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**City of Santee
Adjourned Regular Meeting Agenda**

**Santee City Council
CDC Successor Agency
Santee Public Financing Authority**

**Council Chamber – Building 2
10601 Magnolia Avenue
Santee, CA 92071**

**November 29, 2016
7:00 PM**

ROLL CALL: Mayor Randy Voepel
Vice Mayor Jack E. Dale
Council Members Ronn Hall, Rob McNelis and John W. Minto

LEGISLATIVE INVOCATION \ PLEDGE OF ALLEGIANCE:

ITEMS TO BE ADDED, DELETED OR RE-ORDERED ON AGENDA:

1. CONSENT CALENDAR:

Consent Calendar items are considered routine and will be approved by one motion, with no separate discussion prior to voting. Council Members, staff or public may request specific items be removed from the Consent Calendar for separate discussion or action. Speaker slips for this category must be presented to the City Clerk before the meeting is called to order. Speakers are limited to 3 minutes.

- (A) Approval of reading by title only and waiver of reading in full of Ordinances and Resolutions on the agenda.**
- (B) Approval of meeting Minutes of the Santee City Council, the CDC Successor Agency and the Santee Public Financing Authority for the Regular Meetings of October 12 and October 26, 2016, and the Cancelled Meetings of November 9, 2016.**
- (C) Rejection of two claims against the City by Douglas Spagenski and Kim Ruiz per Government Code Section 913.**
- (D) Adoption of a Resolution approving an Amended and Restated Joint Exercise of Powers Agreement for Heartland Communications Facility Authority.**

- (E) Authorization for the City Manager to execute a professional services agreement with Tristar Risk Management for third party administration of workers' compensation claims.

2. PUBLIC HEARING: None

3. ORDINANCES: None

4. CITY COUNCIL ITEMS AND REPORTS:

5. CONTINUED BUSINESS: None

6. NEW BUSINESS:

- (A) Resolution approving immediate repair of storm drain pipe on Cambury Drive, transfer of funds, waiving the requirement for competitive bidding and authorizing the City Manager to enter into a contract to complete the necessary repairs to the storm drain pipe.

Recommendation:

Adopt the Resolution approving:

1. The emergency repair of the storm drain to safeguard life, health, or property; and
2. A waiver of the requirement for competitive bidding; and
3. The transfer of \$80,000 of Gas Tax funds; and
4. Authorizing the City Manager to enter into an agreement for the emergency work and the repairs to the storm drain pipe.

- (B) Informational Session to discuss the "Castlerock" project currently under construction by Pardee Homes.

Recommendation:

Conduct informational session.

7. COMMUNICATION FROM THE PUBLIC:

Each person wishing to address the City Council regarding items not on the posted agenda may do so at this time. In accordance with State law, Council may not take action on an item not scheduled on the Agenda. If appropriate, the item will be referred to the City Manager or placed on a future agenda.

8. CITY MANAGER REPORTS:

9. **CDC SUCCESSOR AGENCY:**
(Note: Minutes appear as Item 1(B))

10. **SANTEE PUBLIC FINANCING AUTHORITY:**
(Note: Minutes appear as Item 1(B))

11. **CITY ATTORNEY REPORTS:**

12. **CLOSED SESSION:**

(A) **CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION**

(Gov. Code section 54956.9(d)(1))

Name of Case: Josiah Cope v. Hamann Family Partnership; City of Santee, et al. Case No. 37-2016-00008714-CU-PO-CTL

13. **ADJOURNMENT:**



Dec	01	SPARC	Civic Center Building 7
Dec	08	Manufactured Home Fair Practices Commission	Council Chamber
Dec	12	Community Oriented Policing Committee	Council Chamber
Dec	14	City Council Meeting	Council Chamber
Jan	11	City Council Meeting	Council Chamber
Jan	25	City Council Meeting	Council Chamber

The Santee City Council welcomes you and encourages your continued interest and involvement in the City’s decision-making process.

For your convenience, a complete Agenda Packet is available for public review at City Hall and on the City’s website at www.CityofSanteeCA.gov.

The City of Santee complies with the Americans with Disabilities Act. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the American with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk’s Office at (619) 258-4100, ext. 112 at least 48 hours before the meeting, if possible.

State of California } County of San Diego } ss. City of Santee }	<h3>AFFIDAVIT OF POSTING AGENDA</h3>
I, <u>Sara Real, Deputy City Clerk</u> of the City of Santee, hereby declare, under penalty of perjury, that a copy of this Agenda was posted in accordance with the Brown Act and Santee Resolution 61-2003 on <u>November 23, 2016</u> , at <u>4:30 p.m.</u>	
_____ 11/23/16	

Minutes

Draft

**Santee City Council
CDC Successor Agency
Santee Public Financing Authority**

**Council Chambers
10601 Magnolia Avenue
Santee, California
October 12, 2016**

This Regular Meeting of the Santee City Council, the CDC Successor Agency and the Santee Public Financing Authority was called to order by Vice Mayor/Agency Vice Chair/Authority Vice Chair Jack E. Dale at 7:05 p.m.

Council Members present were: Vice Mayor/Agency Vice Chair/Authority Vice Chair Jack E. Dale and Council/Agency/Authority Members Ronn Hall, Rob McNelis and John Minto. Mayor/Agency Chair/Authority Chair Randy Voepel entered the meeting at 7:11 p.m.

Officers present were: City Manager/Executive Director/Authority Secretary Marlene Best, City/Agency/Authority Attorney Shawn Hagerty and City Clerk/Agency Secretary Patsy Bell.

(Note: Hereinafter the titles Mayor, Vice Mayor, Council Member, City Manager, City Attorney and City Clerk shall be used to indicate Mayor/Agency Chair/Authority Chair, Vice Mayor/Agency Vice Chair/Authority Vice Chair, Council/Agency/Authority Member, City Manager/Executive Director/Authority Secretary, City/Agency/Authority Attorney and City Clerk/Agency Secretary.)

The **INVOCATION** was given by Vice Mayor Dale and the **PLEDGE OF ALLEGIANCE** was led by John Cipro.

ITEMS TO BE ADDED, DELETED OR RE-ORDERED ON AGENDA: None

- (A) **Approval of reading by title only and waiver of reading in full of Ordinances and Resolutions on the agenda.**
- (B) **Approval of Meeting Minutes of the Santee City Council, the CDC Successor Agency and the Santee Public Financing Authority for the September 14, 2016 Regular Meetings.**
- (C) **Approval of Payment of Demands as presented.**
- (D) **Rejection of three claims against the City by Ajamu Shaw, Jared Murillo Brown and Daniel Johnson per Government Code Section 913.**

ACTION: On motion of Council Member Minto, seconded by Council Member Hall, the Agenda and Consent Calendar were approved as presented with all voting aye, except Mayor Voepel who was absent.

2. PUBLIC HEARING:

- (A) **Public Hearing and First Reading of an Ordinance amending Chapter 9.74 of the Santee Municipal Code to regulate the personal, medical, and commercial use of marijuana.**

The Public Hearing was opened at 7:07 p.m.

City Attorney Hagerty provided a staff report and answered Council's questions.

PUBLIC SPEAKER:

Speaking in support was Lisa Bridges, Santee Solutions.

ACTION: On motion of Council Member Minto, seconded by Council Member McNelis, the Public Hearing was closed at 7:11 p.m., the Ordinance was approved for First Reading and the Second Reading was set for October 26, 2016, with all voting aye, except Mayor Voepel who was absent.

During additional discussion, Vice Mayor Dale noted that the East County Chamber of Commerce is in support of the legalization of marijuana and that the cities of El Cajon, Lemon Grove and La Mesa have written letters to the East County Chamber of Commerce in opposition. He suggested that Santee send a similar letter.

ACTION: After further discussion, on motion of Council Member McNelis, seconded by Council Member Minto, staff was directed to send a letter to the East County Chamber of Commerce asking them to reconsider their position on the marijuana ballot measures with all voting aye, except Mayor Voepel who was absent.

3. ORDINANCES:

See Also Item 2(A)

- (A) **Recommendation from the Salary Setting Advisory Committee regarding compensation for the Mayor and City Council; review of committee bylaws; and introduction and First Reading of an Ordinance repealing Ordinance 482 and amending Section 2.08.010 of the Santee Municipal Code regarding Council salaries and Section 2.08.020 regarding the Mayor's salary.**

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Assistant to the City Manager Valverde introduced Keshav Damoor, Salary Setting Advisory Committee Chair, who provided a brief report outlining the process the Committee used when coming up with their recommendation for compensation of the Mayor and Council Member positions.

When discussing the requirements of committee membership, Council Member Minto suggested that all the members be Santee residents. City Attorney Hagerty answered Council's questions regarding the recommendations of the Committee.

MOTION: It was moved by Council Member Minto, seconded by Vice Mayor Dale, to provide a 2.5% salary increase for the Mayor and Council to be effective after the new term of office on January 1, 2017, a 2.5% increase effective July 1, 2017, an additional 2.5% increase effective July 1, 2018, and an increase to the auto allowance for the Mayor and Council to \$350 per month as recommended by the Committee.

WITHDRAWN MOTION: After further discussion, Council Member Minto withdrew his motion.

MOTION: On motion of Vice Mayor Dale, seconded by Council Member Minto, the amended Ordinance reflecting a salary increase of 5% and an auto allow increase to \$350 per month for the Mayor and Council Members to take effective January 1, 2017, with the Committee looking at it again after two years, was approved for First Reading and set for Second Reading on October 26, 2016, and further, the Committee membership requiring Committee Members to be Santee residents was approved with all voting aye, except Council Member Hall who voted no.

- (B) Introduce and set for Public Hearing an Ordinance rescinding Chapters 15.02, 15.04, 15.06, 15.08, 15.10, 15.12, 15.16, 15.18 and 15.22 of Title 15 of the Santee Municipal Code entitled "Building And Construction," in their entirety and adopting by reference the 2016 California Building Standards Code, including the 2016 California Administrative Code, the 2016 California Building Code, the 2016 California Residential Code, the 2016 California Electrical Code, the 2016 California Mechanical Code, the 2016 California Plumbing Code, the 2016 California Energy Code, the 2016 California Historical Building Code, the 2016 California Existing Building Code, the 2016 California Green Building Standards Code, the 2016 California Fire Code, and the California Referenced Standards Code, together with modifications, additions, and deletions thereto.**

Director of Development Services Kush introduced Senior Management Analyst Romstad who presented the staff report and answered Council's questions.

ACTION: On motion of Council Member Minto, seconded by Council Member Hall, the Ordinance was approved for First Reading and the Public Hearing and the Second Reading were set for October 26, 2016, with all voting aye.

4. CITY COUNCIL ITEMS AND REPORTS:

Vice Mayor Dale suggested Council may wish to consider rescheduling the November 9, 2016, Council meeting to November 16, 2016, due to the November 8 election. With Council concurrence, staff was directed to bring this item back to the next meeting.

5. CONTINUED BUSINESS: None

6. NEW BUSINESS:

- (A) Consideration of a request to detach a 0.19-acre portion of land from the City of Santee. (Applicant: Lakeside Investment Company)**

Director of Development Services Kush introduced the item and Senior Planner O'Donnell presented the staff report utilizing a PowerPoint presentation and answered Council's questions.

PUBLIC SPEAKERS:

Speaking in support and answering Council's questions were Rich Miller of Metroplan, LLC, representing Hillside Meadows, and Randy Lang of Lakeside Investments.

ACTION: On motion of Council Member Minto, seconded by Council Member Hall, staff was directed to proceed with the request for detachment of the land from City of Santee with all voting aye.

- (B) Resolution authorizing the purchase of one new 2017 Ford F-250 cab and chassis with utility body from Downtown Ford Sales per State of California Contract #1-16-23-20A and declaring one vehicle surplus property. (Reso 097-2016)**

Director of Fire and Life Safety Smith presented a brief staff report.

ACTION: On motion of Council Member Hall, seconded by Council Member Minto, the Resolution authorizing the purchase of one new 2017 Ford F-250 4x2 Cab and Chassis with added utility body from Downtown Ford Sales for an amount not to exceed \$44,376.99; authorizing purchase of other miscellaneous accessories from other vendors for an additional amount not to exceed \$6,903.01; declaring Vehicle V#096, a 1997 Ford F-250 service truck, surplus upon receipt and acceptance of the new vehicle and directing sale of surplus vehicle at public auction; and authorizing the City Manager to execute all necessary documents was adopted with all voting aye.

Draft

- (C) **Resolution authorizing an additional funding source to the existing Professional Services Agreement with Marion B. Borg Environmental Consulting for “as needed” planning and environmental services on land development projects that would be both developer funded and grant funded. (Reso 098-2016)**

Director of Development Services Kush presented the staff report and answered Council's questions.

ACTION: On motion of Council Member McNelis, seconded by Council Member Hall, the Resolution authorizing the additional funding source to the Professional Services Agreement with Marion B. Borg Environmental Consulting for “as needed” planning and environmental services on land development projects that would be both developer funded and grant funded was adopted with all voting aye.

7. **COMMUNICATION FROM THE PUBLIC:** None

8. **CITY MANAGER REPORTS:** None

9. **CDC SUCCESSOR AGENCY:**
(Note: Minutes appear as Item 1(B))

- (A) **Resolution amending professional services agreements for Tax Allocation Refunding Bonds Financial Advisor and Disclosure Counsel. (Reso CDCSA 005-2016)**

Finance Director/Treasurer McDermott presented the staff report and answered Council's questions.

ACTION: On motion of Council Member Hall, seconded by Council Member Minto, the Resolution amending the professional services agreements with KNN Public Finance financial advisory services and Quint & Thimmig LLP for disclosure counsel services was adopted with all voting aye.

10. **SANTEE PUBLIC FINANCING AUTHORITY:**
(Note: Minutes appear as Item 1(B))

11. **CITY ATTORNEY REPORTS:** None

Draft

Council Members recessed at 7:47 p.m. and convened in Closed Session at 7:52 p.m. with all Members present.

12. CLOSED SESSION:

- (A) **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): one case
Name of Case: Claim filed by Michael Moore pursuant to the Government Claims Act.
- (B) **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): one case
Name of Case: Claim filed by Jason Browning pursuant to the Government Claims Act.

Council Members reconvened in Open Session at 8:06 p.m. with all Members present. Vice Mayor Dale reported that a settlement was approved unanimously for 12(A) and direction was given to staff for 12(B).

13. ADJOURNMENT:

There being no further business, the meeting was adjourned at 8:07 p.m.

Date Approved: November 29, 2016

Patsy Bell, CMC, City Clerk, Agency Secretary
and for Authority Secretary Marlene Best

Minutes

Draft

**Santee City Council
CDC Successor Agency
Santee Public Financing Authority**

**Council Chambers
10601 Magnolia Avenue
Santee, California
October 26, 2016**

This Regular Meeting of the Santee City Council, the CDC Successor Agency and the Santee Public Financing Authority was called to order by Vice Mayor/Agency Vice Chair Jack E. Dale at 7:00 p.m.

Council Members present were: Vice Mayor/Agency Vice Chair/Authority Vice Chair Jack E. Dale and Council/Agency/Authority Members Ronn Hall, Rob McNelis and John Minto. Mayor/Agency Chair/Authority Chair Randy Voepel was absent.

Officers present were: City Manager/Agency Executive Director/Authority Secretary Marlene Best, City/Agency/Authority Attorney Shawn Hagerty and City Clerk/Agency Secretary Patsy Bell.

(Note: Hereinafter the titles Mayor, Vice Mayor, Council Member, City Manager, City Attorney and City Clerk shall be used to indicate Mayor/Agency Chair/Authority Chair, Vice Mayor/Agency Vice Chair/Authority Vice Chair, Council/Agency/Authority Member, City Manager/Agency Executive Director/Authority Secretary, City/Agency/Authority Attorney and City Clerk/Agency Secretary.)

