



AGENDA
REGULAR CITY COUNCIL /
REDEVELOPMENT AGENCY MEETING
TUESDAY, OCTOBER 27, 2009, 7:00 P. M.
COUNCIL CHAMBERS, 245 E. BONITA AVE.

CITY COUNCIL:

Mayor Curtis W. Morris
Mayor Pro Tem Denis Bertone
Councilmember Emmett Badar
Councilmember John Ebner
Councilmember Jeff Templeman

1. CALL TO ORDER AND FLAG SALUTE

2. INTRODUCTIONS

- John Rossfeld, CEO San Dimas Community Hospital

3. ANNOUNCEMENTS

- Halloween Carnival, Costume Contest and Haunted Hall on Saturday, October 31, 2009
- Pui-Ching Ho, Library Manager, San Dimas Library

4. ORAL COMMUNICATIONS (Members of the audience are invited to address the City Council on any item not on the agenda. Under the provisions of the Brown Act, the legislative body is prohibited from taking or engaging in discussion on any item not appearing on the posted agenda. However, your concerns may be referred to staff or set for discussion at a later date. If you desire to address the City Council on an item on this agenda, other than a scheduled public hearing item you may do so at this time or asked to be heard when that agenda item is considered. Comments on public hearing items will be considered when that item is scheduled for discussion. The Public Comment period is limited to 30 minutes. Each speaker shall be limited to three (3) minutes.)

- a. Members of the Audience

5. CONSENT CALENDAR

(All items on the Consent Calendar are considered to be routine and will be enacted by one motion unless a member of the City Council or audience requests separate discussion.)

- a. Resolutions read by title, further reading waived, passage and adoption recommended as follows:

(1) **RESOLUTION NO. 09-47**, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, CALIFORNIA, APPROVING CERTAIN DEMANDS FOR THE MONTH OF OCTOBER, 2009.

(2) **RESOLUTION NO. 09-48**, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, CALIFORNIA, AUTHORIZING LINCOLN FINANCIAL ADVISORS TO CREATE A PLAN DOCUMENT FOR CITY OF SAN DIMAS DEFERRED COMP RETIREMENT PLAN #3121 FOR PART TIME EMPLOYEES.

(3) **RESOLUTION NO. 09-49**, A RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

b. Ordinances read by title, further reading waived, passage and adoption recommended as follows:

(1) **ORDINANCE NO. 1191**, AN ORDINANCE OF THE CITY OF SAN DIMAS REGARDING ABATEMENT OF NUISANCE AND AMENDING THE SAN DIMAS MUNICIPAL CODE. **SECOND READING AND ADOPTION**

c. Approval of minutes for regular City Council meeting of October 13, 2009 and special City Council meeting of October 13, 2009.

END OF CONSENT CALENDAR

6. OTHER MATTERS

a. Presentation regarding a project to renovate and expand City Hall, the Civic Center Plaza and the Stanley Plummer Community Building. The purpose is to explain the project to the public and respond to questions.

7. SAN DIMAS REDEVELOPMENT AGENCY

- a. Oral Communications (*This is the time set aside for members of the audience to address the Board. Speakers are limited to three minutes.*)
- b. Approval of minutes for October 13, 2009 meeting
- c. Executive Director
- d. Members of the Agency

8. ORAL COMMUNICATIONS

- a. Members of the Audience (*Speakers are limited to five (5) minutes or as may be determined by the Chair.*)
- b. City Manager
- c. City Attorney
- d. Members of the City Council
 - 1) Councilmembers' report on meetings attended at the expense of the local agency.
 - 2) Individual Members' comments and updates.

9. ADJOURNMENT

The next meeting will be Monday, November 2, 2009, at 5:00 p.m. for the Fall City Council/Staff Retreat

AGENDA STAFF REPORTS: COPIES OF STAFF REPORTS AND/OR OTHER WRITTEN DOCUMENTATION PERTAINING TO THE ITEMS ON THE AGENDA ARE ON FILE IN THE OFFICE OF THE CITY CLERK AND ARE AVAILABLE FOR PUBLIC INSPECTION DURING THE HOURS OF 8:00 A.M. TO 5:00 P.M. MONDAY THROUGH FRIDAY. INFORMATION MAY BE OBTAINED BY CALLING (909) 394-6216. CITY COUNCIL MINUTES AND AGENDAS ARE ALSO AVAILABLE ON THE CITY'S HOME PAGE ON THE INTERNET: <http://www.cityofsandimas.com>

SUPPLEMENTAL REPORTS: AGENDA RELATED WRITINGS OR DOCUMENTS PROVIDED TO A MAJORITY OF THE SUBJECT BODY AFTER DISTRIBUTION OF THE AGENDA PACKET SHALL BE MADE AVAILABLE FOR PUBLIC INSPECTION AT THE CITY CLERK'S OFFICE AT 245 EAST BONITA AVENUE DURING NORMAL BUSINESS HOURS. [PRIVILEGED AND CONFIDENTIAL DOCUMENTS EXEMPTED]

HEARING ASSISTANCE: THE CITY OF SAN DIMAS CITY COUNCIL CHAMBERS IS EQUIPPED WITH A HEARING ASSISTANCE SYSTEM. PLEASE CONTACT THE CITY CLERK (909) 394-6216 TO CHECK OUT A RECEIVER.

POSTING STATEMENT: ON OCTOBER 23, 2009, A TRUE AND CORRECT COPY OF THIS AGENDA WAS POSTED ON THE BULLETIN BOARDS AT 245 EAST BONITA AVENUE (SAN DIMAS CITY HALL) 145 NORTH WALNUT AVENUE (LOS ANGELES COUNTY PUBLIC LIBRARY, SAN DIMAS BRANCH); AND 300 EAST BONITA AVENUE (UNITED STATES POST OFFICE) AND THE CITY'S WEBSITE AT WWW.CITYOFSANDIMAS.COM.

RESOLUTION NO. 09-47

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF SAN DIMAS, CALIFORNIA, APPROVING
CERTAIN DEMANDS FOR THE MONTH OF
OCTOBER 2009**

WHEREAS, the following listed demands have been audited by the Director of Finance;
and

WHEREAS, the Director of Finance has certified as to the availability of funds for
payment thereto; and

WHEREAS, the register of audited demands have been submitted to the City Council for
approval.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Dimas
does hereby approve Warrant Register: 10/30/09; 128865 through 129021; in the amount of
\$959,637.34.

PASSED, APPROVED AND ADOPTED THIS 27th DAY OF OCTOBER, 2009.

Curtis W. Morris, Mayor of the City of San Dimas

ATTEST:

Ina Rios, CMC, City Clerk

I HEREBY CERTIFY that the foregoing Resolution was adopted by vote of the City
Council of the City of San Dimas at its regular meeting of October 27, 2009, by the following
vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Ina Rios, CMC, City Clerk

52(1)



***THE WARRANT DISBURSEMENT
JOURNAL IS NOT AVAILABLE TO
VIEW THROUGH LASERFICHE***

***A PAPER COPY IS AVAILABLE IN THE
FINANCE DEPARTMENT***

SORRY FOR ANY INCONVENIENCES.

DOCUMENT IMAGING DEPT.



Agenda Item Staff Report

TO: Honorable Mayor and Members of City Council
October 27, 2009

FROM: Blaine Michaelis, City Manager

INITIATED BY: Ken Duran, Assistant City Manager

SUBJECT: Adopt Resolution 09-48 *Authorization for Lincoln Financial Advisors – to create a Plan Document for City of San Dimas Deferred Comp Retirement Plan #3121 for Part Time Employees*

SUMMARY

Adopt Resolution 09-48 Authorization for Lincoln Financial Advisors – to create a Plan Document for City of San Dimas Deferred Comp Retirement Plan #3121 for Part Time Employees

BACKGROUND

In 1991 the City entered into an agreement with Lincoln Advisors to handle the deferred compensation plan for part time hourly employees not eligible for PERS and in lieu of Social Security. At that time a plan document was not required and not created. Current IRS regulations require that all deferred compensation plans have in place an approved plan document. Lincoln Financial Advisors require authorization by Resolution in order to create the plan document for City approval.

The cost to the City to have the plan document created is \$150.00. Attached is a copy of the 457 Plan Administrative Service Agreement outlining the basics of the deferred compensation plan.

The #3121 plan document for part time employees will require one change; allowing Lincoln Financial to force out terminated employees that have accumulated funds under \$5,000 still on deposit and includes any current or new employees once terminated; if funds under \$5,000 withdrawal is mandatory. This change is warranted by Lincoln Financial Advisors since our current plan is too costly for them to maintain. By adding this provision Lincoln Financial Advisors hope to be able to continue to maintain our plan for part time employees by bringing the cost of maintaining employee accounts down or at least break even.

