

Baru Sanchez, Mayor
Christian Hernandez, Vice Mayor
Chris Garcia, Council Member
Jack Guerrero, Council Member
Cristian Markovich, Council Member



CLARA STREET PARK
TURNER HALL
4835 Clara Street
Cudahy, CA 90201
Phone: (323) 773-5143
Fax: (323) 771-2072

REMOTE TELECONFERENCE
LOCATION:

CLARA STREET PARK
Chamber of Commerce Room
4835 Clara Street
Cudahy, CA 90201

AGENDA

A REGULAR MEETING
OF THE CUDAHY CITY COUNCIL
and JOINT MEETING of the
CITY OF CUDAHY AS SUCCESSOR AGENCY and HOUSING SUCCESSOR AGENCY
TO THE CUDAHY DEVELOPMENT COMMISSION
Monday, September 26, 2016 – 6:30 P.M.

Written materials distributed to the City Council within 72 hours of the City Council meeting shall be available for public inspection in the City Clerk's Office at City Hall located at 5220 Santa Ana Street, Cudahy, CA 90201.

In compliance with the Americans with Disabilities Act (ADA) if you need special assistance to participate in this meeting, you should contact the City Clerk's Office at (323) 773-5143 at least 72 hours in advance of the meeting.

Rules of Decorum

*"Members of the Public are advised that all **PAGERS, CELLULAR TELEPHONES** and any **OTHER COMMUNICATION DEVICES** are to be **turned off** upon entering the City Council Chambers." If you need to have a discussion with someone in the audience, kindly step out into the lobby.*

Under the Government Code, the City Council may regulate disruptive behavior that impedes the City Council Meeting.

Disruptive conduct may include, but is not limited to:

- Screaming or yelling during another audience member's public comments period; and
- Profane language directed at individuals in the meeting room; and
- Throwing objects at other individuals in the meeting room; and
- Physical or verbal altercations with other individuals in the meeting room; and
- Going beyond the allotted two-minute public comment period granted.

When a person's or group's conduct disrupts the meeting, the Mayor or presiding officer will request that the person or group stop the disruptive behavior, and WARN the person or group that they will be asked to leave the meeting room if the behavior continues.

If the person or group refuses to stop the disruptive behavior, the Mayor or presiding officer may order the person or group to leave the meeting room, and may request that those persons be escorted from the meeting room.

It should also be noted that any person who WILLFULLY disturbs or breaks up the City Council meeting may be arrested for a misdemeanor offense. (*Penal Code § 403.*)

1. CALL TO ORDER

2. ROLL CALL

Council / Agency Member Guerrero
Council / Agency Member Garcia
Council / Agency Member Markovich
Vice Mayor / Vice Chair Hernandez
Mayor / Chair Sanchez

3. PLEDGE OF ALLEGIANCE

4. PRESENTATIONS

A. Presentation by Blue Green Alliance by Jorge H. Rodriguez

5. PUBLIC COMMENTS

(Each member of the public may submit one comment card if he or she wishes to address the City Council. Only speakers that submit a comment card within the first 20 minutes of the meeting will be permitted to speak for two (2) minutes concerning items under the City Council's jurisdiction, including items on the agenda and closed session items.)

(Every person who, without authority of law, willfully disturbs or breaks up a City Council meeting is guilty of a misdemeanor. [See, Cal. Penal Code § 403.]

6. CITY COUNCIL COMMENTS / REQUESTS FOR AGENDA ITEMS (Each Council Member is limited to three minutes.)

(This is the time for the City Council / Agency to comment on any topics related to "City Business," including announcements, reflections on city / regional events, response to public comments, suggested discussion topics for future council meetings, general concerns about particular city matters, questions to the staff, and directives to the staff (subject to approval / consent of the City Council majority members present, regarding staff directives). Each Council / Agency Member will be allowed to speak for a period not to exceed three (3) minutes. Notwithstanding the foregoing, the City Council Members shall not use this comment period for serial discussions or debate between members on City business matters not properly agendized. The City Attorney shall be responsible for regulating this aspect of the proceeding.)

7. CITY MANAGER REPORT (information only)

8. REPORTS REGARDING AD HOC, ADVISORY, STANDING, OR OTHER COMMITTEE MEETINGS

9. WAIVER OF FULL READING OF RESOLUTIONS AND ORDINANCES

(Consideration to waive full text reading of all Resolutions and Ordinances by single motion made at the start of each meeting, subject to the ability of the City Council / Agency to read the full text of selected resolutions and ordinances when the item is addressed by subsequent motion.)
(COUNCIL / AGENCY)

Recommendation: Approve the Waiver of Full Reading of Resolutions and Ordinances.

10. CONSENT CALENDAR

(Items under the Consent Calendar are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council / Agency Member so requests, in which event the item will be removed from the Consent Calendar and considered separately.)

- A. Receive and File of 2016 California Fair Political Practices Commission Local Agency Biennial Notice (*page 7*)

Presented by City Attorney

Recommendation: The City Council is requested to:

1. Receive and file the attached California Fair Political Practices Commission Local Agency Biennial Notice; and
2. Direct City of Cudahy ("City") staff to effectuate the necessary amendments to the Conflict of Interest Code within 90 days, in accordance with the Political Reform Act.

11. PUBLIC HEARING

- A. Public Hearing and Consideration of Approval of an Interim Urgency Ordinance to Extend a Temporary Moratorium on Marijuana Dispensaries and Commercial Cannabis Activities Established under Interim Urgency Ordinance No. 656 for a Period of Twenty-Two Months and Fifteen Days through August 21, 2018 (*page 11*)

Presented by City Attorney

Recommendation: It is recommended that the City Council of the City of Cudahy (the "City Council" of the "City") approve the proposed Interim Urgency Ordinance to extend a temporary moratorium on marijuana dispensaries and commercial cannabis activities established under Interim Urgency Ordinance No. 656 for a period of twenty-two months and fifteen days through August 21, 2018 by no less than by four-fifths (4/5) affirmative vote, to allow the City time to study and analyze applicable and effective regulatory options that ensure the public health, safety, and welfare. If not extended, the existing moratorium will expire on October 6, 2016.

12. BUSINESS SESSION

- A. Adoption of Resolution Recommending the Amendment and Modification of the Schedule of Facility Use Fees Assessed to Residents and Non-Profit Organizations and Repeal of Resolution No.'s 14-52 and 13-34 (*page 25*)

Presented by Community Development Manager

Recommendation: The City Council is requested to adopt a proposed resolution recommending the amendment and modification of the schedule of facility use fees assessed to residents and non-profit organizations and repeal of Resolution No.'s 14-52 and 13-34.

- B. Adopt a Proposed Resolution Pertaining to the City of Cudahy's General Municipal Election to be held Tuesday, March 7, 2017 (*page 39*)

Presented by Deputy City Clerk

Recommendation: The City Council is requested to adopt a proposed resolution:

1. Calling for and giving notice of a General Municipal Election to be held on Tuesday, March 7, 2017 for the election of two City Councilmembers;
2. Requesting consolidation of such election with the County Of Los Angeles with any and all elections held on such date;
3. Requesting the County of Los Angeles to provide specific election administration services for such election;
4. Adopting regulations for candidates for elective office for such election regarding candidate statements; and
5. Providing for the conduct of a special election in the event of a tie vote for such election of two City Councilmembers.

- C. Adoption of Resolution Opposing the Los Angeles County Metropolitan Transportation Authority (METRO) Expenditure Plan for the 2016 Proposed Ballot Measure (*page 47*)

Presented by Deputy City Clerk

Recommendation: The City Council is requested to adopt a proposed resolution opposing the Los Angeles County Metropolitan Transportation Authority (METRO) expenditure (Plan) for the 2016 proposed ballot measure.

- D. Consideration and Approval of Third Amendment to City Manager Employment Agreement to Extend Term and Adjust Compensation and Work Schedule (*page 53*)

Presented by City Attorney

Recommendation: It is recommended that the City Council:

Approve the attached Third Amendment instrument to the City Manager's existing Agreement along with certain other amendments setting the term of the extension, adjusting the annual base compensation the City Manager is to receive and modifying the terms of the City Manager's work schedule.

13. COUNCIL DISCUSSION

A. Mayor Sanchez

- i. LED Lights Citywide
- ii. Maintenance on Parks

B. Council Member Garcia

- i. Revocation of Attorney Client Privilege regarding Council Member Guerrero's Code of Conduct Investigation Report (Video Presentation with Excerpts from Previous City Council Meetings)

C. Council Member Guerrero

- i. Revocation of Attorney Client Privilege regarding Council Member Garcia's Code of Conduct Investigation Report.

RECESS TO CLOSED SESSION

This is the time at which the City Council will meet in closed session to go over items of business on the closed session agenda. It should be noted that Councilman Guerrero will be participating from the Chamber of Commerce Room at Turner Hall via teleconference.

14. CLOSED SESSION

- A. Closed Session Pursuant to Government Code Section 54956.9(d)(1) – Conference with Legal Counsel to Discuss Existing Litigation Matter – City of Gardena v. Regional Water Quality Control Board, et al., - Orange County Superior Court Case No. 30-2016-00833722 CU-VM-CJC.

RECONVENE TO OPEN SESSION

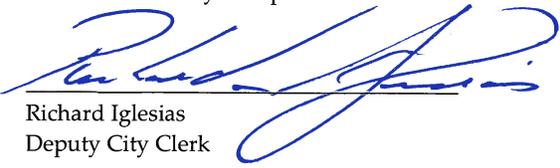
15. CLOSED SESSION ANNOUNCEMENT

16. ADJOURNMENT

Cudahy City Council / Agency will adjourn to a Regular and Joint Meeting as Successor Agency to the Cudahy Development Commission on Monday, October 10, 2016 at 6:30 p.m.

I Richard Iglesias, hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted at Cudahy City Hall, Bedwell Hall, Clara Park, Lugo Park, and the City's Website not less than 72 hours prior to the meeting. A copy of said Agenda is on file in the City Clerk's Office.

Dated this 23rd day of September 2016


Richard Iglesias
Deputy City Clerk



Item Number 10A

STAFF REPORT

Date: September 26, 2016
To: Honorable Mayor/Chair and City Council/Agency Members
From: Jose E. Pulido, City Manager/Executive Director
By: Richard Iglesias, Deputy City Clerk
Joaquin Vazquez, Deputy City Attorney
Subject: **Receive and File of 2016 California Fair Political Practices Commission Local Agency Biennial Notice**

RECOMMENDATION

The City Council is requested to:

1. Receive and file the attached California Fair Political Practices Commission Local Agency Biennial Notice; and
2. Direct City of Cudahy ("City") staff to effectuate the necessary amendments to the Conflict of Interest Code within 90 days, in accordance with the Political Reform Act.

BACKGROUND

1. In the aftermath of the Watergate scandal, California was the first state to pass a comprehensive political reform package.
2. Proposition 9, known today as the Political Reform Act, was passed as a ballot measure by California voters in the June 1974 election.
3. The purpose of the conflict of interest provisions of the Political Reform Act (Gov. Code, 87300, et seq.) is to prevent public decisions makers from participating decisions in which they have a personal financial stake.
4. The Political Reform Act specifically requires members of city councils and planning

commissions, as well as city managers, city treasurers, and city attorneys to disclose specified financial interests (Gov. Code, §§87200-87210.)

5. Many other public officials and employees not covered by these provisions are subject to the disclosure requirements set forth in local conflict of interest codes adopted by state and local governments.
6. Such interests are indicated on a California Fair Political Practices Commission Form 700/Statement of Economic Interests.

ANALYSIS

The Political Reform Act requires every local government agency to review its Conflict of Interest code biennially. City staff has reviewed the Conflict of Interest Code and noted areas that require amendments. The City Council constitutes the "code reviewing body" of the City for purposes of the Political Reform Act. Accordingly, Staff requests the City Council to receive and file the attached 2016 Local Agency Biennial Notice.

CONCLUSION

State law requires the filing of the 2016 Local Agency Biennial Notice on or before October 3, 2016. Upon filing with the City Council, amendments to the Conflict of Interest Code must be forwarded to the City Council within 90 days. Note that Conflict of Interest Code records are retained by the City Clerk and are not required to be forwarded to the California Fair Political Practices Commission, which specifically requests that local jurisdictions do not send them such documents.

FINANCIAL IMPACT

The City Council's receipt and filing of the attached 2016 Local Agency Biennial Notice will have no significant fiscal impact on the City.

ATTACHMENTS

2016 Local Agency Biennial Notice

2016 Local Agency Biennial Notice

Name of Agency: City of Cudahy

Mailing Address: 5220 Santa Ana Street Cudahy, CA 90201

Contact Person: Richard Iglesias Phone No. 323-773-5143

Email: cityclerk@cityofcudahyca.gov Alternate Email: jpulido@cityofcudahyca.gov

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

This agency has reviewed its conflict of interest code and has determined that (*check one BOX*):

An amendment is required. The following amendments are necessary:

(*Check all that apply.*)

- Include new positions
- Revise disclosure categories
- Revise the titles of existing positions
- Delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions
- Other (*describe*) _____

The code is currently under review by the code reviewing body.

No amendment is required. (If your code is over five years old, amendments may be necessary.)

Verification (to be completed if no amendment is required)

This agency's code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions are reported. The code includes all other provisions required by Government Code Section 87302.

Signature of Chief Executive Officer

9/22/16

Date

All agencies must complete and return this notice regardless of how recently your code was approved or amended. Please return this notice no later than **October 3, 2016**, or by the date specified by your agency, if earlier, to:

(PLACE RETURN ADDRESS OF CODE REVIEWING BODY HERE)

PLEASE DO NOT RETURN THIS FORM TO THE FPPC.

Blank Page



Item Number 11A

STAFF REPORT

Date: September 26, 2016

To: Honorable Mayor and City Council

From: Jose E. Pulido, City Manager
By: Rick R. Olivarez, City Attorney
Joaquin Vazquez, Deputy City Attorney

Subject: **Public Hearing and Consideration of Approval of an Interim Urgency Ordinance to Extend a Temporary Moratorium on Marijuana Dispensaries and Commercial Cannabis Activities Established under Interim Urgency Ordinance No. 656 for a Period of Twenty-Two Months and Fifteen Days through August 21, 2018**

RECOMMENDATION

It is recommended that the City Council of the City of Cudahy (the "City Council" of the "City") approve the proposed Interim Urgency Ordinance to extend a temporary moratorium on marijuana dispensaries and commercial cannabis activities established under Interim Urgency Ordinance No. 656 for a period of twenty-two months and fifteen days through August 21, 2018 by no less than by four-fifths (4/5) affirmative vote, to allow the City time to study and analyze applicable and effective regulatory options that ensure the public health, safety, and welfare. If not extended, the existing moratorium will expire on October 6, 2016.

BACKGROUND

1. The Federal Controlled Substances Act (21 U.S.C. Section 841 et seq.) makes it unlawful to manufacture, distribute, dispense or possess marijuana.
2. In 1996, the California Legislature approved Proposition 215, also known as the Compassionate Use Act (the "CUA"), which was codified under Health and Safety Code Section 11262.5 et sec. and was intended to enable persons who are in need of medical marijuana for specified medical purposes, such as cancer, anorexia, AIDS, chronic pain, glaucoma and arthritis, to obtain and use marijuana under limited circumstances and

where recommended by a physician.