The **INVOCATION** was given by Vice Mayor Dale and the **PLEDGE OF ALLEGIANCE** was led by Hailey Balch.

PROCLAMATION: Interfaith Awareness Week – August 6-10, 2017

Vice Mayor Dale presented the proclamation to Reverend Dr. Albert in honor of Interfaith Awareness Week.

PROCLAMATION: Pancreatic Cancer Awareness Month – November 2016

Vice Mayor Dale presented the proclamation to Russell Gold who accepted the proclamation on behalf of Shannon Lee whose mother, Darla Gliptis, recently lost her battle with pancreatic cancer.

Added item:

CERTIFICATE OF APPRECIATION: Sue Richardson

City Manager Best presented the Certificate of Appreciation to Community Services Manager Sue Richardson who will be the new Director of Community Services for the City of La Mesa and thanked her for her outstanding service to Santee.

Draft

Vice Mayor Dale recognized former Council Member Roy Woodward, who was in attendance at the Council meeting.

ITEMS TO BE ADDED, DELETED OR RE-ORDERED ON AGENDA:

Council Member Hall registered a no vote on Item 1(F) and Vice Mayor Dale stated that two speaker slips were submitted for Item 1(G), therefore it will be removed for discussion.

- (A) **Approval of reading by title only and waiver of reading in full of Ordinances and Resolutions on the agenda.**
- (B) **Approval of Meeting Minutes of the Santee City Council, the CDC Successor Agency and the Santee Public Financing Authority for the September 28, 2016 Regular Meetings.**
- (C) **Approval of Payment of Demands as presented.**
- (D) **Approval of the expenditure of \$62,333.20 for September 2016 Legal Services and related costs.**
- (E) **Second Reading and adoption of an Ordinance amending Chapter 9.74 of the Santee Municipal Code to regulate the personal, medical and commercial use of marijuana. (Ord 543)**
- (F) **Second Reading and adoption of an Ordinance repealing Ordinance 524 and amending Section 2.08.010 of the Santee Municipal Code regarding Council salaries and Section 2.08.020 regarding the Mayor's salary. (Ord 544)**
- (G) **Item removed for discussion.**
- (H) **Adoption of a Resolution waiving minor bid irregularity and authorizing award of the contract for EMS Supplies (Bid 16/17-20024) to Bound Tree Medical, LLC for an amount not to exceed \$71,842.67 for the remainder of FY 2016-17 and authorizing the City Manager to approve three (3) additional 12-month options to renew, and allowable annual increases, if any, along with the corresponding purchase orders and approve annual change orders up to 10% of the then-current contract amount. (Reso 100-2016)**
- (I) **Adoption of a Resolution accepting the City Hall HVAC Replacement Project (CIP 2012-41) as complete and directing the City Clerk to file a Notice of Completion. (Reso 101-2016)**
- (J) **Resolution accepting the Citywide CMP Lining and Rehabilitation Program (CIP 2013-24) as complete and directing the City Clerk to file a Notice of Completion. (Reso 102-2016)**

Draft

ACTION: On motion of Council Member Hall, seconded by Council Member McNelis, the Agenda and Consent Calendar were approved as amended with all voting aye, except Council Member Hall who voted no on Item 1(F) and Mayor Voepel who was absent.

Item removed from Consent Calendar:

- (G) **Adoption of a Resolution supporting the request to detach an approximate 0.194-acre portion of Assessor Parcel Number 379-024-23-00 from the City of Santee and the annexation of this property to the County of San Diego and the Lakeside Fire Protection District; making determination under the California Environmental Quality Act. Applicant: Lakeside Investment Company, L.P. (Reso 099-2016)**

PUBLIC SPEAKERS:

Asking questions regarding the project were Lakeside residents Michelle Swope and Greg Chandler.

Senior Planner O'Donnell answered questions regarding the detachment of the property from Santee. He referred the speakers for their specific project-related questions to the applicant, Lakeside Investment Company, L.P. and to the County of San Diego, whose jurisdiction the project falls under.

ACTION: On motion of Council Member Minto, seconded by Council Member Hall, making the determination under the California Environmental Quality Act, the Resolution supporting the request to detach an approximate 0.194-acre portion of Assessor Parcel Number 379-024-23-00 from the City of Santee and the annexation of this property to the County of San Diego and the Lakeside Fire Protection District was adopted with all voting aye, except Mayor Voepel who was absent.

2. PUBLIC HEARING:

- (A) **Public Hearing for Conditional Use Permit P2016-1 allowing a private club with alcohol service at 8516 Magnolia Avenue in the General Commercial Zone (GC) Zone and finding the project exempt under the California Environmental Quality Act (CEQA) pursuant to Section 15301. Applicant: Veterans of Foreign Wars (Reso 103-2016)**

The Public Hearing was opened at 7:17 p.m. Director of Development Services Kush introduced Associate Planner Rios who presented the staff report utilizing a PowerPoint presentation and answered Council's questions.

PUBLIC SPEAKERS: Submitting speaker slips in support, but not speaking, were Eugene Michonski, CJ Walker and Roy Woodward.

Draft

ACTION: On motion of Council Member McNelis, seconded by Council Member Hall, the Public Hearing was closed at 7:18 p.m., Conditional Use Permit P2016-1 was found to be exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities) of the CEQA Guidelines, and the Resolution approving Conditional Use Permit P2016-1 was adopted with all voting aye, except Mayor Voepel who was absent.

- (B) **Public Hearing and Second Reading to adopt an Ordinance rescinding Chapters 15.02, 15.04, 15.06, 15.08, 15.10, 15.12, 15.16, 15.18 and 15.22 of Title 15 of the Santee Municipal Code Entitled "Building and Construction," in their entirety and adopting by reference the 2016 California Building Standards Code, including the 2016 California Administrative Code, the 2016 California Building Code, the 2016 California Residential Code, the 2016 California Electrical Code, the 2016 California Mechanical Code, the 2016 California Plumbing Code, the 2016 California Energy Code, the 2016 California Historical Building Code, the 2016 California Existing Building Code, the 2016 California Green Building Standards Code, the 2016 California Fire Code, and the California Referenced Standards Code, together with modifications, additions, and deletions thereto. (Ord 545)**

The Public Hearing was opened at 7:20 p.m. Director of Development Services Kush presented the staff report utilizing a PowerPoint presentation and answered Council's questions.

ACTION: On motion of Council Member Minto, seconded by Council Member McNelis, the Public Hearing was closed at 7:21 p.m. and the Ordinance was adopted with all voting aye, except Mayor Voepel who was absent.

3. ORDINANCES:

See Items 1(E), 1(F) and 2(B).

4. CITY COUNCIL ITEMS AND REPORTS:

- (A) **Consideration of rescheduling the November 9, 2016 Regular City Council meeting. (Dale)**

ACTION: On motion of Council Member Minto, seconded by Council Member Hall, the November 9, 2016, meeting was cancelled and rescheduled to November 16, 2016, and the City Clerk was directed to post the appropriate legal notices with all voting aye, except Mayor Voepel who was absent.

5. **CONTINUED BUSINESS:** None

6. **NEW BUSINESS:**

- (A) **Authorize the City Manager to execute a 3-year professional services agreement for “as needed” labor compliance services for capital improvement program projects.**

Director of Development Services Kush presented a brief staff report.

ACTION: On motion of Council Member Minto, seconded by Council Member Hall, the City Manager was authorized to execute a 3-year professional services agreement with Alliant Consulting Inc. for “as needed” labor compliance services in an amount not to exceed \$50,000 per fiscal year and the Director of Development Services was authorized to negotiate and issue task orders to complete the work with all voting aye, except Mayor Voepel who was absent.

- (B) **Resolution authorizing the City Manager to execute a professional services agreement with Kleinfelder, Inc. for the preparation of environmental documents, plans, specifications and estimates for the seismic safety retrofit of the Carlton Oaks Drive Bridge over Sycamore Creek. (CIP 2012-54) (Reso 104-2016)**

Director of Development Services Kush presented a brief staff report. Principal Senior Engineer Schmitz answered Council's questions.

ACTION: On motion of Council Member Hall, seconded by Council Member Minto, the Resolution authorizing the City Manager to execute a professional services agreement with Kleinfelder, Inc. in the amount of \$165,100 for the preparation of environmental documents, plans, specifications and estimates for the seismic safety retrofit of the Carlton Oaks Drive bridge over Sycamore Creek and authorizing staff to approve contract changes in an amount not to exceed \$10,000 was adopted with all voting aye, except Mayor Voepel who was absent.

- (C) **Resolution awarding the construction contract for the Town Center Community Park Memorial Flagpole Project (CIP 2016-34), appropriating proceeds from the Santee Bluegrass Festival and approving a categorical exemption pursuant to the California Environmental Quality Act (CEQA). (Reso 105-2016)**

Director of Development Services Kush introduced Principal Senior Engineer Schmitz who presented the staff report utilizing a PowerPoint presentation and answered Council's questions.

PUBLIC SPEAKER:

Steve Tadlock, Anton's Service, requested Council not deem his bid as non-responsive. He explained that although his company does not have the required C-10 license, one of his employees does, therefore he believes his bid is responsive.

During discussion, staff was asked to look into the matter of whether or not employee licenses could be considered in addition to the company's licenses.

ACTION: On motion of Council Member Minto, seconded by Council Member Hall, the Resolution deeming the bid submitted by Anton's Service, Inc. as a non-responsive bid, awarding the construction contract to GEM Industrial Electric, Inc. for a total amount of \$29,100.00, authorizing the City Manager to execute the contract and the Director of Development Services to approve change orders in an amount not to exceed \$2,910.00, appropriating \$6,700 in the Recreation Revolving Fund from the proceeds of the Santee Bluegrass Festival, and approving a categorical exemption pursuant to the CEQA was adopted with all voting aye, except Council Member McNelis who voted no, and Mayor Voepel who was absent.

7. COMMUNICATION FROM THE PUBLIC:

- Rich Setzer spoke regarding an upcoming Dogs on Deployment event.
- Chris Balch, representing the Santee Firefighters Association, clarified information regarding the Firefighters that was recently reported in an East County Californian article.

8. CITY MANAGER REPORTS: None

9. CDC SUCCESSOR AGENCY:
(Note: Minutes appear as Item 1(B))

10. SANTEE PUBLIC FINANCING AUTHORITY:
(Note: Minutes appear as Item 1(B))

Draft

11. **CITY ATTORNEY REPORTS:** None

12. **CLOSED SESSION:** None

13. **ADJOURNMENT:**

There being no further business, the meeting was adjourned at 7:49 p.m.

Date Approved: November 29, 2016

Patsy Bell, CMC, City Clerk, Agency Secretary
and for Authority Secretary Marlene Best

Draft

Minutes

**Santee City Council
CDC Successor Agency
Santee Public Financing Authority**

**Council Chambers
10601 Magnolia Avenue
Santee, California**

November 9, 2016

This Regular Meeting of the Santee City Council, the CDC Successor Agency, and the Santee Public Financing Authority was cancelled by Council action taken at the Regular Meeting held on October 26, 2016.

Date Approved: November 29, 2016

Patsy Bell, CMC, City Clerk and for
Authority Secretary Marlene Best

City of Santee
COUNCIL AGENDA STATEMENT

1C

MEETING DATE November 29, 2016

AGENDA ITEM NO.

ITEM TITLE **TWO CLAIMS AGAINST THE CITY BY DOUGLAS SPAGENSKI AND KIM RUIZ**

DIRECTOR/DEPARTMENT Jessie Bishop, Director of Human Resources & Risk Management



SUMMARY

Two claims were filed against the City by Douglas Spagenski and Kim Ruiz. The claims have been reviewed by the City's Director of Human Resources and Risk Management prior to bringing them forward for consideration. The Director of Human Resources and Risk Management recommends the claims be rejected as provided in Government Code Section 913.

The claim documents are on file in the Office of the City Clerk for Council reference.

FINANCIAL STATEMENT *26 for Tim,* There is no financial impact to the City by rejecting claims.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MSB*

Reject claims as per Government Code Section 913.

ATTACHMENTS

None

City of Santee
COUNCIL AGENDA STATEMENT

1D

MEETING DATE November 29, 2016

AGENDA ITEM NO.

ITEM TITLE RESOLUTION APPROVING AN AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT FOR HEARTLAND COMMUNICATIONS FACILITY AUTHORITY

DIRECTOR/DEPARTMENT Richard Smith, Fire Chief *RS*

SUMMARY

The Heartland Communications Facility Authority (HCFA) is a Joint Powers Authority that currently provides fire service and medical dispatch for nine San Diego County agencies, including Santee. The original Agreement has been in effect since June 25, 1986. It has been amended several times since then to accommodate changing agency memberships and to revise contract language as necessary. The most recent amendment was in April of 2013 to define member agency terms and additional revised financial responsibilities.

A new draft Agreement has been amended and restated to reflect current membership of seven agencies (Coronado withdrew in Spring 2016), seven-year commitment, minimum call volume of 500 calls annually, clearer definition on HCFA Debt Obligation, weighted vote for CalPERS Financial issues only, and a buy-in fee to be paid by a new Member Agency in consideration of the existing equity in the Authority's assets. The referenced sections are included in the attached Proposed Amendments to JPA Document.

The HCFA Commission approved the draft Agreement on November 4, 2016. HCFA member agencies must approve the Amended and Restated Agreement before it can be adopted in final form by the Heartland Communications Facility Authority. A Resolution approving the Amended and Restated Agreement is attached. The target date for the agreement to take effect is January 1, 2017.

FINANCIAL STATEMENT *St. for Tim.*

There is no direct fiscal impact as a result of approving the amended JPA agreement. Santee's FY 2016-17 base HCFA membership assessment is \$342,744. The HCFA assessment is paid by the City's General Fund, with a portion reimbursed by County Service Area 69.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MSB*

Adopt Resolution approving Amended and Restated Joint Exercise of Powers Agreement for Heartland Communications Facility Authority.

ATTACHMENTS

Summary of Proposed Amendments to HCFA JPA Agreement
Resolution with attached Amended and Restated Joint Exercise of Powers Agreement

Summary of Proposed Amendments to the HCFA JPA Agreement:

1. Updates the list of member agencies
2. Seven-year commitment - (Section 8 "Withdrawal: Termination", page 12)
3. Minimum call volume of 500 calls annually for new member agencies - (Section 12 "Additional Parties to the Agreement", "A", page 14)
4. A buy-in fee to be paid by a new member agency in consideration of the existing equity in the Authority's assets - (Section 12, "B", page 14)
5. Weighted vote for CalPERS financial issues only - (Section 5, "Fiscal Year, Financing & Annual Budget", Sub-Section C "Assessments, Budget", #7 "Weighted Vote System", page 11)
6. Clearer definition on HCFA debt obligation - (Section 5, "Fiscal Year, Financing & Annual Budget", Sub-Section C "Assessments, Budget", #5, "Long Term Liabilities & Obligations", page 10)

RESOLUTION NO. __

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA,
APPROVING AN AMENDED AND RESTATED JOINT EXERCISE OF POWERS
AGREEMENT FOR HEARTLAND COMMUNICATIONS FACILITY AUTHORITY**

WHEREAS, the City of Santee is a member of the Heartland Communications Facility Authority for 911 computer-aided dispatching and records management related to fire and medical emergencies; and

WHEREAS, the Heartland Communications Facility Authority Commission has recommended to member agencies that they approve an Amended and Restated Joint Exercise of Powers Agreement which must first be approved by a majority of the current member agencies in order to be effective; and

WHEREAS, the City Council of the City of Santee finds it to be in the best interest of the Heartland Communications Facility Authority to approve the Amended and Restated Joint Exercise of Powers Agreement, attached hereto as Exhibit A and incorporated herein by reference; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santee, California, that the attached Amended and Restated Joint Exercise of Powers Agreement for Heartland Communications Facility Authority is approved and the City Manager is authorized to execute the Agreement on behalf of the City of Santee.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this _____ day of November 2016, by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

APPROVED:

RANDY VOEPEL, MAYOR

ATTEST:

PATSY BELL, CMC, CITY CLERK

**AMENDED AND RESTATED
JOINT EXERCISE OF POWERS AGREEMENT FOR
"HEARTLAND COMMUNICATIONS FACILITY AUTHORITY"**

A Joint Exercise of Powers Agreement was originally made and entered into on the 25th day of June, 1986, ("Original Agreement") amended at various times including on the 1st day of July, 2013, and most recently amended on the January 1, 2017 by and among the ALPINE FIRE PROTECTION DISTRICT, BONITA-SUNNYSIDE FIRE PROTECTION DISTRICT, CITY OF EL CAJON, CITY OF LA MESA, LAKESIDE FIRE PROTECTION DISTRICT, CITY OF LEMON GROVE, and the CITY OF SANTEE (collectively the "Member Agencies" and individually "Member Agency"), all of which are organized and existing under and by virtue of the laws of the State of California.