5a(2)

It is possible in the future that Lincoln Financial Advisors may elect to discontinue offering the 3121 plan and at that time the City will have to find another service for our part time employees, or may have to enroll them in Social Security at a higher cost to the City. We currently have 228 terminated employees that have minimal funds on deposit way below \$5,000 and will be forced to withdraw their money. This will bring the number of active accounts down to 52 and will assist Lincoln Financial in lowering their account maintenance cost that will allow them to continue the City's plan. Lincoln Financial Advisors will notify all terminated employees of the new requirement by letter and include the withdrawal form once the plan document has been created and approved. Lincoln Financial Advisors require authorization by Resolution in order to create the plan document for City approval.

RECOMMENDATION

It is recommended that the City Council adopt **Resolution 09-48** *Authorization for Lincoln Financial Advisors – to create a Plan Document for - City of San Dimas Deferred Comp Retirement Plan #3121 for Part Time Employees, Effective October 27, 2009.*

Respectfully Submitted,

Barbara Bishop
Finance/IS Manager

The Lincoln National Life Insurance Company
PO Box 2340
Fort Wayne IN 46802-2340

**457(b) Plan Administration
Service Agreement**

3121-0NLY

Plan Name	CITY OF SAN DIMAS Retirement Plan	Plan number	6P46692
Employer	CITY OF SAN DIMAS	Phone number	909-394-6225
Plan Administrator	CITY OF SAN DIMAS		
Service agreement effective date			

While this agreement is in effect, the employer and The Lincoln National Life Insurance Company ("Lincoln") agree as follows:

I. Responsibility of Lincoln

- (A) Lincoln will provide the services the employer elects in the 457(b) Deferred Compensation Election of Administrative Services form attached and incorporated herein by reference, contingent upon the employer meeting its obligations under Section II of this service agreement. The Election of Administrative Services will specify the services to be provided and the charge(s) applicable to the services provided.
- (B) Lincoln will bill the employer for services rendered. Payment is due upon receipt of the bill. If payment is not received within 30 days of the billing date, Lincoln reserves the right to discontinue services until payment is received.
- (C) Disclosure: Lincoln agrees not to disclose any participant data, which the employer furnishes pursuant to this agreement to others not associated with the provision of services covered by this agreement unless (1) prior written consent from the employer has been received, or (2) Lincoln acts pursuant to legal process.

II. Responsibility of the employer

- (A) The employer will provide to Lincoln all information requested relative to the plan and its administration that Lincoln deems necessary to provide the services specified in this agreement. Lincoln assumes no responsibility for the accuracy of the information provided.
- (B) The employer will review each report furnished by Lincoln and will notify Lincoln of any errors in the report. Notification of any error must be in writing and must be received by Lincoln at the address above within 60 days of the employer's receipt of the report.

All errors caused by Lincoln will be corrected free of charge. Errors by Lincoln that are not reported within 60 days and errors caused by the employer or any other party will be corrected at the direction of the employer. The employer will be responsible for all costs associated with the corrections.

- (C) Whenever any amendment or significant change to the operation of the plan is proposed, the employer will notify Lincoln in writing at least 30 days prior to the effective date of such proposed amendment or change to the plan. Lincoln reserves the right to adjust the service fees in the event such amendment or change alters the type or quantity of the services to be performed.

III. General Provisions

- (A) Terms of agreement: This agreement shall commence on the service agreement effective date and shall continue in force until discontinued under Section IV. This agreement will automatically be renewed as of its anniversary for each subsequent plan year unless at least 30 days prior to the anniversary either Lincoln or the employer elects to terminate this agreement.
- (B) Employer responsibility: by this agreement, Lincoln agrees to provide only the ministerial services listed in the Election of Administrative Services to the employer in connection with the plan. Decisions regarding the interpretation of plan provisions, including provisions involving benefits under the plan, shall be made by the employer. (Lincoln shall not, by the provision of services or otherwise, assume any employer responsibilities, or exercise any discretion or control over the plan.)
- (C) Calculation of Charges: The service charges due under this agreement will be the sum of the charges stated in the Election of Administrative Services. This agreement does not include any charges that may be contained in an annuity contract.

(D) Lincoln's maximum liability is the amount of service fees paid under this contract. Any action brought under this contract must be filed within three (3) years of the occurrence causing the action. If the three year period during which suit can be brought on the contract is prohibited by the state in which the contract is executed, these limitations shall be amended to agree with the minimum period of limitation permitted by the state. Nothing in this contract will make Lincoln a party to the plan or will transfer to Lincoln any authority or control regarding management of the plan. In addition, this agreement cannot cause Lincoln to have any obligation to a plan participant or beneficiary. Lincoln will rely upon information furnished by the employer, plan or plan participant and has no duty to look beyond such information.

(E) Agreement amendment: Any or all of the terms of this agreement may be changed only by a written instrument signed by an officer of Lincoln and the employer.

(F) Lincoln will have the right to review and adjust the service fees charged under this contract at any time. If adjustment in the service fees are necessary, the employer will be notified of the adjustments before Lincoln initiates further service work. Lincoln reserves the right to make additional charges for servicing if substantial review of prior years' documents is necessary. Service fees are due upon receipt of the bill. If payment is not received within 30 days of the billing date, Lincoln reserves the right to discontinue services until payment is received.

(G) Lincoln shall not be liable for any damages for failure to perform any of the terms or provisions of this

agreement from any cause not within its control. Lincoln will not be responsible for any liability to any party other than that which may result from Lincoln's negligent performance under this contract.

IV. Termination

- (A) Termination: This agreement will be terminated upon any of the following:
 1. 30 days written notice from the employer to Lincoln,
 2. 30 days written notice from Lincoln to the employer,
 3. The employer's failure to make required payments for service charges billed,
 4. Immediately upon discontinuance of the annuity contract issued by Lincoln for funding of the plan, or
 5. Immediately upon termination of the plan.

- (B) Effect of termination:
 1. Upon termination of this agreement, any outstanding charges shall be payable immediately. Lincoln will provide no further services until all charges are paid in full.
 2. Any service(s) provided at Lincoln's option after the actual date of termination will be provided at a rate to be determined at the time of termination and on a prepaid basis only. No services will be provided after termination unless and until all charges due have been paid. In such event, Lincoln will provide a listing of those services it is willing to provide after the date of termination.

(C) Governing Law: The agreement shall be governed and construed in accordance with the laws of the State of Indiana.

457(b) Deferred Compensation Election of Administrative Services

PLAN DOCUMENT SERVICES Yes No

I. Implementation Fee (initial plan set-up) \$ 150

The fee includes: plan design, preparation of plan document, and loan policy (if applicable).

Plans which require processing time in excess of five hours will be billed an additional fee of \$150 per hour. The client will be notified in advance of any additional billing.

II. Maintenance Fees

This fee will be charged for each plan amendment or restatement.

- Plan Document Restatement (Revising Existing Document) \$ 150
- Amendment (Employer Requested Changes to the Existing Document) \$ 100

Plans which require processing time in excess of two hours will be billed an additional fee of \$150 per hour. Amendment / restatement request received with a proposed effective date less than 30 days from date of receipt will be processed subject to Lincoln approval and will be billed an additional fee of \$150. The client will be notified in advance of any additional billing.

In witness hereof, Lincoln and the employer have signed this agreement.

Employer

By:

Title: ASSISTANT CITY MANAGER

Date:

The Lincoln National Life Insurance Company (home office)

By:

Title:

Date:

The above-described fees are subject to change by Lincoln with 30 days advance notice to the employer.

RESOLUTION NO. 09-48

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIMAS, AUTHORIZING LINCOLN FINANCIAL ADVISORS TO CREATE A PLAN DOCUMENT FOR CITY OF SAN DIMAS' DEFERRED COMP RETIREMENT PLAN NO. 3121 FOR PART-TIME EMPLOYEES

WHEREAS, in 1991, the City of San Dimas entered into an Agreement with Lincoln Financial Advisors to handle the deferred compensation plan for part-time hourly employees not eligible for PERS and in lieu of social security; and

WHEREAS, assets of the Plan are held in trust, with the City of San Dimas serving as trustee, for the exclusive benefit of the Plan participants and their beneficiaries, and the assets shall not be diverted to any other purpose; and

WHEREAS, in 1991, a plan document was not required and was not created; and

WHEREAS, current Internal Revenue Service regulations mandate that all deferred compensation plans have in place an approved plan document; and

WHEREAS, Lincoln Financial Advisors require authorization by Resolution in order to create the plan document for City approval; and

WHEREAS, in order to provide cost effective service for regular part-time hourly employees, the No. 3121 plan document would mandate withdrawal of funds under \$5,000 held in trust in the Lincoln Life trusts upon termination of new, current, and past part-time employment.

NOW, THEREFORE, the City Council of the City of San Dimas does hereby resolve as follows:

Section 1. The City Council hereby authorizes Lincoln Financial Advisors to craft the plan document for City of San Dimas Deferred Compensation Retirement Plan No. 3121 for part-time employees.

