.21	\$ 7,691,399.23
56	6/15/2030	\$ 337,500.00	\$ 71,873.51	\$ 265,626.49	\$ 7,417,803.94
57	9/15/2030	\$ 337,500.00	\$ 69,316.86	\$ 268,183.14	\$ 7,141,575.31
58	12/15/2030	\$ 337,500.00	\$ 66,735.59	\$ 270,764.41	\$ 6,862,687.97
59	3/15/2031	\$ 337,500.00	\$ 64,129.49	\$ 273,370.51	\$ 6,581,116.34
60	6/15/2031	\$ 337,500.00	\$ 61,498.30	\$ 276,001.70	\$ 6,296,834.59
61	9/15/2031	\$ 337,500.00	\$ 58,841.78	\$ 278,658.22	\$ 6,009,816.62
62	12/15/2031	\$ 337,500.00	\$ 56,159.69	\$ 281,340.31	\$ 5,720,036.10
63	3/15/2032	\$ 337,500.00	\$ 53,451.79	\$ 284,048.21	\$ 5,427,466.45
64	6/15/2032	\$ 337,500.00	\$ 50,717.83	\$ 286,782.17	\$ 5,132,080.82
65	9/15/2032	\$ 337,500.00	\$ 47,957.55	\$ 289,542.45	\$ 4,833,852.09
66	12/15/2032	\$ 337,500.00	\$ 45,170.71	\$ 292,329.29	\$ 4,532,752.92
67	3/15/2033	\$ 337,500.00	\$ 42,357.04	\$ 295,142.96	\$ 4,228,755.67
68	6/15/2033	\$ 337,500.00	\$ 39,516.28	\$ 297,983.72	\$ 3,921,832.44
69	9/15/2033	\$ 337,500.00	\$ 36,648.19	\$ 300,851.81	\$ 3,611,955.08
70	12/15/2033	\$ 337,500.00	\$ 33,752.49	\$ 303,747.51	\$ 3,299,095.15
71	3/15/2034	\$ 337,500.00	\$ 30,828.92	\$ 306,671.08	\$ 2,983,223.94
72	6/15/2034	\$ 337,500.00	\$ 27,877.21	\$ 309,622.79	\$ 2,664,312.47
73	9/15/2034	\$ 337,500.00	\$ 24,897.09	\$ 312,602.91	\$ 2,342,331.47
74	12/15/2034	\$ 337,500.00	\$ 21,888.29	\$ 315,611.71	\$ 2,017,251.42
75	3/15/2035	\$ 337,500.00	\$ 18,850.53	\$ 318,649.47	\$ 1,689,042.46
76	6/15/2035	\$ 337,500.00	\$ 15,783.53	\$ 321,716.47	\$ 1,357,674.49
77	9/15/2035	\$ 337,500.00	\$ 12,687.01	\$ 324,812.99	\$ 1,023,117.11
78	12/15/2035	\$ 337,500.00	\$ 9,560.68	\$ 327,939.32	\$ 685,339.61
79	3/15/2036	\$ 337,500.00	\$ 6,404.27	\$ 331,095.73	\$ 344,311.01
80	6/15/2036	\$ 337,500.00	\$ 3,217.47	\$ 334,282.53	\$ 0.00
<b>Totals</b>		<b>\$ 25,200,000.00</b>	<b>\$ 8,061,493.44</b>	<b>\$ 17,138,506.56</b>	

**OPTION C - 20 YEARS (CUSTOMIZED PAYMENTS)**



City of Sierra Madre  
Meter and AMI Investment  
April 14<sup>th</sup>, 2016

Price Partnership Performance



*Nobody expects more from us than we do®*



Price Partnership Performance

July 29, 2013

Recap – Why Now?



*Nobody expects more from us than we do®*

Price Partnership Performance

YOUR REQUEST:

- Compatibility with existing smart meters
- How AMI interfaces with Tyler Billing software
- How many AMI systems you have installed
- Cover the installation process
- Product guarantees and warranty
- The overall cost of a installed turnkey AMI System
  - Neptune equipment
  - Number of collectors
  - Customer web portal
  - Annual re-occurring cost
  - Finance options



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Price Partnership

**20 –Year System Return on Investment**



*Nobody expects more from us than we do®*



Partnership Performance

3 2 8 9 7 4 5 6

Neptune Monthly Meter Reads  
Collected From 2800 Active Systems



*Nobody expects more from us than we do®*



Partnership Performance

1 5 5 3 7 8 1 2

Neptune Automated Radio Units in Service



*Nobody expects more from us than we do®*

Partnership Performance

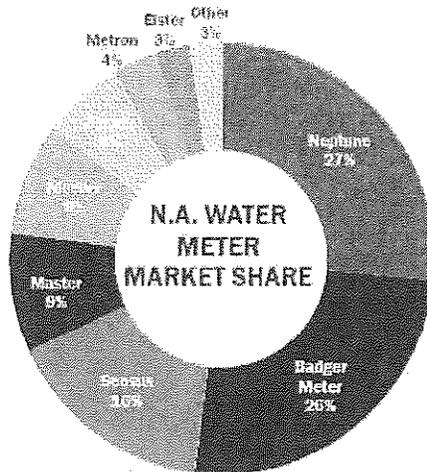
1103943

Meters and Endpoints Installed by  
Ferguson In-House Team Since 2004



Nobody expects more from us than we do®

Partnership Performance



SOURCE: IHS Research, 2015



Nobody expects more from us than we do®



Partnership

**\$13,000,000,000**



More Than All Top 5 Combined



*Nobody expects more from us than we do®*



Performance

Proven Established Technology



*Nobody expects more from us than we do®*



Performance

Designed To Eliminate Risk



*Nobody expects more from us than we do®*



Partnership Performance

665,760,000 Meter Reads Over 20-Year Life



*Nobody expects more from us than we do®*



## Performance

Alarms - Leak Detection, Theft, Tamper



*Nobody expects more from us than we do®*



## Performance

Enhanced Conservation Tools



*Nobody expects more from us than we do®*



# Performance

## 15 More Features



*Nobody expects more from us than we do®*



# Performance

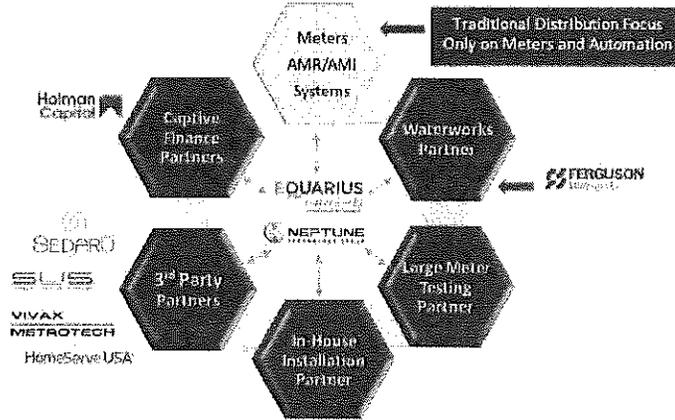
## AWWA Meter Accuracy



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# Partnership

## EQUARIUS PERFORMANCE PARTNERSHIP MODEL

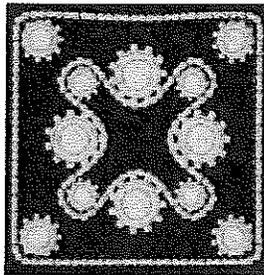


Nobody expects more from us than we do®

Price Partnership Performance

## FERGUSON IN-HOUSE INSTALLATION TEAM

Proven Products



Proven Partners

Proven Processes

Proven Project Management



Nobody expects more from us than we do®

# FERGUSON IN-HOUSE INSTALLATION TEAM



City of  
**SACRAMENTO**  
Department of Utilities

February 25, 2010

To whom it may concern

I am writing to recommend the services of Ferguson Waterworks. We have been using Ferguson Waterworks for our AMI installation and purchases for the past seven years. During which time they have provided the City's Department of Utilities with excellent support in the areas of AMI endpoint installation, vendor project management, material acquisition and site/system planning. Their work has been a major factor in the City's water meter AMI success. They do an excellent job and stand by their product and services.

I can confidently recommend Ferguson Waterworks as a solid supplier and experts in their field.

Sincerely,

Michael Malone  
Operations and Maintenance Manager  
City of Sacramento  
Department of Utilities



Nobody expects more from us than we do®



Price

Performance

## UNIQUE ADVANTAGES OF FERGUSON INSTALLATION TEAM AND TOOLS

MORE

BETTER

FASTER



Nobody expects more from us than we do®



## Price Partnership Performance

### One Proven Vendor for Hardware, Software, Installation, Project Management

Smooth, Streamlined Process

Everyone Knows Everyone – No Multi-Contractor Finger-Pointing

No On-The-Job Training – We are Neptune Experts

### Complete Turnkey Services

Notification Process for Residential and Commercial Accounts

Meter Data Collection and Management

Installation Labor, Services, Project Management and Monitoring

### Modified Back Office Services

Data Collection and Management

Electronic, Streamlined Data Transfer Process

### No Other Vendor With as Much Invested as the Utility Except...

...Ferguson. With a Successful Project We Won't Risk Losing Your Future Waterworks Business. It's not just about selling meters and systems.