WITNESSETH:

WHEREAS, the Member Agencies desire to amend and restate the Original Agreement by this agreement ("Agreement"); and

WHEREAS, the Member Agencies are each empowered by law to acquire sites, construct, equip, staff, maintain, operate and lease public buildings and related facilities for the purpose of communications; and

WHEREAS, the Member Agencies desire to provide fire communication and related services, and equip, staff, and operate a regional public safety services communications facility, and to provide a vehicle for the accomplishment thereof; and

WHEREAS, the Member Agencies desire to accomplish the aforesaid purpose by jointly exercising their common powers in the manner set forth in this Agreement; and

WHEREAS, the Member Agencies are authorized to jointly exercise their powers pursuant to the provisions of Article 2, Chapter 4, Part 2, Division 2, Title 5, Sections 55631 through 55634, and Article 1, Chapter 5, Division 7, Title 1, Sections 6500 through 6530, of the Government Code of the State of California;

NOW, THEREFORE, the Member Agencies, for and in consideration of the mutual benefits, promises, and agreements set forth herein, AGREE as follows:

SECTION 1. Restatement and Purpose.

Except as otherwise provided in this Agreement, effective as of January 1, 2017 ("Effective Date"), this Agreement amends, restates, and supersedes in its entirety the Original Agreement.

This Agreement is made pursuant to California Government Code Section 6500, et seq., hereinafter referred to as the "Act," to permit the joint exercise of certain powers common to the Member Agencies. The purpose of this Agreement is to enable the Member Agencies to exercise these powers jointly by equipping, maintaining, operating and staffing a facility and providing emergency call receiving and dispatching services to the Member Agencies. Such purpose will be accomplished and common powers exercised in the manner set forth in this Agreement. This Agreement is not intended to impair obligations of the Member Agencies arising under the Original Agreement which exist as of the Effective Date of this Agreement. All pre-existing obligations, rights, and privileges of the Member Agencies shall continue hereunder, subject to the terms and conditions of this Agreement.

SECTION 2. Term.

This Agreement shall become effective as of the Effective Date hereof and shall continue indefinitely in full force and effect as long as the number of Member Agencies is not reduced below two (2), or until such time as the Member Agencies agree to amend, withdraw from, or terminate the Agreement, in the manner set forth in Section 8. In the event that the Member Agencies vote to merge or consolidate the Authority with another joint powers agency, and the Authority is not the surviving joint powers agency, this Agreement will terminate upon culmination of such merger or consolidation.

SECTION 3. Authority.

A. Creation of Authority.

Pursuant to Section 6506 of the Act, there is hereby created a public entity, separate and apart from the Member Agencies, to be known as the "Heartland Communications Facility Authority" ("Authority"). The Debt and Long Term Liabilities and Obligations of the Authority as defined in Sections 5(C)(5) and 5(C)(6) of this Agreement shall constitute the Debt and Long Term Liabilities and Obligations of the Member Agencies on a pro rata basis as set forth in Sections 5(C)(3) and 5(C)(4).

B. Commission.

The Authority shall be governed by a commission, which shall be called the "Heartland Communications Facility Commission" ("Commission") and which shall exercise the powers set forth in Section 4(B) of this Agreement. Each Member Agency shall have one seat on the Commission and may appoint one Primary Commissioner to fill that seat and one Alternate Commissioner to fill that seat in the absence of the Primary Commissioner. Such appointments shall be made from members of the governing body of the Member Agency in accordance with the Member Agency's policies and procedures. A Commissioner shall serve at the pleasure of the appointing Member Agency, except such appointee shall cease to be a Commissioner if he or she ceases to be a member of the governing body of the appointing Member Agency, or if

the appointing Member Agency ceases to be a party to this Agreement. Each appointing Member Agency shall notify the Secretary of their respective appointments. The Secretary shall notify each Member Agency of the appointments of the other parties.

C. Board of Chiefs.

Pursuant to Section 6508 of the Act, there is hereby created an administrative body, immediately subordinate to the Commission, to be known as the "Board of Chiefs" ("Board"), whose members are hereinafter referred to as "Chiefs", and which shall exercise the powers set forth in Section 4(C) of this Agreement. Each Member Agency shall have one primary Chief on the Board and one alternate Chief to fill that seat in the absence of the primary Chief. A Chief who represents more than one Member Agency shall have one vote for each agency he or she represents. A Chief, or his or her designee, shall serve at the pleasure of the Member Agency of which he or she is a representative, except he or she shall cease to be a Chief if he or she ceases to be the Fire Chief or the designee of the Fire Chief for the Member Agency, or if such Member Agency ceases to be a party to this Agreement. Each of the Member Agencies shall notify the Secretary of the names of its respective Chiefs, as applicable.

D. Management Advisory Committee

A Management Advisory Committee ("MAC") shall be made up of the City Managers of each of the member cities, and the Fire Chiefs of the member districts. A MAC representative shall serve at the pleasure of the Member Agency of which he or she is a representative, except he or she shall cease to be a MAC representative if he or she ceases to be the City Manager of the member city or Fire Chief of the member district, or if such Member Agency ceases to be a party to this Agreement. Each of the Member Agencies shall notify the Secretary of the names of its respective MAC representatives, as applicable.

E. Administration.

The Authority may employ a Director ("Director"). The Director shall be authorized to act on behalf of the Commission in all matters relating to the day to day operations of the Authority, implementation of the approved budget, and the direction of the personnel of the Authority under the general direction of the Board. The Director shall advise the Board and the Commission as requested in connection with any business relating to the Authority. The Director shall be hired by, report to, and serve at the pleasure of the Board, with the ratification of the Commission.

F. Attorney of the Authority.

The Attorney of the Authority shall be selected by the Commission and serve at the will of the Commission. The Attorney shall advise the Commission, the Board, and the HCFA Director as requested in connection with any business relating to the

Authority. The Commission may, as determined necessary, employ other counsel to represent and advise the Board and the Commission on business and/or other litigation.

G. Meetings of the Commission, the Board, and the MAC

(1) Regular and Special Meetings of the Commission.

The Commission shall provide for its regular meetings; however, it shall hold at least one regular meeting immediately prior to each April 30, at which meeting the Commission shall consider and adopt the preliminary budget for the Authority, with final adoption by July 31st, for the ensuing fiscal year. The Commission shall provide for such further special meetings as may be needed, depending upon the urgency of business, or as may reasonably be requested by any Commissioner. The date, hour, and location at which any regular meeting shall be held shall be fixed by resolution and a copy of such resolution shall be filed with each of the Member Agencies.

(2) Regular and Special Meetings of the Board.

The Board shall provide for its regular meetings; however, it shall hold at least one regular meeting each quarter. The Board may provide for further special meetings as may be needed, depending upon the urgency of business, or as may reasonably be requested of the Chair of the Board by a majority of the Chiefs. The date, hour, and location at which regular meetings shall be held shall be fixed by resolution and a copy of the resolution shall be filed with each of the Member Agencies.

(3) Meetings of the MAC

The MAC shall meet occasionally and as necessary but at least twice per year to review the proposed budget, financial performance, capital improvement program, financial reserves, and to provide advisement regarding operations and business matters to the Commission. One meeting shall be prior to budget adoption, a second meeting shall be a mid-year review. The role of the MAC shall be advisory only to the Commission. Meetings may be convened with reasonable notice to MAC members at the request of the MAC, Commission, Board, or Director at a reasonable time, date, and location. The MAC shall have no officers and because the role of the MAC shall be to provide review and advisement, no quorum shall be necessary for the MAC to conduct a meeting. A good faith effort will be made to contact all MAC members and to attain a majority of members to attend any scheduled meeting.

(4) Ralph M. Brown Act.

The Commission and the Board shall adopt rules for conducting their meetings and other business. All meetings of the Commission, the Board, and the MAC, including without limitation regular, adjourned regular, and special meetings, shall be called, noticed, and conducted in accordance with the provisions of the Ralph M. Brown

Act (commencing with Section 54950 of the Government Code of the State of California).

(5) Minutes.

The Secretary shall cause minutes of regular, adjourned regular, and special meetings to be kept, and shall, as soon as reasonably practicable after each meeting, provide a copy of the minutes to each Commissioner and each Chief, respectively, and to each of the Member Agencies.

(6) Quorum.

A majority of the Commission or Board shall constitute a quorum for the transaction of business by that body. A lesser number of each body may adjourn for lack of a quorum. No action shall be taken by either the Commission or the Board without an affirmative vote of approval by Commissioners or Board representing a simple majority of the total number of Member Agencies; provided, however, that voting on an action involving a CalPERS financial issue shall be by weighted voting as set forth in Section 5(C)(5) below.

H. Officers and Respective Duties.

(1) Chair and Vice Chair of the Commission.

The Commission shall elect a Chair and Vice Chair at its first regular meeting, and thereafter, at the first regular meeting held in each succeeding calendar year, the Commission shall elect or re-elect its Chair and Vice Chair. In the event the Chair or Vice Chair so elected ceases to be a Commissioner, the resulting vacancy shall be filled at the first meeting of the Commission held after such vacancy occurs. In the absence or inability of the Chair to act, the Vice Chair shall act as Chair. The Chair, or in his or her absence the Vice Chair, shall preside and conduct all meetings of the Commission.

(2) Secretary to the Commission.

The Director and/or designee shall be the Secretary to the Commission. The Secretary will keep minutes and will prepare an agenda for each meeting of the Commission and the Board. The Secretary will solicit agenda items for regular meetings at least fifteen working days in advance, and will distribute the agenda and supporting documentation in accordance with the provisions of the Ralph M. Brown Act. The Secretary will meet jointly with the Chair of the Board of Chiefs and Chair of the Commission at least ten working days in advance to develop the agenda. Agenda items will be supported by appropriate documentation and explanation. The Secretary will deliver the agenda and supporting documentation to each Commissioner, each officer of the Authority, and the Chair of the Board at least five working days prior to the scheduled meeting.

(3) Treasurer/Controller of the Authority.

The Treasurer/Controller shall be appointed by the Commission, attend the meetings of the Commission, and advise the Commission in connection with any accounting, budgetary, monetary, or other financial matters relating to the Authority. The duties and responsibilities of the Treasurer/Controller include, but are not limited to, those set forth in Government Code Sections 6505, 6505.5, and 6509.5, and shall include the following:

(a) Establish, with the Commission's approval, the annual budget format, accounts, and documentation pertaining thereto, which most nearly reflect the objectives of the Authority and the operation of the communications program;

(b) Establish and maintain the particular funds and accounts as required by generally accepted accounting practices and which most accurately and appropriately record and report the operations of the Authority as represented by the annual budget document;

(c) Enforce strict compliance with the approved annual budget and approve only expenditures authorized therein;

(d) Ensure that all available cash is at all times invested in a cash management program and investment portfolio pertaining thereto in accordance with the provisions of California Government Code Section 53600 et seq. He or she will further ensure that sufficient liquidity is maintained to meet the Authority's cash disbursement needs;

(e) Furnish quarterly revenue, expenditure, and funds status reports to the Chair of the Commission; coordinate an annual audit of the basic financial statements in accordance with generally accepted governmental auditing standards; and facilitate an annual agreed upon procedures review of the debts, liabilities, and obligations of the Authority according to each Member Agency's pro rata share of call volumes;

(f) Maintain an inventory of all property of the Authority with the power to designate the Authority Director as the custodian of such property;

(g) With advice from the Commission, obtain and maintain liability and casualty insurance for the Authority and for the property of the Authority, respectively; and

(h) Make all books and records of the Authority in his or her possession open to inspection at all reasonable times by representatives of the Member Agencies.

(4) Chair and Vice Chair of the Board.

The Board shall elect a Chair and Vice Chair at its first regular meeting of each calendar year. In the event that the Chair or Vice Chair so elected ceases to be a Chief, the resulting vacancy shall be filled at the first meeting of the Board held after such vacancy occurs. In the absence or inability of the Chair to act, the Vice Chair shall act as Chair. The Chair, or in his or her absence the Vice Chair, shall preside at and conduct all meetings of the Board.

(5) Secretary of the Board.

The Director or such person designated by the Director shall be the Secretary of the Board. The Secretary will keep minutes and will prepare an agenda for each meeting of the Board.

SECTION 4. Powers and Duties.

A. Authority.

The Authority shall have the powers common to the Member Agencies set forth in recitals of this Agreement, to wit: the power to acquire sites and construct, equip, staff, maintain, operate and lease public buildings, and related facilities for the purpose of communications.

The Authority is hereby authorized in its own name to perform all acts necessary for the exercise of common powers, including, but not limited to, any or all of the following:

- (1) To make and enter into contracts;
- (2) To employ agents and employees;
- (3) To acquire, construct, manage, maintain and operate any buildings, works or improvements;
- (4) To acquire, hold, or dispose of property within the County of San Diego;
- (5) To incur Debt and Long Term Liabilities and Obligations as defined in Sections 5(C)(5) and 5(C)(6);
- (6) To receive gifts, contributions and donations of property and funds, services, and other forms of financial assistance, from persons, firms and corporations, and any governmental entity;
- (7) To rent or lease communications services to public or non-public agencies; and
- (8) To sue and be sued in its own name.

Such powers shall be exercised in the manner provided in the Act, and, except as expressly set forth herein, are subject only to such restrictions as are imposed upon the City of El Cajon in the exercise of similar powers, pursuant to Government Code Section 6509. The Debt and Long Term Liabilities and Obligations of the Authority shall also be the Debt and Long Term Liabilities and Obligations of each of the Member Agencies on a pro rata basis according to each Member Agency's respective percentage of call volumes.

The Authority shall exercise aforesaid powers as needed to implement the purpose of this Agreement. Pursuant to Section 6504 of the Act, the Authority is empowered, and by this Agreement required, to assess the Member Agencies to finance the entire operation of the Authority in the manner set forth in this Agreement. The Authority may contract indebtedness for capital items only in the manner otherwise permitted by law. However, long-term financing shall be limited to the projected life term of the equipment or facility being financed, or a ten-year period, whichever is less.

B. Commission.

The Commission, as governing body of the Authority, shall formulate and set policy, including budget and purchasing policies, and shall exercise the powers set forth in Section 4(A) of this Agreement to accomplish its purpose. While the Commission retains full control and is responsible for the affairs of the Authority, it shall rely upon the Board for actual program development, implementation, and operation. The normal vehicle by and through which this shall be accomplished is the annual budget in the manner set forth in this Agreement.