Section 2. The City of San Dimas Office of Administrative Services agrees to serve as trustee under the Plan.

Section 3. The City of San Dimas is authorized to execute all agreements necessary to effectuate the Resolution.

Section 4. The City Clerk shall certify to the passage and adoption of this resolution; shall cause the same to be entered in the book of Resolutions of said City of San Dimas, and shall make a record of the passage and adoption thereof in the records that the same was passed and adopted.

PASSED, APPROVED AND ADOPTED THIS 27TH DAY OF OCTOBER 2009.

Curtis W. Morris, Mayor of the City of San Dimas

ATTEST:

Ina Rios, CMC, City Clerk

I, INA RIOS, CITY CLERK of the City of San Dimas, do hereby certify that Resolution No. 09-48 was passed and adopted at the regular meeting of the City Council held on the 27th day of October 2009, by the following vote-to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ina Rios, CMC, City Clerk



Agenda Item Staff Report

TO: Honorable Mayor and Members of City Council
For the Meeting of October 27, 2009

FROM: Blaine Michaelis, City Manager

INITIATED BY: Ken Duran, Assistant City Manager

SUBJECT: A RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

SUMMARY

Staff recommends that the City participate in the Proposition 1A Securitization Program which would allow for the immediate reimbursement of the approximately \$670,000 that the City is obligated to loan the State as a part of the adopted State budget.

Background

Proposition 1A Suspension: Proposition 1A was passed by California voters in 2004 to ensure local property tax and sales tax revenues remain with local government thereby safeguarding funding for public safety, health, libraries, parks, and other local services. Provisions can only be suspended if the Governor declares a fiscal necessity and two-thirds of the Legislature concur.

The emergency suspension of Proposition 1A was passed by the Legislature and signed by the Governor as ABX4 14 and ABX4 15 as part of the 2009-10 budget package on July 28, 2009. Under the provision, the State will borrow 8% of the amount of property tax revenue apportioned to cities, counties and special districts. The state will be required to repay those obligations plus interest by June 30, 2013.

5a (3)

The legislature recently passed a clean-up bill, SB67 which provided for a few critical changes to the enacted legislation, including but not limited to providing for: financing to occur in November; county auditor certification of amount of Prop 1A receivable; tax-exempt structure; California Communities as the only issuer; more flexibility on bond structure (interest payments, state payment date and redemption features); sales among local agencies; and revision to the hardship mechanism.

Proposition 1A Securitization Program: Authorized under ABX4 14 and ABX4 15, the Proposition 1A Securitization Program was instituted by California Communities to enable Local Agencies to sell their respective Proposition 1A Receivables to California Communities. Under the Securitization Program, California Communities will simultaneously purchase the Proposition 1A Receivables, issue bonds ("Prop 1A Bonds") and provide each local agency with the cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010 (to coincide with the dates that the State will be shifting property tax from local agencies). The purchase price paid to the local agencies will equal 100% of the amount of the property tax reduction. All transaction costs of issuance and interest will be paid by the State of California. Participating local agencies will have no obligation on the bonds and no credit exposure to the State.

If the City sells its Proposition 1A Receivable under the Proposition 1A Securitization Program, California Communities will pledge the City's Proposition 1A Receivable to secure the repayment of a corresponding amount of the Prop 1A Bonds. The City's sale of its Proposition 1A Receivable will be irrevocable. Bondholders will have no recourse to the City if the State does not make the Proposition 1A Repayment.

Proposition 1A Program Sponsor: California Statewide Communities Development Authority ("California Communities") is a joint powers authority sponsored by the California State Association of Counties and the League of California Cities. The member agencies of California Communities include approximately 230 cities and 54 counties throughout California. The City does not need to be a member of California Communities to participate.

Benefits of Participation in the Proposition 1A Securitization Program:

Initially, staffs thought was to loan the approximately \$670,000 in property tax to the State and collect the interest earnings when the loan will be paid back in 3 years, considering it a form of investment. However, the State, who had the ability to set the interest rate, established the rate at 2%. The differential in interest earnings from what we are currently receiving at LAIF and the 2% is approximately \$20,000 over the 3 years. If the City is able to find other investment vehicles that can yield a higher earning than LAIF or if the rate at LAIF increases over the next 3 years that differential will be even less. Therefore, staff feels that the security of being paid back our entire \$670,000 immediately is worth any potential loss of interest earnings. There are currently 1,306 counties,

cities and special districts that have expressed interest in participating in the Securitization Program.

The benefits to the City of participation in the Proposition 1A Securitization Program include:

- Immediate cash relief – the sale of the City's Proposition 1A Receivable will provide the City with 100% of its Proposition 1A Receivable in two equal installments, on January 15, 2010 and May 3, 2010.
- Mitigates impact of 8% property tax withholding in January and May – Per ABX4 14 and ABX4 15 and the proposed clean-up legislation SB 67, the State will withhold 8% of property tax receivables due to Cities, Counties, and Special Districts under Proposition 1A. The financing outlines bond proceeds to be distributed to coincide with the dates that the State will be shifting property tax from local agencies.
- All costs of financing borne by the State of California. The City will not have to pay any interest cost or costs of issuance in connection with its participation.
- No obligation on Bonds. The City has no obligation with respect to the payment of the bonds, nor any reporting, disclosure or other compliance obligations associated with the bonds.

Proceeds of the Sale of the [City/County/Special District]'s Proposition 1A Receivable:

Upon delivery of the Proposition 1A Bonds, California Communities will make available to the City its fixed purchase price, which will equal 100% of the local agency's Proposition 1A Receivable, which to the City of San Dimas is approximately \$670,000. These funds may be used for any lawful purpose of the City and are not restricted by the program.

Proposed Proposition 1A Receivables Sale Resolution:

The proposed Proposition 1A Receivables Sale Resolution:

- (1) Authorizes the sale of the City's Proposition 1A Receivable to California Communities for 100% of its receivable;
- (2) Approves the form, and directs the execution and delivery, of the Purchase and Sale Agreement with California Communities and related documents;
- (3) Authorizes and directs any Authorized Officer to send, or to cause to be sent, an irrevocable written instruction required by statute to the State Controller notifying the State of the sale of the Proposition 1A Receivable

and instructing the disbursement of the Proposition 1A Receivable to the Proposition 1A Bond Trustee;

- (4) Appoints certain City officers and officials as Authorized Officers for purposes of signing documents; and
- (5) Authorizes miscellaneous related actions and makes certain ratifications, findings and determinations required by law.

Proposed Purchase and Sale Agreement

The proposed Purchase and Sale Agreement:

- (1) Provides for the sale of the Proposition 1A Receivable to California Communities;
- (2) Contains representations and warranties of the City to assure California Communities that the Proposition 1A Receivable has not been previously sold, is not encumbered, that no litigation or other actions is pending or threatened to disrupt the transaction and the this is an arm's length "true sale" of the Proposition 1A Receivable.
- (3) Provides mechanics for payment of the Purchase Price
- (4) Contains other miscellaneous provisions.

Proposed Purchase and Sale Agreement Exhibits:

The proposed Proposition 1A Purchase and Sale Agreement Exhibits:

- (B1) Opinion of Counsel: This is an opinion of the City Attorney covering basic approval of the documents, litigation, and enforceability of the document against the Seller. It will be dated as of the Pricing date of the bonds (currently expected to be November 10, 2009).
- (B2) Bringdown Opinion: This simply "brings down" the opinions to the closing date (currently expected to be November 19, 2009).
- (C1) Certificate of the Clerk of the Local Agency: A certificate of the City Clerk confirming that the resolution was duly adopted and is in full force and effect.
- (C2) Seller Certificate: A certification of the Seller dated as of the Pricing Date confirming that the representations and warranties of the Seller are true as of the Pricing Date, confirming authority to sign, confirming due approval of the resolution and providing payment instructions.

- (C3) Bill of Sale and Bringdown Certificate: Certificate that brings the certifications of C2 down to the Closing Date and confirms the sale of the Proposition 1A Receivable as of the Closing Date.
- (D) Irrevocable Instructions to the Controller: Required in order to let the State Controller know that the Proposition 1A Receivable has been sold and directing the State to make payment of the receivable to the Trustee on behalf of the Purchaser.
- (E) Escrow Instruction Letter: Instructs Transaction Counsel (Orrick) to hold all documents in escrow until closing, and if closing does not occur by December 31, 2009 for any reason, to destroy all documents.

Recommended Action:

Staff recommends adoption of the Proposition 1A Sale Resolution and Purchase and Sale Agreement, authorizing the City's participation in the Proposition 1A Securitization Program.