*Nobody expects more from us than we do®*



## Price Partnership Performance

### Ferguson has created a web-based installation database application to process and share all customer data including:

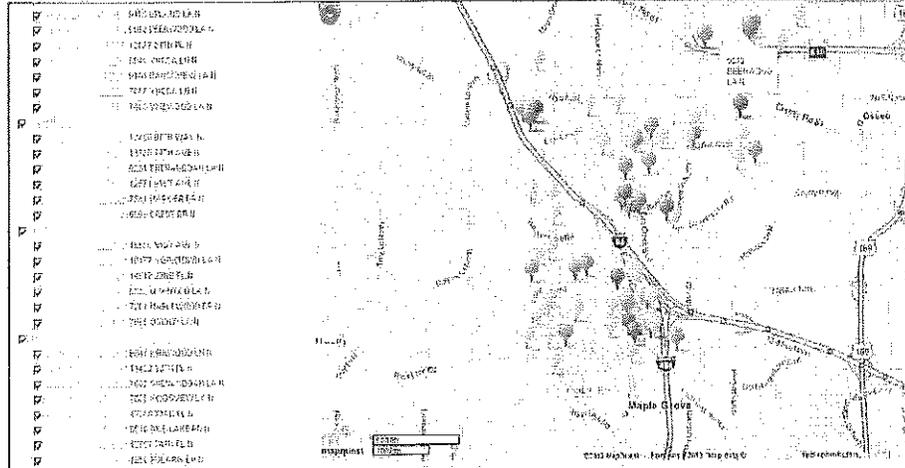
- Initial Installation Data – Error Free Barcode Scan, Photo, and GPS
- Daily Work Order, Route, and Site Scheduling
- Inventory Monitor
- Completed Installation Data Profiles
- Near Real-Time Meter Change Out Data to Utility Billing Software
- Completed Door Knocks & Phone Calls
- Custom Reports and Statistics – Both Individual and Summary
- Invoicing
- Installer Tracking



*Nobody expects more from us than we do®*

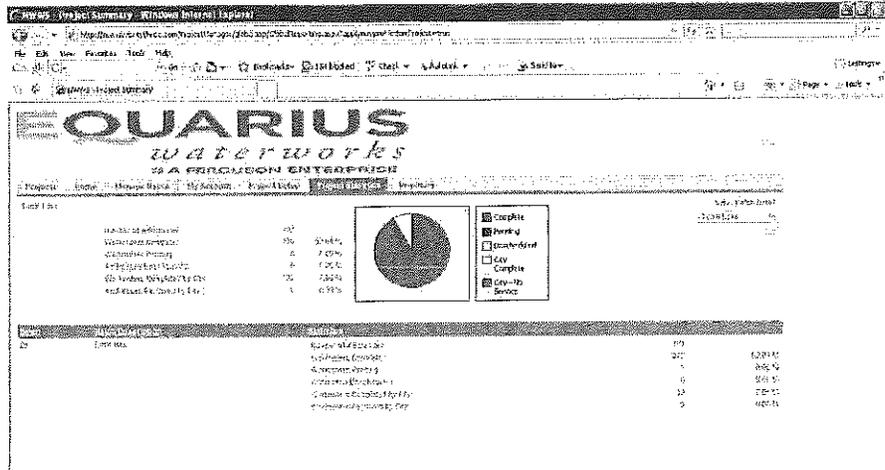


## Field Installer Tracking – Map and Summary



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## Project Analysis – Overview



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## Summary of Advantages

- Your Success is *OUR* Success. It's not about just Meters/Automation
- Experienced Local Installation - More than a million!
- Competitive in the Market
- Web Based Access for the District to Track Each Installation
- Automated, Improved Workflow Processes
  - Route Scheduling
  - Error Free Data Capture
  - Data Reporting
  - Installation/Installer Tracking
  - Inventory Control
  - Neptune Experts – NO On-The-Job Training/Finger Pointing



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## Sierra Madre Current Meter Situation

- City has 3,793 active accounts\*
- City standardized on bronze water meters
- City utilizes touchpad & radio for meter reading
- ~1,100 new meters installed since 1/1/2011
- Remaining ~2,700 meters average 15.9 years old and need to be replaced
- On average, City spends \$75K per year for meter replacement
- As water meters age, they lose their accuracy



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## Increased Billings from New Accurate Meters

	<u>FY 2015-16</u>
Water Revenues:	\$4,373,849
Wastewater Revenues:	<u>\$806,077</u>
Total Revenues:	\$5,179,926

- ~70% of meters need to be replaced (2,700 / 3,800)
- ~70% of meters represents ~\$3.1M of revenue (70% \* \$4.4M)
- Water bill is based on fixed and variable charges (50% variable & 50% fixed)
- Wastewater is flat-rate billed for residential & variable for commercial (ignored for purpose of these calculations)
- Share of revenue based on variable charge = \$1.55M (50% \* \$3.1M)
- Meters to be replaced are only 92% accurate based on analysis
- Increased billings from new meters is \$135K (( $\$1.55\text{M} / .92$ ) - \$1.55M)



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## Financial Benefits from AMI System

- Improved meter accuracy should increase City's consumptive water revenue
  - Increased billings = \$135,000 per year
- AMI will increase City's operational efficiencies
  - \$35,000 in cost savings per year
  - Elimination of manual reads
  - Elimination of re-reads / estimating
  - Reduction in customer service calls
  - Virtual turn-ons & turn-offs
  - Reduction in bill credits



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## Summary of Project Financials

• Funding Source	
Accuracy Improvement =	\$135,000
Operational Savings (reads & re-reads) =	\$35,000
TOTAL	<b>\$180,000</b>
• Project Cost	
New Radio Meters =	\$675,000
Retrofit Radio Registers =	\$125,000
New Meter Box Lids =	\$100,000
Meter and Retrofit Register Installation =	\$260,000
Reading Infrastructure & Installation =	\$120,000
Sales Tax on Materials =	\$85,000
TOTAL =	<b>\$1,365,000</b>

• *Payback period of 7.6 Years. Solution Life = 20 years*



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## Non-Financial Benefits of AMI

- Advanced leak detection
- Improved water conservation
- Enhanced customer service
- Consumption behavior available to residents online
- Ability to provide hourly consumption data
- Increased operational efficiencies
- Elimination of human error in meter reading
- Elimination of estimated reads
- Elimination of truck roll for move-ins/move-outs
- Recovery of lost revenue
- Green initiative - Reduction in carbon footprint



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## Further Refinement to Financial Model

- Refine analysis and costs for Capital Projects Budget which is due ???
- Determine cut-off year for retrofit vs replacement (to verify exact quantity of meter change-outs vs. retrofits)
- Discuss locations to install reading infrastructure
- Discuss hosted versus non-hosted software solution
- Discuss potential of reusing lid holes vs. replacing
- Discuss condition and accuracy of large meters (3"+)
- Provide live demonstration of software & customer portal
- Discuss procurement methodology for AMI project

Price Partnership Performance

Meters and Endpoints

**NO WARRANTY GIMMICKS  
(Let Us Explain)**

 **Challenges for Utility Managers**

An AMR or AMI system can help solve these challenges.  
But which does a utility choose?

AMR

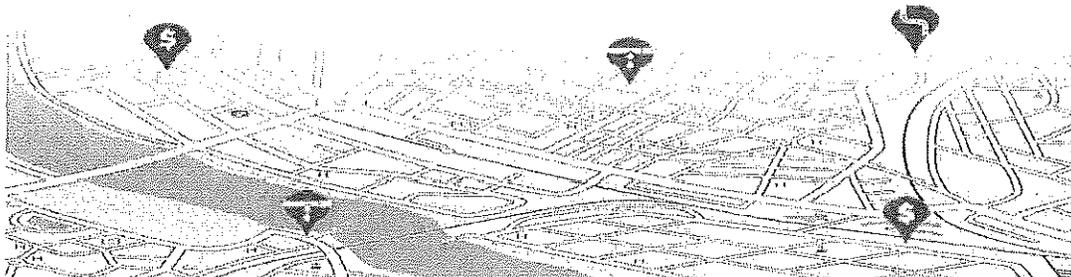
OR

AMI

 **Neptune R900 System – PEACE OF MIND**

At Neptune, We Deliver Real World Results

- Flexibility
- Accuracy
- Actionable Data
- ROI





## T-10 Meter

Exceeds AWWA Specifications

USA Manufactured – Tallahassee, AL

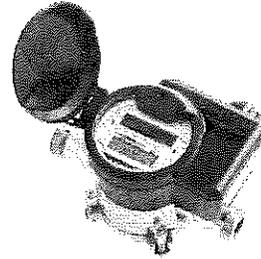
Over 25 Million Manufactured since 1982

Extended Low Flow To .125 GPM w/ 95% Accuracy

No Components Licensed From Overseas Competitors

Typical Lead-Time < 30-days

Bronze Body - No PLASTIC



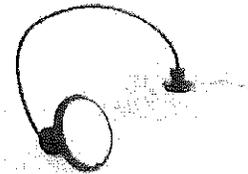
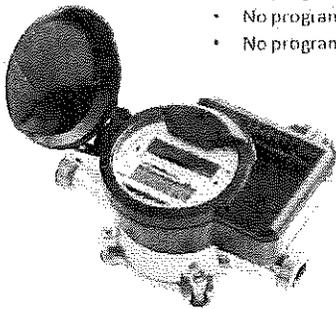
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## All-in-One Technology

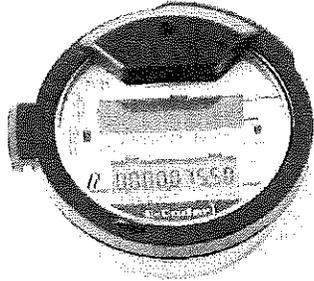
Reduce Training Time with Easy-to-Install Products

- R900 simplifies the installation process
  - No programming required for register types
  - No programming to activate feature set
  - No programming to “change modes” for AMI
- E-Coder®)R900/™ is intuitive
  - No wiring
  - Easy to read – Large LCD
  - No programming required
  - E-Coder flags
  - Industry best accuracy
- 100 mW AMR signal – every 14 seconds
- 1W AMI signal – every 7.5 minutes