3. The CUA provides that "nothing in this section shall be construed or supersede legislation prohibiting persons from engaging in conduct that endangers others, or to condone the diversion of marijuana for non-medical purposes."
4. In 2004, the California Legislature enacted the Medical Marijuana Program Act (Health & Saf. Code, § 11362.7 et seq.)(the "MMP"), which clarified the scope of the CUA, created a state-approved voluntary medical marijuana identification card program, and authorized cities to adopt and enforce rules and regulations consistent with the MMP.
5. Assembly Bill 2650 (2010) and Assembly Bill 1300 (2011) amended the MMP to expressly recognize the authority of counties and cities to "[a]dopt local ordinances that regulate the location, operation, or establishment of a medical marijuana cooperative or collective" and to civilly and criminally enforce such ordinances.
6. California courts have found that neither the CUA nor the MMP provide medical marijuana patients with an unfettered right to obtain, cultivate, or dispense marijuana for medical purposes.
7. In 2013, Deputy Attorney General James Cole issued a memorandum to all federal prosecutors to provide guidance on the enforcement of the Federal Controlled Substances Act as it related to marijuana, indicating that enforcement would not be a priority in states and local jurisdictions that have strict and robust laws regulating marijuana-related conduct.
8. In 2013, the California Supreme Court in the case of *City of Riverside v. Inland Empire Patients Health and Wellness Center* (2013) 56 Cal.4th 729, found the CUA and MMP do not preempt a city's local regulatory authority and confirmed a city's ability to prohibit medical marijuana dispensaries within its boundaries.
9. In 2013, the California Third District Appellate Court held that state law does "not preempt a city's police power to prohibit the cultivation of all marijuana within the city."
10. In 2015, the United States Congress began to defund enforcement of the Federal Controlled Substances Act in states where such enforcement activities would prevent states from implementing their own state laws that authorize the use, distribution, possession, and/or cultivation of medical marijuana.

11. In September 2015, the California State Legislature enacted, and Governor Brown signed into law three bills – Assembly Bill 243, Assembly Bill 266, and Senate Bill 643 – which together comprise the Medical Marijuana Regulation and Safety Act ("MMRSA").
12. MMRSA creates a comprehensive dual state licensing system for the cultivation, manufacture, retail, sale, transport, distribution, delivery, and testing of medical cannabis.
13. MMRSA included three separate provisions that protect local police power authority over medical marijuana establishments:
 - Business and Professions Code Section 19315(a): "Nothing in this chapter shall be interpreted to supersede or limit existing local authority for law enforcement activity, enforcement of local zoning requirements or local ordinances, or enforcement of local permit or licensing requirements";
 - Business and Professions Code Section 19316(b): "Pursuant to Section 7 of Article XI of the California Constitution, a city, county, or city and county may adopt ordinances that establish additional standards, requirements, and regulations for local licenses and permits for commercial cannabis activity. Any such standards, requirements, and regulations regarding health and safety, testing, security, and worker protections established by the state shall be the minimum standards for all licensees statewide"; and
 - Business and Professions Code Section 19316(c): "Nothing in this chapter, or any regulations promulgated thereunder, shall be deemed to limit the authority or remedies of a city, county, or city and county under any provision of law, including, but not limited to, Section 7 of Article XI of the California Constitution.
14. Under both statutory and case law, cities have a spectrum of regulatory options concerning medical marijuana, including the ban of some or all medical marijuana activities and the allowance and licensing of some or all medical marijuana activities.
15. Pursuant to California Constitution Article XI, Section 7, the City has the authority to enact local planning and land use regulations to protect the public health, safety, and welfare of the City's residents through its police power.
16. California Government Code Section 65858 authorizes the City Council to adopt a temporary interim urgency ordinance for the immediate preservation of the public health, safety, or welfare, and to prohibit a land use that is in conflict with a contemplated general plan, specific plan, or zoning proposal that the City Council, Planning Commission, or Community Development Department is considering or studying or intends to study within a reasonable time.

17. With applicable findings and noticing, a moratoria established pursuant to Government Code Section 65858 may last for a total duration not to exceed two (2) years.
18. The City Council adopted Interim Urgency Ordinance No. 656 on August 22, 2016 to establish a temporary moratorium on marijuana dispensaries and commercial cannabis activities.
19. On September 14, 2016, the City Council adopted Ordinance No. 657 to remove the prohibition of medical marijuana dispensaries and cultivation facilities from Title 5 (Business Licenses and Regulations). Prohibitions of marijuana-related activities is now governed by the Interim Urgency Ordinance until permanent zoning regulations are adopted as part of the comprehensive General Plan update. Ordinance No. 657 becomes effective October 15, 2016.
20. The moratorium approved under Interim Urgency Ordinance No. 656 shall expire on October 6, 2016 unless extended by the City Council by no less than by four-fifths (4/5) vote, in accordance with Government Code Section 65858.
21. The City Council public hearing for consideration of this item was noticed in accordance with the requirements set forth in Government Code Section 65090.
22. On November 8, 2016, voters in California will consider the allowance of recreational marijuana under Proposition 64 at the statewide election.

ANALYSIS

In light of the numerous and dynamic regulatory options that MMRSA presents local jurisdictions, the City seeks to study and analyze such regulatory options to ensure the public health, safety, and welfare in adopting long-term regulations regarding medical marijuana. City staff also seeks to assess the impacts of voter approval of the proposed Proposition 64 (Adult Use of Marijuana Act), which will appear on the November 8, 2016 statewide election ballot.

The temporary moratorium will allow the City to study the impact of marijuana-related activities through the broad lens of a General Plan update. Though such comprehensive update, the City can thoroughly assess land use impacts of such activities and formulate effective Zoning Code regulations to address such activities.

Interim Urgency Ordinance No. 656 adopted by the City Council on August 22, 2016

established a temporary moratorium prohibiting marijuana dispensaries and so-called commercial cannabis activities in all City zones. Commercial cannabis activities include the use or occupancy of any structure or property where the cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transporting, distribution, delivery, or sale of medical cannabis or a medical cannabis product occurs. The temporary moratorium permits the City Council to consider and allow marijuana dispensaries or commercial cannabis activities on a case-by-case basis, in accordance with the Development Agreement Law (Gov. Code, § 65864 et seq.) and Cudahy Municipal Code Chapter 20.28 (Development Agreements).

The initial 45-day term of the proposed moratorium is set to expire on October 6, 2016 unless extended by four-fifths (4/5) vote of the City Council for an additional maximum duration of twenty-two (22) months and fifteen (15) days prior to expiration of the initial forty-five (45) day period.

This staff report constitutes the written report required under Government Code Section 65858(d), which requires a description of the measures taken to alleviate the conditions that led to the adoption of the moratorium. Since adoption of Interim Urgency Ordinance No. 656, the City has consulted with stakeholders, assessed potential legislation, including Proposition 64, which, if approved in November, would impact zoning regulations related to this matter, and assessed General Plan policies that need to be addressed by final zoning regulations applicable to the regulation of marijuana under the City's police power.

CONCLUSION

City staff recommends approval of the extension of the moratorium established under Interim Urgency Ordinance No. 656 by at least four-fifths (4/5) affirmative vote of the City Council.

FINANCIAL IMPACT

The proposed Interim Urgency Ordinance would have no significant fiscal impact.

ATTACHMENTS

Proposed Interim Urgency Ordinance

INTERIM URGENCY ORDINANCE NO. _____

AN INTERIM URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA EXTENDING A TEMPORARY MORATORIUM ON MARIJUANA DISPENSARIES AND COMMERCIAL CANNABIS ACTIVITIES ESTABLISHED UNDER INTERIM URGENCY ORDINANCE NO. 656 FOR A PERIOD OF TWENTY-TWO MONTHS AND FIFTEEN DAYS THROUGH AUGUST 21, 2018

WHEREAS, the Federal Controlled Substances Act (21 U.S.C. Section 841 et seq.) makes it unlawful to manufacture, distribute, dispense or possess marijuana; and

WHEREAS, in 2013, Deputy Attorney General James Cole issued a memorandum to all federal prosecutors to provide guidance on the enforcement of the Federal Controlled Substances Act, as it related to marijuana, indicating that enforcement would not be a priority in states and local jurisdictions that have strict and robust laws regulating marijuana-related conduct; and

WHEREAS, in 2015, the United States Congress began to defund enforcement of the Federal Controlled Substances Act in states where such enforcement activities would prevent states from implementing their own state laws that authorize the use, distribution, possession, and/or cultivation of medical marijuana; and

WHEREAS, in 1996, the voters of State of California approved Proposition 215, also known as the Compassionate Use Act (the “CUA”), which was codified under Health and Safety Code Section 11262.5 et sec. and was intended to enable persons who are in need of medical marijuana for specified medical purposes, such as cancer, anorexia, AIDS, chronic pain, glaucoma and arthritis, to obtain and use marijuana under limited circumstances and where recommended by a physician; and

WHEREAS, the CUA provides that “nothing in this section shall be construed or supersede legislation prohibiting persons from engaging in conduct that endangers others, or to condone the diversion of marijuana for non-medical purposes.”; and

WHEREAS, in 2004, the California Legislature enacted the Medical Marijuana Program Act (Health & Saf. Code, § 11362.7 et seq.)(the “MMP”), which clarified the scope of the CUA, created a state-approved voluntary medical marijuana identification card program, and authorized cities to adopt and enforce rules and regulations consistent with the MMP; and

WHEREAS, Assembly Bill 2650 (2010) and Assembly Bill 1300 (2011) amended the MMP to expressly recognize the authority of counties and cities to “[a]dopt local

ordinances that regulate the location, operation, or establishment of a medical marijuana cooperative or collective” and to civilly and criminally enforce such ordinances; and

WHEREAS, California courts have found that neither the CUA nor the MMP provide medical marijuana patients with an unfettered right to obtain, cultivate, or dispense marijuana for medical purposes; and

WHEREAS, in 2013, the California Supreme Court in the case of *City of Riverside v. Inland Empire Patients Health and Wellness Center* (2013) 56 Cal.4th 729, found the CUA and MMP do not preempt a city’s local regulatory authority and confirmed a city’s ability to prohibit medical marijuana dispensaries within its boundaries; and

WHEREAS, in 2013, the California Third District Appellate Court held that state law does “not preempt a city’s police power to prohibit the cultivation of all marijuana within the city.”; and

WHEREAS, in September 2015, the California State Legislature enacted, and Governor Brown signed into law three bills – Assembly Bill 243, Assembly Bill 266, and Senate Bill 643 – which together comprise the Medical Marijuana Regulation and Safety Act (“MMRSA”); and

WHEREAS, MMRSA creates a comprehensive dual state licensing system for the cultivation, manufacture, retail, sale, transport, distribution, delivery, and testing of medical cannabis; and

WHEREAS, MMRSA included three separate provisions that protect local police power authority over medical marijuana establishments:

- Business and Professions Code Section 19315(a): “Nothing in this chapter shall be interpreted to supersede or limit existing local authority for law enforcement activity, enforcement of local zoning requirements or local ordinances, or enforcement of local permit or licensing requirements”;
- Business and Professions Code Section 19316(b): “Pursuant to Section 7 of Article XI of the California Constitution, a city, county, or city and county may adopt ordinances that establish additional standards, requirements, and regulations for local licenses and permits for commercial cannabis activity. Any such standards, requirements, and regulations regarding health and safety, testing, security, and worker protections established by the state shall be the minimum standards for all licensees statewide”;
- Business and Professions Code Section 19316(c): “Nothing in this chapter, or any regulations promulgated thereunder, shall be deemed to limit the authority or remedies of a city, county, or city and county under any provision of law, including, but not limited to, Section 7 of Article XI of the California Constitution.”; and

WHEREAS, under both statutory and case law, cities have a spectrum of regulatory options concerning medical marijuana, including the ban of some or all

medical marijuana activities and the allowance and licensing of some or all medical marijuana activities; and

WHEREAS, pursuant to California Constitution Article XI, Section 7, the City of Cudahy (the “City”) has the authority to enact local planning and land use regulations to protect the public health, safety, and welfare of the City’s residents through its police power; and

WHEREAS, in light of the numerous and dynamic regulatory options that MMRSA presents local jurisdictions, the City seeks to study and analyze such regulatory options to ensure the public health, safety, and welfare in adopting long-term regulations regarding medical marijuana; and

WHEREAS, Title 20 (Zoning) of the Cudahy Municipal Code (the “Zoning Code”) is silent as to the allowance or preclusion of marijuana dispensaries, cultivation, or other commercial cannabis activities contemplated under MMRSA; and

WHEREAS, without specific language addressing marijuana dispensaries, cultivation, or other commercial cannabis activities contemplated under MMRSA, the potential emerges for bad actors to unilaterally establish businesses relating to such activities for which the City would have to expend significant resources to terminate; and

WHEREAS, the City Council wishes to allow staff time to assess sensitive commercial cannabis activities before such uses are contemplated for local legalization and/or regulation; and

WHEREAS, Government Code Section 65858 authorizes the City Council to adopt an interim urgency ordinance for the immediate preservation of the public health, safety, or welfare, and to prohibit a land use that is in conflict with a contemplated general plan, specific plan, or zoning proposal that the City Council, Planning Commission, or Community Development Department is considering or studying or intends to study within a reasonable time; and

WHEREAS, pursuant to Government Code Section 65858, the City Council adopted Interim Urgency Ordinance No. 656 on August 22, 2016 to establish a temporary moratorium on marijuana dispensaries and commercial cannabis activities; and

WHEREAS, the moratorium approved under Interim Urgency Ordinance No. 656 shall expire on October 6, 2016 unless extended by the City Council, in accordance with Government Code Section 65858; and

WHEREAS, the City Council wishes to extend the existing temporary moratorium established under Interim Urgency Ordinance No. 656 for a period of twenty-two (22) months and fifteen (15) days, pursuant to Government Code Section 65858, as the conditions leading to the implementation of such moratorium persist; and

WHEREAS, the written report required under Government Code Section 65858(d) has been fulfilled by the staff report accompanying this Interim Urgency Ordinance in the September 26, 2016 City Council agenda for this item; and

WHEREAS, the City Council public hearing for consideration of this item was noticed in accordance with the requirements set forth in Government Code Section 65090.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The recitals above are true and correct and incorporated herein by reference.

SECTION 2. Definitions. For purposes of this Interim Urgency Ordinance, the following terms shall be defined as set forth herein in this Section 2:

1. "Cannabis" means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" also means marijuana as defined by Section 11018 of the Health and Safety Code as enacted by Chapter 1407 of the Statutes of 1972. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Interim Urgency Ordinance, "cannabis" does not mean "industrial hemp" as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.
2. "Caregiver" or "primary caregiver" means an individual, designated by a qualified patient or by a person with an identification card, who has consistently assumed responsibility for the housing, health, or safety of that patient or person, and may include any individual described in health and Safety Section 11362.7(d)(1)-(3).
3. "Commercial cannabis activity" includes the use or occupancy of any structure or property where the cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transporting, distribution, delivery, or sale of medical cannabis or a medical cannabis product occurs, except as set forth in Health and Safety Code Section 19319, relating to qualifying patients and primary caregivers.