Attachments: Resolution 09-49
Purchase and Sale Agreement

RESOLUTION NO. 09-49

**CITY COUNCIL
OF THE
CITY OF SAN DIMAS**

A RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to Section 25.5 of Article XIII of the California Constitution and Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended (the "Act"), certain local agencies within the State of California (the "State") are entitled to receive certain payments to be made by the State on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year (the "Reimbursement Payments"), which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code;

WHEREAS, the City of San Dimas, a local agency within the meaning of Section 6585(f) of the California Government Code (the "Seller"), is entitled to and has determined to sell all right, title and interest of the Seller in and to its "Proposition 1A receivable", as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund public capital improvements or working capital;

WHEREAS, the Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require;

WHEREAS, the California Statewide Communities Development Authority, a joint exercise of powers authority organized and existing under the laws of the State (the "Purchaser"), has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable;

WHEREAS, the Purchaser desires to purchase the Proposition 1A Receivable and the Seller desires to sell the Proposition 1A Receivable pursuant to a purchase and sale agreement by and between the Seller and the Purchaser in the form presented to this City Council (the "Sale Agreement") for the purposes set forth herein;

WHEREAS, in order to finance the purchase price of the Proposition 1A Receivable from the Seller and the purchase price of other Proposition 1A Receivables from other local agencies, the Purchaser will issue its bonds (the "Bonds") pursuant to Section 6590 of the California Government Code and an Indenture (the "Indenture"), by and between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), which Bonds will be payable solely

from the proceeds of the Seller's Proposition 1A Receivable and other Proposition 1A Receivables sold to the Purchaser by local agencies in connection with the issuance of the Bonds;

WHEREAS, the Seller acknowledges that (i) any transfer of its Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement shall be treated as an absolute sale and transfer of the property so transferred and not as a pledge or grant of a security interest by City of San Dimas to secure a borrowing, (ii) any such sale of its Proposition 1A Receivable to the Purchaser shall automatically be perfected without the need for physical delivery, recordation, filing or further act, (iii) the provisions of Division 9 (commencing with Section 9101) of the California Commercial Code and Sections 954.5 to 955.1 of the California Civil Code, inclusive, shall not apply to the sale of its Proposition 1A Receivable, and (iv) after such transfer, the Seller shall have no right, title, or interest in or to the Proposition 1A Receivable sold to the Purchaser and the Proposition 1A Receivable will thereafter be owned, received, held and disbursed only by the Purchaser or a trustee or agent appointed by the Purchaser;

WHEREAS, the Seller acknowledges that the Purchaser will grant a security interest in the Proposition 1A Receivable to the Trustee and any credit enhancer to secure payment of the Bonds;

WHEREAS, a portion of the proceeds of the Bonds will be used by the Purchaser to, among other things, pay the purchase price of the Proposition 1A Receivable;

WHEREAS, the Seller will use the proceeds received from the sale of the Proposition 1A Receivable for any lawful purpose as permitted under the applicable laws of the State;

NOW THEREFORE, the City Council of the City of San Dimas hereby resolves as follows:

Section 1. All of the recitals set forth above are true and correct, and this City Council hereby so finds and determines.

Section 2. The Seller hereby authorizes the sale of the Proposition 1A Receivable to the Purchaser for a price equal to the amount certified as the Initial Amount (as defined in the Sale Agreement) by the County auditor pursuant to the Act. The form of Sale Agreement presented to the City Council is hereby approved. An Authorized Officer (as set forth in Appendix A of this Resolution, attached hereto and by this reference incorporated herein) is hereby authorized and directed to execute and deliver the Sale Agreement on behalf of the Seller, which shall be in the form presented at this meeting.

Section 3. Any Authorized Officer is hereby authorized and directed to send, or to cause to be sent, an irrevocable written instruction to the State Controller (the "Irrevocable Written Instruction") notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement pursuant to Section 6588.6(c) of California Government Code of the Proposition 1A Receivable to the Trustee, on behalf of the Purchaser, which Irrevocable Written Instruction shall be in the form presented at this meeting.

Section 4. The Authorized Officers and such other Seller officers, as appropriate, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including but not limited to, if required, appropriate escrow instructions relating to the delivery into escrow of executed documents prior to the closing of the Bonds, and such other documents mentioned in the Sale Agreement or the Indenture, which any of them may deem necessary or desirable in order to implement the Sale Agreement and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the sale of the Proposition 1A Receivable or the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, may be given or taken by an Authorized Officer without further authorization by this City Council, and each Authorized Officer is hereby authorized and directed to give any such consent, approval, notice, order or request, to execute any necessary or appropriate documents or amendments, and to take any such action that such Authorized Officer may deem necessary or desirable to further the purposes of this Resolution.

Section 6. The City Council acknowledges that, upon execution and delivery of the Sale Agreement, the Seller is contractually obligated to sell the Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement and the Seller shall not have any option to revoke its approval of the Sale Agreement or to determine not to perform its obligations thereunder.

Section 7. This Resolution shall take effect from and after its adoption and approval.

PASSED AND ADOPTED by the City Council of the City of San Dimas, State of California, this _____ day of _____, 2009, by the following vote:

AYES:

NOES:

ABSENT:

Mayor

Attest:

City Clerk

Approved as to form :

SELLER'S COUNSEL

By _____

Dated: _____

APPENDIX A

CITY OF SAN DIMAS

Authorized Officers: Blaine Michaelis, City Manager

Ken Duran, Assistant City Manager

any designee of any of them, as appointed in a written certificate of such Authorized Officer delivered to the Trustee.

CITY OF SAN DIMAS, CALIFORNIA,
as Seller

and

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY,
as Purchaser

PURCHASE AND SALE AGREEMENT.

Dated as of November 1, 2009

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT, dated as of November 1, 2009 (this "Agreement"), is entered into by and between:

- (1) CITY OF SAN DIMAS, a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code (the "Seller"); and
- (2) CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Purchaser").

RECITALS

A. Pursuant to Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, local agencies within the meaning of Section 6585(f) of the California Government Code are entitled to receive certain payments to be made by the State of California (the "State") on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year, which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code.

B. The Seller is the owner of the Proposition 1A Receivable (as defined below) and is entitled to and has determined to sell all right, title and interest in and to the Proposition 1A receivable, namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund any lawful purpose as permitted under the applicable laws of the State.

C. The Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require.

D. The Purchaser, a joint exercise of powers authority organized and existing under the laws of the State, has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable.

E. The Seller is willing to sell, and the Purchaser is willing to purchase, the Proposition 1A Receivable upon the terms specified in this Agreement.

F. Pursuant to its Proposition 1A Receivable Financing Program (the "Program"), the Purchaser will issue its bonds (the "Bonds") pursuant to an Indenture (the "Indenture"), between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and will use a portion of the proceeds thereof to purchase the Proposition 1A Receivable from the Seller.

G. The Purchaser will grant a security interest in such Proposition 1A Receivable to the Trustee and each Credit Enhancer to secure the Bonds.

AGREEMENT

NOW, THEREFORE, in consideration of the above Recitals and the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Definitions and Interpretation.

(a) For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in Exhibit A attached hereto and which is incorporated by reference herein.

(b) The words “hereof,” “herein,” “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; section and exhibits references contained in this Agreement are references to sections and exhibits in or to this Agreement unless otherwise specified; and the term “including” shall mean “including without limitation.”

(c) Any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time may be amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments and exhibits thereto and instruments incorporated therein; and any references to a Person are also to its permitted successors and assigns.

2. Agreement to Sell and Purchase; Conditions Precedent.

(a) The Seller agrees to sell, and the Purchaser agrees to purchase, on the Closing Date, for an amount equal to the Purchase Price, all right, title and interest of the Seller in and to the “Proposition 1A receivable” as defined in Section 6585(g) of the California Government Code (the “Proposition 1A Receivable”), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code. The Purchase Price shall be paid by the Purchaser to the Seller in two equal cash installment payments, without interest (each, an “Installment Payment” and, collectively, the “Installment Payments”), on January 15, 2010, and May 3, 2010 (each a “Payment Date” and, collectively, the “Payment Dates”). The Purchaser shall pay the Purchase Price by wire transfer pursuant to wire instructions provided by the Seller to the Trustee by e-mail to john.deleray@wellsfargo.com or by facsimile to 213-614-3355, Attention: John Deleray. If wire instructions are not provided to the Trustee (or if such wire instructions are invalid) payment will be made by check mailed to the Seller’s Principal Place of Business.