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 **Visual + RF Value**



	<b>FLOW INDICATOR</b> Provides direction of flow through the pipe. - Flow direction - Water velocity - Water pressure - Pipe diameter
	<b>LEAK INDICATOR</b> Provides a visual indication of a leak. - Leak location - Leak direction - Leak rate - Leak type - Leak depth - Leak pressure - Leak temperature
	<b>RATE OF FLOW</b> Provides a visual indication of the rate of flow. - Flow rate - Flow direction - Flow pressure - Flow temperature
	<b>LED DISPLAY</b> Provides a visual indication of the status of the device. - Device status - Device location - Device type - Device pressure - Device temperature

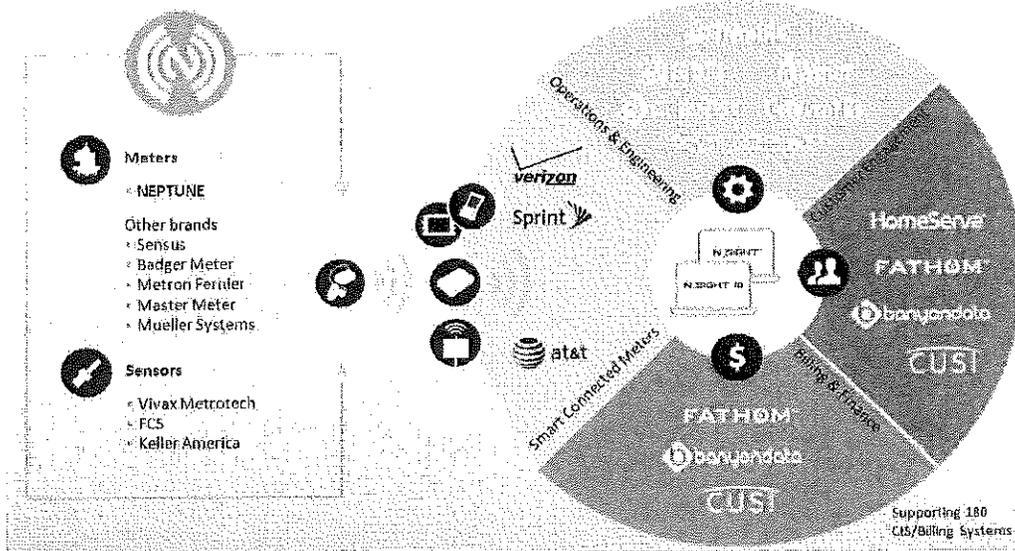
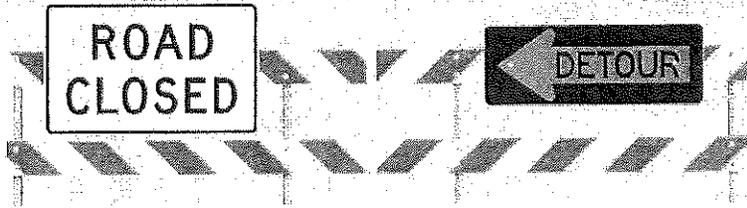
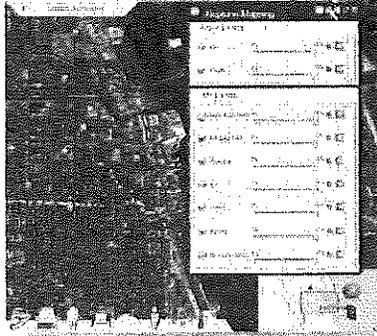
*Nobody expects more from us than we do®*

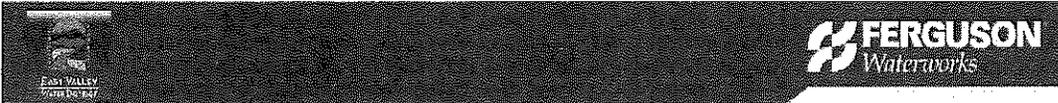






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## Summation

- Experienced In-House Installation Partner
- Made in USA – No Plastic Meters
- Efficient No Meter or Endpoint Programming
- Backwards Compatible/Forward Migration
- No Warranty Gimmicks
- One Supplier – No Finger Pointing or Sub-Contractors
- Local In House Technical Support
- Proven Performance to Drive Your Customer Portal
- You Control Your System and Data



*Nobody expects more from us than we do<sup>®</sup>*

MAY 16, 2016

# FATHOM™

THERE IS STRENGTH IN NUMBERS

A PARTNERSHIP OPPORTUNITY  
WITH  
CITY OF SIERRA MADRE, CALIFORNIA

## COVER LETTER

On behalf of FATHOM, we are excited to provide a proposal for the Integrated Fixed-Network Advanced Metering Infrastructure (AMI) System & Customer Information System (CIS) with Utility Billing Solution. We are a leading utility and are a provider of an integrated AMI and CIS solution that we believe offers the City of Springfield ("the City") a rapid, proven and guaranteed turn-key project to support the City's vision.

Our experience as a utility and our proven, low-risk solutions will provide immediate and direct benefits, delivering maximum value to the City. In addition, FATHOM ensures that the City's current and future objectives will be met:

- FATHOM is a completely **turn-key**, advanced suite of integrated utility services.
  - FATHOM is cloud based, and as such, requires **no additional staff or IT resources**.
  - FATHOM is a **risk-free solution** to purchasing, implementing and maintaining a billing system of your own.
- With FATHOM, The City will realize and maintain **increased revenue, decreased costs, and enhanced customer experience** while saving water.

Thank you in advance for your consideration of our offering. We look forward to a successful partnership that offers the City the best opportunity to leverage the economic, social and environmental management of this vital resource—and access state-of-the-art technology solutions that save money, time and water.

Jason Bethke  
President and Growth Officer  
480.252.2189

[Jason.Bethke@fwfathom.com](mailto:Jason.Bethke@fwfathom.com)  
UTILITY-TO-UTILITY SOLUTIONS

## CITY CHALLENGES

- Aged Meter Infrastructure
- Antiquated technology
- Meter re-reads
- Tyler Incode software difficult to use and provides no reporting to the field
- Customer has limited access to monitoring water bills and usage
- Loss of water revenue due to Sec. 865. Mandatory Action by Water Suppliers
- No mobile apps for customers
- Limited payment options

## PROJECT GOALS

- Provide the most advanced Smart Grid for water technology platform
- Restore confidence in meter accuracy and utility billing
- Replace aging meter Infrastructure
- Stabilize revenue
  - Revenue Assurance Audit
  - Timely, regular, accurate billing
  - Improve collections
  - Finance with no upfront capital and no impact on budget until system is up and running
- Implement Advanced Metering Infrastructure (AMI)
- Replace Tyler Incode software and existing third-party services
- Provide Call Center execution with high customer satisfaction rating
- Enhance customer experience with Web and mobile access

# FATHOM HISTORY

Evolved from Global Water, a water and wastewater UTILITY  
formed in 2003, FATHOM is one of the world's leading  
innovators in TOTAL WATER MANAGEMENT

Global Water owns and operates 12 regulated utilities with  
over 42,500 connections that experienced unprecedented  
organic growth and area expansion

Developed FATHOM to better manage water scarcity and  
improve system efficiencies within our own systems

Utilizing FATHOM, now recognized as "PERHAPS THE MOST  
TECHNOLOGICALLY SOPHISTICATED UTILITY IN THE US" with  
automated and efficient operations

FATHOM is operating in 150 public water systems on over 4 million meters, providing services to  
utilities both large and small with the scalability to serve even the largest utilities in North America,  
bringing economies of scale to our fragmented market

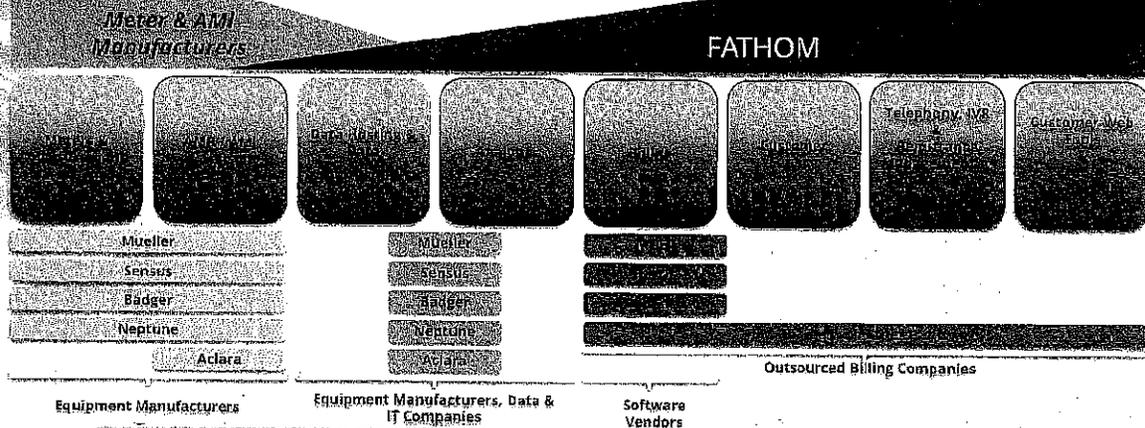
- The City will find the FATHOM solution to be the most robust, full-featured and water-focused system  
available to water and wastewater utilities.
- The FATHOM offering provides the best technology solutions—with the least amount of risk to the City  
and its residents.