C. Board.

The Board is the administrative arm of the Commission and is authorized to act on behalf of the Commission as necessary for the ordinary conduct of business. The Board is responsible to the Commission for development of a consolidated regional public safety services communications program, and for the leasing of facilities, acquisition of equipment, personnel staffing, and full-time maintenance and operation of the communications program.

The Board shall exercise its authority and responsibilities by and through its Chair, whose appointment is set forth in Section 3(H)(4) of this Agreement.

SECTION 5. Fiscal Year, Financing and Annual Budget.

A. Fiscal Year.

The Authority's fiscal year shall be the twelve-month period commencing each July 1.

The Authority shall operate only under an approved fiscal year budget. The Authority may not operate at a deficit.

B. Budget Reserve.

The Member Agencies shall pay for the entire operation of the Authority, using the annual expenditure budget to determine the total amount of assessment required. Each annual budget shall include a minimum reserve for Contingency equal to ten percent (10%) of otherwise budgeted and approved expenditures ("Reserve"). Money may be expended from this Reserve only with the express approval of the Commission. Any unexpended balance of the Reserve shall roll over as the beginning balance of the subsequent fiscal year. The total assessment against the Member Agencies may be reduced by expected revenue from executed contracts for dispatch services to public and non-public agencies and by unexpended or unobligated monies available at the end of the fiscal year prior to the year for which the budget is applicable.

C. Assessments, Budget.

The Commission, in adopting an annual budget, thereby fixes the assessment against the Member Agencies and Contract Agencies, which is binding thereon, except as otherwise set forth in this Agreement regarding default or withdrawal. The amount of assessment against an individual Member Agency shall be determined, and specified in the budget, in accordance with criteria set forth in a budget policy established by Resolution.

The budget policy shall include, but need not be limited to, the following:

(1) Assessment.

Assessments shall be determined for both Member and Contract Agencies based on adopted assessment rate(s) and estimated call volume from the previous calendar year. Assessment rates shall be set by action of the Commission no less than six months in advance of the effective date, notwithstanding exceptional events as determined by the Commission. Rates shall be set on a per-call basis to address the agency's long-term operating and capital needs in a way to maximize rate stability.

(2) Payment of Assessment.

Upon adoption of the fiscal year budget by the Commission, and the forwarding thereof to the governing bodies of the Member Agencies by the Secretary, the assessments fixed therein are automatically due and payable without further notice as follows:

July 15:	35%	of total assessment
October 15:	25%	of total assessment
January 15:	25%	of total assessment
April 15:	15%	of total assessment

The Commission may set a different payment schedule to accommodate the purchase of capital items, if sufficient monies would not otherwise be on hand to pay for such purchases.

A five percent (5%) late charge shall be imposed upon assessment payments not received by the Authority within forty-five (45) calendar days following mailing of a notice of assessments. An additional five percent (5%) shall be imposed if payment is not made within an additional thirty (30) calendar days. If an assessment including late charges, if any, is not paid in full within seventy-five (75) calendar days following any scheduled due date, the Member Agency shall be in default and subject to termination as a member of the Authority as provided under Section 8 of this Agreement. Upon termination of a Member Agency in default, all outstanding obligations or assessments under this Section shall become immediately due and payable. Upon withdrawal by or termination of a Member Agency, payment of Debt incurred under this section shall be governed by Section 8 of this Agreement.

(3) Operation and Maintenance Expenses.

The costs of operating and maintaining a communications facility and the communications and computer equipment housed therein shall include, but are not limited to, personnel salaries and benefits, office and computer supplies and other consumables, payments to lease a facility, and replacement parts necessary to repair equipment due to normal wear and tear from ordinary usage.

(4) Capital Expenditures.

Capital expenditures shall include the cost of original purchase of communications and computer equipment, hardware and other fixed asset type items, typically having a useful life of more than two years, including equipment improvements and additions, as opposed to replacement parts for ordinary maintenance during the useful life of the capital items. All costs associated with such purchase, such as installation, shall be capitalized. Replacement of equipment at the end of its useful life shall be a capital item.

Assessment of Member Agencies for capital expenditures shall be in accordance with the formula for operating expenses set forth in subdivision (1), above. Capital expenditures incurred for and unique to a minority of the Member Agencies shall be equally shared by such minority. The Commission may set up special cost allocation for these purchases, but all members funding the purchase must approve of the allocation.

(5) Long Term Liabilities and Obligations.

“Long Term Liabilities and Obligations” shall be defined as obligations incurred through the conduct of business payable more than one year into the future, and therefore not within the current fiscal year and annual budget, and may include any unfunded or under-funded or termination funding of employee benefit related expenses, including but not limited to compensated employee absences, OPEB Health Cost, CalPERS Risk Pool Unfunded Liability and the CalPERS Net Unfunded Termination Liability. Each Member Agency recognizes that the Authority’s CalPERS Net Unfunded Termination Liability may not be capable of precise calculation at the time a Member Agency withdraws or is terminated by the Commission. Nevertheless, each Member

Agency agrees that upon withdrawal or termination it shall be liable to the Authority for a period of 5 years from the date of its withdrawal or termination for payment of its pro rata share of such Net Unfunded Termination Liability as and when such liability becomes due and payable.

(6) Debt and Debt Financing.

“Debt” shall be defined as an obligation incurred by the use of borrowed monies to be repaid in the future to purchase facilities, equipment or to pay for operational obligations. On behalf of the Authority, the Commission may approve purchase of items or improvements using debt financing.

(7) Weighted Vote System.

Except as expressly provided for herein, the Commissioner and Board representative for each Member Agency shall have one vote of equal value when a vote by the Commission or the Board is taken. A Chief who represents more than one Member Agency shall have one vote for each agency he or she represents. However the “Weighted Vote System” shall be used by the Commission or the Board when voting upon any CalPERS *financial* issue of the Authority. Each Member Agency will not have the same amount of influence over the outcome of these specific matters.

When the Commission or Board takes a vote upon a CalPERS financial issue, the Commissioner or Board representative for each Member Agency shall have a weighted vote equal to the total number of Member Agencies times a fraction, the numerator of which is the total incident call volume attributable to the Member Agency represented by the Commissioner or Board representative during the prior calendar year, and the denominator of which shall be the Authority’s total incident call volume for the same time period. This allocation is likely to result in a Commissioner or Board representative having a fractional vote, e.g., one Commissioner or Board representative may have 1.25 votes, while another may have 0.75 votes.

D. Budget Administration

The Board has the authority to fully implement the approved budget. The Director, with the approval of the Board, may recommend expenditures and budgetary transfers or adjustments. However, neither the Director nor the Board may authorize personnel staffing in excess of that authorized in the budget in number, position classification, or salary. In addition, neither the Director nor the Board may alter the capital budget, utilize the Reserve for contingency, or increase the total amount of the approved expenditure budget without Commission approval.

SECTION 6. Personnel.

A. The Authority may employ a Director and any other individuals deemed necessary to staff the communications program. The positions must be authorized and funded in the Authority’s annual budget.

B. The Director, with oversight of the Board, is authorized to act on behalf of the Board in all matters of personnel administration given the positions and funding authorized by the Commission in the Authority's budget. This includes, but is not limited to, hiring, supervisory direction, performance evaluations, disciplinary matters, and terminations.

C. The Board, subject to approval by the Commission, may employ the Director and communications dispatchers, to be known as "Fire Communications Dispatchers," and individuals to fill any other positions deemed necessary. The positions must be authorized and funded in the Authority's annual budget.

SECTION 7. Dispatch Service to Other Agencies.

The Authority may provide dispatch service to public agencies and non-public agencies not a party to this Agreement, but only upon the majority vote of the Commission. Such service shall be by contract, executed by the Chair of the Board on behalf of the Authority. The Commission shall establish by contract, the amount of charge for the service.

SECTION 8. Withdrawal; Termination.

Each Member Agency shall remain a party to this Agreement, and share in the costs of operation of the communications center until June 30, 2023, and continuing thereafter until this Agreement is terminated or until the Member Agency ceases to be a party to this Agreement. If, in the interim, any Member Agency defaults on payment of any assessment as defined in Section 5(C)(5) and 5(C)(6), or otherwise breaches this Agreement, such Member Agency shall be subject to termination as a member of the Authority by vote of the Commission. The terminated Member Agency remains liable for the defaulted payment and late charges for the balance of the year's assessment and, in the event of termination prior to June 30, 2023, for assessments for years through June 30, 2023. Such subsequent assessments will be determined as if the terminated Member Agency is still a member of the Authority using the Member Agency's call volume for the preceding complete fiscal year in which it was a member; the assessment will be due and payable in full on July 30 of the fiscal year for which levied. Such terminated Member Agency shall also be liable for its pro rata share of Debt and Long Term Liabilities and Obligations as defined in Sections 5(C)(5) and 5(C)(6).

After June 30, 2023, any Member Agency defaulting on payment shall be subject to termination by a vote of the Commission and shall be liable for any defaulted payments, late charges, and its pro rata share of Debt and Long Term Liabilities and Obligations as defined in Sections 5(C)(5) and 5(C)(6).

A Member Agency may withdraw as a party to this Agreement without penalty commencing on June 30, 2023, or on any June 30 thereafter, with one hundred eighty (180) days' prior notice to the Authority. Such withdrawing Member Agency shall

perform all obligations under this Agreement until the noticed June 30 date of withdrawal.

Notwithstanding the above, any Member Agency which withdraws shall be obligated to pay to the Authority a sum equal to said Member Agency's assessment for the fiscal year ending on the date of withdrawal. Further, a withdrawing Member Agency shall pay its pro rata share of the remaining balance of such Debt and Long Term Liabilities and Obligations that exists on the date of withdrawal; payment of the full amount shall be made within 30 days of the withdrawal date.

The Authority retains the right to seek legal redress, if necessary, to obtain payment of amounts due. The Authority is entitled to recover costs and attorney's fees related to such legal redress. A terminated Member Agency or a Member Agency that withdraws forfeits any claim to any assets of the Authority.

SECTION 9. Dissolution.

This Agreement shall terminate and the Authority shall be dissolved if the number of parties to this Agreement becomes less than two, or if the parties unanimously agree to terminate this Agreement. In either instance, dissolution shall only be effective upon a June 30th, but shall in no event be effective until the requirements of Section 10 are satisfied. Should dissolution occur, all remaining members shall be responsible for winding down costs, including all required audits, notwithstanding other provisions in this Agreement.

SECTION 10. Disposition of Assets.

A. This Agreement may not be terminated and there shall be no disposition of assets made to parties to the Agreement until the Authority reasonably exhausts all means of collecting any monies due to the Authority. The Commission must formally accept a final accounting prepared by the Treasurer/Controller before any final disposition of net assets may be made and termination of this Agreement consummated.

B. If the cause for termination was reduction of the number of parties to the Agreement to less than two, all net assets of the Authority shall become the property of the sole remaining party to the Agreement.

C. If the cause for termination is mutual agreement, the total dollar amount of the net assets shall be apportioned among such parties according to the relative assessments paid by those parties during the entire term of the Agreement.

D. In no event shall assets be transferred to Member Agencies until all Debts, Long Term Liabilities and Obligations are retired.

SECTION 11. Amendment to Agreement.

This Agreement may only be amended by simple majority vote of all the Member Agencies. The Commission shall initiate any proposed amendment by requesting a formal recommendation from the Board. The Commission shall then forward the proposed amendment with the Board's recommendation to the governing body of each Member Agency. The proposal shall be accompanied by a copy of the proposed amendment to the Agreement, which shall be adopted, properly executed, and returned to the Commission if the Member Agency concurs with the amendment. The Secretary shall notify each party of the resultant action.

SECTION 12. Additional Parties to the Agreement.

Public agencies, as defined in the Act, which are not parties hereto, may become parties hereto only by amendment of this Agreement as provided in Section 11 hereof, and subject to the following terms and conditions, which shall be specified in the amendment:

A. A provision specifying that, for purposes of the calculation of assessment expense allocations as set forth in Section 5(C)(1) and 5(C)(2), a minimum of 500 calls shall be attributed to the new Member Agency for a specified number of years.

B. A buy-in fee to be paid by the new Member Agency in consideration of the existing equity in the Authority's assets.

Upon approval of the amendment by a majority of the Member Agencies as set forth in Section 11, the new Member Agency shall execute the amendment consenting to be bound by all terms of this Agreement as amended and, upon execution of the amendment by a duly authorized representative of the Commission attesting that the requisite vote of the Member Agencies approving the amendment has been obtained, the public agency shall become a Member Agency with all rights and privileges and subject to all obligations and liabilities thereof.

SECTION 13. Severability.

Should any part, term, portion, or provision of this Agreement or the application thereof to any person or in any circumstances, be in conflict with any State or Federal law, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, portions or provisions, or the application thereof to other persons or circumstances, shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to continue to constitute the Agreement that the parties intended to enter into in the first instance.

SECTION 14. Hold Harmless.

Each Member Agency shall defend, indemnify, and save all other individual Member Agencies and the Member Agency and Authority harmless from any and all claims arising out of that individual Member Agency's negligent performance of this Agreement. Any loss or liability resulting from the negligent acts, errors, or omissions of the Commission, Board, Director, or staff, while acting within the scope of their authority under this Agreement, shall be borne by the Authority exclusively. The provisions of this Section 14 shall survive the termination or expiration of this Agreement.

SECTION 15. Successors.

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto.

SECTION 16. Notice to State.

A notice of the creation of the Authority by this Agreement, and/or any amendments to this Agreement, shall be filed by the Authority with the Secretary of State pursuant to Section 6503.5 of the Act.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed as of the day and year first above written.

ALPINE FIRE PROTECTION DISTRICT

Attest:

By: _____

Its: _____

BONITA-SUNNYSIDE FIRE PROTECTION DISTRICT

Attest:

By: _____

Its: _____

CITY OF EL CAJON

Attest:

By: _____

Its: _____

CITY OF LA MESA

Attest:

By: _____

Its: _____

LAKESIDE FIRE PROTECTION DISTRICT

Attest:

By: _____

Its: _____

CITY OF LEMON GROVE

Attest:

By: _____

Its: _____

CITY OF SANTEE

Attest:

By: _____

Its: _____

City of Santee
COUNCIL AGENDA STATEMENT

1E

MEETING DATE November 29, 2016

AGENDA ITEM NO.

ITEM TITLE **AUTHORIZE THE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH TRISTAR RISK MANAGEMENT FOR THIRD PARTY ADMINISTRATION OF WORKERS' COMPENSATION CLAIMS**

DIRECTOR/DEPARTMENT Jessie Bishop, Director of Human Resources/Risk Management



SUMMARY

The City of Santee has been contracting with TRISTAR Risk Management for Workers' Compensation claims administration since August 1995. The contracting arrangement was through the City's former Joint Powers Authority (JPA), SANDPIPA, as multiple member cities were involved.

In July 2015, SANDPIPA dissolved and TRISTAR agreed to continue its contract until July 31, 2016. Now, the City needs to enter into an individual agreement with TRISTAR. This proposed agreement contains the same pricing arrangement as the City had through SANDPIPA.

Ag. for T.M

FINANCIAL STATEMENT Funding for this agreement is included in the FY 2016-17 adopted General Fund operating budget.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION



Authorize the City Manager to execute a professional services agreement with TRISTAR Risk Management to provide Workers' Compensation claims administration services.

ATTACHMENTS

Professional Services Agreement

Claims Services Agreement

AGREEMENT made this 1st day of August, 2016 by and between **TRISTAR Risk Management**, a California corporation having its principal place of business at 100 Oceangate, Suite 700, Long Beach CA 90802 (“TRISTAR”), and the **City of Santee**, a charter city organized and operating under the laws of the State of California having its principal place of business at 10601 Magnolia Ave., Santee, CA 92071 (“Customer”).