4. "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of medical cannabis.
5. "Dispensary" means a premises where medical cannabis, medical cannabis products, or devices for the use of medical cannabis or medical cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers, pursuant to Health and Safety Code Section 19340, medical cannabis and medical cannabis products as part of a retail sale.
6. "Distribution" means the procurement, sale, and transport of medical cannabis and medical cannabis products between entities carrying out commercial cannabis activities and/or operation of a dispensary.
7. "Manufacturing" shall mean and refer to the activities of "manufacturers" at "manufacturing sites," as such terms are defined in California Business and Professions Code Section 19300.5(y) and 19300.5(af), respectively.
8. "Medical cannabis," "medical cannabis product," and "cannabis product" means a product containing cannabis, including, but not limited to, concentrates and extractions, intended to be sold for use by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code. For the purposes of this Interim Urgency Ordinance, "medical cannabis" does not include "industrial hemp" as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.
9. "Qualified patient" s means a person who is entitled to the protections of California Health & Safety Code Section 11362.5. For purposes of this Interim Urgency Ordinance, a qualified patient shall include a person with an identification card, as that term is defined by Health and Safety Code Section 11362.7.

SECTION 3. Moratorium.

- A. For the duration of the moratorium established by this Interim Urgency Ordinance or any extension thereof:
 1. Dispensaries, as defined in Section 2, above, are unlawful uses or occupancies in all zones within the City;
 2. No such dispensaries shall be established or continued, if previously established, in any zone within the City; and
 3. Commercial cannabis activities, as defined in Section 2, above, are unlawful uses or occupancies in all zones within the City;

4. No such commercial cannabis activities shall be established or continued, if previously established, in any zone within the City; and
 5. No use permit, variance, building permit, certification of occupancy, or any other entitlement or permit for the use, occupancy, or improvement of property, whether administrative or discretionary, shall be approved or issued by the City for the establishment or operation of commercial cannabis activities or the ratification of a preexisting commercial cannabis activity, and no person shall otherwise establish such a business or operation in any zone within the City.
- B. The prohibitions set forth in Section 3(A), above, shall apply to qualified patients and primary caregivers, as defined in Section 2, above.
- C. In the event that the recreational use of marijuana and/or cannabis is legalized under state and/or federal law, the limitations on dispensaries and commercial cannabis activities imposed under this Interim Urgency Ordinance shall apply equally and with the same force and effect regardless of whether such dispensaries and/or commercial cannabis activities pertain to recreational marijuana only, medical marijuana only, or any combination thereof.

SECTION 4. Findings. This Interim Urgency Ordinance is needed for the immediate preservation of the public health, safety, and welfare based upon the following:

- (i) The information set forth in the recitals, above, which is true and correct.
- (ii) Many California cities – without strict and robust regulations – are burdened with dispensaries and commercial cannabis activities which have not been appropriately evaluated for the purpose of compliance with building and safety regulations and local land use regulations and have experienced a spike in crime, including burglaries, robberies, and the sale of illegal drugs in the vicinity of such activities.
- (iii) Robust and strict regulations concerning dispensaries and commercial cannabis activities implemented by other California cities have successfully facilitated qualified patients' access to medical marijuana.
- (iv) In light of the numerous and dynamic regulatory options now offered under the CUA, MMP, as refined under AB 2650 and AB 1300, and MMRSA, the moratorium as implemented by this Interim Urgency Ordinance will provide the City time to study appropriate regulatory strategies regarding dispensaries and commercial cannabis activities and the potential impacts such related land uses may have on the public health, safety, and welfare.

SECTION 5. Exemptions.

- A. The City Council has the authority, but no obligation, to grant exemptions, on a case-by-case basis, from the provisions of this Interim Urgency Ordinance, for the use or occupancy of property for commercial cannabis activity, where it finds that an applicant for such an exemption has agreed that the exempt use shall be subject to site specification regulation under Government Code Section 65864 et seq. and the commercial cannabis activity will materially benefit qualified patients and primary caregivers under the CUA, MMP, as refined under AB 2650 and AB 1300, and MMRSA.
- B. To ensure flexibility in advancing its police power and land use goals, exemptions under this Section 5 may only be authorized by the City pursuant to the terms and provisions of a development agreement, by and between the applicant for such exemption and the City, in accordance with the Development Agreement Law (Gov. Code, § 65864 et seq.) and Cudahy Municipal Code Chapter 20.28 (Development Agreements). The City may approve or deny such a development agreement in its sole and absolute discretion. Any development agreement entered into pursuant to this Section 5 shall provide for the termination of any and all uses that conflict with or are precluded by subsequent amendments to the Zoning Code, any other portion of the Cudahy Municipal Code.
- C. A written request for an exemption shall be filed with the Community Development Department and shall state the grounds for the exemption and provide supporting documentation. The City Council is not required to consider the request any sooner than thirty (30) days after such request has been submitted and been deemed to be complete by the Community Development Department.

SECTION 6. No Regulatory Taking of any Interest in Property. Nothing in this Interim Urgency Ordinance shall be interpreted to affect an unconstitutional taking of the property of any person. If the City Council determines based upon specific evidence in the record, that the application of one or more provisions of this Interim Urgency Ordinance to a proposed Development Project would affect an unconstitutional taking of private property, the City Council shall disregard such provisions to the extent necessary to avoid such unconstitutional taking.

SECTION 7. CEQA. This Interim Urgency Ordinance is not subject to CEQA under the general rule set forth in Section 15061(b)(3) of the CEQA Guidelines that CEQA only applies to projects which have the potential for causing a significant effect on the environment.

SECTION 8. Inconsistent Provisions. Any provision of the Cudahy Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to the extent necessary to implement the provisions of this Interim Urgency Ordinance.

SECTION 9. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Interim Urgency Ordinance, or any part thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Interim Urgency Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase would be subsequently declared invalid or unconstitutional.

SECTION 10. Construction. The City Council intends this Interim Urgency Ordinance to supplement, not to duplicate or contradict, applicable state and federal law and this Ordinance shall be construed in light of that intent. To the extent the provisions of the Cudahy Municipal Code as amended by this Ordinance are substantially the same as the provisions of that Code as it read prior to the adoption of this Ordinance, those amended provisions shall be construed as continuations of the earlier provisions and not as new enactments.

SECTION 11. Effective Date. This Interim Urgency Ordinance shall become effective immediately upon adoption if adopted by at least four-fifths (4/5) vote of the City Council and shall be in effect for twenty-two (22) months and (15) days from the date of adoption through August 21, 2018.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at the regular meeting of this 26th day of September, 2016.

Baru Sanchez
Mayor

ATTEST:

Richard Iglesias
Deputy City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF CUDAHY) SS:

I, Richard Iglesias, Interim Deputy City Clerk of the City of Cudahy, hereby certify that the foregoing Interim Urgency Ordinance No._____ was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 26th day of September, 2016 and that said Interim Urgency Ordinance was adopted by the following vote, to-wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Richard Iglesias
Deputy City Clerk



Item Number 12A

STAFF REPORT

Date: September 26, 2016
To: Honorable Mayor/Chair and City Council/Agency Members
From: Jose E. Pulido, City Manager/Executive Director
By: Ruben Vasquez, Senior Recreation Leader
Subject: **Adoption of Resolution Recommending the Amendment and Modification of the Schedule of Facility Use Fees Assessed to Residents and Non-Profit Organizations and Repeal of Resolution No.'s 14-52 and 13-34**

RECOMMENDATION

The City Council is requested to adopt a proposed resolution recommending the amendment and modification of the schedule of facility use fees assessed to residents and non-profit organizations and repeal of Resolution No.'s 14-52 and 13-34.

BACKGROUND

1. On August 6, 2013, City Council passed Resolution No. 13-34 to allow free public access without a fee schedule.
2. On January 7, 2014, City Council adopted Resolution No. 14-04, establishing a fee structure for facility reservations for Cudahy residents.
3. On August 5, 2014, City Council passed Resolution 14-52, resending Resolution No. 14-04, and establishing the fee schedule for rentals of the facility by residents and non-profits.
4. On March 15, 2016, the Lugo Park Soccer Field Renovation was completed and the new soccer field was opened to the public.
5. On August 23, 2016, the Parks and Recreation Commission approved Parks and

Recreation Resolution No. 16-01, recommending to the City Council approval of the proposed fee schedule to include the new soccer field at Lugo Park.

ANALYSIS

Sports clubs make heavy use of the City facilities, including the soccer, baseball, and basketball complexes, as do individuals and non-profit organizations. In surrounding cities, organizations are charged for field and facility reservations in order to cover the cost of maintenance and servicing to use these resources.

Although all Cudahy facilities and parks are open to the public, the high volume of exclusive use from organizations and clubs generates wear and tear on facilities above and beyond everyday general public use. In addition to the high volume of usage, multiple local clubs compete for space and use. As a result, it is necessary to develop a fee structure that achieves a cost recovery mechanism for ongoing maintenance and servicing, as well as provides priority use based on a reservation system.

Since the passage of Resolution No. 14-04, the City Council determined that it would be desirable to assess facility fees to non-profit organizations at the same rate as city residents. Such amendment of the facility fees would promote the City's goal of enhancing accessibility to parks and city facilities for Cudahy residents, as well as organizations who serve Cudahy residents. Accordingly, Resolution No. 14-52 amended the facilities fees to apply the fees applicable to Cudahy residents to non-profit tax-exempt organizations defined under section 501(c)(3) of the Internal Revenue Code. Additionally, this resolution memorialized the process in which an entity (non-profit, private, educational, etc.) could apply for a co-sponsorship with the City for the use of City facilities.

The proposed resolution, as recommended by the Parks and Recreation Commission, amends the fee schedule to bring the City of Cudahy into alignment with surrounding cities and allow for a cost recovery for maintenance and servicing of fields and facilities while still offering reduced rates to benefit the residents of Cudahy.

CONCLUSION

Adoption of the proposed resolution will result in the repeal of Resolution No.'s 14-52 and 13-34. Effectively, the adopted resolution will preserve the reduced pricing structure for Cudahy residents and organizations serving Cudahy residents, as well as develop a fee structure for the newly completed Lugo Park soccer field (previously not included).

If the proposed Resolution is not adopted, the Lugo Park soccer field will remain without a fee structure, leaving City staff without a process to reserve/rent the field.

FINANCIAL IMPACT

This action would only have a minimal on the City's general fund, other than to recover the costs associated with private/independent use of the facilities. Although difficult to calculate based on seasonal demand and lack of history of facility reservations, the City may realize additional revenue from the collection of facility fees.

ATTACHMENTS

- A. Parks and Recreation Resolution No.16-01
- B. Proposed City Council Resolution

PARKS & RECREATION RESOLUTION NO. 16-01

A RESOLUTION OF THE PARKS AND RECREATION COMMISSION, RECOMMENDING TO THE CITY COUNCIL OF THE CITY OF CUDAHY TO AMEND AND MODIFY THE SCHEDULE OF FACILITY USE FEES ASSESSED TO RESIDENTS OF THE CITY OF CUDAHY AND NON-PROFITS AND REPEALING RESOLUTION NO. 14-52, AND 13-34

WHEREAS, the City of Cudahy ("City") wishes to establish reasonably-affordable fees for use of certain facilities by residents of the City and non-profit organizations; and

WHEREAS, the City wishes to enhance the accessibility of parks and facilities to the residents of the City; and

WHEREAS, the City wishes to consider the regular and recurring feedback from the community about excessive fees in a low-income demographic environment; and

WHEREAS, recognizing the benefits non-profit organizations provide to City residents, and the construction of the new Lugo Park Soccer Field, the City wishes to repeal Resolution No. 14-52 and 13-34 in order to implement a new schedule of fees which allows non-profit organizations to use City facilities at the same reduced rate as City residents, as well as establish a fee for use of the Lugo Park Soccer Field.

BASED UPON THE ABOVE RECITALS, THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1.

- A. The City's management is directed to reasonably accommodate public access of city parks, to non-city affiliated sports teams (organized or otherwise), provided the teams meet each of the following criteria: (i) the team players consist exclusively of youth under the age of 18; (ii) at least 90% of the team players are Cudahy residents; (iii) the team has proof of insurance coverage, liability waivers, and agreement to indemnify the City on file with the City; and (iv) the team activities are properly supervised by adult coaches and/or parents. Non-city affiliated sports teams meeting the criteria above shall be assessed reduced fees for the use of City facilities as provided in Section 2.
- B. Additionally, residents of the City of Cudahy and organizations that are tax-exempt under section 501 (c) (3) of the Internal Revenue Code, shall be assessed reduced fees for the use of City facilities as provided in Section 2.

- C. Reasonable accommodation shall include pre-scheduled access to the city parks on a first-come, first-served basis, scheduled in advance each week, and only during hours not already reserved for city-sponsored sports teams. There shall be no limit to the number of hours or days of park access, except that priority shall be given to teams which meet the aforementioned criteria, and provided that reasonable efforts are made to allocate scheduled times in a way that fairly accommodates all requests for access.

SECTION 2. The Schedule of Facility Use Fees assessed to shall be assessed the following reduced fees for use of City facilities:

- Clara Street Park (Leo P. Turner Hall) – Base \$300, \$220 insurance, \$200 cleaning deposit fully refundable, \$50 kitchen, \$75 set-up and tear-down fee.
- Clara Street Park (MRP) – \$110 insurance, \$100 cleaning deposit fully refundable, \$15/ hour staff time.
- Clara Street Park (Kiwanis) – \$110 insurance, \$100 cleaning deposit fully refundable, \$15/ hour staff time.
- Cudahy Park (Bedwell Hall) -- \$100, \$150 insurance, \$50 set-up and tear-down fee, \$25 kitchen, and \$100 cleaning deposit fully refundable.
- Clara Street Park (Gymnasium) - \$50/Hour (during hours of operation) or \$90/hour (after hours of operation), \$100 insurance, cleaning deposit \$200 fully refundable.
- Clara Street Park (Expansion Field) - \$200 per day or \$25/hour, \$10/hour for usage of field lights.
- Cudahy Park (Baseball Fields) - \$200 per day (7 Hours) or \$25/hour, \$10/hour for usage of field lights.
- Cudahy Park (Grass Fields) - \$200 per day (7 Hours) or \$25/hour, \$10/hour for usage of field lights.
- Lugo Park (Gazebo) and Clara Park Expansion (Gazebo) - \$0 Hour, \$25 fully refundable deposit.
- Teen Center MPR - \$10/Hour, \$100 insurance, \$100 cleaning deposit fully refundable.
- Lugo Park (Soccer Field A or B Half Field) - \$20/hour, \$5/hour for usage of field lights, \$50 cleaning deposit fully refundable

- Lugo Park (Soccer Field A + B Full Field) - \$300 per day (6 hours) or \$40/hour, \$10/hour for usage of field lights, \$100 cleaning deposit fully refundable

SECTION 3. In the following specific cases with verification of at least 50% participation of City of Cudahy residents, the City shall elect to sponsor or co-sponsor an event at one of the aforementioned facilities, and waive the corresponding fees with the exception of the corresponding deposit to attendees or organizers.

- A. Self-help and self-esteem workshops organized by a non-profit in areas of general benefit to constituents, such as (but not limited to) financial services and banking, home buying process, time management, parenting skills, tax preparation, etc., provided that no aspect of the City's co-sponsorship shall amount to promotional activity (including advertisement) for any commercial, for-profit organizations.
- B. Education –themed courses or workshops organized by a non-profit or a public school in areas such as university admissions, financial aid, college planning, career planning, test preparation, academic tutoring, science fairs, motivation talks for students, etc.
- C. Student gatherings involving Cudahy youth, and focused on academic study, test preparation, study hall type environments, or an official school-sponsored event with adult supervision and clear educational purpose, by a local public school domiciled in the City of Cudahy.