# FATHOM SMART GRID FOR WATER

## FATHOM Utility-to-Utility (U2U) Solutions

Integrated, turnkey, cloud-based, customer-focused platform designed to help municipalities save time, money and water



UTILITY-TO-UTILITY SOLUTIONS

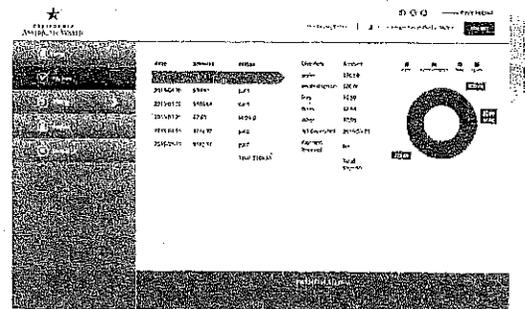
# FATHOM SCOPE OF SERVICES

## • FATHOM GIS WITH UTILITY BILLING AND CUSTOMER CARE

- Bill preparation, printing, mailing and payments
- Branded billing
- Paperless billing options
- Customer care center (Water and Wastewater Utilities Only)
- After-hours emergency call center
- Inbound and outbound automated phone system

## • FATHOM U<sub>2</sub>YOU CUSTOMER PORTAL

- 24/7 account access
- Multiple ways to pay
- Alerts and notifications
- Water messaging and tips



# FATHOM SCOPE OF SERVICES

## FATHOM REVENUE ASSURANCE AUDIT

- Verify logical assets match physical assets
- Verify bill codes, multipliers and services

## • FATHOM Meter Data Management

- Historical database
- Advanced analytics
- Geospatial, map view of meter system infrastructure

## • Computerized Maintenance Management System (AMS)

- Meter Service Order Management

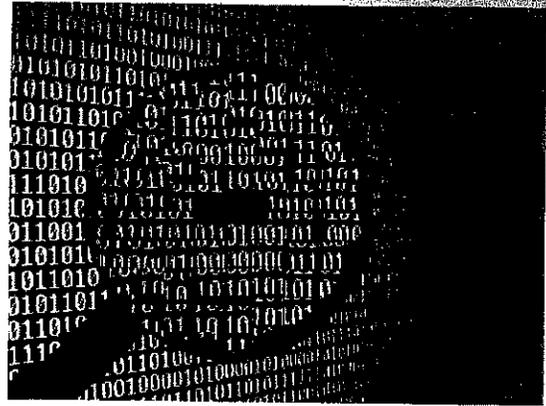


# FATHOM PROCESS – REVENUE ASSURANCE

## TASK 1: DATA COLLECTION AND PAPER AUDIT

FATHOM performs data collection meetings with the City to confirm and obtain information on key aspects of the service. Sessions include:

- Customer Service & Billing
- Customer Communication
- Public Works or Field Services
- Finance
- Customer Database

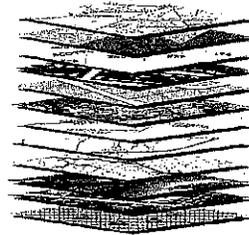


# FATHOM PROCESS – REVENUE ASSURANCE

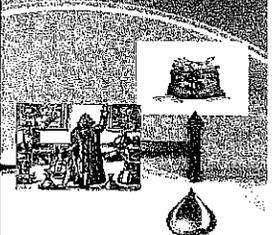
## PAPER TO FIELD AUDIT

Once the Paper Audit is complete, FATHOM performs a field audit of every water meter location within the service territory boundary.

Based upon the analysis created in the Paper Audit, GIS-based mapping services are created and deployed by iPad to each field technician.



- Tax Parcel Data
- Aerial Photographs
- Infrastructure Data
- Asset Data
- Census Data
- Customer Engagement
- Geospatial Data
- Meter Data
- CIS Data



# FATHOM PROCESS

## STEP 3: CIS CONFIGURATION

With FATHOM Utility Best Practices, along with work templates and preconfigured workflows, the FATHOM CIS configuration can be performed in a matter of months rather than years.

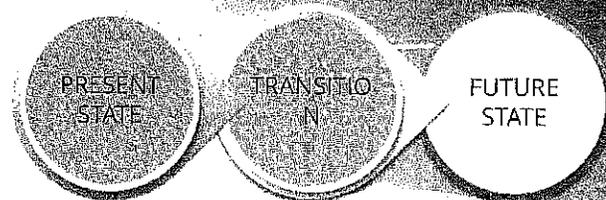
- The preliminary configuration of the CIS begins soon after the completion of the business requirements process. Configuration and testing include:

- Customer Care
- Self Service (IVR, Web)
- Meter Reading
- Account Management
- Customer Portal
- Service Order Management
- Billing
- Bill Print
- Collection
- Payments and Cashiering

# FATHOM PROCESS

## STEP 4: TRANSITION PLANNING

Transition planning actually begins with the first information gathering session and is ongoing throughout the project. Items planned for include:



- Cutover from legacy system
- If desired, a parallel operation test can be provided
- Meter reading and billing calendars for the previous six months and the following six months
- Customer communication campaign to detail the upcoming changes to ease transition

# FATHOM PROCESS

## GO LIVE AND FULL CYCLE TESTING

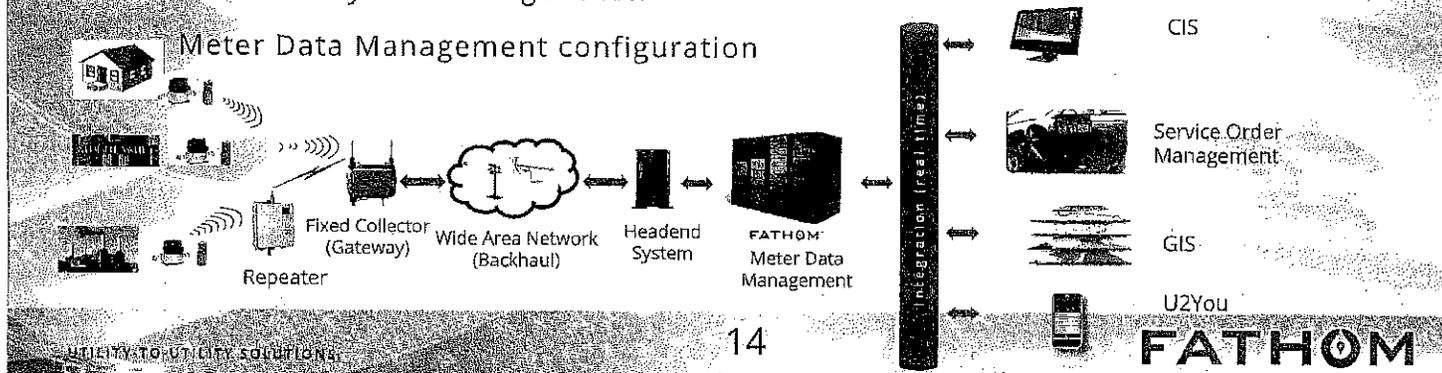
- Go Live occurs when the City stops transacting in the legacy CIS and FATHOM starts transacting within FATHOM CIS for day to day operations and will occur on an agreed upon date.
- Both the implementation team as well as the operations team will test and review the product for the first two cycles of billings.
- The testing protocols include:
  - Listening to live customer service calls
  - Transacting within the Interactive Voice Response (IVR) system
  - Review of PDF bills

# FATHOM PROCESS

## PHASE 1: AMI INSTALLATION AND METER EXCHANGE

Once the CIS is implemented, FATHOM will begin the meter exchange and AMI installation components of the scope.

- Meter, register and MIU installation and retrofit
- Collectors installation
- Head-end system configuration
- Meter Data Management configuration



UTILITY TO UTILITY SOLUTIONS

## FATHOM FINANCIAL IMPACT

- Increase revenue by 5% - 10%
- Reduce labor costs by 41% (preventing hire of future FTEs)
- Eliminate bill printing and postage of \$12,981
- Eliminate fuel and vehicle maintenance of \$210
- Eliminate Utility Billing software maintenance of \$13,000
- Eliminate Meter Reader hardware/software maintenance of \$2,000
- Reduce water loss by \$145,038

UTILITY-TO-UTILITY SOLUTIONS

**FATHOM**

# FATHOM COST ANALYSIS

Qty of Serra Madre	Cost per Meter per Month	Annual Cost
<b>HARD COSTS</b>		
Labor Costs	\$ 8.09	\$ 363,130
Bill Printing and Postage	\$ 0.29	\$ 12,981
Fuel & Vehicle Maintenance	\$ 0.00	\$ 210
MR Hardware/Software	\$ 0.04	\$ 2,000
Meter Changeout Budget	\$ 0.26	\$ 11,600
Utility Billing Software M&S	\$ 0.29	\$ 13,000
<b>Total Hard Costs</b>	<b>\$ 8.98</b>	<b>\$ 402,921</b>
<b>REVENUE LOSS</b>		
Water Loss	\$ 8.08	\$ 362,595
Missing Meters/Incorrect Accounts	\$ 0.51	\$ 22,800
Bad Debt Write Off	\$ -	\$ -
<b>Total Revenue Loss</b>	<b>\$ 8.58</b>	<b>\$ 385,395</b>
<b>COST OF SERVICE ADJUSTMENTS</b>		
Bill Printing and Postage (Monthly)	\$ 0.29	\$ 12,981
AMI Equipment Cost	\$ 2.90	\$ 130,190
<b>Total Cost of Service Adjustments</b>	<b>\$ 3.19</b>	<b>\$ 143,171</b>
<b>Total Cost of Service</b>	<b>\$ 20.75</b>	<b>\$ 931,488</b>