(b) The performance by the Purchaser of its obligations hereunder shall be conditioned upon:

- (i) Transaction Counsel receiving on or before the date the Bonds are sold (the “Pricing Date”), to be held in escrow until the Closing Date and then delivered to the Purchaser on the Closing Date, the following documents

duly executed by the Seller or its counsel, as applicable: (1) an opinion of counsel to the Seller dated the Pricing Date in substantially the form attached hereto as Exhibit B1, (2) certificates dated the Pricing Date in substantially the forms attached hereto as Exhibit C1 and Exhibit C2, (3) irrevocable instructions to the Controller dated as of the Closing Date in substantially the form attached hereto as Exhibit D, (4) this Agreement, (5) a certified copy of the resolution of the Seller's City Council approving this Agreement, the transactions contemplated hereby and the documents attached hereto as exhibits, and (6) an escrow instruction letter in substantially the form attached hereto as Exhibit E;

- (ii) Transaction Counsel receiving on or before the Pricing Date, (1) a bringdown opinion of counsel to the Seller dated as of the Closing Date in substantially the form attached hereto as Exhibit B2, and (2) a bill of sale and bringdown certificate of the Seller (the "Bill of Sale") in substantially the form attached hereto as Exhibit C3; provided that the Purchaser may waive, in its sole discretion, the requirements of Section 2(b)(ii)(1);
- (iii) the Purchaser issuing Bonds in an amount which will be sufficient to pay the Purchase Price; and
- (iv) the receipt by the Purchaser of a certification of the County Auditor confirming the Initial Amount of the Proposition 1A Receivable pursuant to the Act.

(c) The performance by the Seller of its obligations hereunder shall be conditioned solely upon the Purchaser's issuance of the Bonds its execution and delivery of this Agreement, pursuant to which it is legally obligated to pay the Installment Payments to the Seller on the Payment Dates as set forth in this Agreement, and no other act or omission on the part of the Purchaser or any other party shall excuse the Seller from performing its obligations hereunder. Seller specifically disclaims any right to rescind this Agreement, or to assert that title to the Proposition 1A Receivable has not passed to the Purchaser, should Purchaser fail to make Installment Payments in the requisite amounts on the Payment Dates.

3. Purchase Price, Conveyance of Proposition 1A Receivable and Payment of Purchase Price.

(a) Upon pricing of the Bonds by the Purchaser, the Purchaser will inform the Seller that it will pay the Purchase Price in Installment Payments on the Payment Dates.

(b) In consideration of the Purchaser's agreement to pay and deliver to the Seller the Installment Payments on the Payment Dates, the Seller agrees to (i) transfer, grant, bargain, sell, assign, convey, set over and deliver to the Purchaser, absolutely and not as collateral security, without recourse except as expressly provided herein, and the Purchaser agrees to purchase, accept and receive, the Proposition 1A Receivable, and (ii) assign to the Purchaser, to the extent permitted by law, all present or future rights, if any, of the Seller to enforce or cause the enforcement of payment of the Proposition 1A Receivable pursuant to the Act and other

applicable law. Such transfer, grant, bargain, sale, assignment, conveyance, set over and delivery is hereby expressly stated to be a sale and, pursuant to Section 6588.6(b) of the California Government Code, shall be treated as an absolute sale and transfer of the Proposition 1A Receivable, and not as a grant of a security interest by the Seller to secure a borrowing. This is the statement referred to in Sections 6588.6(b) and (c) of the California Government Code.

4. Representations and Warranties of the Purchaser. The Purchaser represents and warrants to the Seller, as of the date hereof, as follows:

(a) The Purchaser is duly organized, validly existing and in good standing under the laws of the State of California.

(b) The Purchaser has full power and authority to enter into this Agreement and to perform its obligations hereunder and has duly authorized such purchase and assignment of the Proposition 1A Receivable by the Purchaser by all necessary action.

(c) Neither the execution and delivery by the Purchaser of this Agreement, nor the performance by the Purchaser of its obligations hereunder, shall conflict with or result in a breach or default under any of its organizational documents, any law, rule, regulation, judgment, order or decree to which it is subject or any agreement or instrument to which it is a party.

(d) To the best of the knowledge of the Purchaser, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Purchaser affecting the existence of the Purchaser or the titles of its commissioners or officers, or seeking to restrain or to enjoin the purchase of the Proposition 1A Receivable or to direct the application of the proceeds of the purchase thereof, or in any way contesting or affecting the validity or enforceability of any of the Transaction Documents or any other applicable agreements or any action of the Purchaser contemplated by any of said documents, or in any way contesting the powers of the Purchaser or its authority with respect to the Transaction Documents to which it is a party or any other applicable agreement, or any action on the part of the Purchaser contemplated by the Transaction Documents, or in any way seeking to enjoin or restrain the Purchaser from purchasing the Proposition 1A Receivable or which if determined adversely to the Purchaser would have an adverse effect upon the Purchaser's ability to purchase the Proposition 1A Receivable, nor to the knowledge of the Purchaser is there any basis therefor.

(e) This Agreement, and its execution, delivery and performance hereof have been duly authorized by it, and this Agreement has been duly executed and delivered by it and constitutes its valid and binding obligation enforceable against it in accordance with the terms hereof, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally or the application of equitable principles in any proceeding, whether at law or in equity.

(f) The Purchaser is a separate legal entity, acting solely through its authorized representatives, from the Seller, maintaining separate records, books of account, assets, bank accounts and funds, which are not and have not been commingled with those of the Seller.

(g) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would adversely affect, the purchase by the Purchaser of the Proposition 1A Receivable or the performance by the Purchaser of its obligations under the Transaction Documents to which it is a party and any other applicable agreements, have been obtained and are in full force and effect.

(h) Insofar as it would materially adversely affect the Purchaser's ability to enter into, carry out and perform its obligations under any or all of the Transaction Documents to which it is a party, or consummate the transactions contemplated by the same, the Purchaser is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and, to the best of the knowledge of the Purchaser, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and the execution and delivery by the Purchaser of the Transaction Documents to which it is a party, and compliance by the Purchaser with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Purchaser a breach of or default under any agreement or other instrument to which the Purchaser is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Purchaser is subject.

5. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Purchaser, as of the date hereof, as follows:

(a) The Seller is a local agency within the meaning of Section 6585(f) of the California Government Code, with full power and authority to execute and deliver this Agreement and to carry out its terms.

(b) The Seller has full power, authority and legal right to sell and assign the Proposition 1A Receivable to the Purchaser and has duly authorized such sale and assignment to the Purchaser by all necessary action; and the execution, delivery and performance by the Seller of this Agreement has been duly authorized by the Seller by all necessary action.

(c) This Agreement has been, and as of the Closing Date the Bill of Sale will have been, duly executed and delivered by the Seller and, assuming the due authorization, execution and delivery of this Agreement by the Purchaser, each of this Agreement and the Bill of Sale constitutes a legal, valid and binding obligation of the Seller enforceable in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally or the application of equitable principles in any proceeding, whether at law or in equity.

(d) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would adversely affect, the sale by the Seller of the Proposition 1A Receivable or the performance by the Seller of its

obligations under the Resolution and the Transaction Documents to which it is a party and any other applicable agreements, have been obtained and are in full force and effect.

(e) Insofar as it would materially adversely affect the Seller's ability to enter into, carry out and perform its obligations under any or all of the Transaction Documents to which it is a party, or consummate the transactions contemplated by the same, the Seller is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and, to the best of the knowledge of the Seller, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and the adoption of the Resolution and the execution and delivery by the Seller of the Transaction Documents to which it is a party, and compliance by the Seller with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Seller a breach of or default under any agreement or other instrument to which the Seller is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Seller is subject.

(f) To the best of the knowledge of the Seller, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Seller affecting the existence of the Seller or the titles of its City Council members or officers to their respective offices, or seeking to restrain or to enjoin the sale of the Proposition 1A Receivable or to direct the application of the proceeds of the sale thereof, or in any way contesting or affecting the validity or enforceability of any of the Transaction Documents or any other applicable agreements or any action of the Seller contemplated by any of said documents, or in any way contesting the powers of the Seller or its authority with respect to the Resolution or the Transaction Documents to which it is a party or any other applicable agreement, or any action on the part of the Seller contemplated by the Transaction Documents, or in any way seeking to enjoin or restrain the Seller from selling the Proposition 1A Receivable or which if determined adversely to the Seller would have an adverse effect upon the Seller's ability to sell the Proposition 1A Receivable, nor to the knowledge of the Seller is there any basis therefor.

(g) Prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller was the sole owner of the Proposition 1A Receivable, and has such right, title and interest to the Proposition 1A Receivable as provided in the Act. From and after the conveyance of the Proposition 1A Receivable by the Seller to Purchaser on the Closing Date, the Seller shall have no right, title or interest in or to the Proposition 1A Receivable. Except as provided in this Agreement, the Seller has not sold, transferred, assigned, set over or otherwise conveyed any right, title or interest of any kind whatsoever in all or any portion of the Proposition 1A Receivable, nor has the Seller created, or to the best knowledge of the Seller permitted the creation of, any lien, pledge, security interest or any other encumbrance (a "Lien") thereon. Prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller held title to the Proposition 1A Receivable free and clear of any Liens. As of the Closing Date, this Agreement, together with the Bill of Sale, constitutes a valid and absolute sale to the Buyer of all of the Seller's right, title and interest in and to the Proposition 1A Receivable.

(h) The Seller acts solely through its authorized officers or agents.

(i) The Seller maintains records and books of account separate from those of the Purchaser.