WHEREAS, Customer has a self-insured retention program with respect to workers’ compensation claims and claim expenses pertaining to Customer’s business (“SIR Program”) with a retention level of Three Hundred Fifty Thousand (\$350,000) dollars (“Retention Level”); and

WHEREAS, Customer represents and warrants that it is a qualified self-insured under applicable state law; and

WHEREAS, Customer has the sole responsibility to provide for competent claims administration and claims funding with respect to claims and/or losses and claims expenses arising within the SIR Program; and

WHEREAS, Customer desires to engage TRISTAR as the claims administrator with respect to those claims and/or losses arising under the SIR Program, including certain claims that were previously handled by Customer or any other entity; and

WHEREAS, TRISTAR desires to accept such engagement pursuant to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the terms, conditions and other agreements set forth herein, TRISTAR and Customer hereby agree as follows:

1. Term

The term (“Term”) of this Agreement shall commence at 12:00 A.M. on August 1, 2016 (“Effective Date”) and shall remain in effect unless and until terminated in accordance with the provisions of Section 9 of this Agreement.

2. Engagement, Duties, and Authority of TRISTAR

2.1 Customer hereby engages TRISTAR and TRISTAR hereby accepts such engagement as the claims administrator to represent and act for Customer with respect to all claims arising under the SIR Program, reported to TRISTAR during the Term, and assigned to TRISTAR by Customer (“Claims”). Claims shall consist of:

- i) “*Takeover Claim(s)*” which shall be defined as any Claim reported to TRISTAR that has been handled by Customer or any preceding manager or administrator prior to being assigned to TRISTAR and is open and pending as of the Effective Date; and
- ii) “*Newly Reported Claim(s)*” which shall be defined as any Claim other than Takeover Claims.

2.2 The terms and conditions of this Agreement will continue to apply during the Term and during any period Claims continue to be handled by TRISTAR. In consideration of payment of the agreed-upon fees as set forth in this Agreement, TRISTAR agrees to perform the following services (“Services”) during the Service Period as defined in

Schedule A and any extension or renewal thereof, if applicable, with respect to the Claims. Subject to the authority limits stated below, TRISTAR shall:

- 2.2.1** provide to Customer the following basic services (“Basic Services”):
- i) establish and maintain an electronic file with respect to each Claim (“Claim File”); such Claim Files shall include accurate records and accounts of all transactions with respect to Claims; and be maintained in accordance with prudent standards of record keeping;
 - ii) conduct analysis of Claims to determine their validity and compensability in accordance with Claims’ guidelines as may be agreed to by TRISTAR and Customer;
 - iii) establish case-specific reserves, adjust, resist, deny and/or settle Claims at the direction of and with the approval of the Customer;
 - iv) make all payments for Claim and Allocated Loss Adjustment Expenses (as defined in Section 12) on checks drawn against a Claim payment checking account (“Account”) maintained by Customer pursuant to Subsections 3.1.4 and 4.1;
 - v) upon approval or at the direction of Customer, use legal counsel where appropriate and assist legal counsel in the preparation of cases for hearings, trials and/or appeals;
 - vi) pursue, as deemed appropriate by TRISTAR, reasonable possibilities of subrogation, contribution, or indemnity (not insurance or reinsurance recoveries) on behalf of Customer and deposit all recovery amounts in an account until paid over to Customer;
 - vii) refer all regulatory complaints to Customer and cooperate with Customer to resolve such complaints;
 - viii) report cases involving suspected fraud to the appropriate state mandated agency and when reporting to the state insurance department is required, use an internal special investigative unit or contract with an entity to provide such services;
 - ix) provide TRISTAR’s standard claims reports to Customer; and
 - x) make timely requests for payments of valid claims for compensation, rehabilitation expenses, and other required benefits payable under applicable insurance laws, together with Allocated Loss Adjustment Expenses to Customer pursuant to Sections 3 and 4 hereof subject to the limitations and requirements of this Agreement.
- 2.2.2** provide to Customer services in accordance with the provisions of Schedule B attached hereto (“Information Services”); and
- 2.2.3** provide, or use vendors to provide, specialty services (“Specialty Services”) such as [early intervention, nurse case management, managed care, utilization review, medical bill review, PPO network, Specialty Carve-out PPO networks for Diagnostic Services and Durable Medical Equipment (collectively “Managed Care Services”),] claim call-in reporting (telephonic, electronic, fax or internet), Special Investigation (SIU), and index bureau reports. Specialty Services are charged as Allocated Loss Adjustment Expenses or, where required by state law, as loss.

3. Duties of Customer

3.1 Customer shall:

- 3.1.1** promptly forward, or cause to be forwarded to TRISTAR, all claims, claim forms, demands, notices, inquiries or correspondence concerning or related to Claims;
- 3.1.2** at the time that Claims are assigned to TRISTAR, provide TRISTAR with a copy of any investigative and pertinent material;
- 3.1.3** not comment upon, discuss with third parties, or independently adjust, attempt to settle, or otherwise process Claims without prior written notice to TRISTAR;
- 3.1.4** maintain the Account from which TRISTAR shall issue payments for Claims and Allocated Loss Adjustment Expenses;
- 3.1.5** cooperate with TRISTAR with respect to the performance of Claim services, including, but not limited to: responding promptly to TRISTAR's requests for information; providing timely direction to TRISTAR for matters exceeding its authority; meeting with TRISTAR, as may be needed; and making decisions as required by this Agreement and within such time periods as to meet all legal requirements applicable to the obligations under this Agreement;
- 3.1.6** report to any and all insurers, reinsurers or intermediaries all facts, notices, documents, and information sufficient to comply with reporting requirements of said insurers or reinsurers regarding the Claims hereunder. TRISTAR shall make no such reports unless specifically requested in writing by Customer, or as specifically provided in this Agreement. TRISTAR shall however cooperate with Customer with respect to Customer's obligations to insurers and reinsurers;
- 3.1.7** be responsible for managing the vendors (managed care, other third party administrators, and other services) Customer has contracted with and meeting all requirements in connections therewith. TRISTAR will have no responsibility or liability for the obligations of vendors or Customer in connection with the services provided by such vendors and Customer shall indemnify, hold harmless, and defend TRISTAR against any such liability, except that TRISTAR shall cooperate with the vendors Customer contracted with and assist Customer with respect to such vendor requirements; and
- 3.1.8** perform all such other actions and things reasonably necessary or otherwise required to enable TRISTAR to perform its services under this Agreement.

4. Payment of Claims and Allocated Loss Adjustment Expense(s)

- 4.1** In addition to the invoices for Fees and Expenses (as defined in Subsection 5.5) addressed in Section 5 below, all Claims obligations, including loss, indemnity, and Allocated Loss Adjustment Expenses and other Claim-related expenses, are the obligations of Customer. Customer shall assume all responsibility for the funding of the Account, including all bank charges and penalties imposed by reason of any failure to fund the Account. Customer acknowledges that at no time will TRISTAR be obligated to make any payments out of TRISTAR funds.
- 4.2** Unless otherwise agreed by TRISTAR and Customer, Specialty Services which are listed on Schedule C attached hereto shall be provided by TRISTAR's Preferred Provider network, which may include TRISTAR, its affiliates and subsidiaries (including

TRISTAR Managed Care, Inc.), or third parties. Specialty Services will be charged to Customer as Allocated Loss Adjustment Expenses or, where required by state law, as loss. Customer understands and agrees that TRISTAR may receive compensation in connection with the Specialty Services, either by retaining a portion of the fees and expenses charged, or by receiving fees from preferred providers. The amount TRISTAR retains or receives will vary depending upon the preferred provider, and may be calculated based on percentage of savings, percentage of revenue to the provider, or TRISTAR's mark-up of provider fees. The amounts retained or received by TRISTAR in connection with Specialty Services are in addition to the Fees and Expenses (as defined in Subsection 5.5) paid to TRISTAR by Customer under Section 5 of this Agreement. The fees set forth on Schedule C may be adjusted from time to time without prior notice.

5. Payment of Fees, Expenses, and Taxes

- 5.1** For Basic Services and Information Services performed, TRISTAR shall be entitled to and Customer shall pay the fees and expenses, including Reimbursable Expenses (as defined in Subsection 5.2), calculated and earned in accordance with this Section 5 and Schedule A.
- 5.2** TRISTAR shall be reimbursed for those expenses which are incurred by TRISTAR in the rendering or performance of services and not incorporated in the Basic Fee ("Reimbursable Expenses"). Reimbursable Expenses include, but are not limited to, any data processing or telecommunications charges, hotel, travel, living and out-of-pocket expenses related to the provision of services pursuant to this Agreement.
- 5.3** For all services other than Basic Services, Information Services, and Specialty Services provided under this Agreement, Customer shall compensate TRISTAR in accordance with this Section 5 and Schedule A ("Additional Services Fees"), plus Reimbursable Expenses. Additional Services Fees and expenses charged pursuant to this Subsection 5.3 are in addition to those fees and expenses charged under Subsections 5.1 and 5.2.
- 5.4** Customer shall be responsible to pay directly to the applicable taxing authority or to TRISTAR, if imposed on TRISTAR, all federal, state and local taxes (other than net income taxes) which TRISTAR may be required to pay or collect or which may be incurred or assessed against TRISTAR or Customer, under any existing or future law, relating to the sale, delivery, rendering or provision of services by TRISTAR to Customer ("Taxes").
- 5.5** TRISTAR shall submit itemized invoices to Customer for all fees, Reimbursable Expenses, and, if applicable, Additional Services Fees and Taxes ("Fees and Expenses") incurred in accordance with this Section 5 on a monthly basis and such invoice shall be paid by Customer to TRISTAR upon receipt of same. Amounts which remain unpaid in excess of thirty (30) days from the date of receipt of the invoice shall be subject to an interest charge of one and one-half (1.5%) percent per month, such charge to be effective beginning thirty (30) days after the date due until paid.

6. Records: Inspection, Access, and Ownership

- 6.1** Customer shall at all times retain the ownership of the Claim Files and Claims data (collectively, "Claim File Information"). Customer acknowledges that TRISTAR has a right of continuing possession and access to the Claim File Information, including any accessing software, hardware, and systems to permit TRISTAR to fulfill all of its

obligations under this Agreement, whether before or after termination, including in the event of any dispute or legal action between the parties.

- 6.2** Claim File Information shall, upon thirty (30) days prior written notice to TRISTAR, be available for on-site audit, review, and/or inspection by duly authorized representatives of Customer and by regulatory authorities having appropriate jurisdiction. The parties agree that if there are more than four (4) audits, reviews, and/or inspections including reasonable follow-up of the activities of TRISTAR by Customer, regulatory authorities or other parties, or any combination thereof during each twelve (12) month period of the Term, TRISTAR shall be compensated in accordance with Subsection 5.3 for its involvement with any such additional audit(s), reviews, and/or inspections.
- 6.3** At the conclusion of TRISTAR's obligation to handle Claims and subject to the payment of all Fees and Expenses due TRISTAR, TRISTAR shall send directly to Customer or a third party selected by Customer i) an electronic copy in TRISTAR's then current format of the Claim File Information, and ii) all open and closed physical Claim Files, if any (collectively, "Transfer Services") in accordance with Subsection 9.3. Customer hereby acknowledges that Customer, such third party selected by Customer, or any succeeding administrator is responsible for retaining Claim File Information that is transferred to it for the longest of the following time periods:
- i) for five (5) years from the closing of the Claim;
 - ii) for the duration of any applicable regulatory requirement or state law; or
 - iii) for the duration of the applicable Statute of Limitations.

7. Indemnification, Limitation of Liability

- 7.1** TRISTAR agrees to hold Customer harmless, defend, and indemnify Customer against any and all losses, claims, expenses (including reasonable attorneys' fees), fines, penalties, damages, judgments or liabilities ("Liabilities") asserted against Customer by a third party but only insofar as the same have arisen as a proximate result of the actual fraud, negligence or willful misconduct of TRISTAR in the provision of services under this Agreement.
- 7.2** Customer agrees to hold TRISTAR harmless, defend, and, upon demand, indemnify TRISTAR against any and all Liabilities whatsoever to which TRISTAR may be subject, other than those which TRISTAR is obligated to indemnify Customer pursuant to Subsection 7.1. Furthermore, without limiting the generality of the foregoing, Customer shall indemnify and hold TRISTAR harmless against any liability arising out of or related to (i) any act or omission of TRISTAR taken or omitted to be taken at the request, direction, or approval of the Customer, (ii) any act or omission of the Customer or any preceding manager or administrator or of any third party providing services for Claims except those third parties contracted by TRISTAR to provide services for Claims pursuant to this Agreement, (iii) TRISTAR being named in litigation as being responsible for the payment of Claims, and (iv) Customer's failure to pay any Claim or Allocated Loss Adjustment Expense(s) on a timely basis.
- 7.3** Customer and TRISTAR agree that all costs and expenses related to the obligation of a party to defend or indemnify the other under Subsections 7.1 or 7.2 shall be paid as Allocated Loss Adjustment Expenses attributable to the Claim which gave rise to the Liability, pending agreement by the parties or by final determination by a court of competent jurisdiction as to a party's obligations under Section 7, if any.

- 7.4 Pursuant to this Section 7, when the indemnified party receives notice of a claim or suit with respect to claims resulting from the assertion of liability by a third party for which indemnification is provided by this Section, the indemnified party will promptly notify the indemnifying party and provide a copy of the claim notice, summons and complaint, or other relevant documents. The indemnified party shall cooperate fully with the defense of any such claim. The indemnifying party shall consult with the indemnified party concerning counsel retained. Should the parties fail to reach agreement on selection of counsel, the opinion of the indemnifying party shall govern the selection. The indemnifying party shall control the conduct of the litigation and of other proceedings. The indemnifying party shall request counsel to keep both parties apprised of the status of the proceedings by promptly reporting all significant developments and, in addition, by providing general status reports on a timely basis. With regard to any claim for which indemnification is sought hereunder, the parties shall mutually agree as to the acceptance of any settlement offer(s), or alternatively, the indemnifying party shall decide whatever action is to be taken regarding any settlement offer(s), provided, that, the indemnifying party in such case shall obtain the complete and written release of the indemnified party with respect thereto.
- 7.5 Notwithstanding anything in this Agreement to the contrary, UNDER NO CIRCUMSTANCES AND UNDER NO LEGAL THEORY (TORT, WARRANTY, CONTRACT, OR OTHERWISE) SHALL TRISTAR BE LIABLE TO CUSTOMER, OR ANY OTHER PERSON, OR ENTITY FOR ANY ACT PERFORMED, OR ANY FAILURE TO ACT, ON BEHALF OF CUSTOMER OR ANY OTHER PERSON OR ENTITY OR IN THEIR INTEREST, FOR ANY FINES OR PENALTIES, THE MULTIPLIED PORTION OF ANY MULTIPLIED DAMAGES, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, EXTRA-CONTRACTUAL, PUNITIVE, OR SPECIAL DAMAGES OF ANY CHARACTER, OR ANY DAMAGES FOR WHICH THE LAW OR PUBLIC POLICY PROHIBITS INDEMNIFYING OR INSURING EVEN IF TRISTAR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- 7.6 As used in this Section 7, the terms "TRISTAR" and "Customer" shall include, respectively, the directors, officers, employees, contractors, subcontractors, agents and other representatives of TRISTAR or Customer.
- 7.7 The provisions of this Section 7 shall survive the termination of this Agreement.