# FATHOM COST ANALYSIS

City of Serra Madre	Cost per Meter per Month	Annual Cost
<b>Total Cost of Service</b>	\$ 20.75	\$ 931,488
<b>FATHOM FULL BUNDLE</b>		
Managed Services and SaaS	\$ 4.37	\$ 196,178
Meters and AMI Infrastructure	\$ 5.27	\$ 236,734
<b>Total FATHOM Full Bundle</b>	\$ 9.64	\$ 432,912
<b>RETAINED COSTS</b>		
59% Labor Costs Retained by City	\$ 4.77	\$ 214,320
60% Unrecoverable Water Loss	\$ 4.85	\$ 217,557
10% Unrecoverable Bad Debt	\$ -	\$ -
<b>Total Retained Costs</b>	\$ 9.62	\$ 431,877
<b>Cost of Service with FATHOM</b>	\$ 19.26	\$ 864,790
<b>POTENTIAL SAVINGS</b>	\$ 1.49	\$ 66,698

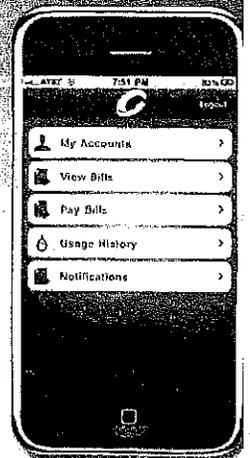
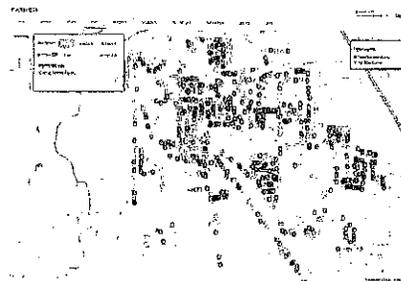
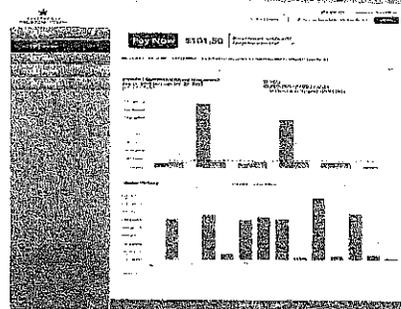
# FATHOM BENEFITS SUMMARY

## BENEFITS

- Turn-key integrated solution
- Proven deployment methodology
- Real technology risk transfer
- Captures missing revenue
- Saves money
- Solves problems

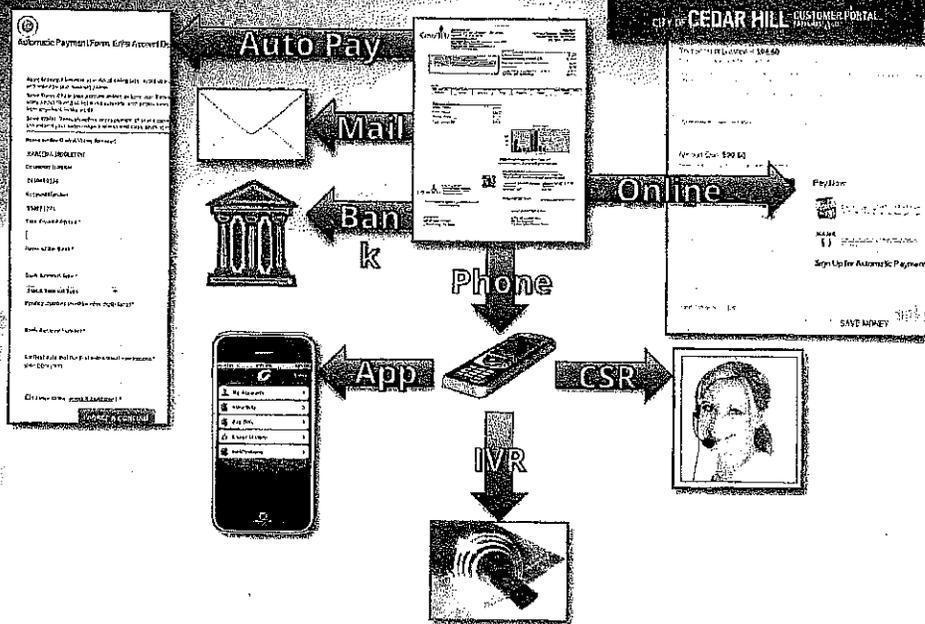
## PROCUREMENT MADE EASY

- No upfront capital
- Tax exempt financing



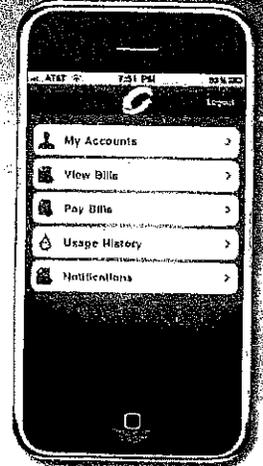
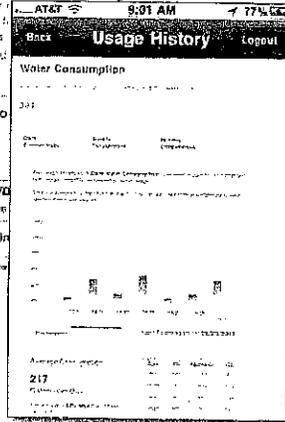
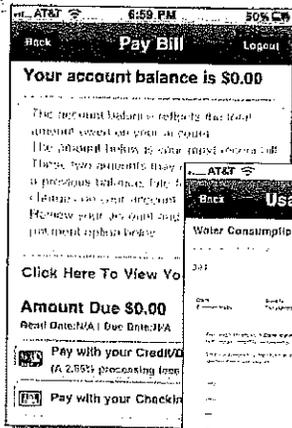
UTILITY-TO-UTILITY SOLUTIONS

# BILLING AND PAYMENT OPTIONS



# MOBILE APPLICATIONS

Available on  
both iOS and  
Android  
mobile  
devices



**FATHOM**

# FATHOM CUSTOMER PORTAL

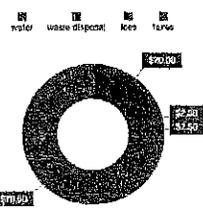


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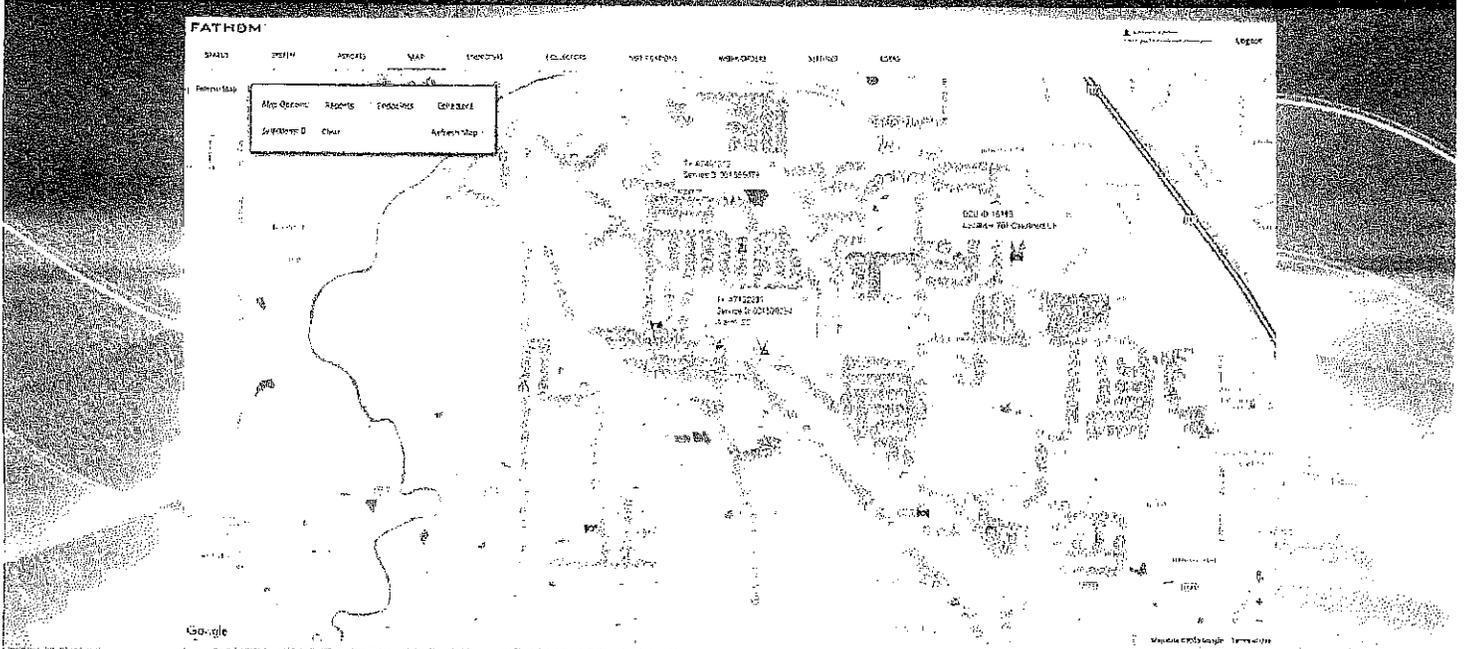
- [Home](#)
- [Pay Now](#)
- [Billing](#)
- [Account](#)
- [Services](#)

date	amount	status	Line Item	Amount
			water	\$76.50
			waste disposal	\$20.00
			fees	\$2.50
			taxes	\$2.50
			other	\$0.00
2015-04-30	\$99.81	paid	Bill Generated	2015-05-29
2015-03-22	\$103.64	paid	Payment Received	NA
2015-03-21	\$2.50	unpaid		
2015-02-26	\$126.72	paid		
2015-01-19	\$112.14	paid		
Total: \$101.80				