SECTION 4. Any individual or organization that does not meet the criteria in Sections 1(a),(b),(c), or Section 3, will be assessed the following fees:

- Clara Street Park (Leo P. Turner Hall) – Base \$900, \$220 insurance, \$200 cleaning deposit fully refundable, \$100 kitchen, \$150 set-up and tear-down fee, \$300 Staff Time.
- Clara Street Park (MRP) – Base \$40, \$220 insurance, \$100 cleaning \$75 of the cleaning deposit is refundable, \$15/ hour staff time.
- Clara Street Park (Kiwanis) – Base \$40 \$220 insurance, \$15/ hour staff time.
- Cudahy Park (Bedwell Hall) – Base \$695, \$220 insurance, \$75 set-up and tear-down fee, \$25 kitchen, \$150 Staff Time and \$100 cleaning deposit

- Clara Street Park (Gymnasium) - \$100/Hour (during hours of operation) or \$90/hour (after hours of operation), \$100 insurance, cleaning deposit \$200 fully refundable.
- Clara Street Park (Expansion Field) - \$300 per day (7 hours) or \$30/hour, \$10/hour for usage of field lights.
- Cudahy Park (Baseball Fields) - \$300 per day (7 Hours) or \$30/hour, \$10/hour for usage of field lights.
- Cudahy Park (Grass Fields) - \$300 per day (7 Hours) or \$30/hour, \$10/hour for usage of field lights.
- Lugo Park (Gazebo) and Clara Park Expansion (Gazebo) - \$75 per day (7 hours).
- Teen Center MPR - \$50/Hour, \$220 insurance, \$100 cleaning deposit fully refundable.
- Lugo Park (Soccer Field A or B Half Field) - \$30/hour, \$5/hour for usage of field lights, \$100 cleaning deposit fully refundable
- Lugo Park (Soccer Field A + B Full Field) - \$400 per day (6 hours) or \$45/hour, \$10/hour for usage of field lights, \$150 cleaning deposit fully refundable

SECTION 5. Any individuals or organization that reserves/rents a facility or field from the City of Cudahy will need to enter into and abide by a rental agreement contract. A facility or field rental will be limited to a quarterly term.

- A. Every individual or organization will be required to enter into a rental agreement contract that will need to be followed during the duration of the rental agreement. The Rental agreement contract will outline the rules, regulations, and post rental requirements.
- B. The term of the rental agreement will be limited to no more than a one quarter term (3 months) and shall be reserved no less than one month in advance.
- C. Every facility or field so rented will be inspected at the midway point to ensure the individual or organization is abiding by the rental agreement contract.
- D. The facility or field must pass a post rental review of facilities/field cleanliness and safety, and adherence to any terms outlined in the rental contract. No new rental agreement will be entered into with any person or organization until this review is completed and any issues corrected.

PASSED, APPROVED AND ADOPTED by the Park and Recreation Commission of the City of Cudahy at its regular meeting on this 23rd day of August, 2016 by the following vote.

AYES:	Council Member(s):	Cruz, Chair Pro Tem Ortega and Chair Cuevas
NOES:	Council Member(s):	None
ABSENT:	Council Member(s):	Chavez, Aguilera



Gilbert Cuevas, Chair

ATTEST:



Commission Liaison

RESOLUTION NO. 16-XX

A RESOLUTION OF THE PARKS AND RECREATION COMMISSION, RECOMMENDING TO THE CITY COUNCIL OF THE CITY OF CUDAHY TO AMEND AND MODIFY THE SCHEDULE OF FACILITY USE FEES ASSESSED TO RESIDENTS OF THE CITY OF CUDAHY AND NON-PROFITS AND REPEALING RESOLUTION NO. 14-52, AND 13-34

WHEREAS, the City of Cudahy (“City”) wishes to establish reasonably-affordable fees for use of certain facilities by residents of the City and non-profit organizations; and

WHEREAS, the City wishes to enhance the accessibility of parks and facilities to the residents of the City; and

WHEREAS, the City wishes to consider the regular and recurring feedback from the community about excessive fees in a low-income demographic environment; and

WHEREAS, recognizing the benefits non-profit organizations provide to City residents, and the construction of the new Lugo Park Soccer Field, the City wishes to repeal Resolution No. 14-52 and 13-34 in order to implement a new schedule of fees which allows non-profit organizations to use City facilities at the same reduced rate as City residents, as well as establish a fee for use of the Lugo Park Soccer Field.

WHEREAS, On August 23, 2016 the Parks and Recreation Commission approved Parks and Recreation Resolution No. 16-01 recommending to the City Council of the City of Cudahy to approve the proposed resolution establishing a new fee schedule including the new soccer field at Lugo Park.

BASED UPON THE ABOVE RECITALS, THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1.

- A. The City’s management is directed to reasonably accommodate public access of city parks, to non-city affiliated sports teams (organized or otherwise), provided the teams meet each of the following criteria: (i) the team players consist exclusively of youth under the age of 18; (ii) at least 90% of the team players are Cudahy residents; (iii) the team has proof of insurance coverage, liability waivers, and agreement to indemnify the City on file with the City; and (iv) the team activities are properly supervised by adult coaches and/or parents. Non-city affiliated sports teams meeting the criteria above shall be assessed reduced fees for the use of City facilities as provided in Section 2.

- B. Additionally, residents of the City of Cudahy and organizations that are tax-exempt under section 501 (c) (3) of the Internal Revenue Code, shall be assessed reduced fees for the use of City facilities as provided in Section 2.
- C. Reasonable accommodation shall include pre-scheduled access to the city parks on a first-come, first-served basis, scheduled in advance each week, and only during hours not already reserved for city-sponsored sports teams. There shall be no limit to the number of hours or days of park access, except that priority shall be given to teams which meet the aforementioned criteria, and provided that reasonable efforts are made to allocate scheduled times in a way that fairly accommodates all requests for access.

SECTION 2. The Schedule of Facility Use Fees assessed to shall be assessed the following reduced fees for use of City facilities:

- Clara Street Park (Leo P. Turner Hall) – Base \$300, \$220 insurance, \$200 cleaning deposit fully refundable, \$50 kitchen, \$75 set-up and tear-down fee.
- Clara Street Park (MRP) – \$110 insurance, \$100 cleaning deposit fully refundable, \$15/ hour staff time.
- Clara Street Park (Kiwanis) – \$110 insurance, \$100 cleaning deposit fully refundable, \$15/ hour staff time.
- Cudahy Park (Bedwell Hall) -- \$100, \$150 insurance, \$50 set-up and tear-down fee, \$25 kitchen, and \$100 cleaning deposit fully refundable.
- Clara Street Park (Gymnasium) - \$50/Hour (during hours of operation) or \$90/hour (after hours of operation), \$100 insurance, cleaning deposit \$200 fully refundable.
- Clara Street Park (Expansion Field) - \$200 per day or \$25/hour, \$10/hour for usage of field lights.
- Cudahy Park (Baseball Fields) - \$200 per day (7 Hours) or \$25/hour, \$10/hour for usage of field lights.
- Cudahy Park (Grass Fields) - \$200 per day (7 Hours) or \$25/hour, \$10/hour for usage of field lights.
- Lugo Park (Gazebo) and Clara Park Expansion (Gazebo) - \$0 Hour, \$25 fully refundable deposit.

- Teen Center MPR - \$10/Hour, \$100 insurance, \$100 cleaning deposit fully refundable.
- Lugo Park (Soccer Field A or B) - \$20/hour, \$5/hour for usage of field lights, \$50 cleaning deposit fully refundable
- Lugo Park (Soccer Field A + B) - \$300 per day (6 hours) or \$40/hour, \$10/hour for usage of field lights, \$100 cleaning deposit fully refundable

SECTION 3. In the following specific cases with verification of at least 50% participation of City of Cudahy residents, the City shall elect to sponsor or co-sponsor an event at one of the aforementioned facilities, and waive the corresponding fees with the exception of the corresponding deposit to attendees or organizers.

- A. Self-help and self-esteem workshops organized by a non-profit in areas of general benefit to constituents, such as (but not limited to) financial services and banking, home buying process, time management, parenting skills, tax preparation, etc., provided that no aspect of the City's co-sponsorship shall amount to promotional activity (including advertisement) for any commercial, for-profit organizations.
- B. Education –themed courses or workshops organized by a non-profit or a public school in areas such as university admissions, financial aid, college planning, career planning, test preparation, academic tutoring, science fairs, motivation talks for students, etc.
- C. Student gatherings involving Cudahy youth, and focused on academic study, test preparation, study hall type environments, or an official school-sponsored event with adult supervision and clear educational purpose, by a local public school domiciled in the City of Cudahy.

SECTION 4. Any individual or organization that does not meet the criteria in Sections 1(a)(b)(c), or 3, will be assessed the following fees:

- Clara Street Park (Leo P. Turner Hall) – Base \$900, \$220 insurance, \$200 cleaning deposit fully refundable, \$100 kitchen, \$150 set-up and tear-down fee, \$300 Staff Time.
- Clara Street Park (MRP) – Base \$40, \$220 insurance, \$100 cleaning \$75 of the cleaning deposit is refundable, \$15/ hour staff time.
- Clara Street Park (Kiwanis) – Base \$40 \$220 insurance, \$15/ hour staff time.

- Cudahy Park (Bedwell Hall) – Base \$695, \$220 insurance, \$75 set-up and tear-down fee, \$25 kitchen, \$150 Staff Time and \$100 cleaning deposit
- Clara Street Park (Gymnasium) - \$100/Hour (during hours of operation) or \$90/hour (after hours of operation), \$100 insurance, cleaning deposit \$200 fully refundable.
- Clara Street Park (Expansion Field) - \$300 per day (7 hours) or \$30/hour, \$10/hour for usage of field lights.
- Cudahy Park (Baseball Fields) - \$300 per day (7 Hours) or \$30/hour, \$10/hour for usage of field lights.
- Cudahy Park (Grass Fields) - \$300 per day (7 Hours) or \$30/hour, \$10/hour for usage of field lights.
- Lugo Park (Gazebo) and Clara Park Expansion (Gazebo) - \$75 per day (7 hours).
- Teen Center MPR - \$50/Hour, \$220 insurance, \$100 cleaning deposit fully refundable.
- Lugo Park (Soccer Field A or B Half Field) - \$30/hour, \$5/hour for usage of field lights, \$100 cleaning deposit fully refundable
- Lugo Park (Soccer Field A + B Full Field) - \$400 per day (6 hours) or \$45/hour, \$10/hour for usage of field lights, \$150 cleaning deposit fully refundable

SECTION 5. Any individuals or organization that reserves/rents a facility or field from the City of Cudahy will need to enter into and abide by a rental agreement contract. A facility or field rental will be limited to a quarterly term.

- A. Every individual or organization will be required to enter into a rental agreement contract that will need to be followed during the duration of the rental agreement. The Rental agreement contract will outline the rules, regulations, and post rental requirements.
- B. The term of the rental agreement will be limited to no more than a one quarter term (3 months) and shall be reserved no less than one month in advance.
- C. Every facility or field so rented will be inspected at the midway point to ensure the individual or organization is abiding by the rental agreement contract.
- D. The facility or field must pass a post rental review of facilities/field cleanliness and safety, and adherence to any terms outlined in the rental

contract. No new rental agreement will be entered into with any person or organization until this review is completed and any issues corrected.

SECTION 6. All other pre-existing rates assessed to non-residents and other organizations shall remain in effect. The City Manager or designee shall post the revised schedule of fees on the City's internet homepage and copies of the revised schedule of fees shall be posted at the various facilities which posting shall also indicate the effective date of the revised schedule of fees.

SECTION 7. Resolution No. 14-52 and 13-34 is hereby repealed.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at its regular meeting on this 26th day of September 2016.

Baru Sanchez
Mayor

ATTEST:

Richard Iglesias
Deputy City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF CUDAHY) SS:

I, Richard Iglesias, Deputy City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. 16-xx was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the Deputy City Clerk at a regular meeting of said Council held on the 26th day of September, 2016, and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Richard Iglesias
Deputy City Clerk



Item Number 12B

STAFF REPORT

Date: September 26, 2016

To: Honorable Mayor/Chair and City Council/Agency Members

From: Jose E. Pulido, City Manager/Executive Director
By: Richard Iglesias, Deputy City Clerk
Joaquin Vazquez, Deputy City Attorney

Subject: **Adopt a Proposed Resolution Pertaining to the City of Cudahy's General Municipal Election to be held Tuesday, March 7, 2017**

RECOMMENDATION

The City Council is requested to adopt a proposed resolution:

1. Calling for and giving notice of a General Municipal Election to be held on Tuesday, March 7, 2017 for the election of two City Councilmembers;
2. Requesting consolidation of such election with the County Of Los Angeles with any and all elections held on such date;
3. Requesting the County of Los Angeles to provide specific election administration services for such election;
4. Adopting regulations for candidates for elective office for such election regarding candidate statements; and
5. Providing for the conduct of a special election in the event of a tie vote for such election of two City Councilmembers.

BACKGROUND

The City of Cudahy, as a general law city, is required under the provisions of the State of California to hold a General Municipal Election to elect its municipal officers. The City's General Municipal Elections are held the first Tuesday after the first Monday in March of odd-numbered years. The City Council is comprised of five members and currently two of these members have terms that will expire in March 2017.

ANALYSIS

The purpose of this election is for the voters to elect two members of the City Council for the full term of four years. Consolidating the elections will allow the City of Cudahy, City of Los Angeles, Los Angeles Unified School District (LAUSD), and the Los Angeles Community College District (LACCD) to share the cost of conducting the election in the impacted areas (e.g., polling place operations, sample ballot mailing, etc.) thus reducing a proportionate share of the cost to all participating jurisdictions.

CONCLUSION

Ensuring the Los Angeles County Register / Recorders County Clerk / Elections Division conduct the City of Cudahy's 2017 General Municipal Elections allows for full transparency and shared cost by consolidating with the City of Los Angeles; LAUSD; and LACCD. Consolidating the elections will eliminate the need for voters to vote a separate ballot at the same polling place or worse, go to separate polling places to vote.

FINANCIAL IMPACT

The upcoming City of Cudahy's General Municipal Election, to be held Tuesday, March 7, 2017, will have a financial impact to the general fund of approximately \$68,000.