(j) The Seller maintains its respective assets separately from the assets of the Purchaser (including through the maintenance of separate bank accounts); the Seller's funds and assets, and records relating thereto, have not been and are not commingled with those of the Purchaser.

(k) The Seller's principal place of business and chief executive office is located at 245 E. Bonita Ave., San Dimas, Ca 91773.

(l) The aggregate amount of the Installment Payments is reasonably equivalent value for the Proposition 1A Receivable. The Seller acknowledges that the amount payable to or on behalf of the Purchaser by the State with respect to the Proposition 1A Receivable will be in excess of the Purchase Price and the Initial Amount of the Proposition 1A Receivable and confirms that it has no claim to any such excess amount whatsoever.

(m) The Seller does not act as an agent of the Purchaser in any capacity, but instead presents itself to the public as an entity separate from the Purchaser.

(n) The Seller has not guaranteed and shall not guarantee the obligations of the Purchaser, nor shall it hold itself out or permit itself to be held out as having agreed to pay or as being liable for the debts of the Purchaser; and the Seller has not received nor shall the Seller accept any credit or financing from any Person who is relying upon the availability of the assets of the Purchaser in extending such credit or financing. The Seller has not purchased and shall not purchase any of the Bonds or any interest therein.

(o) All transactions between or among the Seller, on the one hand, and the Purchaser on the other hand (including, without limitation, transactions governed by contracts for services and facilities, such as payroll, purchasing, accounting, legal and personnel services and office space), whether existing on the date hereof or entered into after the date hereof, shall be on terms and conditions (including, without limitation, terms relating to amounts to be paid thereunder) which are believed by each such party thereto to be both fair and reasonable and comparable to those available on an arms-length basis from Persons who are not affiliates.

(p) The Seller has not, under the provisions of Section 100.06(b) of the California Revenue and Taxation Code, received a reduction for hardship or otherwise, nor has it requested, made arrangements for, or completed a reallocation or exchange with any other local agency, of the total amount of the ad valorem property tax revenue reduction allocated to the Seller pursuant to Section 100.06(a) of the California Revenue and Taxation Code.

6. Covenants of the Seller.

(a) The Seller shall not take any action or omit to take any action which adversely affects the interests of the Purchaser in the Proposition 1A Receivable and in the proceeds thereof. The Seller shall not take any action or omit to take any action that shall adversely affect

the ability of the Purchaser, and any assignee of the Purchaser, to receive payments of the Proposition 1A Receivable.

(b) The Seller shall not take any action or omit to take any action that would impair the validity or effectiveness of the Act, nor, without the prior written consent of the Purchaser or its assignees, agree to any amendment, modification, termination, waiver or surrender of, the terms of the Act, or waive timely performance or observance under the Act. Nothing in this agreement shall impose a duty on the Seller to seek to enforce the Act or to seek enforcement thereof by others, or to prevent others from modifying, terminating, discharging or impairing the validity or effectiveness of the Act.

(c) Upon request of the Purchaser or its assignee, (i) the Seller shall execute and deliver such further instruments and do such further acts (including being named as a plaintiff in an appropriate proceeding) as may be reasonably necessary or proper to carry out more effectively the purposes and intent of this Agreement and the Act, and (ii) the Seller shall take all actions necessary to preserve, maintain and protect the title of the Purchaser to the Proposition 1A Receivable.

(d) On or before the Closing Date, the Seller shall send (or cause to be sent) an irrevocable instruction to the Controller pursuant to Section 6588.6(c) of California Government Code to cause the Controller to disburse all payments of the Proposition 1A Receivable to the Trustee, together with notice of the sale of the Proposition 1A Receivable to the Purchaser and the assignment of all or a portion of such assets by the Purchaser to the Trustee. Such notice and instructions shall be in the form of Exhibit D hereto. The Seller shall not take any action to revoke or which would have the effect of revoking, in whole or in part, such instructions to the Controller. Upon sending such irrevocable instruction, the Seller shall have relinquished and waived any control over the Proposition 1A Receivable, any authority to collect the Proposition 1A Receivable, and any power to revoke or amend the instructions to the Controller contemplated by this paragraph. Except as provided in Section 2(c) of this Agreement, the Seller shall not rescind, amend or modify the instruction described in the first sentence of this paragraph. The Seller shall cooperate with the Purchaser or its assignee in giving instructions to the Controller if the Purchaser or its assignee transfers the Proposition 1A Receivable. In the event that the Seller receives any proceeds of the Proposition 1A Receivable, the Seller shall hold the same in trust for the benefit of the Purchaser and the Trustee and each Credit Enhancer, as assignees of the Purchaser, and shall promptly remit the same to the Trustee.

(e) The Seller hereby covenants and agrees that it will not at any time institute against the Purchaser, or join in instituting against the Purchaser, any bankruptcy, reorganization, arrangement, insolvency, liquidation, or similar proceeding under any United States or state bankruptcy or similar law.

(f) The financial statements and books and records of the Seller prepared after the Closing Date shall reflect the separate existence of the Purchaser and the sale to the Purchaser of the Proposition 1A Receivable.

(g) The Seller shall treat the sale of the Proposition 1A Receivable as a sale for regulatory and accounting purposes.

(h) From and after the date of this Agreement, the Seller shall not sell, transfer, assign, set over or otherwise convey any right, title or interest of any kind whatsoever in all or any portion of the Proposition 1A Receivable, nor shall the Seller create, or to the knowledge of the Seller permit the creation of, any Lien thereon.

7. The Purchaser's Acknowledgment. The Purchaser acknowledges that the Proposition 1A Receivable is not a debt or liability of the Seller, and that the Proposition 1A Receivable is payable solely by the State from the funds of the State provided therefor. Consequently, neither the taxing power of the Seller, nor the full faith and credit thereof is pledged to the payment of the Proposition 1A Receivable. No representation is made by the Seller concerning the obligation or ability of the State to make any payment of the Proposition 1A Receivable pursuant to Section 100.06 of the Revenue and Taxation Code and Section 25.5 of Article XIII of the California Constitution, nor is any representation made with respect to the ability of the State to enact any change in the law applicable to the Transaction Documents (including without limitation Section 100.06 of the Revenue and Taxation Code or Section 6588.6 of the Government Code). The Purchaser acknowledges that the Seller has no obligation with respect to any offering document or disclosure related to the Bonds.

8. Notices of Breach.

(a) Upon discovery by the Seller or the Purchaser that the Seller or Purchaser has breached any of its covenants or that any of the representations or warranties of the Seller or the Purchaser are materially false or misleading, in a manner that materially and adversely affects the value of the Proposition 1A Receivable or the Purchase Price thereof, the discovering party shall give prompt written notice thereof to the other party and to the Trustee, as assignee of the Purchaser, who shall, pursuant to the Indenture, promptly thereafter notify each Credit Enhancer and the Rating Agencies.

(b) The Seller shall not be liable to the Purchaser, the Trustee, the holders of the Bonds, or any Credit Enhancer for any loss, cost or expense resulting from the failure of the Trustee, any Credit Enhancer or the Purchaser to promptly notify the Seller upon the discovery by an authorized officer of the Trustee, any Credit Enhancer or the Purchaser of a breach of any covenant or any materially false or misleading representation or warranty contained herein.

9. Liability of Seller; Indemnification. The Seller shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Seller under this Agreement. The Seller shall indemnify, defend and hold harmless the Purchaser, the Trustee and each Credit Enhancer, as assignees of the Purchaser, and their respective officers, directors, employees and agents from and against any and all costs, expenses, losses, claims, damages and liabilities to the extent that such cost, expense, loss, claim, damage or liability arose out of, or was imposed upon any such Person by the Seller's breach of any of its covenants contained herein or any materially false or misleading representation or warranty of the Seller contained herein. Notwithstanding anything to the contrary herein, the Seller shall have no liability for the payment of the principal of or interest on the Bonds issued by the Purchaser.

10. Limitation on Liability.

(a) The Seller and any officer or employee or agent of the Seller may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person respecting any matters arising hereunder. The Seller shall not be under any obligation to appear in, prosecute or defend any legal action regarding the Act that is unrelated to its specific obligations under this Agreement.

(b) No officer or employee of the Seller shall have any liability for the representations, warranties, covenants, agreements or other obligations of the Seller hereunder or in any of the certificates, notices or agreements delivered pursuant hereto, as to all of which recourse shall be had solely to the assets of the Seller.

11. The Seller's Acknowledgment. The Seller hereby agrees and acknowledges that the Purchaser intends to assign and grant a security interest in all or a portion of (a) its rights hereunder and (b) the Proposition 1A Receivable, to the Trustee and each Credit Enhancer pursuant to the Indenture. The Seller further agrees and acknowledges that the Trustee, the holders of the Bonds, and each Credit Enhancer have relied and shall continue to rely upon each of the foregoing representations, warranties and covenants, and further agrees that such Persons are entitled so to rely thereon. Each of the above representations, warranties and covenants shall survive any assignment and grant of a security interest in all or a portion of this Agreement or the Proposition 1A Receivable to the Trustee and each Credit Enhancer and shall continue in full force and effect, notwithstanding any subsequent termination of this Agreement and the other Transaction Documents. The above representations, warranties and covenants shall inure to the benefit of the Trustee and each Credit Enhancer.