8. Confidentiality, Privacy of Claim File Information

- 8.1 The parties acknowledge that in the course of dealings between each other:
- 8.1.1 each party will acquire from the other information about business activities and operations, technical information and trade secrets, all of which are highly confidential and proprietary ("Confidential Business Information"). Confidential Business Information shall not include (i) information already known to a party; (ii) information which now is or hereafter becomes publicly known through no wrongful act of a party, (iii) information received by a party from a third party without similar restriction and without breach of this Agreement; (iv) information independently developed by a party; (v) information approved for release by written authorization of the other party; and (vi) information which, after notice to a party providing a reasonable opportunity to contest disclosure, must be disclosed pursuant to the requirements of a governmental agency or a final binding order of a court of competent jurisdiction; and

- 8.1.2 each party may gain access to and/or generate information of Customer's consumers, customers, insureds or claimants which may include personally identifiable, financial and/or health information which may be protected by federal, state and local laws ("Protected Information").
- 8.2 In the event a party provides its Confidential Business Information and/or Protected Information (collectively "Confidential Information") to the other party ("Receiving Party"), such Confidential Information shall be provided subject to the following confidentiality terms:
- 8.2.1 A party's Confidential Information shall be safeguarded by the Receiving Party with at least as great a degree of care as the Receiving Party uses to safeguard its own most confidential materials or information relating to its own business.
- 8.2.2 The Confidential Information must be circulated, quoted, disclosed, or distributed solely on a "need to know basis" and only to employees, attorneys, or consultants of the Receiving Party ("Representatives") after such Representatives have been informed of and agreed to be bound by this duty of confidentiality. Further, a Receiving Party agrees to obligate each of its Representatives to a level of care sufficient to protect the Confidential Information from unauthorized use or disclosure.
- 8.2.3 A Receiving Party and its Representatives shall not further circulate, quote, disclose or distribute any of the Confidential Information except as permitted under this Section 8.
- 8.3 The provisions of this Section 8 shall survive the termination of this Agreement.

9. Termination

- 9.1 This Agreement shall be terminated in accordance with any of the following subsections of this Section 9:
- 9.1.1 Either party may terminate this Agreement by giving at least one hundred twenty (120) days prior written notice of termination to the other party, such termination to be effective no sooner than the first (1st) anniversary of the Effective Date.
- 9.1.2 Upon a material breach by TRISTAR or Customer in the performance of its duties or responsibilities as provided in this Agreement, the non-breaching party may advise the breaching party of said material breach by written notice. Except for breach by Customer for failure to pay Fees and Expenses or a breach by Customer for failure to fund Claims and Allocated Loss Adjustment Expenses as required in this Agreement ("Monetary Breach"), the breaching party shall then have thirty (30) days from the date of written notice within which to cure said breach. For Monetary Breach, the Customer shall have five (5) business days from date of written notice within which to pay overdue Fees and Expenses to TRISTAR or to fund Claims and Allocated Loss Adjustment Expenses as required. The non-breaching party shall have the right to terminate this Agreement upon written notice to the breaching party if the breaching party fails to cure said material breach within the specified time period.
- 9.1.3 This Agreement shall immediately terminate at the election of either party upon the occurrence of any of the following events with respect to the other party: its insolvency, its inability to meet its debts as they mature, its filing of a petition of voluntary bankruptcy under any chapter of the US bankruptcy laws, institution of proceedings to adjudge it bankrupt in an involuntary proceeding, filing of a petition for rehabilitation or

liquidation, execution of an assignment for the benefit of creditors, its appointment by a court of a receiver, trustee, rehabilitator or liquidator, or its dissolution.

- 9.2** If this Agreement is terminated, TRISTAR shall cease the handling of all Claims as of the effective date of termination (“Termination Date”) and TRISTAR shall have no more obligations with respect thereto.
- 9.3** Upon termination of this Agreement:
- 9.3.1** TRISTAR and Customer shall perform all of their respective obligations in accordance with the terms of this Agreement whether to be performed before or after the Termination Date until the conclusion of TRISTAR’s obligation to handle Claims as set forth in Section 9.2 and Schedule A. At that time and upon TRISTAR’s receipt of payment of all earned but unpaid Fees and Expenses, TRISTAR shall provide the Transfer Services in accordance with Subsections 6.3 and 9.3.2.
- 9.3.2** Unless this Agreement has been terminated by Customer for cause pursuant to either Subsection 9.1.2 or 9.1.3, Customer shall reimburse TRISTAR for all fees and expenses incurred by TRISTAR (“Transfer Fees”) in connection with the Transfer Services. These Transfer Fees shall be considered Additional Services Fees and calculated in accordance with Section 5.3. Transfer Fees shall include, but not be limited to:
- i) the actual costs incurred (examples: packing materials and shipping expenses in the event there are physical Claim Files); plus
 - ii) TRISTAR’s fees for its services in effecting such transfer (examples: hourly fees for clerical labor to inventory, sort, pack, and ship such Claim Files; hourly fees for data processing labor to perform data extract and testing with receiving vendor; fees for production of notification letters to claimants, attorneys, and medical providers).
- 9.3.3** As respects all Claims, Customer shall remain liable for the payment of all Claims and Allocated Loss Adjustment Expenses in accordance with Section 4 and the payment of all Fees and Expenses in accordance with Section 5 that they would have been liable for had the Agreement not been terminated.

10. Independent Contractor

TRISTAR and its affiliates, shall act as an independent contractor(s) in providing services to Customer hereunder. Neither this Agreement nor the performance thereof by TRISTAR shall create nor be deemed to create any employer-employee, joint venture or partnership relationship between TRISTAR or any of its affiliates, officers, directors or employees, on the one hand, and Customer or any of its affiliates, officers, directors or employees, on the other hand.

11. Force Majeure

If any cause or condition shall occur beyond the control of TRISTAR which wholly or partially prevents the performance by TRISTAR of its obligations hereunder, including, without limitation, any act of God or the public enemy, fire, explosion, flood, earthquake, war, riot, adverse weather conditions, breakdowns in equipment or facilities, strike, slowdown, work stoppage or other labor trouble, then TRISTAR shall be excused from its obligations hereunder to the extent made necessary by such cause or condition and during the continuance thereof, and TRISTAR shall incur no liability by reason of its failure to perform the obligations so excused. Such cause or condition shall not, however, relieve

Customer of the obligation to pay to TRISTAR fees and charges due to TRISTAR for services rendered and expenses incurred hereunder prior to such stoppage.

12. Definition "Allocated Loss Adjustment Expense"

- 12.1** For the purposes of this Agreement, Allocated Loss Adjustment Expense(s) ("Allocated Loss Adjustment Expense(s)") shall mean any fee or expense which is chargeable or attributable to the investigation, coverage analysis, adjustment, negotiation, settlement, defense or general handling of any Claim(s) or action(s) related thereto, or to the protection and/or perfection of the Customer's right of subrogation, contribution or indemnification, all as reasonably determined by TRISTAR.
- 12.2** Allocated Loss Adjustment Expense(s) may be incurred for services provided by TRISTAR, its affiliates and subsidiaries, or third parties and include, but are not limited to, the following:
- 12.2.1** attorney's fees and disbursements incurred in connection with the determination of coverage and/or the adjustment, defense, negotiation or settlement of any Claim; attorney's fees incurred for representation at depositions, hearings, pretrial conferences and/or trials;
- 12.2.2** fees and expenses incurred for: handling any Alternative Dispute Resolution proceeding ("ADR"); legal actions, including trials or appeals; pursuing any declaratory judgment action, including deposition fees; cost of appeal bonds; court reporter or stenographic services, filing fees, and other court costs, fees and expenses; transcript or printing services and all discovery expenses; service of process; witnesses' testimony, opinions, or attendance at hearings or trial;
- 12.2.3** fees and expenses for attendance at or participation in ADR proceedings, hearings, trials or other proceedings by TRISTAR personnel or its subcontractors;
- 12.2.4** statutory fines or penalties; pre- and post-judgment interest paid as a result of litigation, unless regulatory or reporting requirements define such interest as loss or indemnity payments;
- 12.2.5** subcontractors' fees and travel expenses, including independent adjusters, automobile and property appraisers, to the extent that same are incurred in the adjustment, negotiation, settlement or defense of any Claim;
- 12.2.6** fees and expenses incurred in conjunction with the telephonic, web, or other electronic methods of reporting Claims as set forth on Schedule C;
- 12.2.7** experts' fees and expenses including reconstruction experts, engineers, photographers, accountants, economists, metallurgists, cartographers, architects, hand-writing experts, physicians, appraisers and other natural and physical science experts, plus the fees and expenses associated with preparation of expert reports, depositions, and testimony;
- 12.2.8** fees and expenses for surveillance, undercover operative and detective services or any other investigations;
- 12.2.9** fees and expenses for: medical examinations, or autopsies, including diagnostic services, and related transportation services; durable medical equipment; and medical reports and

rehabilitation evaluations, unless regulatory or reporting requirements define such fees and expenses as loss or indemnity payments;

- 12.2.10 fees and expenses for any public records, medical records, credit bureau reports, index bureau reports, and other like reports as set forth on Schedule C;
 - 12.2.11 fees and expenses incurred where TRISTAR determines it is reasonable to pursue the rights of contribution, indemnification or subrogation of the Customer, including attorney and collection agency fees and/or expenses;
 - 12.2.12 medical or vocational rehabilitation fees and expenses, and all other medical cost containment services, including, but not limited to utilization review and management, pre-audit admission authorization, hospital bill audit or adjudication, provider bill audit or adjudication, and medical case management, if applicable, unless regulatory or reporting requirements define such expenses as loss or indemnity payments as set forth on Schedule C; and
 - 12.2.13 extraordinary travel and related fees and expenses incurred by TRISTAR at the express request of Customer, which are not otherwise payable under this Agreement.
- 12.3 With respect to TRISTAR's determination that a fee or an expense incurred pursuant to this Agreement is an Allocated Loss Adjustment Expense, TRISTAR makes no representation or warranty and assumes no responsibility that such determination (i) is in compliance with or meets the requirements of any statistical plan filing, statutory, regulatory, or insurance industry reporting scheme or the definition of "Allocated Loss Adjustment Expense" thereunder; (ii) is or could be characterized as payment of loss or indemnity; or (iii) is or is not subject to insurance or reinsurance coverage or limits. Customer agrees that it is responsible for making all such judgments and for complying with any and all such requirements.

13. MMSEA

- 13.1 Section 111 of the Medicare, Medicaid, and SCHIP (State Children's Health Insurance Programs) Extension Act of 2007 (all of which together shall be referred to as "MMSEA") (P.L. 110-173), contains mandatory reporting requirements ("MIR") for group health plan arrangements and for liability insurance (including self-insurance), no-fault insurance, and workers' compensation (see 42 U.S.C. 1395y(b)(7) & (8)). As respects compliance with MMSEA under this Agreement:
- 13.1.1 Customer has the obligation to perform MIR requirements as respects Claims, register with the Centers for Medicare and Medicaid Services ("CMS") as a Responsible Reporting Entity ("RRE"), and provide to TRISTAR all relevant information including the RRE Identification Number(s) assigned. Customer has appointed the reporting agent(s) identified on Schedule A for the purpose of meeting MMSEA obligations including MIR requirements ("Reporting Agent(s)").
 - 13.1.2 Reporting Agent services include determining Medicare eligibility, reporting to CMS eligible Claims using the mandated format for a determination of Medicare eligibility, processing error corrections, and providing quarterly reports. Where applicable, Reporting Agent should also respond to all inquiries and requests for conditional payments, comply with settlement approvals, negotiate and prepare claim set-aside agreements ("CSA's") and Medicare set-aside agreements ("MSA's").

- 13.1.3 Customer consents to the disclosure by TRISTAR of Claims information required by MIR to Reporting Agent or others for the purpose of providing MIR pursuant to this Agreement. Customer and TRISTAR agree that Claim data reported to or by CMS is confidential and each shall take reasonably necessary steps to protect the confidentiality of this data.
- 13.1.4 Customer agrees that fees and charges by Reporting Agent incurred for compliance with MMSEA and other related services shall be paid by Customer and charged against the Claim Files as Allocated Loss Adjustment Expenses. Such fees and charges are listed on Schedule C.

14. Non-Hire

- 14.1 Without the written consent of the other, Customer and TRISTAR shall not:
- i) solicit for employment or employ any employee of the other who is or has been directly engaged in the performance of this Agreement; and
 - ii) for a period of six (6) months following the termination of any employee who had been directly engaged in the performance of this Agreement, solicit for employment or employ such employee of the other.
- 14.2 Customer agrees that: (i) the prohibition against solicitation and employment of TRISTAR employees by Customer in Section 14.1 without TRISTAR's written consent shall also apply to any affiliates of Customer; and (ii) that violation of this prohibition by Customer shall be deemed to be a material breach of this Agreement by Customer. For purposes of this Section 14.2, "Affiliates of Customer" includes any entity controlling, controlled by, or in common control with Customer or any entity in which Customer has an interest during the Term or with which Customer has entered into a contract.
- 14.3 This provision shall not apply to any offer of employment by TRISTAR or Customer arising from a general employment solicitation to the public and not specifically directed at any employee of the other party who is directly engaged in the performance of this Agreement.
- 14.4 The provisions of this Section 14 shall apply during the Term and the six (6) month period immediately following the Term.

15. Notices

- 15.1 All notices or other communications required pursuant to Section 9 shall be in writing and sufficient if i) delivered personally; ii) sent by a nationally recognized overnight carrier; or iii) sent by registered or certified mail return receipt requested, postage prepaid and via facsimile; and addressed as follows:

TRISTAR: TRISTAR Risk Management
100 Oceangate, Suite 700
Long Beach, CA 90802
Attn.: Thomas J. Veale

With a copy to: TRISTAR Insurance Group, Inc.
2540 Route 130, Suite 109
Cranbury, NJ 08512
Attn.: General Counsel's Office

Customer: City of Santee
10601 Magnolia Ave.
Santee, CA 92071
Attn.: Erica Hardy

15.2 When required or issued pursuant to this Agreement, notices shall be deemed to have been given at the time i) when personally delivered, ii) upon the day following the day sent by overnight carrier, or iii) if mailed, upon the third (3rd) day after the date such notice is postmarked.

16. State Amendment Requirements

16.1 The Agreement shall be deemed to incorporate any and all provisions required by applicable state insurance laws, relating to insurance administrators or third party administrators, insofar as such provisions relate to the services performed by TRISTAR pursuant to the Agreement.

17. General

17.1 This Agreement constitutes the entire agreement of the parties and supersedes all previous agreements and/or contracts whether oral or written between them with respect to the subject matter hereof.

17.2 If any provision of this Agreement shall contravene or be invalid under the laws of the United States, the state in which enforcement is sought, or the regulatory requirements of such state, it is agreed that such provision shall not invalidate the whole Agreement but the Agreement shall be construed as if not containing the particular provision or provisions held to be invalid.

17.3 This Agreement may only be amended by a written instrument signed by the parties hereto.

17.4 The parties shall not disclose to any third party the terms and conditions of this Agreement, except as may be required by law, reasonable advice of its counsel, or the written consent of the non-disclosing party. Notwithstanding the aforementioned, this Agreement may be disclosed to the parties' representatives, accountants, attorneys, and advisors and to insurers of Customer, including excess insurers to and reinsurers of the SIR Program.

17.5 This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns. A party may not assign this Agreement or the services required herein without the prior written consent of the other party, which shall not be unreasonably withheld or delayed, except that TRISTAR may assign this Agreement to an affiliate or subsidiary company, or a successor in interest by acquisition or merger provided that such succeeding company shall assume all rights and obligations under this Agreement.