ATTACHMENTS

Proposed Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA (1) CALLING FOR AND GIVING NOTICE OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, MARCH 7, 2017 FOR THE ELECTION OF TWO CITY COUNCILMEMBERS; (2) REQUESTING CONSOLIDATION OF SUCH ELECTION WITH THE COUNTY OF LOS ANGELES WITH ANY AND ALL ELECTIONS HELD ON SUCH DATE; (3) REQUESTING THE COUNTY OF LOS ANGELES TO PROVIDE SPECIFIC ELECTION ADMINISTRATION SERVICES FOR SUCH ELECTION; (4) ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE FOR SUCH ELECTION REGARDING CANDIDATE STATEMENTS; AND (5) PROVIDING FOR THE CONDUCT OF A SPECIAL ELECTION IN THE EVENT OF A TIE VOTE FOR SUCH ELECTION OF TWO CITY COUNCILMEMBERS

WHEREAS, under the provision of the laws relating to general law cities in the State of California, a General Municipal Election of the City of Cudahy (the "City") shall be conducted on Tuesday, March 7, 2017, for the election of the following municipal officers: City Councilmember – two (2) offices for four year terms; and

WHEREAS, it is desirable that the City's March 7, 2017 General Municipal Election be consolidated with any and all elections to be administered by Los Angeles County (the "County") on the same date and that the City have the same precincts, polling stations, and election officers within the City for such election; and

WHEREAS, the City Council wishes for the Office of the Registrar-Recorder/County Clerk for the County (the "County Clerk") to canvass the returns of the City's March 7, 2017 General Municipal Election; and

WHEREAS, the City seeks the provision of election services from the County relating to the conduct of the City's March 7, 2017 General Municipal Election; and

WHEREAS, the City Council approves the printing of the General Municipal Election information for the election to be held on Tuesday, March 7, 2017, in the foreign languages requiring translation pursuant to the Voting Rights Act of 1965; and

WHEREAS, Elections Code Section 13307 provides that the City may adopt regulations pertaining to the recovery of certain costs associated with the printing, handling, translation, and mailing of candidate statements as filed with the elections officer; and

WHEREAS, the City shall compensate the County for all necessary expenses incurred by the County in performing election services for the City; and

WHEREAS, 15651(b) of the Elections Code authorizes the City Council, by majority vote, to adopt provisions to require the conduct of a Special Runoff Election to resolve a tie vote involving those candidates who received an equal number of votes and the highest number of votes for an elective office.

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

SECTION 1. That pursuant to the requirements of the laws of the State of California relating to General Law Cities, the City Council hereby calls and orders a General Municipal Election on Tuesday, March 7, 2017, to be held in the City of Cudahy for the purpose of electing two City Councilmembers for the full term of four years.

SECTION 2. Pursuant to the requirements of Elections Code section 10403, it is respectfully requested that the Board of Supervisors of the County consent and agree to the consolidation of the City's its General Municipal Election on Tuesday, March 7, 2017 with the County-administered election of the same date.

SECTION 3. In connection with the County Registrar's administration of the City's March 7, 2017 General Municipal Election, the City further requests that the County Registrar be authorized and directed to: (a) review and verify absentee voter applications and signatures; (b) conduct registered voter verifications (including signature verifications) associated with the processing of any proposed General Municipal Election ballot measure; (c) provide the City of Cudahy with the appropriate election precinct data, to the extent required; (d) make available to the City of Cudahy such election facilities, ballot casting equipment and assistance as may be necessary to conduct the election in compliance with state law and the Board of Supervisor's approval; (e) canvass the election returns; (f) print and supply ballots for the election; (g) mail the City of Cudahy's sample ballots, including ballot measure question, arguments, rebuttals and impartial analysis; and (h) administer the City of Cudahy's General Municipal Election in all respects as if it were part and parcel of any other County Registrar administered election, implementing all such legally required or customarily employed measures and practices as may be necessary to conduct the election in a timely and legally compliant manner.

SECTION 4. The City of Cudahy shall reimburse the County Registrar for any costs associated with the administration of the City March 7, 2017 General Municipal Election.

SECTION 5. The City hereby consents to have its General Municipal Election on Tuesday, March 7, 2017 consolidated any and all elections conducted on such date within the County.

SECTION 6. That the ballots to be used at the election shall be in form and content as required by law or as directed by the County Clerk to facilitate the consolidation of the City's March 7, 2017 General Municipal Election with the County-administered election of the same date.

SECTION 7. That the City Clerk is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 8. That the polls for the election shall be open at 7:00 a.m. of the day of the election and shall remain open continuously from that time until 8:00 p.m. of the same day when the polls shall be closed, pursuant to Election Code Section 10242, except as provided in Section 14401 of the Elections Code of the State of California.

SECTION 9. The City Council authorizes the City Clerk to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill.

SECTION 10. Pursuant to Section 13307 of the Elections Code, each candidate for elective office to be voted for at the City's March 7, 2017 General Municipal Election may prepare a candidate statement on a form acceptable to the County Clerk and made available through the City Clerk.

SECTION 11. Pursuant to Section 13307(a)(1) of the Elections Code candidate statements **may** include the following:

- (A) The name, age, and occupation of the candidate; and
- (B) A brief description of no more than 200 words of the candidate's education and qualifications as expressed by the candidate himself or herself.

SECTION 12. Pursuant to Elections Code § 13307(a)(1), candidate statements **shall not** include the following:

- (A) The party affiliation of the candidate; or
- (B) References to membership or activity in partisan political organizations.

SECTION 13. All prospective candidates should be aware of the holding in *Dean v. Superior Court* (1998) 62 Cal.App.4th 638, which holds that a statement prepared by a candidate for inclusion in the voters' pamphlet **may not** include comments or statements concerning the qualifications (or alleged lack of qualifications) of one's opponents. Candidates, in an abundance of caution, should avoid making any reference to opponents in their candidate statements. Candidates should seek the advice of private legal counsel if unsure as to whether their candidate statement does or does not comply with applicable law before filing.

SECTION 14. The candidate statement shall be filed in typewritten form at the Office of the City Clerk at the time the candidate's nomination papers are filed. The candidate statement may be withdrawn, but not changed, during the period for filing nomination papers and until 5:00 p.m. of the next working day after the close of the nomination period.

SECTION 15. Subject to any logistical constraints imposed by the County Clerk by virtue of consolidation, the City Clerk shall have translated (from the English to relevant foreign languages authorized under the Voting Rights Act of 1965) and printed in the voters pamphlet only the candidate statement of those candidates who request such translation and printing at the time of filing of the candidate statement.

SECTION 16. No candidate for any elected office of the City shall be permitted to include additional materials in the voters' pamphlet and sample ballot package.

SECTION 17. Each candidate for any of the offices to be elected at the General Municipal Election to be conducted on March 7, 2017, who files a candidate statement shall, as a condition of having his or her candidate statement included in the voters' pamphlet, concurrently deposit with the City Clerk an amount, as reasonably estimated by the City Clerk, to pay in advance his or her estimated *pro rata* share of the actual costs of printing and handling such candidate statements incurred by the City of Cudahy and/or the County Clerk as a result of providing such service at the time of filing such statement with the City Clerk. In the event that the amount paid as a deposit by a candidate includes overpayment of actual costs incurred by the City of Cudahy and/or the County Clerk, the City Clerk shall prorate the excess amount among the candidates and refund the excess amount paid within thirty (30) days following the date of the election.

SECTION 18. The City Clerk shall provide each candidate or candidate's representative a copy of this Resolution at the time nominating petitions are issued.

SECTION 19. pursuant to SECTION 15651(b) of the Elections Code of the State of California, if any two or more persons receive an equal and the highest number of votes for an office to be voted for within the City, there shall be held within the city a Special Runoff Election to resolve the tie vote. A Special Runoff Election shall be called and held on a Tuesday not less than 40 nor more than 125 days after the administrative or judicial certification of the election which resulted in a tie vote.

SECTION 20. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 21. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 22. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

SECTION 23. That the City Clerk shall forward without delay, a copy of said resolution to the Los Angeles County Board of Supervisors, the Los Angeles County Registrar-Recorder/County Clerk, and to the City Clerk of the City of Los Angeles.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at its regular meeting on this 26th day of September, 2016.

Baru Sanchez
Mayor

ATTEST:

Richard Iglesias
Deputy City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CUDAHY)

I, Richard Iglesias, Deputy City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. _____ was passed and adopted by the City Council of the City of Cudahy at a regular meeting held on the 26th day of September, 20167 and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Richard Iglesias
Deputy City Clerk



Item Number 12C

STAFF REPORT

Date: September 26, 2016
To: Honorable Mayor/Chair and City Council/Agency Members
From: Jose E. Pulido, City Manager/Executive Director
By: Richard Iglesias, Deputy City Clerk
Subject: **Adoption of Resolution Opposing the Los Angeles County Metropolitan Transportation Authority (METRO) Expenditure Plan for the 2016 Proposed Ballot Measure**

RECOMMENDATION

The City Council is requested to adopt a proposed resolution opposing the Los Angeles County Metropolitan Transportation Authority (METRO) expenditure (Plan) for the 2016 proposed ballot measure.

BACKGROUND

On June 23, 2016, the METRO Board approved the revised Plan and voted 11 to 2 to place a measure on the November ballot that would raise sales taxes in the Los Angeles County by half a percent in exchange for \$120 billion in transportation projects.

ANALYSIS

Los Angeles County Supervisor Don Knabe, representing the Gateway Cities and South Bay Cities, opposed the Plan. This ballot measure is similar to the 2008 Measure R, however it does not have a sunset provision. Therefore, it is a transportation tax that would be placed on a permanent basis Countywide, but would provide little relief to the transportation issues in southeast Los Angeles County and other County areas for the next 40 years.

An area of significant concern with this ballot measure is the 3% local contribution requirement. This requires cities to pay 3% of the cost of major transit projects within their

jurisdiction or implement mutually agreed upon active transportation or first/last mile improvements as whole or part of the 3% contribution. If a city fails to pay the 3% contribution or does not implement acceptable improvements, METRO would be allowed to withhold up to 15 years of local return funds from this new transportation measure, which could heavily impact cities in the Gateway Cities region.

The Gateway Cities COG requested that METRO remove this 3% local contribution provision as it places a significant burden on smaller cities; however the final Plan includes this requirement.

CONCLUSION

The 3% local contribution requirement would adversely impact and burden the entire Gateway Cities region and its component cities. Opposing the Los Angeles County METRO expenditure Plan for the 2016 proposed ballot measure is recommended because it provides little relief to the transportation issues in southeast Los Angeles County and other County areas.

FINANCIAL IMPACT

The proposed resolution would have no significant fiscal impact on the City.

ATTACHMENTS

Proposed Resolution

RESOLUTION NO. 16-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDAHY OPPOSING THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY EXPENDITURE PLAN FOR THE 2016 PROPOSED BALLOT MEASURE

WHEREAS, the Gateway Cities Council of governments (“COG”), along with other COGs in the region participated in the development of a countywide process to accumulate a listing of all subregional transportation projects. This process resulted in the identification of \$275 billion dollars of transportation projects countywide; and

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (Metro) in response to the identified need developed an expenditure plan to address the project capital and operational needs for the County. This expenditure plan will be Metro’s template for mobility for the next 40 years. The tax itself will remove the sunset provision from Measure R and continue in perpetuity or until repealed by the electorate; and

WHEREAS, instead of giving the Measure R project initiatives first priority for new tax revenues, assuring that second and third decade Measure R projects are completed, Metro initiated a modeling process utilizing performance metrics that places well-defined projects with analysis in competition with new projects with assigned attributes. This modeling exercise has resulted in a reordering or resequencing of projects that benefited new projects from the City of Los Angeles and placed projects from the Gateway Cities COG and other regions behind them; and

WHEREAS, the I-5 Freeway Improvement Project (I-605 to I-710) was categorized by Metro as a “subregional” project regardless of its regional, statewide, and national significance; and

WHEREAS, this project runs through the City of Commerce, which is home to some of the most important intermodal facilities for goods movement in the country. Commerce is home to both BNSF Hobart facility and the Union Pacific East Los Angeles Intermodal Yard, which together form the fourth largest intermodal port in the United States; and

WHEREAS, Metro’s adopted Expenditure Plan and Ordinance fail to take into account the vital economic role this section of the I-5 freeway plays for the region, the state, and the nation.

WHEREAS, multi-modal projects that would benefit cities in the Gateway Cities are being leapfrogged by higher profile projects in more affluent areas, which are also being given priority access to federal funding. That is simply not geographically equitable, nor is it fair to our residents who will be funding these projects for decades before they truly benefit; and

WHEREAS, Metro's potential ballot measure includes a 3% local contribution requirement mandates cities to pay 3% of the cost of major transit projects within their jurisdiction or implement mutually agreed upon active transportation or first/last mile improvements as whole or part of the 3% requirement; and

WHEREAS, if a city fails to pay the 3% contribution or does not implement acceptable improvements, Metro would be allowed to withhold up to 15 years of local return funds from this new transportation measure; and

WHEREAS, this 3% local contribution requirement would adversely impact and burden the entire Gateway Cities region and its component cities.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CUDAHY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council of the City of Cudahy opposes the Los Angeles County Metropolitan Transportation Authority Expenditure Plan for the 2016 Proposed Ballot Measure.

SECTION 2. This Resolution shall take effect immediately upon its adoption by the City Council and the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at its regular meeting on this 26th day of September 2016.

Baru Sanchez
Mayor

ATTEST:

Richard Iglesias
Deputy City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF CUDAHY) SS:

I, Richard Iglesias, Deputy City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. 16-xx was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the Deputy City Clerk at a regular meeting of said Council held on the 26th day of September, 2016, and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Richard Iglesias,
Deputy City Clerk

Blank Page



Item Number 12D

STAFF REPORT

Date: September 26, 2016
To: Honorable Mayor/Chair and City Council/Agency Members
From: Richard Padilla, Assistant City Attorney
Subject: **Consideration and Approval of Third Amendment to City Manager Employment Agreement to Extend Term and Adjust Compensation and Work Schedule**

RECOMMENDATION

It is recommended that the City Council:

Approve the attached Third Amendment instrument to the City Manager's existing Agreement along with certain other amendments setting the term of the extension, adjusting the annual base compensation the City Manager is to receive and modifying the terms of the City Manager's work schedule.

BACKGROUND

1. On August 5, 2014, the City Council approved a two year employment contract with Jose Pulido to serve as City Manager (hereinafter, the "Master Agreement"). The Master Agreement had a two year term commencing from August 10, 2014. The Master Agreement is attached as Exhibit "A" to this Staff Report.
2. On December 14, 2015, the City Council created an Ad Hoc Committee composed of Mayor Sanchez and Vice Mayor Hernandez, which was tasked with formulating and recommending proposed amendments to the City Manager's existing contract, including an amendment to extend the term of the City Manager's contract which was set to expire on its own terms on August 10, 2016.
3. In Open Session at its Regular Meeting of August 8, 2016, the City Council approved a

First Amendment instrument to the Master Agreement which merely extended the term of the Master Agreement to September 7, 2016 so that the City Council could refine and finalize the terms of a longer term extension for possible Open Session approval at the City Council's next Regular Meeting of August 22, 2016.

4. In Open Session at its Joint Special Meeting of August 29, 2016, the City Council approved a second amendment instrument to the Master Agreement which further extended the term of the Master Agreement on a month-to-month basis, beginning September 1, 2016, for up to three months.

ANALYSIS

Over the past few months, the Council Ad Hoc Committee, in consultation with the City Attorney's Office, formulated a set of proposed amendments which address the following areas: (a) the number of years by which the City Manager's contract should be extended; (b) the amount of annual base compensation the City Manager should receive; and (c) the City Manager's work schedule. The Ad Hoc Committee's recommendations were shared with the City Council in Closed Session during the July 25, 2016 meeting.

The City Attorney's Office has prepared a draft Third Amendment instrument to the Master Agreement which incorporates the recommendations of the Ad Hoc Committee. The proposed modifications are as follows:

- ***Annual base salary will be set at \$195,000 per year;***
- ***The Master Agreement will be extended for an extension term of three (3) years; and***
- ***Provisions of the Master Agreement relating to the City Manager's work schedule have been changed to provide that the City Manager, as requested by the City Council, will be available to attend and participate in meetings, events and other activities of the City that may occur outside of the City's regular business.***

All other provisions of the Master Agreement, however, remain the same, including provisions requiring that the City Manager submit to an annual performance review. It should also be noted that the Second Amendment instrument does not implement any sort of automatic COLA adjustments to the City Manager's base salary and any proposed future increase in salary would remain subject to the City Council's review and approval at a Regular Meeting of the City Council.