12. Notices. All demands upon or, notices and communications to, the Seller, the Purchaser, the Trustee or the Rating Agencies under this Agreement shall be in writing, personally delivered or mailed by certified mail, return receipt requested, to such party at the appropriate notice address, and shall be deemed to have been duly given upon receipt.

13. Amendments. This Agreement may be amended by the Seller and the Purchaser, with (a) the consent of the Trustee, (b) the consent of each Credit Enhancer, and (c) a Rating Agency Confirmation, but without the consent of any of the holders of the Bonds, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement.

Promptly after the execution of any such amendment, the Purchaser shall furnish written notification of the substance of such amendment to the Trustee and to the Rating Agencies.

14. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Seller, the Purchaser and their respective successors and permitted assigns. The Seller may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Purchaser. Except as specified herein, the Purchaser may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Seller.

15. Third Party Rights. The Trustee and each Credit Enhancer are express and intended third party beneficiaries under this Agreement. Nothing expressed in or to be implied from this Agreement is intended to give, or shall be construed to give, any Person, other than the parties hereto, the Trustee, and each Credit Enhancer, and their permitted successors and assigns hereunder, any benefit or legal or equitable right, remedy or claim under or by virtue of this Agreement or under or by virtue of any provision herein.

16. Partial Invalidity. If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

17. Counterparts. This Agreement may be executed in any number of identical counterparts, any set of which signed by all the parties hereto shall be deemed to constitute a complete, executed original for all purposes.

18. Entire Agreement. This Agreement sets forth the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes any and all oral or written agreements or understandings between the parties as to the subject matter hereof.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Seller and the Purchaser have caused this Agreement to be duly executed as of the date first written above.

CITY OF SAN DIMAS, as Seller

By: _____
Authorized Officer

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY, as Purchaser

By: _____
Authorized Signatory

EXHIBIT A DEFINITIONS

For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings set forth below.

“Act” means Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended.

“Bill of Sale” has the meaning given to that term in Section 2(b)(ii) hereof.

“Closing Date” means the date on which the Bonds are issued. The Closing Date is expected to be November 19, 2009, but the Purchaser may change the Closing Date by providing e-mail notification to kduran@ci.san-dimas.ca.us not later than one day prior to the Closing Date.

“Controller” means the Controller of the State.

“County Auditor” means the auditor or auditor-controller of the county within which the Seller is located.

“Credit Enhancer” means any municipal bond insurance company, bank or other financial institution or organization which is performing in all material respects its obligations under any Credit Support Instrument for some or all of the Bonds.

“Credit Support Instrument” means a policy of insurance, a letter of credit, a stand-by purchase agreement, a revolving credit agreement or other credit arrangement pursuant to which a Credit Enhancer provides credit or liquidity support with respect to the payment of interest, principal or purchase price of the Bonds.

“Initial Amount” means, with respect to the Proposition 1A Receivable, the amount of property tax revenue reallocated away from the Seller pursuant to the provisions of Section 100.06 of the Revenue and Taxation Code, as certified by the County Auditor pursuant to the Act.

“Installment Payments” have the meaning set forth in Section 2(a).

“Payment Dates” have the meaning set forth in Section 2(a).

“Pricing Date” means the date on which the Bonds are sold. The Pricing Date is expected to be November 10, 2009, but the Purchaser may change the Pricing Date by providing e-mail notification to kduran@ci.san-dimas.ca.us not later than one day prior to the Pricing Date.

“Principal Place of Business” means, with respect to the Seller, the location of the Seller’s principal place of business and chief executive office located at 245 E. Bonita Ave., San Dimas, Ca 91773.

“Proposition 1A Receivable” has the meaning set forth in Section 2(a).

“Purchase Price” means an amount equal to the Initial Amount.

“Rating Agency” means any nationally recognized rating agency then providing or maintaining a rating on the Bonds at the request of the Purchaser.

“Rating Agency Confirmation” means written confirmation from each Rating Agency that any proposed action will not, in and of itself, cause the Rating Agency to lower, suspend or withdraw the rating then assigned by such Rating Agency to any Bonds.

“Resolution” means the resolution adopted by the City Council approving the sale of the Proposition 1A Receivable.

“State” means the State of California.

“Transaction Counsel” means Orrick, Herrington & Sutcliffe LLP.

“Transaction Documents” mean this Agreement, the Bill of Sale, the Indenture, the Bonds and the Irrevocable Instructions For Disbursement of Proposition 1A Receivable of City of San Dimas, dated as of the Closing Date.

**OPINION OF COUNSEL
to
CITY OF SAN DIMAS**

Dated: Pricing Date

California Statewide Communities Development Authority
Sacramento, California

Wells Fargo Bank, National Association
Los Angeles, California

Re: Sale of Proposition 1A Receivable

Ladies & Gentlemen:

[I have/This Office has] acted as counsel for the City of San Dimas (the “Seller”) in connection with the adoption of that certain resolution (the “Resolution”) of the City Council of the Seller (the “Governing Body”) pursuant to which the Seller authorized the sale to the California Statewide Communities Development Authority (the “Purchaser”) of the Seller’s “Proposition 1A Receivable”, as defined in and pursuant to the Purchase and Sale Agreement dated as of November 1, 2009 (the “Sale Agreement”) between the Seller and the Purchaser. In connection with these transactions, the Seller has issued certain Irrevocable Instructions For Disbursement of the Seller’s Proposition 1A Receivable to the Controller of the State of California (the “Disbursement Instructions”) and a Bill of Sale and Bringdown Certificate of the Seller (the “Bill of Sale” and, collectively with the Sale Agreement and the Disbursement Instructions, the “Seller Documents”).

Unless the context otherwise requires, capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Sale Agreement. [I/We] have examined and are familiar with the Seller Documents and with those documents relating to the existence, organization, and operation of the Seller, the adoption of the Resolution, and the execution of the Seller Documents, and have satisfied ourselves as to such other matters as [I/we] deem necessary in order to render the following opinions. As to paragraphs numbered 3 and 4 below, [I/we] have relied as to factual matters on the representations and warranties of the Seller contained in the Sale Agreement.

Based upon the foregoing, and subject to the limitations and qualifications set forth herein, [I/we] are of the opinion that:

1. The Seller is a local agency, within the meaning of Section 6585(f) of the California Government Code. The Governing Body is the governing body of the Seller.

2. The Resolution was duly adopted at a meeting of the Governing Body, which was called and held pursuant to law and with all public notice required by law, and at which a quorum was present and acting throughout, and the Resolution is in full force and effect and has not been modified, amended or rescinded since the date of its adoption.

3. To the best of [my/our] knowledge, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Seller (i) affecting the existence of the Seller or the titles of its Governing Body members or officers to their respective offices; (ii) seeking to restrain or to enjoin the sale of the Proposition 1A Receivable or to direct the application of the proceeds of the sale thereof, or materially adversely affecting the sale of the Proposition 1A Receivable; (iii) in any way contesting or affecting the validity or enforceability of the Resolution, Seller Documents or any other applicable agreements or any action of the Seller contemplated by any of said documents; or (iv) in any way contesting the powers of the Seller or its authority with respect to the Resolution or the Seller Documents or any other applicable agreement, or any action on the part of the Seller contemplated by any of said documents.

4. To the best of [my/our] knowledge, prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller had not sold, transferred, assigned, set over or otherwise conveyed any right, title or interest of any kind whatsoever in all or any portion of the Seller's Proposition 1A Receivable, nor had the Seller created, or permitted the creation of, any Lien thereon.

5. The Seller has duly authorized and executed the Seller Documents and, assuming the due authorization execution and delivery of the Sale Agreement by the Purchaser, each Seller Document will be legal, valid and binding against the Seller and enforceable against the Seller in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or laws relating to or affecting creditors' rights, and the application of equitable principles and the exercise of judicial discretion in appropriate areas.

No opinion is expressed concerning the obligation or ability of the State of California to make any payment of the Proposition 1A Receivable pursuant to Section 100.06 of the Revenue and Taxation Code and Section 25.5 of Article XIII of the California Constitution, nor is any opinion expressed with respect to the ability of the State to enact any change in the law applicable to the Seller Documents (including, without limitation, Section 100.06 of the Revenue and Taxation Code or Section 6588.6 of the Government Code). Furthermore, [I/we] express no opinion as to the value of the Proposition 1A Receivable or as to any legal or equitable remedies that may be available to any person should the Proposition 1A Receivable have little or no value. No opinion is expressed with respect to the sale of Bonds by the Purchaser.