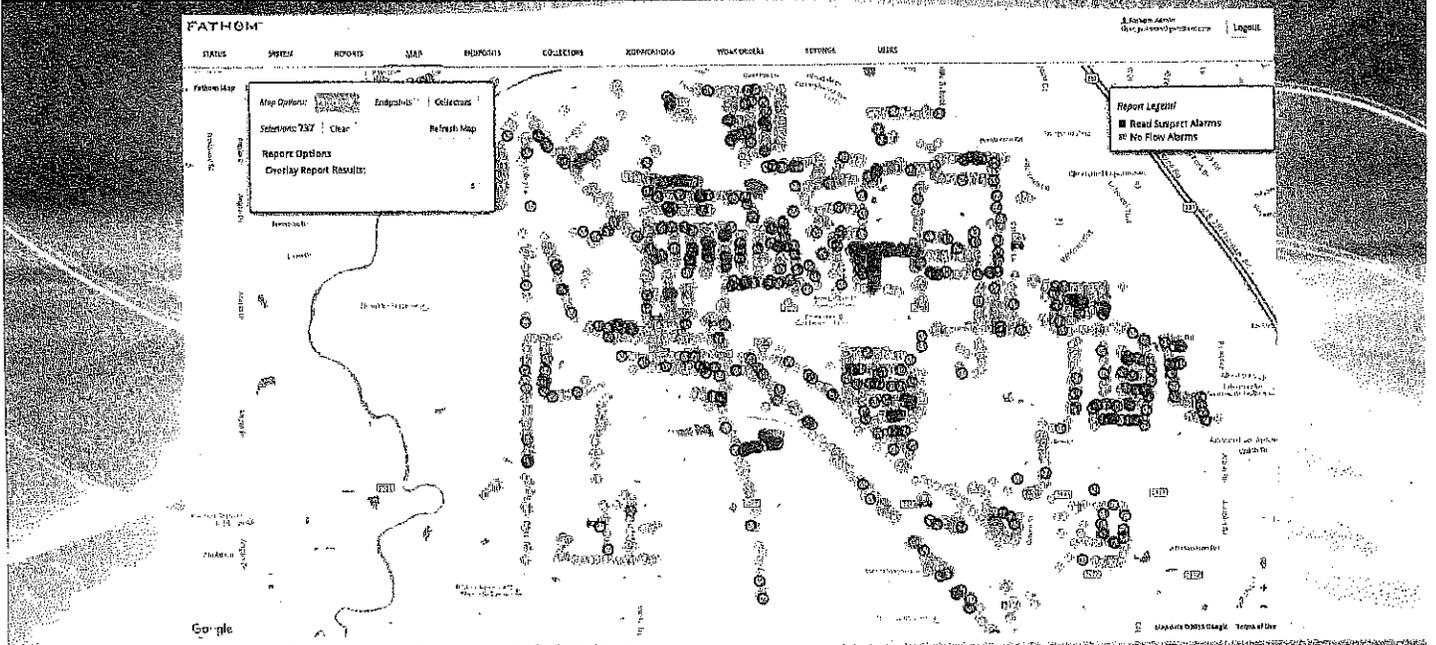


FATHOM LLYEH

# FATHOM MDM ENDPOINTS



# FATHOM MDM ALARMS

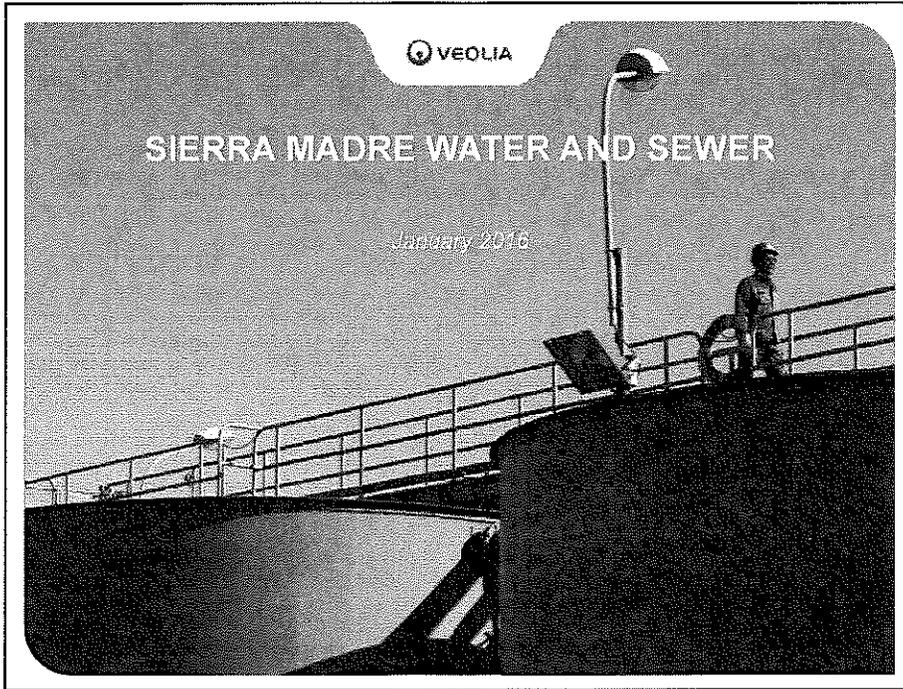


**THANK YOU**



UTILITY-TO-UTILITY SOLUTIONS

**FATHOM**



### Trusted by hundreds of North American communities

#### ◦ NORTHEAST

- New York City, Buffalo, Schenectady, Rockland County, NY
- Philadelphia
- Massachusetts – Boston, Plymouth, Leominster
- Rhode Island – Cranston, Woonsocket
- Connecticut – New London, Danbury
- Baltimore
- Wilmington, DE

#### ◦ SOUTH

- Tampa Bay
- New Orleans
- Georgia – Atlanta-Fulton County (water); Fulton County (wastewater)
- Kentucky – Ft. Knox; Hardin County

#### ◦ CENTRAL

- Oklahoma City
- Chicago
- Milwaukee
- St. Louis
- Kansas City
- Dayton, OH

#### ◦ WEST

- California – Los Angeles, Richmond; Palm Springs, Burlingame
- Vancouver, Washington
- Oregon – Gresham, Wilsonville
- Honolulu, HI

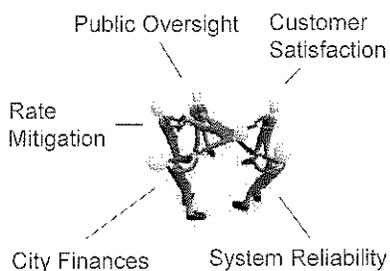
#### ◦ CANADA

- Winnipeg
- Montreal
- Toronto
- Moncton, New Brunswick
- Brockton/Walkerton, Ontario



Concession Webinar

## Balancing the Many Priorities of Public Service



It is not a trade-off: all are important,  
and all are achievable together

## Sierra Madre has Challenges

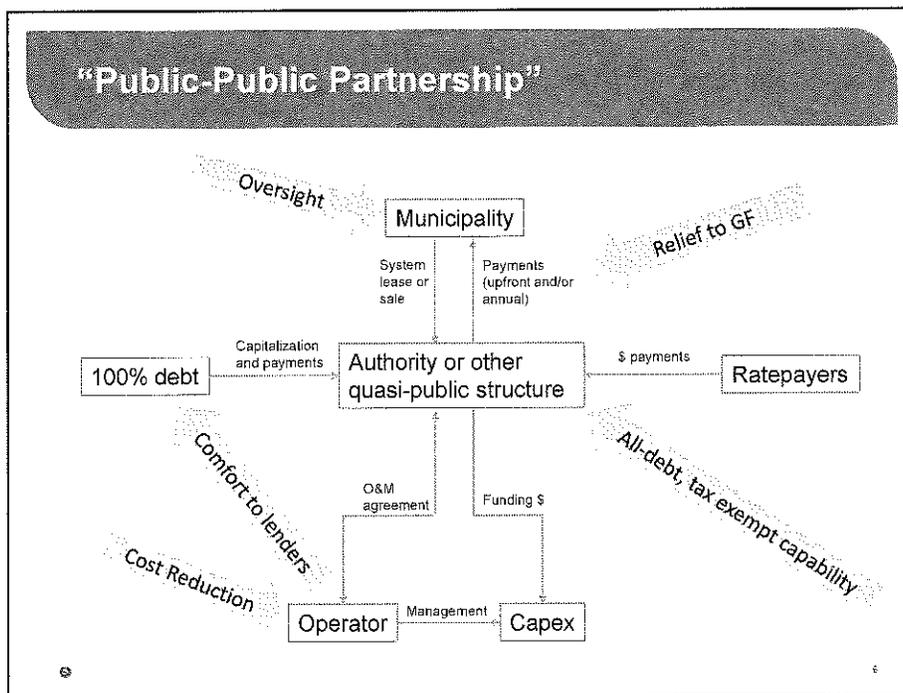
- ❑ Water Infrastructure Needs Increasing
- ❑ Unplanned Events Have Been Common
- ❑ Utility's borrowing capacity is limited
  - ❑ *Maturities into the 2030s*
- ❑ On-going Enterprise Fund Deficit

Citizens have  
Rate Fatigue &  
Question  
Decision Makers

### Tailored Solution

<ul style="list-style-type: none"> <li>➤ Optimize OPEX and CAPEX</li> <li>➤ Refinancing of Utility Debt</li> <li>➤ Transfer of funds to the General Fund</li> </ul>		<ul style="list-style-type: none"> <li>✓ Reduce Rate Pressure</li> <li>✓ Reduce Debt Service</li> <li>✓ May Allow for Additional Borrowings When Needed</li> <li>✓ Upfront Payment (for City capex), annual payment (for City General Fund needs) or both</li> </ul>
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Concession Webinar
5