CONCLUSION

It is recommended that City Council approve the attached Third Amendment to the City Manager's Employment Agreement, as recommended by the City Council Ad Hoc Committee which includes amendments specifying the term of the extension, adjustments to the City Manager's annual base compensation, and the City Manager's work schedule.

ATTACHMENTS

- A. Third Amendment to Master Agreement
- B. Master Agreement (Existing City Manager Employment Agreement with Prior Amendments)

2016
THIRD AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT
(Employee: Jose Pulido)

THIS THIRD AMENDMENT (“Amendment”) to that certain agreement entitled “Employment Agreement for the Position of City Manager” originally executed on August 6, 2014 by and between the CITY OF CUDAHY (“City”) and JOSE PULIDO, an individual (“ Employee”) is made and entered into this _____ day of _____ 2016 (“Effective Date”). For purposes of this Second Amendment, the capitalized term “Parties” shall be a collective reference to both City and Employee. The capitalized term “Party” may refer to either City or Employee as appropriate.

RECITALS

WHEREAS, the Parties executed and entered into an agreement dated August 6, 2014 and entitled “Employment Agreement for the Position of City Manager” (hereinafter, the “Master Agreement”) (A true and correct copy of the Master Agreement is attached and incorporated hereto as Exhibit “A”); and

WHEREAS, Section 9.4 (Amendments) of the Master Agreement allows the Parties to amend the Master Agreement provided such amendments are memorialized in the form of a written amendment approved by the Parties; and

WHEREAS, the Master Agreement was set to expire on August 10, 2016; and

WHEREAS, the Cudahy City Council (“City Council”), in anticipation of the pending expiration of the Master Agreement on August 10, 2016, approved a First Amendment instrument to the Master Agreement (hereinafter, the “First Amendment”) which merely extended the term of the Master Agreement to September 7, 2016 to allow the City Council time to refine and finalize the terms of a longer term extension to the Master Agreement; and

WHEREAS, the First Amendment was approved at the City Council’s Regular meeting of August 8, 2016 in open session; and

WHEREAS, the Cudahy City Council (“City Council”), in anticipation of the pending expiration of the First Amendment approved a second amendment instrument to the Master Agreement which further extended the term of the Master Agreement on a month-to-month basis, beginning September 1, 2016, for up to three months.

WHEREAS, this Third Amendment now reflects the long term agreement between the Parties; and

WHEREAS, the amendments to the Master Agreement as set forth in this Third Amendment include an extension of the Term for an additional three (3) years as well as an increase in the Employees annual base compensation; and

WHEREAS, the amendments to the Master Agreement as embodied in this Third Amendment also include modified language intended to reflect the City Council’s desire that Employee be available to participate in meetings, events and functions that may occur outside of the City’s normal business

hours as requested by the City Council or as circumstances may reasonably prescribe; and

WHEREAS, notwithstanding the preceding recital, the City Council recognizes that Employee should be afforded reasonable flexibility in scheduling his work day; and

WHEREAS, execution of this Third Amendment was approved in open session at the City Council's regular meeting of September 12, 2016 as required under Government Code Section 53262.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

SECTION 1. Subsection 1.3.1 of Section 1.3 (Term; At-will) of the Master Agreement as last amended by way of the Second Amendment is hereby amended by the addition of the following sentence which shall follow the first sentence of Subsection 1.3.1:

The foregoing notwithstanding, the Term is extended by an extension term of three (3) years commencing as September 27, 2016.

The extension to the Term of the Master Agreement as set forth in this Third Amendment shall supersede and replace the extension term set forth in the Second Amendment, commencing as of September 13, 2016

SECTION 2. The text of Section 1.5 (Hours of Work) of the Master Agreement is hereby deleted, repealed and replaced in its entirety by the following:

Work Schedule. Throughout the Term of this Agreement and any extension term, PULIDO shall devote the time reasonably necessary to adequately perform his duties as City Manager and shall also devote time reasonably necessary to effectively and competently manage City staff and oversee the day-to-day business operations of the City. In the furtherance of the foregoing, PULIDO shall maintain a reasonably substantial onsite presence at Cudahy City Hall during the City's regular work week and during the City's regular business hours which are currently set at a schedule of Monday through Thursday with a ten hour workday. The foregoing notwithstanding, PULIDO shall also be available and present at Cudahy City Hall and at other locations in the City of Cudahy during non-business hours as requested by the City Council from time to time or as reasonably necessary to participate in City Council meetings or to engage with individual members of the City Council, members of the community and community stakeholder groups. The position of City Manager shall be deemed an exempt position under state and federal wage and hour laws. PULIDO's compensation (whether salary or benefits or other allowances) is not based on hours worked and PULIDO shall not be entitled to any compensation for overtime.

SECTION 3. The text of Subsection 2.1 (Base Salary) of the Master Agreement is hereby deleted, repealed and replaced in its entirety by the following:

PULIDO shall receive an annual salary of One Hundred and Ninety-Five Thousand Dollars (\$195,000) paid incrementally according to the payroll schedule in place for City employees paid bi-weekly.

This amendment to Subsection 2.1 (Base Salary) of the Master Agreement shall become operative on September 13, 2016 and shall be applied prospectively.

SECTION 4. With respect to Section 5.1.3 of the Master Agreement detailing the severance Employee is entitled to receive, the Parties acknowledge and agree that Employee has been employed continuously with the City beyond August 11, 2015 and is therefore eligible to receive six months severance subject to the terms, conditions, restrictions and limitations set forth under Section 5 of the Master Agreement.

SECTION 5. Except as otherwise set forth in this Third Amendment, the Master Agreement as previously amended by way of the Second Amendment shall remain binding, controlling and in full force and effect. The provisions of this Third Amendment shall be deemed a part of the Master Agreement as previously amended by way of the Second Amendment and except as otherwise provided under this Third Amendment, the Master Agreement as previously amended by way of the Second Amendment and all provisions contained therein shall remain binding and enforceable. In the event of any conflict or inconsistency between the provisions of this Third Amendment and the provisions of the Master Agreement or the Second Amendment, the provisions of this Third Amendment shall govern and control, but only in so far as such provisions conflict with the Master Agreement or the Second Amendment and no further.

SECTION 6. The Master Agreement as amended by way of this Third Amendment and the Second Amendment constitutes the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, or entered into between City and Employee prior to the execution of this Second Amendment. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid or binding. No amendment, modification or supplement to the Master Agreement as amended by this Third Amendment or the Second Amendment shall be valid and binding unless in writing and duly executed by the Parties in the form of a written contract amendment.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have caused this Third Amendment to be executed on the day and year first appearing above.

CITY:

City of Cudahy

By: _____
Baru Sanchez
Mayor

EMPLOYEE

Jose Pulido, an individual:

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM

By: _____
Name: _____
Title: _____

AGENDA DRAFT

Exhibit A
Master Agreement plus First Amendment and Second Amendment

AGENDA DRAFT

2016
SECOND AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT
(Employee: Jose Pulido)

THIS SECOND AMENDMENT (“Second Amendment”) to that certain agreement entitled “Employment Agreement for the Position of City Manager” originally executed on August 6, 2014 by and between the CITY OF CUDAHY (“City”) and JOSE PULIDO, an individual (“Employee”) is made and entered into this 29th day of August 2016 (“Effective Date”). For purposes of this Second Amendment, the capitalized term “Parties” shall be a collective reference to both City and Employee. The capitalized term “Party” may refer to either City or Employee as appropriate.

RECITALS

WHEREAS, the Parties executed and entered into an agreement dated August 6, 2014 and entitled “Employment Agreement for the Position of City Manager” (hereinafter, the “Master Agreement”). (A true and correct copy of the Master Agreement is attached and incorporated hereto as Exhibit “A”); and

WHEREAS, Section 9.4 (Amendments) of the Master Agreement allows the Parties to amend the Master Agreement provided such amendments are memorialized in the form of a written amendment approved by the Parties; and

WHEREAS, the Cudahy City Council (“City Council”), in anticipation of the pending expiration of the Master Agreement on August 10, 2016, approved a First Amendment instrument to the Master Agreement (hereinafter, the “First Amendment”) which merely extended the term of the Master Agreement to September 7, 2016 to allow the City Council time to refine and finalize the terms of a longer term extension to the Master Agreement; and

WHEREAS, the First Amendment was approved at the City Council’s Regular meeting of August 8, 2016 in open session; and

WHEREAS, the City Council requires additional time before it can approve a long-term extension instrument which would, among other things, result an adjustment to the City Manager’s compensation and other contract terms; and

WHEREAS, the need for additional time is driven, in part, on the City Council’s need to finalize and approve the City’s fiscal year budget; and

WHEREAS, the approval of this Second Amendment instrument is only intended to prevent the underlying Master Agreement from expiring on its own terms before the terms of a long term extension can be finalized and approved; and

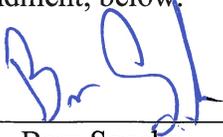
WHEREAS, this Second Amendment was approved by the City Council in open session at its meeting of August 29, 2016 under Joint Special Meeting Agenda Item No. 5.A.

NOW, THEREFORE, the Parties agree as follows:

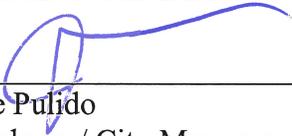
1. The forgoing recitals are true and correct.
2. The Master Agreement is hereby extended on a month-to-month basis for a maximum of three (3) months commencing as of September 1, 2016. The foregoing notwithstanding and notwithstanding any other provisions of the Master Agreement to the contrary, City reserves the right to terminate the Master Agreement as amended by way of this Second Amendment and all prior amendments for convenience and without cause upon thirty (30) days prior written notice to Employee at any time during the interim 3-month, month-to-month extension period established under this Second Amendment. Nothing in this Second Amendment shall operate to adjust or otherwise amend, the rates of compensation Employee receives under the Master Agreement or any non-monetary benefits received by Employee.
3. This Second Amendment will cease to remain in effect upon the earlier of the following: (a) 11:59 pm on Wednesday, November 30, 2016; or (b) the approval and execution of a Third Amendment to the Master Agreement which sets forth the terms and conditions of a longer term extension of the Master Agreement, which long term extension shall be approved in compliance with Section 53262 of the Government Code.
4. The Parties agree the Master Agreement as amended by way of this Second Amendment and all prior amendments shall remain the operative, final, and integrated employment agreement between City and Employee.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, City has caused this Second Amendment to be signed and executed on its behalf by its Mayor and duly attested to by its City Clerk and Employee has signed and executed this Second Amendment, as of the date of the last Party to sign this Second Amendment, below.

By: 
Baru Sanchez
Mayor

Date: _____

By: 
Jose Pulido
Employee/ City Manager

Date: _____

APPROVED AS TO FORM:

ATTEST:

By: 
for Rick Olivarez, City Attorney
Richard Padilla
Asst. City Atty.

By: _____
City Clerk

EXHIBIT "A"
MASTER AGREEMENT PLUS PRIOR AMENDMENTS

2016
FIRST AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT
(Employee: Jose Pulido)

THIS FIRST AMENDMENT (“Amendment”) to that certain agreement entitled “Employment Agreement for the Position of City Manager” originally executed on August 6, 2014 by and between the CITY OF CUDAHY (“City”) and JOSE PULIDO, an individual (“Employee”) is made and entered into this 8th day of August 2016 (“Effective Date”). For purposes of this Amendment, the capitalized term “Parties” shall be a collective reference to both City and Employee. The capitalized term “Party” may refer to either City or Employee as appropriate.

RECITALS

WHEREAS, the Parties executed and entered into an agreement dated August 6, 2014 and entitled “Employment Agreement for the Position of City Manager” (hereinafter, the “Master Agreement”) (A true and correct copy of the Master Agreement is attached and incorporated hereto as Exhibit “A”); and

WHEREAS, Section 9.4 (Amendments) of the Master Agreement allows the Parties to amend the Master Agreement provided such amendments are memorialized in the form of a written amendment approved by the Parties; and

WHEREAS, the Parties desire to extend the term of the Master Agreement subject to its same terms and conditions on a temporary basis while a longer term extension instrument is formulated; and

WHEREAS, the City Council believes that a finalized extension instrument will likely be ready for approval by the first regular meeting of the City Council on September 6, 2016.

NOW, THEREFORE, the Parties agree as follows:

1. The forgoing recitals are true and correct.
2. The Master Agreement is hereby extended subject to its same terms and conditions for a period commencing on August 11, 2016 and ending September 7, 2016 to allow the Parties time to finalize and approve the terms of a longer term extension instrument.
3. This Amendment will cease to remain in effect upon the earlier of the following: (i) September 7, 2016; or (ii) the approval and execution of a Second Amendment to the Master Agreement which sets forth the terms and conditions of a longer term extension of the Master Agreement.

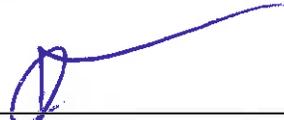
4. The Parties agree that other than this Amendment, the Master Agreement is not otherwise Amended and shall remain the operative, final, and integrated employment agreement between City and Employee.

IN WITNESS WHEREOF, City has caused this Amendment to be signed and executed on its behalf by its Mayor and duly attested to by its City Clerk and Employee has signed and executed this Amendment, as of the date first executed by the Parties below.

By: 

Baru Sanchez
Mayor

Date: _____

By: 

Jose Pulido
Employee/ City Manager

Date: _____

APPROVED AS TO FORM:

ATTEST:

By: _____
Rick Olivarez, City Attorney

By: _____
City Clerk



**EMPLOYMENT AGREEMENT
For the Position of
CITY MANAGER**

This Employment Agreement (“Agreement”) is made and entered into this 6th day of August, 2014, by and between the CITY OF CUDAHY (“CITY”), a California municipal corporation, and JOSE E. PULIDO (“PULIDO”), an individual, on the following terms and conditions:

RECITALS

A. CITY desires to employ the services of PULIDO as Manager of CITY (“City Manager”) as that position is generally described under Chapter 2.12 (City Manager) of the Cudahy Municipal Code; and

B. The City Council finds that PULIDO possesses the education, training, experience and expertise necessary to perform the duties of City Manager; and

C. PULIDO desires to accept employment as City Manager in consideration of and subject to the terms, conditions, and benefits set forth in this Agreement; and

D. The City Council approved this Agreement and the execution of same in open session at its meeting of August 6, 2014 as required under Government Code section 53262.

NOW, THEREFORE, for and in consideration of the mutual agreements contained herein, CITY and PULIDO agree as follows:

SECTION 1. Position, Duties and Term.

1.1 **Position.** PULIDO accepts employment with CITY as its City Manager and shall perform all functions, duties and services set forth in Section 1.4 [Duties] of this Agreement.

1.2 **Commencement Date/Conditions of Employment.**

1.2.1 PULIDO shall commence the performance of his duties as the City Manager on August 11, 2014 (“Commencement Date”), subject to subsection 1.2.2 below.

1.2.2 PULIDO’s employment with the CITY is contingent upon PULIDO’s submitting to a general medical exam by a qualified physician selected by CITY prior to the Commencement Date. CITY and PULIDO shall receive a copy of all medical reports related to the examination.