17.6 Except as otherwise provided herein, nothing in this Agreement is intended or shall be construed to give any person, other than the parties hereto, their respective successors and permitted assigns, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

- 17.7 A party hereto shall not be deemed to have waived any rights or remedies accruing to it hereunder unless such waiver is in writing and signed by such party. No delay or omission by a party hereto in exercising any right shall operate as a waiver of said right on any further occasion.
- 17.8 Wherever approval of a party is required under this Agreement, it shall not be unreasonably withheld or delayed.
- 17.9 The captions are for convenience of reference only and shall not control or affect the meaning or construction of any provision of this Agreement.
- 17.10 This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.
- 17.11 The exchange of copies of this Agreement and of signature pages by e-mail transmission shall constitute effective execution and delivery of this Agreement and may be used in lieu of the original for all purposes. Signatures of the parties transmitted by e-mail shall be deemed to be their original signatures for all purposes.
- 17.12 This Agreement shall be interpreted and construed in accordance with the internal laws of the State of California without regard to conflicts of law.
- 17.13 Each party represents to the other that it is authorized to enter into this Agreement and that its entry into this Agreement does not and will not violate the terms of any judgment, decree or ruling or any contract with any third party.

TRISTAR AND CUSTOMER CERTIFY BY THEIR UNDERSIGNED AUTHORIZED OFFICERS THAT THEY HAVE READ THIS AGREEMENT, INCLUDING ALL SCHEDULES AND EXHIBITS HERETO, AND AGREE TO BE BOUND BY ITS TERMS AND CONDITIONS.

TRISTAR RISK MANAGEMENT

CITY OF SANTEE

By: _____
 Name: _____
 Title: _____
 Date: _____

By: _____
 Name: _____
 Title: _____
 Date: _____

Schedule A

Reporting Agent; Service Period; Fees and Expenses

This Schedule A shall be effective August 1, 2016 and it shall: i) apply to all Claims reported and all Information Services provided on or after that date, and ii) remain in effect until the parties agree on new rates.

The terms and conditions of the Agreement apply unless and to the extent modified or supplemented by the specific terms and conditions of this Schedule A.

A.1 Reporting Agent(s)

A.1.1 Reporting Agent(s):

- i) for MMSEA reporting to CMS: TRISTAR Risk Management (an affiliate of TRISTAR).
- ii) for MMSEA compliance and other related services: TRISTAR's Preferred Provider, unless Customer directs the use of a different vendor.

A.2 Service Period

A.2.1 In consideration of payment by Customer of the fees described in Section A.3, TRISTAR will provide the Services for the periods set forth below ("Service Period"):

Basic Services. TRISTAR will provide Basic Services for each Claim beginning on the date the Claim is reported to TRISTAR and ending on the sooner of:

- i) the date the Claim is closed; or
- ii) the Termination Date, if this Agreement is terminated in accordance with any provision of Section 9.

Information Services. TRISTAR will provide Information Services beginning on the Effective Date and ending on the date TRISTAR is no longer obligated to provide Basic Services as set forth above.

A.3 Basic Fees

A.3.1 Annual Service Fee(s). In consideration for the Basic Services and Information Services performed by TRISTAR during the Service Period, TRISTAR shall be entitled to and Customer shall pay TRISTAR in accordance with Section A.6, subject to any adjustments made in accordance with Subsections A.3.3 and A.3.4:

- i) For all Basic Services and Information Services including up to two (2) users of the TRISTAR System (as defined in Schedule B): the following fees ("Services Fee(s)") in quarterly installments ("Quarterly Installment(s)") in advance, except that the first (1st) such installment shall be pro-rated to cover the initial two-month period as set forth below:

<u>Services Fee(s)</u>	<u>Time Period</u>	<u>Quarterly Installment</u>
Initial 11 Month Period (August 1, 2016 to June 30, 2017):		
\$24,893.92	8/1/16 to 9/30/16	\$4,526.17
	10/1/16 to 12/31/16	\$6,789.25
	1/1/17 to 3/31/17	\$6,789.25
	3/31/17 to 6/30/17	\$6,789.25
Subsequent 12 Month Periods beginning July 1, 2017:		
\$27,157.00	July 1 to Sept. 30	\$6,789.25
	Oct. 1 to Dec. 31	\$6,789.25
	Jan. 1 to Mar. 31	\$6,789.25
	Apr. 1 to June 30	\$6,789.25

- ii) For each additional user of the TRISTAR System: an annual rate per user of Two Thousand dollars (\$2,000) per year (“Additional User Rate(s”).

The Additional User Rates shall be pro-rated for each user added at any time other than as of August 1.

A.3.2 Fees for optional services requested by Customer. In consideration for the services listed below (collectively, “Optional Service(s)”) rendered during the Service Period upon the request of Customer and in accordance with this Agreement, Customer agrees to pay TRISTAR at the following rates (“Optional Rates”) in accordance with Section A.6, subject to any increases made in accordance with Subsections A.3.3 and A.3.4, for as long as the Optional Services are provided:

If requested by Customer:

- i) **OSHA Reports:** Four Thousand dollars (\$4,000) per year (“OSHA Rate”);
- ii) **Standard Data File (monthly):** One Thousand Two Hundred dollars (\$1,200) per year (“Data File Rate”)
- iii) **Self-Insured Reports:** in accordance with TRISTAR’s rates, which vary by state, then in effect (“SIR Report Rate”); and
- iv) **Customized Interface:** on a Time and Expense basis at the hourly rate of One Hundred Forty-Five dollars (\$145) (“Customized Interface Rate”).

The Additional User Rate, OSHA Rate, and Data File Rate each shall be pro-rated for each applicable Optional Service added at any time other than as of the Effective Date or a subsequent Increase Date, as hereinafter defined.

A.3.3 Annual Increases. As long as the Agreement applies to any Claims being handled by TRISTAR and with the prior written consent of the Customer, the Service Fee, Additional User Rate, and Optional Rates (collectively, “Basic Fees”) may be increased at any time on or after July 1, 2017 (“Increase Date”) subject to the following:

- i) Each such increase shall apply to all Claims reported and all Information Services provided on or after each such Increase Date;

- ii) There shall only be one (1) increase in each twelve (12) month period beginning on July 1 of each year; and
- iii) For Information Services rendered after the termination of this Agreement, the Annual IS Fee may be modified by TRISTAR to reflect the then level of Information Services provided by TRISTAR under this Agreement.

A.3.4 Increases due to Material Change in business terms. In addition to the foregoing, Customer agrees that TRISTAR, in its sole discretion, reserves the right to make adjustments to the Basic Fees as it deems necessary in the event any of the following occurs:

- i) a material discrepancy is discovered in the historical data and any other information provided to TRISTAR by Customer or its representatives that is used by TRISTAR to develop the Basic Fees and this Agreement; and
- ii) there is a material change in the scope of services to be provided by TRISTAR, including the use of TRISTAR's Preferred Provider network.

A.4 Additional Services Fees

A.4.1 The Basic Fees shall apply to Basic Services and Information Services rendered during the Service Period for Claims. Should TRISTAR be engaged by Customer to provide any other service, Customer shall pay TRISTAR for such services, in accordance with Section A.6, on a Time and Expense basis at TRISTAR's then current hourly rates unless other rates are mutually agreed upon ("Additional Services Fees").

A.5 Expenses

A.5.1 Reimbursable Expenses. Customer shall reimburse TRISTAR for Reimbursable Expenses.

A.5.2 Taxes. Customer shall pay Taxes.

A.6 Payment

A.6.1 Notwithstanding any expiration or sooner termination of this Agreement:

- i) the Services Fee each shall be deemed fully earned, due, and nonrefundable upon the first (1st) day of each eleven (11) month or twelve (12) month period, as appropriate, for which it is incurred.
- ii) the Additional User Rate shall be deemed fully earned, due and non-refundable as of the date a new user is added and each subsequent Increase Date; and

Optional Rates (if Optional Services requested by Customer and provided by TRISTAR):

- iii) the OSHA Rate and Data File Rate shall be deemed fully earned, due and non-refundable as of the date an Optional Service is provided, and each subsequent annual anniversary of the Increase Date; and
- iv) the SIR Report Rate and Customized Interface Rate each shall be deemed fully earned, due, and nonrefundable when it is incurred.

A.6.2 All Fees and Expenses shall be payable in advance by Customer to TRISTAR in accordance with Section 5.5 of the Agreement and invoiced as follows:

- i) The pro-rated portion of the first Quarterly Installment shall be invoiced by TRISTAR as of the Effective Date; thereafter, Quarterly Installments shall be invoiced by TRISTAR quarterly, in advance; and
- ii) Additional User Rates (if any), Optional Rates (if any), Additional Services Fees (if any), Reimbursable Expenses, and Taxes shall be invoiced by TRISTAR at the end of the month in which they are incurred and/or assessed.

Schedule B

Information Services

The terms and conditions of the Agreement apply unless and to the extent modified or supplemented by the specific terms and conditions of this Schedule B.

B.1 Scope of Services

In consideration of the payment of the applicable fees calculated in accordance with Schedule A, TRISTAR shall furnish the following to Customer (“Information Services”):

- online access to TRISTAR’s claim system (“TRISTAR System”); and
- related materials.

B.2 Limited Warranty

TRISTAR MAKES NO WARRANTY OR REPRESENTATION RELATING TO TRISTAR SYSTEM, THE INFORMATION SERVICES, OR ANY OTHER SERVICES, OR MATERIALS PROVIDED IN CONNECTION THEREWITH. THE TRISTAR SYSTEM AND MATERIALS ARE FURNISHED AND ALL INFORMATION SERVICES ARE RENDERED ON AN “AS IS” BASIS WITHOUT ANY WARRANTY WHATSOEVER. TRISTAR DISCLAIMS AND EXCLUDES ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

B.3 Limitation of Liability

B.3.1 Customer’s exclusive remedy for damage or loss in any way connected with any Information Services furnished by TRISTAR, whether by breach of warranty, negligence or any breach of any other duty, shall be for TRISTAR to refund the amount paid for the Information Services, for which a claim is made.

B.3.2 Customer assumes sole responsibility for the selection of the Information Services, to achieve its intended results and for the use made and the result obtained. EXCEPT AS PROVIDED IN THIS SCHEDULE C, TRISTAR SHALL NOT BE LIABLE FOR DIRECT DAMAGES OR SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, EVEN IF TRISTAR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. WITHOUT LIMITING THE FOREGOING, TRISTAR IS NOT RESPONSIBLE FOR ANY COSTS INCURRED AS A RESULT OF THE USE OF THE INFORMATION SERVICES, INCLUDING WITHOUT LIMITATION, LOST PROFITS OR REVENUE, LOSS OF DATA, COSTS OF RECREATING DATA, THE COST OF ANY SUBSTITUTE EQUIPMENT OR PROGRAM, OR CLAIMS BY ANY THIRD PARTY. TRISTAR’S AGGREGATE LIABILITY ARISING FROM OR RELATING TO THIS AGREEMENT OR THE INFORMATION SERVICES IS LIMITED TO THE AMOUNT OF FEES THAT CUSTOMER HAS PAID IN CONNECTION WITH THE SERVICE FOR WHICH CUSTOMER CLAIMS TRISTAR’S BREACH OF THIS AGREEMENT. THE PROVISIONS OF THIS AGREEMENT THAT LIMIT TRISTAR’S WARRANTIES AND CUSTOMER’S REMEDIES REPRESENT AN ALLOCATION OF RISK BETWEEN TRISTAR AND CUSTOMER. TRISTAR’S PRICING REFLECTS THIS ALLOCATION OF RISK AND THE LIMITATION OF LIABILITY SPECIFIED HEREIN.

B.4 Proprietary Rights

- B.4.1** Customer's rights to Information Services under this Agreement may not be transferred, leased, assigned, or sublicensed except by written consent of TRISTAR, which TRISTAR may grant or withhold at its discretion.
- B.4.2** Customer acknowledges that the Information Services contain proprietary and confidential information and materials of TRISTAR which are protected as TRISTAR trade secrets and as copyrighted works, and which Customer may not copy, modify, or distribute except as authorized by TRISTAR. Customer agrees not to remove or deface any titles, trademarks, copyright notices, "restricted rights" or other proprietary legends affixed to or incorporated in the TRISTAR System or the Information Services.
- B.4.3** All systems created or utilized by TRISTAR in the performance of activities under this Agreement shall belong to, and shall remain the property of, TRISTAR and its affiliates, and Customer shall have no ownership interest therein. The term "systems" as used herein shall include, but shall not be limited to, computer programs, computer equipment, formats, risk data report formats, procedures, documentation and internal reports of TRISTAR and its affiliates, but such term shall not include Claims File Information.

B.5 Internet Use

Information transmitted and received through the internet may be neither secure nor confidential and TRISTAR cannot and does not guarantee the privacy, security, authenticity, and non-corruption of any information so transmitted or stored in any system connected to the internet. TRISTAR shall not be responsible for any adverse consequences whatsoever of Customer's connection to or use of the internet, and TRISTAR shall not be responsible for any use by Customer of Customer's internet connection in violation of any law, rule, or regulation or any violation of the intellectual property rights of another.

B.6 Privacy

- B.6.1** In the course of providing Information Services, TRISTAR may provide to Customer or Customer may gain access to or generate personally identifiable, financial and/or health information of consumers, insureds or claimants which may include confidential information (hereinafter collectively "Protected Information") which may be subject to federal, state and local laws. Customer acknowledges and agrees that it (i) shall at all times comply with all federal, state and local laws and regulations applicable to Protected Information and (ii) shall only use the Protected Information for the purposes for which it was provided under this Agreement and for no other purpose. Except as permitted by applicable law or as necessary to carry out its obligations under this Agreement, Customer shall not disclose, license, sell or otherwise transfer Protected Information to a third party.
- B.6.2** Customer shall immediately notify TRISTAR of any violations of any such law or regulation applicable to provision of services under the Agreement or of any complaint or judicial or administrative proceeding initiated concerning any actual or alleged violation of such law or regulation. Notwithstanding the termination or expiration of the Agreement, Customer shall comply with this Section 6 with respect to all Protected Information in Customer's possession or in the possession of Customer's subcontractors or any other third party over which it has control.

Schedule C Preferred Provider Specialty Services

Schedule C is effective as of August 1, 2016 and is subject to change from time to time thereafter upon notice to Shell. These Preferred Provider Specialty Services fees are paid as Allocated Loss Adjustment Expenses or, where required by state law, as loss.

SERVICES	FEES
MANAGED CARE	
BILL REVIEW: MEDICAL AND PHARMACY	
Bill Review	\$7.50 per bill, <i>plus</i>
PPO Network Access:	
PPO Network Discount	25% of the difference between the state fee schedule (or U&C, if no state fee schedule) and the final bill
Hospital Inpatient & Outpatient Fee	12% of the difference between the original bill and the final bill, capped at \$25,000 per bill
Specialty Bill Review	30% of the difference between <i>either</i> : <ul style="list-style-type: none"> • if applicable, the state fee schedule (or U&C, if no state fee schedule) and the final bill; <i>or</i> • the original bill and the final bill
Duplicate Bills, Duplicate Line items, Courier Service, Attendance at WCAB Hearings	No Charge
UTILIZATION REVIEW	
Flat Fee (In-Patient & Out-Patient)	\$95 flat rate (includes review to treatment protocols, negotiating treatment, directing into PPO, preparing file for Peer Review, sending all parties documentation and noting the file)
Hourly	\$95 - \$105 per hour
PEER REVIEW (PHYSICIAN ADVISOR)	
Level 1 (Physician Advisor Determination)	\$200 flat rate (includes review of medical records and communication of decision in writing to all parties)
Level 2 (Physician Appeal/Same Specialty)	\$250 flat rate (includes review of medical records and communication of decision in writing to all parties)
MEDICAL CASE MANAGEMENT	
Early Intervention	\$95 per hour
Telephonic	\$95 per hour
Field	\$95 per hour, plus Mileage at IRS mileage rate
Wellness Program (hourly)	\$95 per hour
Wellness Program (with HCA screening, follow-up & quarterly maintenance, as appropriate)	\$10 per month, per employee
Medical Provider Networks (MPN) (California)	Standard: No charge Customized: \$500 per month (includes filing State reports, web access)
OTHER	
Special Investigations	Based on assignment, typically \$65 per hour
Legal Bill Review	5% of total originally billed by attorney
Central Index Bureau	Actual cost (as of 1/1/15, it is \$8.75 per report)
Claim Reporting: Telephonic	\$18 per report
Claim Reporting: Fax or Internet	\$9 per report
MMSEA Reporting	\$8.20 (additional fees apply for MMSEA Compliance & Other Related Services)
Mileage	IRS allowance rate

City of Santee
COUNCIL AGENDA STATEMENT

MEETING DATE November 29, 2016

AGENDA ITEM NO.