## There is Hidden Value in the Water and Wastewater Service

### Financial Value

- *Operational cost savings*
  - Process optimization, energy and chemical use reduction
  - Maintenance management
- *Administrative Cost savings*
  - Procurement
- *Revenue enhancement*
  - Meter management
  - Energy generation
- *Capital program management*
  - Consent order management
  - Asset management-driven capital program review
- *Debt management*
  - Refinancing of existing debt in certain cases

UP TO 20% COST REDUCTION

1-4% REVENUE ENHANCEMENT

10%-30% LIFE-CYCLE COST REDUCTION

In the case Sierra Madre, early estimates show a potential of \$750K of Opex reduction, and other savings; this value alone could result in an upfront payment in the range of \$7M and a annual lease payment of >\$300K,

## How Does it Work?

- Systems are leased to a third party entity ("NewU") under a long-term agreement
  - A new public vehicle acting on behalf of the municipality
- NewU is responsible for system operation and maintenance
  - NewU operates under a contract which outlines performance standards agreed with the City: compliance is monitored by the City
    - NewU's performance is supported by an operation contract with Veolia
    - NewU collects rate payments and funds operations (and usually capital)
- The entity makes payments to the City's General Fund
  - NewU can make an upfront payment to City by monetizing a portion of future savings
  - NewU can also make annual payments during the life of the contract to reflect: (1) the value of the lease as agreed in the contract and (2) growth in the system (e.g. population) in some cases
- Transparency to City and Community
  - Performance on operations and environmental compliance is reported to the City according to agreed metrics in full transparency
  - The City or designated Board of Directors participate in performance monitoring and establish rates through various platforms – review or steering committee, rate-setting mechanism and more

The City devises performance standards, retains ownership of the assets, and controls rates

## Case Study: Rialto, CA

- 30-year partnership committed to the performance, safety, customer and community satisfaction
- \$35M in upfront to the city for development investment, reserve
- \$41M in funding for water and wastewater system improvements and associated jobs
- \$2M annual utility lease payments to the city
- All existing city employees have remained employed



*"The partnership ensures that the city's water and wastewater infrastructure is upgraded and run in the most cost-efficient manner, while also laying the groundwork for new economic development."*

Mike Story, Rialto City Administrator

Other cases where Veolia's operations helped with financing include Cranston, RI; Arvin, CA; Franklin, OH; Moncton, NB; Chicago, IL

## Common Questions

Question	Answers
Does the City lose ownership?	No, agreement is structured as a lease. The government retains ownership.
Why Veolia and not just new financing?	Veolia's expertise guarantees savings and provides comfort to bondholders, which in turn facilitates financing that is not otherwise available. In addition, depending on the City's circumstances and objectives, there are ways to mitigate or eliminate the cost of money differential.
What happens to current and future rates?	Future rates are typically agreed in the contract or reviewed in an agreed rate-setting process with the City. Since the transaction is funded by operational and other savings, rates do not need to rise more than they would without the project.
What happens if operator does a bad job or defaults?	In either case, bondholders of asset have right to appoint new operator, subject to City approval.
What happens to existing employees?	The terms for existing employees will be defined in the agreement as per City preferences; typically, employees would transfer to the new operator.
Do I have to take an up-front payment?	No, payment can be structured as an up-front payment or payment over time -- or both.
Are there successful precedents in the US?	Yes, existing assets where concessions were granted are being operated at a high standard.

## Typical Process (7-8 months)

	Week																		
	2	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38
RFEI (Optional)	██████████																		
RFQ/P	██████████																		
Selection																			██
Negotiations																			██████
Council vote or other governance process																			██
Contract signature																			██
Financial close																			██████████
Funding to City and O&M transition																			██

Note: The City will typically require external advisers, in particular on the legal and procurement fronts.

## Discussion

- Water distribution leaks increased  Lost Income
- Conservation Mandates  Lowered Income
- Water Rates  Top Quartile for Region
- Sewer Rates  Top Quartile for Region

## Discussion, Part 2

### Water Technology

Difficult to conserve water since users unaware of where water is being used.

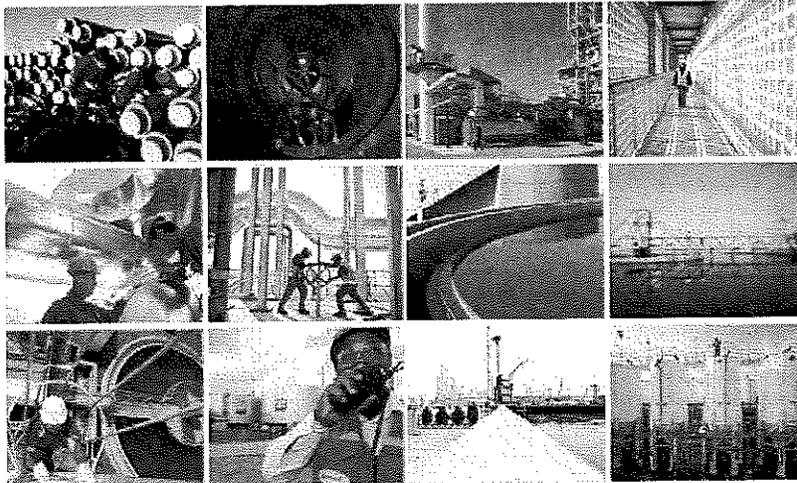
### Deferred Maintenance

Deferring close to \$150K a year for maintenance which gets more expensive as time progresses.

### AMI

Improved water management, billing, leak detection, less staff stress, and more.

## Thank you for your time!



# Appendices

Concession Webinar 15

## Choices: Together we can pick the offering that is the best fit for you

	Concession	Lease	Delegated Mgmt.	Prof. Consulting
	Injection of cash available to city	City operating costs reduced	Performance-focus for management	Advisory services to help save costs
	High risk transfer to concessionaire	Partial risk transfer to operator	Small risk transfer to contractor	No risk transfer to consultant
	High speed of improvement	High speed of improvement	Med/slow speed of improvement	Medium speed of improvement
	Procurement: Complex	Procurement: Slightly challenging	Procurement: Easy	Procurement: Very easy and quick

Rialto, Calif.	Milwaukee	Buffalo	New York City
			
\$35 MILLION IN CASH TO THE CITY OF RIALTO (PLUS \$41M IN CAPITAL FINANCE)	\$35 MILLION IN SAVINGS TO THE CITY OF MILWAUKEE	\$1 MILLION IN ANNUAL SAVINGS TO THE CITY AND IMPROVED PERFORMANCE	\$23 MILLION IN ANNUAL SAVINGS IMPLEMENTED TO DATE FOR NYC

Concession Webinar 16

## There Are Opportunities to Leverage this Value

- At the service level
  - *Cost reduction leading to rate mitigation*
  - *Asset management for long term reliability and sustainability of the system in the face of aging infrastructure*
  - *Best Practices - worldwide experience and lessons learned*
- At the municipal level
  - *Monetization of savings in an upfront payment for long term investments*
    - *Shoring up unfunded pension plans and other long term liabilities*
    - *Financing infrastructure investments such as distribution and meter system improvements.*
  - *Annual payments for continued budgetary support*

The result is a distributed, balanced improvement of both public service and City sustainability



# City of Sierra Madre Agenda Report

*Nancy Walsh, Mayor*  
*John Harabedian, Mayor Pro Tem*  
*John Capoccia, Council Member*  
*Chris Koerber, Council Member*  
*Josh Moran, Council Member*

*Nancy Shollenberger, City Clerk*  
*Richard Mays, City Treasurer*

**TO:** Honorable Mayor Walsh and Members of the City Council

**FROM:** Elaine I. Aguilar, City Manager

**INITIATED BY:** Bruce Inman, Director of Public Works   
Jose Reynoso, Water Superintendent   
Karin Schnaider, Finance Director

**DATE:** September 24, 2013

**SUBJECT:** **RECOMMENDATION TO APPROVE PURCHASE AND  
INSTALLATION OF ADVANCED METERING INFRASTRUCTURE  
FOR SIERRA MADRE WATER SYSTEM**

---

## SUMMARY

The Public Works Department has received proposals from two firms for the procurement and installation of Advanced Metering Infrastructure (AMI) components citywide. These proposals allow the City to know exactly what a full AMI system will cost, prior to water and sewer rate-setting, should the City Council wish to include AMI costs in the current rate study. AMI will provide multiple benefits to the city, including enabling customers and the city to monitor water use in real time.

Staff recommends that the City Council approve the installation of a citywide AMI system, awarding the contract to Concord Utility Services for an amount not to exceed \$1,406,385; with the procurement of Sensus AMI meters and AMI appurtenances from Aqua-Metric; and, provide staff with direction as to:

- Which financing option to utilize in funding the project; and
- What funding source to utilize for funding the project, ie water funds, sewer funds, general funds.

## ANALYSIS

On January 22, 2013 the City Council directed staff to prepare a Request for Proposals (RFP) for the purchase of replacement water meters and associated software and computer equipment to institute an Advanced Metering Infrastructure (AMI) water metering system. Staff was further directed as a goal of the April 2013 Strategic Plan to present to the City Council for consideration the implementation of radio-read water meter replacement. On June 25, 2013 the City Council approved the Request for

Proposals as prepared by staff. The RFP was subsequently issued to four potential bidders.

Two firms provided proposals in response to the city's RFP. The other two firms requested an extension on the bidding period so that they could do their own propagation study and were advised by staff that the bid date was firm.

Firm	Installation	Web Access	Equipment	Total Bid
Aqua-Metric	\$351,347.00	\$159,200	\$895,837.21	\$1,406,384.21
Equarius	\$449,985.25	\$86,951.20	\$962,508.55	\$1,499,445.00

Both of the bidders have provided proposals for the financing of the project. Each bidder was using the same financing institution, but each bidder proposed slightly different rates.