1.3 Term; At-will.

- 1.3.1 The term of this Agreement (“Term”) shall commence upon the Commencement Date and shall expire on August 10, 2016. The foregoing notwithstanding, nothing in this Section shall operate to prohibit, modify or otherwise restrict the City Council’s ability to terminate PULIDO’s employment at any time for cause or for convenience without cause at any time prior to the expiration of the Term.
- 1.3.2 PULIDO’s employment with CITY shall be “at-will” pursuant to the provisions of *Government Code* § 36506. PULIDO’s employment shall be subject to the provisions of this Agreement and provisions applicable to the office of the City Manager contained in the City’s Municipal Code, as it may be amended from time to time. PULIDO acknowledges that he is an at-will employee of CITY who shall serve at the pleasure of the City Council at all times during the period of his service hereunder. To the extent they conflict with his at-will status, the terms of the CITY’s personnel rules, policies, regulations, procedures, ordinances, and resolutions including, without limitation, CITY Personnel Policies, as they may be amended or supplemented from time to time, shall not apply to PULIDO, and nothing in this Agreement is intended to, or does, confer upon PULIDO any right to any property interest in continued employment, or any due process right to a hearing before or after a decision by the City Council to terminate his employment, except as is expressly provided in Section 5 [Termination] of this Agreement. Nothing contained in this Agreement shall in any way prevent, limit or otherwise interfere with the right of CITY to terminate the services of PULIDO as provided in Section 5 [Termination]. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of PULIDO to resign at any time from this position with CITY, subject only to the provisions set forth in Section 5 [Termination] of this Agreement.

1.4 Duties. PULIDO shall serve as the City Manager and shall be vested with the powers, duties and responsibilities set forth in Section 2.12.030 of the Cudahy Municipal Code, the terms of which are incorporated herein by reference, as may be amended from time to time. PULIDO shall provide service at the direction and under supervision of the City Council. It is the intent of the parties that the City Manager shall keep the City Council fully apprised of all significant ongoing operations of CITY. To that end, PULIDO shall report directly to the City Council and will periodically, or as may be otherwise specifically requested by the City Council, provide oral or written status reports to the City Council on his activities and those of CITY.

PULIDO’s duties as City Manager shall include, but are not limited to:

- a. Attending all meetings of the City Council, unless excused by the Mayor (or presiding officer if the Mayor is unavailable), and taking part in the

discussion of all matters before the City Council. The City Manager shall receive notice of all regular and special meetings of the City Council;

- b. Reviewing all agenda documents before preparing the agenda for any regular or special meetings of the City Council;
- c. Directing the work of all elective and appointive CITY officers, department directors, division managers and all CITY employees, except those that are directly appointed by or report directly to the City Council. The City Manager shall endeavor to implement changes that the City Manager believes will result in greater efficiency, economy, or improved public service in the administration of CITY affairs;
- d. Recommending to the City Council from time to time of the adoption of such measures as the City Manager may deem necessary or expedient for the health, safety, or welfare of the community or the improvement of administrative services;
- e. Conducting research in administrative practices in order to bring about greater efficiency and economy in CITY government and develop and recommend to the City Council long range plans to improve CITY operations and prepare for future CITY growth and development;
- f. Providing management training and developing leadership qualities among department heads and staff as necessary to build a CITY management team that can plan for and meet future changes; and
- g. Exercising control of CITY government in emergencies as authorized by the City's Municipal Code and California law.
- h. Duties as prescribed under Chapter 2.12 of the Cudahy Municipal Code, incorporated herein by reference, as it may be amended from time to time.

It is the intent of the City Council for the City Manager to function as the chief executive officer of the CITY's organization. Without additional compensation, PULIDO shall provide such other services as are customary and appropriate to the position of City Manager, together with such additional services assigned from time to time by the City Council as may be consistent with California law and the CITY's Municipal Code and policies. PULIDO shall devote his best efforts and full-time attention to the performance of these duties. Notwithstanding PULIDO's duties as City Manager, nothing in this Agreement shall be construed to prohibit direct communications between the City Council and employees of the CITY in a manner consistent with the CITY's personnel rules, administrative policies and City Council policies.

1.5 Hours of Work. PULIDO shall devote the time necessary to adequately perform his duties as City Manager during the term of employment commencing August 11, 2014. At a minimum, PULIDO shall work eight (8) hours per day, five (5) days per week. PULIDO shall, to the extent reasonably practicable and excluding those days when PULIDO is taking vacation, sick or management leave, maintain an onsite presence at City Hall during each day City Hall is

open for regular business and shall make himself available to the City Council, CITY staff and members of the community during normal business hours for City Hall and for the performance of his duties and of CITY business. The position of City Manager shall be deemed an exempt position under state and federal wage and hour laws. PULIDO's compensation (whether salary or benefits or other allowances) is not based on hours worked and PULIDO shall not be entitled to any compensation for overtime.

1.6 Other Activity. In accordance with *Government Code* § 1126, during the period of his employment, PULIDO shall not accept, without the express prior written consent of the City Council, any other employment or engage, directly or indirectly, in any other business, commercial, or professional activity, whether or not to pecuniary advantage, that is or may be competitive with CITY, that might cause a conflict-of-interest with CITY, or that otherwise might interfere with the business or operation of CITY or the satisfactory performance of PULIDO's duties as City Manager.

1.7 Residence. PULIDO shall not be required to reside within the territorial boundaries of the CITY. The foregoing notwithstanding, PULIDO shall maintain a permanent residence within a reasonable distance to the CITY so as to permit PULIDO travel to the CITY within one hundred twenty (120) minutes in the event of CITY emergencies.

1.8 Conflicts of Interest. PULIDO shall not, during the term of this Agreement, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of the CITY, except for stock ownership in any company whose capital stock is publicly held and regularly traded, without prior approval of the City Council. PULIDO shall further refrain from developing a financial stake in any commercial venture or partnership with any entity doing business with the CITY where such financial stake would create a violation of *Government Code* section 1090. For and during the term of this Agreement and any extension term, PULIDO further agrees that except for a personal residence or residential property acquired or held for future use as his personal residence, PULIDO will not invest in any other real estate or property improvements within the corporate limits of the CITY without the prior consent of the City Council and subject to the restrictions of all applicable financial conflict of interest laws.

SECTION 2. Compensation. For the services to be provided pursuant to this Agreement, PULIDO shall receive the following compensation, subject to appropriate tax and governmental deductions:

2.1 Base Salary. PULIDO shall receive an annual salary of **One Hundred Eighty Thousand Dollars (\$180,000.00)** paid according to the payroll schedule in place for CITY employees paid bi-weekly.

2.2 Evaluation. At a time agreed upon by the City Council and PULIDO on or before August 11th each year, the City Council will review and evaluate the performance of PULIDO as City Manager and may use an experienced professional outside facilitator mutually agreed upon by the City Council and PULIDO to do so. No later than thirty (30) calendar days prior to August 11th, CITY shall send a Notice of Upcoming Evaluation to PULIDO so that

CITY and PULIDO may begin discussions regarding the date and contents of the upcoming evaluation review. The purpose of the review shall be to provide PULIDO with feedback on his performance, including the performance of the duties set forth in Section 1.4 above, progress in meeting, achieving, or exceeding City Council defined goals, objectives, priorities, activities, and programs, and to identify areas requiring improvement and how such improvement may be accomplished. In conducting the performance evaluation and considering adjustments to PULIDO's compensation, the City Council may consider, among other things, PULIDO's:

- a. overall performance as City Manager, including leadership and management skills;
- b. professional ethics;
- c. progress in meeting, achieving, or exceeding City Council defined goals, objectives, priorities, activities, and programs;
- d. involvement in local, regional, and statewide organizations beneficial to the CITY;
- e. the financial feasibility or desirability of authorizing any proposed adjustment to compensation in light of current and/or projected economic conditions, including whether the CITY is operating with a balanced budget;
- f. prevailing job market conditions and compensation trends; and
- g. such other factors as the City Council may find relevant.

The City Council shall at all times retain discretion to agree to or deny any proposed adjustment to PULIDO's compensation terms, notwithstanding the findings or determinations of any performance review. Failure of CITY to provide a performance evaluation shall not limit CITY's ability to terminate this Agreement pursuant to Section 5 [Termination].

2.3 Mutual Commitments.

2.3.1 Strategic Workshops

- a. The City Council and the City Manager will meet annually to review the CITY's existing Strategic Plan and/or set out goals and priorities for the City Manager to implement. This annual meeting shall occur between January 1st and February 28th of each year. For purposes of clarity, the City Council and the City Manager shall further establish a relative priority among those goals and objectives within the Strategic Plan.

2.4 Benefits.

2.4.1 Health Insurance.

Health Insurance: PULIDO shall receive health insurance benefits equivalent to all other non-represented CITY management employees, as those benefits may change from time to time. CITY shall pay one hundred percent (100%) of premiums for PULIDO and his family members.

Dental Insurance: PULIDO shall receive dental insurance benefits equivalent to all other non-represented CITY management employees as those benefits may change from time to time. CITY shall pay one hundred percent (100%) of premiums for PULIDO and his family members.

Vision Care: PULIDO shall receive vision benefits equivalent to all other non-represented CITY management employees as those benefits may change from time to time. CITY shall pay one hundred percent (100%) of premiums for PULIDO and his family members.

2.4.2 Long Term Disability.

Except as otherwise set forth in this Agreement, and in addition to the benefits specified herein, PULIDO shall receive any and all employee long term disability program benefits otherwise accorded CITY's executive management employees, as prescribed as of the Effective Date of this Agreement and as those benefits may be changed from time to time.

2.4.3 Term Life Insurance.

CITY shall select and provide PULIDO with a policy of term life insurance and shall pay the entire cost of the life insurance premium during the Term of this Agreement or any extension term. During the Term of this Agreement, the death benefit payable on the life insurance policy shall be capped at the maximum sum of One Million Dollars (\$1,000,000.00). In the event of PULIDO's death during the Term of this Agreement, PULIDO's designated beneficiary shall receive one hundred percent (100%) of the death benefit payment.

2.4.4 Accidental Death & Dismemberment.

Except as otherwise set forth in this Agreement, and in addition to the benefits specified herein, PULIDO shall receive any and all employee accidental death and dismemberment program benefits

otherwise accorded CITY's executive management employees, as prescribed as of the Effective Date of this Agreement and as those benefits may be changed from time to time.

2.5 Automobile Allowance. CITY recognizes that PULIDO's duties as City Manager may require extensive use of an automobile in the ordinary course of performing his duties as City Manager. Accordingly, CITY, as added compensation, shall provide PULIDO with an automobile allowance in the amount of Four Hundred Dollars (\$400.00) per month to assist PULIDO with the cost of using and operating his own private vehicle and to offset expenses such as gasoline, auto insurance, maintenance, repair and other automobile related costs and expenses. PULIDO shall be responsible for maintaining and paying for liability insurance as required by State law and for all operating, maintenance and repair costs of PULIDO's automobile and for any other automobile-related expenses in excess of the allowance set forth herein.

2.6 Business Related Equipment. CITY shall provide a cell phone and cover service costs and other personal data devices (e.g., iPad, computer, etc.) in so far as such items are necessary for the performance of CITY-related business and are in fact used for CITY business.

2.7 Business Expenses. Excluding those expenses already covered by the supplemental compensation allowances set forth under Sections 2.5 and 2.6 above, CITY shall reimburse PULIDO for reasonable and necessary travel, subsistence and other business expenses incurred by PULIDO in the performance of his duties or in connection with PULIDO's participation in those authorized activities referenced under Section 1 above. All reimbursements shall be subject to and in accordance with any limitations or restrictions set forth under the laws of the State of California and any CITY-adopted reimbursement policies as either may be adopted, updated or otherwise amended from time to time.

SECTION 3. Vacation and Other Leave.

3.1 Vacation Leave. PULIDO shall be eligible to accrue six and two-thirds (6 2/3) hours of vacation leave each month, for a maximum of eighty (80) hours of vacation leave per year during the Term of this Agreement. Vacation leave may be carried over from year to year. Notwithstanding the foregoing, at no time shall PULIDO accrue more than three hundred twenty (320) hours or forty (40) business days of total vacation leave. In recognition of this limit, PULIDO shall cease to accrue any additional vacation leave time so long as his total accrued but unused vacation leave remains at 320 hours or 40 business days total. On December 31st of each year, PULIDO may sell back accumulated but unused vacation leave time at his applicable base salary hourly rate, provided that fifty (50) hours of accrued vacation time remains on the books.

Section 5.5 below notwithstanding, upon separation of employment for any reason, CITY shall buy back PULIDO's accrued and unused vacation leave time at applicable base salary hourly rate, in addition to the payment contemplated under Section 5.1, below.

3.2 Holidays. Paid holidays shall be in accordance with CITY's current practices and are subject to change. Paid holidays will be those deemed authorized by CITY.

3.3 Sick Leave. PULIDO shall be eligible to accrue eight (8) hours of sick leave each month, for a maximum of ninety six (96) hours of sick leave per year during the Term of this Agreement. Sick leave shall be used by PULIDO only in cases of actual sickness of PULIDO or a member of PULIDO's immediate family, including PULIDO's dependents. Sick leave may be carried over from year to year. Notwithstanding the foregoing, at no time shall PULIDO accrue more than four hundred eighty (480) hours or sixty (60) business days of total sick leave time. In recognition of this limit, PULIDO shall cease to accrue any additional sick leave time so long as his total accrued but unused sick leave remains at 480 hours or 60 business days total. On July 1st of each year, PULIDO may sell back at full rate of pay (applicable base salary hourly rate) a maximum of ninety-six (96) hours of accrued but unused sick time, provided however that at least fifty-eight (58) hours remain on the books prior to PULIDO being eligible for any sick leave buy-back.

Section 5.5 below notwithstanding, in the event CITY terminates PULIDO for convenience, PULIDO may sell back up to one hundred ninety-two (192) hours of accrued but unused sick leave to CITY at applicable base salary hourly rate, in addition to the payment contemplated under Section 5.1, below.

3.4 Management Leave. CITY recognizes that while PULIDO is an exempt employee and not entitled to overtime pay, PULIDO's duties will likely require him to be available more than forty (40) hours per week. Accordingly, PULIDO shall be eligible to accrue two and one-fourth (2 ¼) hours of management leave each month, for a maximum of twenty-seven (27) hours of management leave per year during the Term of this Agreement. Accrued but unused management leave time may be carried over from year to year. On July 1st of each year, PULIDO may sell back at full rate of pay (applicable base salary hourly rate) accrued but unused management leave time, provided however that at least twenty-seven (27) hours remain on the books. Upon separation from employment with CITY, PULIDO shall not be entitled to compensation for, and CITY shall not buy back, any accrued but unused management leave time.

SECTION 4. Retirement.

The CITY is a member of the Public Employees Retirement System (PERS) for the purpose of employee retirement benefits. PULIDO shall be eligible for coverage under PERS as provided under paragraph 7 of the contract between PERS and the CITY, as amended on October 16, 2011. CITY shall provide PULIDO membership in PERS using the Two Percent (2%) at age 60 formula; CITY shall contribute CITY's Employer Share of the cost of membership in PERS during the Term of this Agreement and PULIDO shall contribute the cost of the Employee Share.

SECTION 5. Termination.

5.1 By CITY Not for Cause/For Convenience. CITY may terminate PULIDO for any reason, and at any time, with or without cause, by providing PULIDO thirty (30) days prior written notice thereof. In lieu of providing thirty (30) days prior written notice of termination,

CITY may place PULIDO on paid leave status during the thirty (30) day notice period or any portion thereof. This Agreement and its provisions govern the procedures for termination of PULIDO; any practice or procedure contained in or arising from any personnel policies or past CITY practices relating to the employment, discipline, or termination of its employees shall not apply to the procedures utilized by CITY for termination of PULIDO.