ITEM TITLE RESOLUTION APPROVING IMMEDIATE REPAIR OF STORM DRAIN PIPE ON CAMBURY DRIVE, TRANSFER OF FUNDS, WAIVING THE REQUIREMENT FOR COMPETITIVE BIDDING AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT TO COMPLETE THE NECESSARY REPAIRS TO THE STORM DRAIN PIPE

DIRECTOR/DEPARTMENT Melanie Kush, Development Services

SUMMARY

This item requests City Council approve the emergency repair and appropriation of funds for the repair and replacement of a failed storm drain pipe and restoration of public improvements.

On November 20, 2016, during a large storm, City crews were called out to 9628 Cambury Drive with reports of a failed storm drain pipe. It was discovered that a 24" diameter Corrugated Metal Pipe (CMP) storm drain culvert that drains the street and adjacent neighborhood streets had partially failed. The Public Services Division has made temporary repairs resulting in a partial road opening and temporary pipe stabilization. City engineers have evaluated the failed storm drain pipe and determined the need for emergency repairs. The needed repair work qualifies as an emergency under Santee Municipal Code section 3.24.150(C), as a threat to public health, safety or welfare. Given the likelihood of rain and potential for damage to adjacent property during rain events, permanent repairs are required to remedy the condition to safeguard life, health, and property.

In accordance with Municipal Code Section 3.24.150, staff is obtaining the lowest obtainable price to secure and repair the site with available resources secured by Bert W. Salas, Inc. at an estimated cost of \$80,000. The repair costs include immediately replacing the existing failed pipe to avoid further damage. The estimate also includes the cost to re-build the damaged storm drain, replace the failed storm drain pipe, and restore the street and sidewalk sections. Staff is requesting an estimated amount and will report back to City Council in the event the costs exceed this request.

ENVIRONMENTAL REVIEW

Categorically exempt from the provisions of the California Environmental Quality Act (CEQA) by CEQA Guidelines Section 15301 (b).

FINANCIAL STATEMENT

26 for T.M.

Transfer of Gas Tax Funds in the amount of \$80,000 from the Citywide CMP Replacement Program is requested. This amount is included in the adopted FY2015-16 through 2019-20 Capital Improvement Program Budget.

CITY ATTORNEY REVIEW

N/A Completed

RECOMMENDATION

MKB

Adopt the attached Resolution approving: 1) Emergency repair of the storm drain to safeguard life, health, or property; and 2) A waiver of the requirement for competitive bidding; and 3) The transfer of \$80,000 of Gas Tax funds; and 4) Authorizing the City Manager to enter into an agreement for the emergency work and the repairs to the storm drain pipe.

ATTACHMENTS

Resolution

RESOLUTION NO. _____

RESOLUTION APPROVING IMMEDIATE REPAIR OF STORM DRAIN PIPE AT CAMBURY DRIVE, THE TRANSFER OF FUNDS, WAIVING THE REQUIREMENT FOR COMPETITIVE BIDDING, AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT TO COMPLETE THE NECESSARY REPAIRS OF THE STORM DRAIN PIPE

WHEREAS, the immediate repair of the corrugated metal pipe (CMP) storm drain pipe at 9623 Cambury Drive is required to safeguard public health, safety and welfare; and

WHEREAS, Section 3.24.150 of the Santee Municipal Code authorizes the City Council to approve open-market purchases of supplies, materials, equipment or contractual services over \$20,000 in the case of an emergency that threatens public health, safety, and welfare; and

WHEREAS, Bert W. Salas, Inc. was contacted to conduct emergency repairs for the estimated amount of \$80,000.00; and

WHEREAS, a transfer of Gas Tax funds in the amount of \$80,000.00 is required to complete immediate permanent repairs to the storm drain pipe, and cover costs for emergency temporary repairs; and

WHEREAS, this project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) as provided in CEQA Guidelines Section 15301 (b).

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Santee, California, as follows:

Section 1: The immediate repair of the corrugated metal pipe (CMP) storm drain pipe at 9623 Cambury Drive and other improvements is authorized.

Section 2: The requirement for competitive bidding is hereby waived in order to safeguard life, health, or property.

Section 3: Gas Tax Funds in the amount not to exceed \$80,000.00 are hereby transferred from the Citywide CMP Replacement Program and appropriated for the repairs of the storm drain pipe.

Section 4: The City Manager is hereby authorized to execute the contract on behalf of the City to complete the permanent repair work to the storm drain pipe.

RESOLUTION NO. _____

ADOPTED by the City Council of the City of Santee, California, at an Adjourned Regular meeting thereof held this 29th day of November 2016, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

RANDY VOEPEL, MAYOR

ATTEST:

PATSY BELL, CMC, CITY CLERK

City of Santee
COUNCIL AGENDA STATEMENT

6B

MEETING DATE November 29, 2016

AGENDA ITEM NO.

ITEM TITLE INFORMATIONAL SESSION TO DISCUSS THE "CASTLEROCK"
PROJECT CURRENTLY UNDER CONSTRUCTION BY PARDEE HOMES

DIRECTOR/DEPARTMENT Melanie Kush, Director of Development Services



SUMMARY

During the Communication from the Public section of the City Council Meeting of September 14, 2016, several speakers spoke of, and had questions regarding the "Castlerock" project being constructed on a site located north of Mast Boulevard and west of Medina Drive. Council directed staff to place the Castlerock project on a future agenda and invite the developer (Pardee Homes). Representatives from Pardee Homes will be in attendance and staff members from the City of San Diego have been invited to this informational meeting.

FINANCIAL STATEMENT *pb for T.M.*

This is an informational item with no fiscal action.

CITY ATTORNEY REVIEW N/A Completed

RECOMMENDATION *MDSB*

Conduct information Session

ATTACHMENTS

Minutes of the September 14, 2016 Council Minutes

Minutes

Santee City Council CDC Successor Agency Santee Public Financing Authority

Council Chambers
10601 Magnolia Avenue
Santee, California
September 14, 2016

This Regular Meeting of the Santee City Council, the CDC Successor Agency and the Santee Public Financing Authority was called to order by Mayor/Agency/Authority Chair Randy Voepel at 7:01 p.m.

Council Members present were: Mayor/Agency/Authority Chair Randy Voepel, Vice Mayor/Agency/Authority Vice Chair Jack E. Dale and Council/Agency/Authority Members Ronn Hall and John Minto. Council/Authority Member Rob McNelis entered the meeting at 7:02 p.m.

Officers present were: City Manager/Executive Director/Authority Secretary Marlene Best, City/Agency/Authority Attorney Shawn Hagerty and City Clerk/Agency Secretary Patsy Bell.

(Note: Hereinafter the titles Mayor, Vice Mayor, Council Member, City Manager, and City Attorney shall be used to indicate Mayor/Agency/Authority Chair, Vice Mayor/Agency Vice Chair/Authority Vice Chair, Council/Agency/Authority Member, City Manager/Executive Director/Authority Secretary, and City/Agency/Authority Attorney.)

The **INVOCATION** was given by Reverend Frank Placone-Willey of Summit Unitarian Church, and the **PLEDGE OF ALLEGIANCE** was led by VFW Auxiliary member Paige Dilione.

PRESENTATION: Jack E. Dale Cup presentation: Varsity football game between Santana & West Hills High Schools

Vice Mayor Jack E. Dale presented the trophy to Assistant Principal Josh Reiderer of West Hills High School.

Vice Mayor Dale recognized former Council Member Mike Clark and his wife, former School Board Member Jan Clark, who were in attendance.

PROCLAMATION: Storm Water Awareness Week September 26-30, 2016: Clean Water, Healthy Community

Vice Mayor Jack E. Dale presented the proclamation to Stormwater Program Manager Cecilia Tipton and David Gibson of the San Diego Regional Water Control Board.

PRESENTATION: Dedication of 2016 Pierce Fire Engine

Chief Smith spoke regarding the new 2016 Pierce Fire Engine and it was officially placed into service.

PROCLAMATION: Prostate Cancer Awareness Month is September 2016

Council Member Minto presented the proclamation to Santee resident Chad Little, who spoke regarding prostate cancer awareness.

ITEMS TO BE ADDED, DELETED OR RE-ORDERED ON AGENDA:

Mayor Voepel requested that Item 9(A) be reordered to follow Council Reports.

1. CONSENT CALENDAR:

- (A) Approval of reading by title only and waiver of reading in full of Ordinances and Resolutions on the agenda.
- (B) Approval of meeting minutes of the Santee City Council, the CDC Successor Agency and the Santee Public Financing Authority for the Regular Meetings of August 24, 2016.
- (C) Approval of Payment of Demands as presented.
- (D) Adoption of a Resolution amending the City's Conflict of Interest Code pursuant to the Political Reform Act of 1974. (Reso 089-2016)

ACTION: On motion of Council Member McNelis, seconded by Council Member Minto, the Agenda and Consent Calendar were approved as amended with all voting aye.

2. PUBLIC HEARING: None

3. ORDINANCES: None

4. CITY COUNCIL ITEMS AND REPORTS:

- (A) Request for a waiver of fees associated with the processing of an application for a Conditional Use Permit submitted by Post 9327 of the Veterans of Foreign Wars (VFW). (Voepel)

Mayor Voepel presented a brief report.

PUBLIC SPEAKERS: Submitting speaker slips in support, but not speaking, were CJ Walker, Marjorie Dege and Eugene Michonski.

ACTION: On motion of Council Member McNelis, seconded by Council Member Minto, the authorization to waive all fees associated with the processing of a Conditional Use Permit for the VFW for their move to 8516 Magnolia Avenue was approved with all voting aye.

The following item was reordered to follow Council Reports:

9. CDC SUCCESSOR AGENCY:

- (A) **Resolution confirming the issuance of refunding bonds in order to refund certain outstanding bonds of the former Community Development Commission of the City of Santee, approving the execution and delivery of a bond purchase agreement, continuing disclosure certificate and preliminary and final official statements relating thereto, designating officers, and providing for other matters properly relating thereto. (Reso CDCSA 004-2016)**

Finance Director Tim McDermott provided the staff report utilizing a PowerPoint presentation and answered Council's questions.

ACTION: On motion of Council Member Minto, seconded by Council Member Hall, the Resolution confirming the issuance of refunding bonds and approving the execution and delivery of a bond purchase agreement, continuing disclosure certificate and preliminary and final official statements relating thereto, designating officers, and providing for other matters properly relating thereto was adopted with all voting aye.

5. CONTINUED BUSINESS: None

6. NEW BUSINESS:

- (A) **Resolution authorizing the extension of the professional services agreement with Dokken Engineering for "as needed" engineering services on capital improvement and land development projects. (Reso 090-2016)**

Principal Civil Engineer Carl Schmitz provided a brief staff report.

ACTION: On motion of Council Member McNelis, seconded by Council Member Minto, the Resolution authorizing the City Manager to execute a 2-year extension to the professional services agreement with Dokken Engineering for "as needed" engineering services on capital improvement and land development projects not to exceed \$700,000 per fiscal year and authorizing the Director of Development Services to negotiate and issue task orders to complete the desired work was adopted with all voting aye.

(B) State Route 52 Corridor Study.

Principal Traffic Engineer Minjie Mie provided the staff report utilizing a PowerPoint presentation and answered Council's questions regarding traffic, public transit and development.

After further discussion and final comments, the report was noted and filed.

(C) Authorize payment to the County of San Diego for the City's share of the Next Generation Regional Communication System (NextGen RCS).

Assistant to the City Manager Kathy Valverde provided a brief staff report.

ACTION: On motion of Council Member McNelis, seconded by Council Member Minto, the payment to the County of San Diego for the City's share of the Next Generation Regional Communication System was authorized with all voting aye.

(D) Authorize the City Manager to execute an agreement with Grossmont Union High School District for cost sharing of two School Resource Officers at Santana and West Hills High Schools.

Assistant to the City Manager Kathy Valverde provided a brief staff report.

ACTION: On motion of Council Member Minto, seconded by Council Member Hall, the City Manager was authorized to execute an agreement with Grossmont Union High School District for cost sharing of two School Resource Officers at Santana and West Hills High Schools with all voting aye.

7. COMMUNICATION FROM THE PUBLIC:

The following Medina Street residents expressed concerns with the Castlerock development project that is being built behind their homes:

- Suzanne Sardina, who additionally provided photographs
- Phil Simon
- Jean Toscano
- Oscar Toscano
- Peggy Robinson
- Karen Galloway

During discussion, City Attorney Hagerty answered Council's questions regarding the project's noticing and approval processes, the City's authority level, and provisions contained in the annexation agreement. He further reminded Council that because this is a non-agendized item, Council may wish to have this item be placed on a future agenda where Council can fully discuss the project. With Council concurrence, staff was directed to place this matter on a future agenda and invite Pardee representatives.

8. CITY MANAGER REPORTS:

City Manager Best spoke regarding community events and commended Pamela White on her 31 years of service to the City.

9. CDC SUCCESSOR AGENCY:

(A) This item was re-ordered to be heard after the Council reports.

10. SANTEE PUBLIC FINANCING AUTHORITY:

(Note: Minutes appear as Item 1B)

11. CITY ATTORNEY REPORTS: None

Council Members recessed at 9:09 p.m. and convened in Closed Session at 9:20 p.m. with all Members present.

12. CLOSED SESSION:

(A) CONFERENCE WITH LABOR NEGOTIATORS

(Government Code Section 54957.6)

Agency Designated Representative: City Manager

Employee Organization: Santee Firefighters' Association

(B) CONFERENCE WITH LABOR NEGOTIATORS

(Government Code Section 54957.6)

Agency Designated Representative: Mayor

Unrepresented Employee: City Treasurer

(C) CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

(Government Code section 54956.9)

Consideration pursuant to Government Code section 54956.9(d)(4) of whether to initiate litigation: One case involving the County of San Diego's compliance with the California Environmental Quality Act in connection with the proposed development of an Assessor/Recorder/County Clerk's Branch Office and Archives on County-owned property located at approximately 10135 Mission Gorge Road.

Council Members reconvened in Open Session at 9:44 p.m. with all Members present. Mayor Voepel reported that for Item 12(A) on a vote of 3-2 with Council Members McNelis and Dale voting no, the Council approved the terms of a new Memorandum of Understanding with the Santee Firefighters Association and authorized the Mayor or his designee to sign the agreement; on Items 12(B) and 12(C), no action was taken.

13. ADJOURNMENT:

There being no further business, the meeting was adjourned at 9:45 p.m.

Date Approved: October 12, 2016

/s/ Patsy Bell

Patsy Bell, CMC, City Clerk, Agency Secretary
and for Authority Secretary Marlene Best