Aqua-Metric Financing Proposal

Term	5 Years	7 Years	10 Years	Total (10 years)
Annual Payments	\$310,407.68	\$232,336.94	\$173,092.92	\$1,730,929.20
Payments Begin	9/15/2014	9/15/2014	9/15/2014	
Indicative Fixed Rate	3.40%	3.79%	3.98%	

Equarius Water Works Financing Proposal

Term	5 Years	10 Years (Fixed)	10 Years (w/5 Yr Adjust)	Total (10 year fixed)
Annual Payments	\$331,038.17	\$184,669.67	\$180,227.57	\$1,846,699.70
Payments Begin	9/15/2014	9/15/2014	7/01/2014	
Indicative Fixed Rate	3.40%	3.98%	3.50% adj.	

**AMI PROJECT BENEFITS**

Annual increased revenue due to improved meter accuracy has been estimated at approximately \$332,500. This annual benefit is somewhat higher than the annual payments proposed by the bidders for 5, 7 or 10-year financing arrangements. Thus, allowing for variations in the actual savings, the project could actually pay for itself in five years.

The benefits of implementing AMI water metering are not limited to strictly financial benefits to the City. An additional benefit is the ability to monitor water production vs. water use in real time, without the delays inherent in manual meter reading. This would

allow the City to more accurately quantify water system leakage as real-time metered water production can be *directly* compared to real-time metered use.

Perhaps the greatest benefit of an AMI system at this time is that it will allow customers to better monitor their own water use. Staff has frequently heard from customers that they are having a difficult time with the required water conservation when they have only a water bill by which to monitor their use; a bill that arrives more than two months after the start of the subject billing period. The proposed AMI system will allow for customers to get up-to-the-hour water use data via the internet. If mandatory water conservation will be in place for Sierra Madre until the Raymond Basin levels return to the 500 foot level, then the City's water customers will need the AMI tool for their long term conservation efforts. The more water that customers can conserve through careful monitoring of their use, the less water will have to be imported from expensive outside sources.

AMI will also provide the City with the ability to quickly detect abnormal water use and provide notification to customers that they may have a leak on their property.

Should the City Council approve the installation of the AMI system at this time, it is expected that the system would be installed and operational by the end of FY 2013-14. If the Council chooses to reject the bids and direct staff to re-advertise the project in the hope of getting more or better bids, the project would be delayed by at least two months, the project costs may go up, and financing interest rates may increase. Or should the Council choose to reject the bids and wait to see how the Gas Company program develops, there will be a delay until at least January 2014 before that program starts, and even then there is no guarantee that the program would cover all of Sierra Madre or that the program would be supported by the Gas Company for more than 12 months.

#### **FINANCIAL REVIEW**

The projected end of year fund balance for the water fund does not allow for the purchase of the AMI system through the use of reserves. While the June 30, 2014 fund balance is projected at \$1,587,717 it should be noted that under current revenue levels, over \$581,600 is committed in FY 2014-15 to cover operational costs. The June 30 2015 fund balance is \$957,020.

Under the proposals, the City Council has several options for funding the costs of the AMI. First, when considering the use of long-term capital financing, the useful life of the both the hard and soft equipment should be considered. In both cases, it is assumed that a ten year useful life can be applied. In the case of the meters, the City had previously had a 10-15 year rotation of meters. With the full meter inventory being replaced, it can be assumed that current annual budget for meter replacement (\$100,000 annually) can be delayed at least 8 or more years.

The second item for the City Council's consideration is the funding sources available. The funding source with the most financial gain is the Water fund; however, the Sewer fund's current rate study may provide a nexus to water consumption in its rate structure calculation. Therefore, the Sewer Fund could also become a beneficiary of the AMI system. As a third funding source, the City Council could also consider any use of the General Fund. There is a small nexus to water consumption on Utility User Tax, but the overriding factor is the City Council has full discretion over use of the General Fund resources and it may choose to use a portion of Unrestricted Fund Balance as a potential funding source.

To summarize, the City Council has four financing options available. For example when considering the seven year financing option, the City would be able to dedicate the existing Water Fund meter replacement budget with a net zero impact to the budget, leaving \$132,000 annually to fund. The City Council could then take the remaining balance and divide any portion among Water, Sewer and/or the General Fund, for example, \$50,000 Water and Sewer funds each and \$32,000 from the General Fund. However, any combination of funding sources could be considered. These items would then be applied to the future Water and Sewer rate structure currently under consideration. In the General Fund, the seven year, \$32,000 payment, totaling \$224,000 could be committed from the General Fund's Unrestricted Reserves, (not future operations).

#### **ENVIRONMENTAL REVIEW**

The proposed project is exempt from CEQA as a replacement or reconstruction project under Section 15302(c) of the Guidelines, "Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity."

#### **LEGAL REVIEW**

Aqua-Metric is the apparent low bidder on the project. Equarius, the other bidder, has claimed the bid from Aqua-Metric is invalid because Aqua-Metric, which is a supplier/manufacturer of the meters, does not possess a state contractor's license and may not rely on the contractor's license of its subcontractor, Concord Utility Services. Equarius is a licensed contractor. Under state law, cities may only contract with licensed contractors for public works projects. Installation of the meters is a public works project requiring the employment of licensed contractors.

In consultation with the City Attorney, staff has concluded that it would be feasible to bifurcate the installation and materials/supplier portions of the bid and contract directly with Concord Utility Services as general contractor for installation, with the Sensus meters supplied through Aqua-Metric. In order to do so, the City waives the bid irregularity; this does not change the dollar value of the bid, the parties or the roles of each of the parties, and therefore we do not think it creates an unfair bidding advantage. Should the City Council select to go with the Aqua-Metric option, the installation contract may be entered into directly with Concord Utility Services, the

licensed contractor specified in the Aqua-Metric bid. Aqua-metric will simply be the supplier of the meters and other equipment.

Equarius has been informed of staff's determination and has not indicated any further objection; it is unknown whether representatives of Equarius will be present at this evening's meeting to lodge a protest of staff's recommendation to the City Council. Council also has the option of rejecting all bids and, by a 4/5<sup>th</sup> vote, determine that the project can be performed more economically through day labor or open market purchase of materials and supplies and thereby dispense with further bidding.

### **Southern California Gas Company**

Subsequent to the bids being received, staff was approached by representatives of Southern California Gas Company with an offer to assist the City with AMI implementation as part of a one-year pilot project the Company will be starting in the first quarter of 2014.

The Gas Company proposal on September 10 did not allow time to do further research or ask follow-up questions of the Gas Company representatives, so the proposal remains somewhat vague. Nevertheless, in the interest of full disclosure, staff is providing the City Council with the information we do have. A copy of the Gas Company proposal is attached to this report.

- The Gas Company is installing AMI infrastructure to cover its entire system, including Sierra Madre.
- The Gas Company will begin a pilot project under which they will explore the feasibility of utilizing its backbone infrastructure for data receiving and processing with the metering systems of other utilities.
- The Gas Company uses exclusively metering equipment made by the Aclara Company.
- The City would purchase and install Aclara meters and radio endpoints.
- The Gas Company's backbone Aclara infrastructure to receive the transmissions from our meters; collecting the water meter data and sending it to The Gas Company where it would be processed.
- The Gas Company would then send the data to the city for the city's use.
- By utilizing the Gas Company backbone system, the City could potentially save as much as \$170,000 in initial system start-up costs.
- The Gas Company proposal indicates that the cost of the pilot program to the City would be \$5,000, but does not indicate what that amount gets for the city.
- Gas Company representatives could not commit to Gas Company support of the Aclara water billing system beyond the one-year term of the pilot program, nor could they commit to providing the 3,808 endpoint system that Sierra Madre would need to serve the entire city.
- It is not known if the Gas Company system can "communicate" seamlessly with the City's utility billing system or what the cost and availability of Aclara metering products are.

- The program is still under development at this time. Pages 13-15 of the attached proposal from the Gas Company list some of the limitations of the program or areas of the program still under development.

The Gas Company proposal could be advantageous to the city by saving some of the initial system startup costs as well as saving the city the maintenance of the backbone data gathering system. It could also be advantageous in that The Gas Company is patterning its AMI system operations after those that have been successfully implemented by P,G & E, so that there is expertise in system installation available.

There is much that remains unknown at this time regarding the Gas Company proposal; it is too early for staff to be able to make a recommendation to the City Council regarding the costs or feasibility of the proposal; again the proposal is being presented in the interest of disclosing that there *may* be other options available to the city for AMI.

### **ALTERNATIVES**

The City Council has a number of alternatives to consider at this time:

- 1.) Approve the installation of a citywide AMI system, awarding the contract to Concord Utility Services for an amount not to exceed \$1,406,385; with the procurement of Sensus AMI meters and AMI appurtenances from Aqua-Metric; and, provide staff with direction as to:
  - Which financing option to utilize in funding the project; and
  - What funding source to utilize for funding the project, ie water funds, sewer funds, general funds.
- 2.) Approve the purchase and installation of AMI system as proposed by Equarius Waterworks utilizing Neptune metering equipment in an amount not to exceed \$1,499,445; and provide staff with direction as to:
  - Which financing option to utilize in funding the project; and
  - What funding source to utilize for funding the project, ie water funds, sewer funds, general funds.
- 3.) Reject the bids from Aqua-Metric and Equarius and:
  - a.) Direct staff to re-advertise the project
  - b.) Direct utility rate consultant and staff to utilize one of the bid amounts listed here in the current rate study to allow for the purchase of the AMI system under the proposed rate structure
  - c.) Direct staff to obtain additional information regarding the Gas Company proposal and return the matter of AMI metering to the City Council for further discussion.