5.1.1 If PULIDO is terminated without cause, or he separates from CITY employment by mutual agreement between the CITY and PULIDO, at any time prior to February 11, 2015, he shall not be entitled to severance pay.

5.1.2 If PULIDO is terminated without cause, or upon his separation by mutual agreement between the CITY and PULIDO, at any time on or after February 11, 2015 but prior to August 11, 2015, he shall be entitled to severance pay of twelve (12) months' base salary, less any and all applicable or legally required deductions.

5.1.3 If PULIDO is terminated without cause, or upon his separation by mutual agreement between the CITY and PULIDO, at any time on or after August 11, 2015, he shall be entitled to severance pay of six (6) months' base salary, less any and all applicable or legally required deductions and subject to the limitations of Government Code section 53260.

5.1.4 Severance pay shall be paid by the CITY within thirty (30) days of termination. PULIDO shall receive any and all compensation for accrued but unused vacation and sick leave time for which he is eligible under Section 3 in addition to any severance payment provided under section 5.1.

5.1.5 The foregoing notwithstanding, CITY shall not exercise its right to terminate PULIDO for convenience and without cause during the 30-day period immediately following any General Municipal Election of the CITY in which one or more City Council seats are subject to an election contest or during the 30-day period immediately following any Special Municipal Election of the CITY in which one or more City Council seats are subject to an election contest.

5.2 **By Employee.** PULIDO may terminate his employment for any reason, and at any time, with or without cause, by providing CITY with thirty (30) days advance written notice. Notwithstanding Section 5.1, above, in the event that PULIDO terminates his employment, CITY shall have the option, in its complete discretion, to make PULIDO's termination effective at any time prior to the end of such 30-day period, provided CITY pays PULIDO all compensation due and owing him through the last day actually worked. In the event PULIDO resigns, he will not be entitled to severance pay.

5.3 **By CITY for Cause.** CITY may terminate this Agreement at any time by providing PULIDO written notice of his termination for cause. No severance payment shall be paid in the event CITY terminates this Agreement for cause, except that CITY shall pay PULIDO his accumulated and unused vacation leave as provided for in this Agreement. For

purposes of this Agreement, cause for termination shall include, but not be limited to, the following:

- a. Commitment of any illegal or unethical act involving personal gain to PULIDO;
- b. Willful or intentional failure or refusal to perform his duties and responsibilities consistent with his obligations under this Agreement, or to comply with lawful directives issued by the City Council pertaining to performance of his job duties and responsibilities;
- c. Engaging in unlawful discrimination or harassment of employees or any third party while on CITY premises or time;
- d. Material breach of the terms and conditions of this Agreement;
- e. Any intentional or grossly negligent act or omission that materially and substantially:
 - i. impedes or disrupts the operations of CITY or its organizational units;
 - ii. is detrimental to PULIDO's safety, the safety of any other CITY official, agent, or employee, or public safety; or
 - iii. violates properly established CITY rules or procedures as established by collective action of the City Council, including but not limited to the adoption of ordinances and resolutions;
- f. Commission of an act of moral turpitude. Under California law, acts of moral turpitude are acts including, but not limited to dishonesty, fraud, and theft, violence or the threat of violence, driving under the influence, possession of controlled substances for sale, vandalism, abuse, lewd acts, and securities violations. The City Council will not make a finding or determination about whether PULIDO has engaged in such conduct without first providing PULIDO a full, fair opportunity to rebut, defend, and justify any such alleged act involving moral turpitude in an open or closed session, at PULIDO's sole choice, provided that PULIDO may be placed on administrative leave without pay pending the outcome of any CITY investigation of such acts;
- g. Conviction of a felony, or plea of, guilty or nolo contendere or conviction of a misdemeanor involving moral turpitude, provided that PULIDO may be placed on administrative leave without pay should he be charged with any such crime;
- h. Willful or negligent destruction, misappropriation, or misuse of public property, waste of public supplies, or use of public property or supplies for other than a public purpose;

- i. Willful political activity involving the support of (or opposition to) candidates for City Council;
- j. Willful and unlawful retaliation against any other CITY officer or employee or member of the general public who in good faith discloses, divulges, or otherwise brings to the attention of any appropriate authority any facts or information relative to actual or suspected violations of law occurring on the job or directly related thereto;
- k. Violation of any conflict of interest or incompatibility of office laws including, but not limited to the Political Reform Act and *Government Code* § 1090;
- l. Willful violation of any laws involving an abuse of office or position, as defined in *Government Code* § 53243.4;
- m. Performance of material outside business interests;
- n. Abuse of any prescription or non-prescription drugs, alcohol, or controlled substances that affect the performance of the City Manager's duties;
- o. Engaging in conduct tending to bring embarrassment or disrepute to CITY; and/or
- p. Unexcused absences from work for three (3) consecutive days without notice, except in case of emergency.

PULIDO expressly waives any rights provided for Administrative Personnel under CITY's Personnel Policies, any rights provided for the City Manager or Administrative Personnel under the Cudahy Municipal Code, or under state or federal law to any form of pre- or post-termination hearing, appeal, or other administrative process pertaining to termination.

5.4 Termination Obligation. PULIDO agrees that all property, including without limitation, all equipment, tangible Proprietary Information (as defined in Section 6, below), documents, records, notes, contracts, and computer-generated materials furnished to or prepared by him incident to his employment belongs to CITY and shall be returned promptly to CITY upon termination of PULIDO's employment. PULIDO's obligations under this subsection shall survive the termination of his employment and the expiration of this Agreement.

5.5 Benefits Upon Termination. All benefits to which PULIDO is entitled under this Agreement shall cease upon PULIDO's termination in accordance with this Section 5, unless expressly continued either under this Agreement, under any specific written policy or benefit plan applicable to PULIDO, or unless otherwise required by law.

5.6 Cessation of Work Due to Non-Permanent Illness or Injury. In addition to any right of termination set forth under Sections 5.1 and 5.3, above, CITY reserves the right to terminate PULIDO's employment along with this Agreement if PULIDO ceases to work as a result of illness or injury: (i) which does not arise out of the course of employment; (ii) which does not limit a major life activity within the meaning of California's Fair Employment and

Housing Act; and (iii) where the cessation of work continues beyond the longer of the following: a period of four successive weeks beyond PULIDO's accrued sick leave; or a period of twenty consecutive days beyond a period of thirty consecutive days of incapacity due to the illness or injury.

5.7 Disability. In addition to any right of termination set forth under Sections 5.1 and 5.3, above, CITY reserves the right to terminate PULIDO's employment along with this Agreement after PULIDO suffers any physical or mental disability that does not arise out of the course of employment and that prevents the performance of PULIDO's essential job duties, unless reasonable accommodation can be made to allow PULIDO to continue working. The foregoing notwithstanding, CITY may terminate PULIDO if the disability poses a direct threat to CITY, PULIDO or any other employees working for CITY and any reasonable accommodation attempted by CITY would not mitigate or eliminate such a threat. The CITY will not provide a severance payment if PULIDO is terminated under this Section of this Agreement.

5.8 Illness, Injury or Disability Arising Out of the Course of Employment. In the event PULIDO suffers a physical or mental disability arising out of the course of employment, CITY's ability to terminate PULIDO solely and exclusively on the basis of the illness, injury or disability shall be subject to applicable workers' compensation laws for the State of California, the Americans with Disabilities Act (42 U.S.C. §§ 12101 et. seq.) and the California Fair Employment and Housing Act. Further, PULIDO's exclusive remedy or remedies against CITY for such illness, injury or disability shall be those legally required under the workers' compensation laws of the State of California.

5.9 Medical Examination. PULIDO agrees to submit to a medical and/or psychological examination by a qualified physician or psychiatrist selected by the CITY, in the event a decision must be made under Sections 5.6 through 5.8. CITY and PULIDO shall receive a copy of all medical reports related to the examination.

5.10 Death of Employee. This Agreement along with PULIDO's employment shall terminate automatically upon PULIDO's death.

SECTION 6. Proprietary Information.

"Proprietary Information" is all information and any idea pertaining in any manner to the business of CITY (or any CITY affiliate), its elected and appointed officials, officers, employees, clients, consultants, or business associates, which was produced by any employee of CITY in the course of his or her employment or otherwise produced or acquired by or on behalf of CITY. Proprietary Information shall include, without limitation, trade secrets, product ideas, inventions, processes, formulae, data, know-how, software and other computer programs, copyrightable material, marketing plans, strategies, sales, financial reports, forecasts and customer lists. All Proprietary Information not generally known outside of CITY's organization, and all Proprietary Information so known only through improper means, shall be deemed "Confidential Information." During his employment by CITY, PULIDO shall use Proprietary Information, and shall disclose Confidential Information, only for the benefit of CITY and as is or may be necessary to perform his job responsibilities under this Agreement. Following termination,

PULIDO shall not use any Proprietary Information and shall not disclose any Confidential Information, except with the express written consent of CITY. PULIDO's obligations under this Section shall survive the termination of his employment and the expiration of this Agreement.

SECTION 7. Conflict of Interest. PULIDO represents and warrants to CITY that he presently has no interest, and represents that he will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or interfere in any way with performance of his services under this Agreement.

SECTION 8. Professional Development. The CITY acknowledges its interest in PULIDO's continuing professional development and agrees to allow and pay all expenses associated with his attendance at annual conferences of the International City Management Association, League of California Cities, and California City Managers Association. Further, the CITY agrees to pay the membership dues for PULIDO in the International City Management Association and City Manager's Department of the League of California Cities. With the prior consent of the Council, the CITY agrees to allow PULIDO to attend and participate in such other professional associations and conferences as may be mutually agreeable to both parties. The CITY acknowledges the right of PULIDO to engage in other professional activities as long as they do not interfere or conflict with PULIDO's duties as City Manager. Such professional activities may include teaching, writing, consulting and others.

SECTION 9. General Provisions.

9.1 **Notices.** All notices, requests, demands and other communications under this Agreement shall be in writing and shall be effective upon delivery by hand or three (3) business days after deposit in the United States mail, postage prepaid, certified or registered, and addressed to CITY at the address below, or at the last known address maintained in PULIDO's personnel file. PULIDO agrees to notify CITY in writing of any change in his address during his employment with CITY. Notice of change of address shall be effective only when accomplished in accordance with this Section.

City's Notice Address:

City of Cudahy
5220 Santa Ana Street
Cudahy, California 90201
Attn: Mayor and City Council

Pulido's Notice Address: [Deliver to last updated address in personnel file]

9.2 **Indemnification.** Subject to, in accordance with, and to the extent provided by the California Tort Claims Act [*Government Code* §§ 810 et seq.], CITY will indemnify, defend, and hold PULIDO harmless from and against any action, demand, suit, monetary judgment or other legal or administrative proceeding, and any liability, injury, loss or other damages, arising out of any act or omission occurring within the course and scope of PULIDO's duties as City Manager during PULIDO's tenure as City Manager. The CITY shall pay the amount of any

settlement or judgment thereon; provided that PULIDO cooperates in the defense of the claim, demand, or action. In this regard, the CITY shall have the discretion to compromise or settle any such claim, demand or action and pay the amount of any settlement rendered thereon. Notwithstanding the foregoing, the CITY shall have no duty to indemnify, defend or hold PULIDO harmless from any criminal proceeding or with regard to any civil, criminal or administrative proceeding initiated by him.

Without limiting the application of this Section 9.2, nothing in this Agreement shall expand the CITY'S defense and indemnification obligations beyond those provided in the Tort Claims Act and *Government Code* §§ 995-996.6. Further, in the event CITY provides funds for legal criminal defense pursuant to this sub-section and the terms of the *Government Code*, PULIDO shall reimburse the CITY for such legal criminal defense funds, and for any paid leave provided pursuant to Section 5.3 above, if PULIDO is convicted of a crime involving an abuse of office of position as provided by *Government Code* §§ 53243-53243.4.

9.3 Bonding. The CITY shall bear the full cost of any fidelity or other bonds required of the City Manager under any laws or ordinance.

9.4 Integration. This Agreement is intended to be the final, complete, and exclusive statement of the terms of PULIDO's employment by CITY. This Agreement supersedes all other prior and contemporaneous agreements and statements, whether written or oral, express or implied, pertaining in any manner to the employment of PULIDO, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements. To the extent that the practices, policies, or procedures of CITY, now or in the future, apply to PULIDO and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control.

9.5 Amendments. This Agreement may not be altered, amended or modified except in a written document signed by PULIDO, approved by the City Council and signed by CITY's Mayor or designee.

9.6 Waiver. Failure to exercise any right under this Agreement shall not constitute a waiver of such right. No waiver of a provision of this Agreement shall constitute a waiver of any other provision, whether or not similar. No waiver shall be binding unless executed in writing by the party making the waiver.

9.7 Assignment. PULIDO shall not assign any rights or obligations under this Agreement. CITY may, upon prior written notice to PULIDO, assign its rights and obligations hereunder.

9.8 Severability. If a court or arbitrator holds any provision of this Agreement to be invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force and effect.

9.9 Attorneys' Fees. In any legal action, arbitration, or other proceeding brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

9.10 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California, with venue properly only in Los Angeles County, State of California.

9.11 **Interpretation.** This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any party. By way of example and not in limitation, this Agreement shall not be construed in favor of the party receiving a benefit or against the party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement. Each party waives its future right to claim, contest, or assert that this Agreement was modified, cancelled, superseded or changed by any oral agreement, course of conduct, waiver or estoppel.

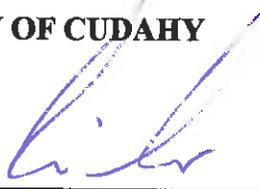
9.12 **Acknowledgment.** PULIDO acknowledges that he has had the opportunity to consult legal counsel with regard to this Agreement, that he has read and understands this Agreement, that he is fully aware of its legal effect, and that he has entered into it freely and voluntarily and based on his own judgment and not on any representations or promises other than those contained in this Agreement.

9.13 **Miscellaneous.** The provisions of Chapter 2.12 of the Cudahy Municipal Code relating to the City Manager are incorporated into this Agreement by this reference, as amended from time to time.

IN WITNESS WHEREOF, CITY has caused this Agreement to be signed and executed on its behalf by its Mayor and duly attested to by its Interim City Clerk, and PULIDO has signed and executed this Agreement, as of the date first indicated above.

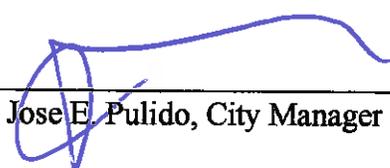
CITY OF CUDAHY

By: _____


Chris Garcia, Mayor

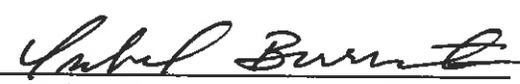
CITY MANAGER

By: _____


Jose E. Pulido, City Manager

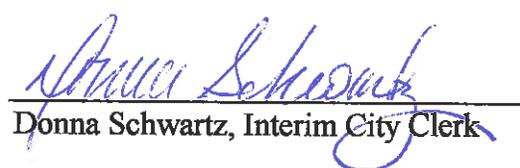
APPROVED AS TO FORM:

By: _____


Isabel Birrueta, Assistant City Attorney

ATTEST:

By: _____


Donna Schwartz, Interim City Clerk