The legal opinion set forth herein is intended for the information solely of the addressees hereof and for the purposes contemplated by the Sale Agreement. The addressees may not rely on it in connection with any transactions other than those described herein, and it is not to be relied upon by any other person or entity, or for any other purpose, or quoted as a whole or in part, or otherwise referred to, in any document, or to be filed with any governmental or administrative agency other than the Purchaser or with any other person or entity for any purpose without [my/our] prior written consent. In addition to the addressees hereof, each Credit Enhancer and the underwriters of the Bonds may rely upon this legal opinion as if it were addressed to them. [I/We] do not undertake to advise you of matters that may come to [my/our] attention subsequent to the date hereof that may affect the opinions expressed herein.

Very truly yours,

By: _____
Seller's Counsel

**OPINION OF COUNSEL
to
CITY OF SAN DIMAS**

Dated: Closing Date

California Statewide Communities Development Authority
Sacramento, California

Wells Fargo Bank, National Association
Los Angeles, California

Re: Sale of Proposition 1A Receivable (Bringdown Opinion)

Ladies & Gentlemen:

Pursuant to that certain Purchase and Sale Agreement dated as of November 1, 2009 (the "Sale Agreement") between the City of San Dimas (the "Seller") and the California Statewide Communities Development Authority (the "Purchaser"), this Office delivered an opinion (the "Opinion") dated the Pricing Date as counsel for the Seller in connection with the sale of the Seller's Proposition 1A Receivable (as defined in the Sale Agreement), the execution of documents related thereto and certain other related matters.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Sale Agreement.

I confirm that you may continue to rely upon the Opinion as if it were dated as of the date hereof. Each Credit Enhancer and the underwriters of the Bonds may rely upon this legal opinion as if it were addressed to them. This letter is delivered to you pursuant to Section 2(b)(ii)(1) of the Sale Agreement.

Very truly yours,

By: _____
Seller's Counsel

**EXHIBIT C1
CLERK'S CERTIFICATE**

CERTIFICATE OF THE
CITY CLERK OF
CITY OF SAN DIMAS, CALIFORNIA

Dated: Pricing Date

The undersigned City Clerk of the City of San Dimas (the "Seller"), a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code, does hereby certify that the foregoing is a full, true and correct copy of Resolution No. 09-49 duly adopted at a regular meeting of the City Council of said Seller duly and legally held at the regular meeting place thereof on the 27th day of October, 2009, of which meeting all of the members of said City Council had due notice and at which a quorum was present and acting throughout, and that at said meeting said resolution was adopted by the following vote:

AYES: Councilmembers Badar, Bertone, Templeman, Morris

NOES: None

ABSENT: Councilmember Ebner

ABSTAIN: None

I do hereby further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office and that said resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes and that said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

I do hereby further certify that an agenda of said meeting was posted at least 72 hours before said meeting at a location in the City of San Dimas, California freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Purchase and Sale Agreement, dated as of November 1, 2009, between the Seller and the California Statewide Communities Development Authority.

WITNESS by my hand as of the Pricing Date.

By: _____
City Clerk of the City of San Dimas,
California

**EXHIBIT C2
SELLER CERTIFICATE**

SELLER CERTIFICATE

Dated: Pricing Date

We, the undersigned officers of the City of San Dimas (the "Seller"), a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code, holding the respective offices herein below set opposite our signatures, do hereby certify that on the date hereof the following documents (the "Seller Transaction Documents") were officially executed and delivered by the Authorized Officer or Officers whose names appear on the executed copies thereof, to wit:

Document

1. Purchase and Sale Agreement, dated as of November 1, 2009 (the "Sale Agreement"), between the Seller and the California Statewide Communities Development Authority (the "Purchaser").
2. Irrevocable Instructions For Disbursement of Seller's Proposition 1A Receivable to the Controller of the State of California, dated the Closing Date.
3. Bill of Sale, dated the Closing Date.

Capitalized terms used herein and not defined herein shall have the meaning given such terms in the Sale Agreement.

We further certify as follows:

1. At the time of signing the Seller Transaction Documents and the other documents and opinions related thereto, we held said offices, respectively, and we now hold the same.
2. The representations and warranties of the Seller contained in the Seller Transaction Documents are true and correct as of the date hereof in all material respects.
3. The City Council duly adopted its resolution (the "Resolution") approving the sale of the Seller's Proposition 1A Receivable at a meeting of the City Council which was duly called and held pursuant to law with all public notice required by law and at which a quorum was present and acting when the Resolution was adopted, and such Resolution is in full force and effect and has not been amended, modified, supplemented or rescinded.

Name, Official Title _____

Signature

Blaine Michaelis, City Manager

Ken Duran, Assistant City Manager

I HEREBY CERTIFY that the signatures of the officers named above are genuine.

Dated: Pricing Date

By: _____
City Clerk of the City of San Dimas,
California

**EXHIBIT C3
BILL OF SALE AND BRINGDOWN CERTIFICATE**

BILL OF SALE AND BRINGDOWN CERTIFICATE

Pursuant to terms and conditions of the Purchase and Sale Agreement (the "Sale Agreement"), dated as of November 1, 2009, between the undersigned (the "Seller") and the California Statewide Communities Development Authority (the "Purchaser"), and in consideration of the obligation of the Purchaser to pay and deliver to the Seller the Purchase Price (as defined in the Sale Agreement), in two equal installment payments to be made on January 15, 2010, and May 3, 2010 (collectively, the "Payment Dates"), the Seller does hereby (a) transfer, grant, bargain, sell, assign, convey, set over and deliver to the Purchaser, absolutely and not as collateral security, without recourse except as expressly provided in the Sale Agreement, the Proposition 1A Receivable as defined in the Sale Agreement (the "Proposition 1A Receivable"), and (b) assign to the Purchaser, to the extent permitted by law (as to which no representation is made), all present or future rights, if any, of the Seller to enforce or cause the enforcement of payment of the Proposition 1A Receivable pursuant to the Act and other applicable law. Such transfer, grant, bargain, sale, assignment, conveyance, set over and delivery is hereby expressly stated to be a sale and, pursuant to Section 6588.6(b) of the California Government Code, shall be treated as an absolute sale and transfer of the Proposition 1A Receivable, and not as a grant of a security interest by the Seller to secure a borrowing. Seller specifically disclaims any right to rescind the Agreement, or to assert that title to the Proposition 1A Receivable has not passed to the Purchaser, should Purchaser fail to make the installment payments in the requisite amounts on the Payment Dates.

The Seller hereby certifies that the representations and warranties of the Seller set forth in the Certificate of the City Clerk dated the Pricing Date, the Seller Certificate dated the Pricing Date and in the Transaction Documents to which the Seller is a party are true and correct in all material respects as of the date hereof (except for such representations and warranties made as of a specified date, which are true and correct as of such date). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Sale Agreement.

Dated: Closing Date

CITY OF SAN DIMAS

By: _____
Authorized Officer

EXHIBIT D
IRREVOCABLE INSTRUCTIONS TO CONTROLLER

IRREVOCABLE INSTRUCTIONS FOR DISBURSEMENT
OF PROPOSITION 1A RECEIVABLE OF
CITY OF SAN DIMAS

Dated: Closing Date

Office of the Controller
State of California
P.O. Box 942850
Sacramento, California 94250-5872

Re: Notice of Sale of Proposition 1A Receivable by the City of San Dimas
and Wiring Instructions Information Form

Dear Sir or Madam:

Pursuant to Section 6588.6(c) of the California Government Code, City of San Dimas (the "Seller") hereby notifies you of the sale by Seller, effective as of the date of these instructions written above, of all right, title and interest of the Seller in and to the "Proposition 1A Receivable" as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code.

By resolution, the Seller's City Council authorized the sale of the Proposition 1A Receivable to the California Statewide Communities Development Authority (the "Purchaser") pursuant to a Purchase and Sale Agreement, dated as of November 1, 2009 (the "Purchase and Sale Agreement") and a Bill of Sale, dated the Closing Date (as defined in the Purchase and Sale Agreement). The Proposition 1A Receivable has been pledged and assigned by the Purchaser pursuant to an Indenture, dated as of November 1, 2009 (the "Indenture") between the Purchaser and Wells Fargo Bank, National Association, as Trustee (the "Trustee").

The Seller hereby irrevocably requests and directs that, commencing as of the date of these instructions written above, all payments of the Proposition 1A Receivable (and documentation related thereto) be made directly to Wells Fargo Bank, National Association, as Trustee, in accordance with the wire instructions and bank routing information set forth below.

Please note that the sale of the Proposition 1A Receivable by the Seller is irrevocable and that: (i) the Seller has no power to revoke or amend these instructions at any time; (ii) the Purchaser shall have the power to revoke or amend these instructions only if there are no notes of the Purchaser outstanding under the Indenture and the Indenture has been discharged; and (iii) so long as the Indenture has not been discharged, these instructions cannot be revoked or amended by the Purchaser without the consent of the Trustee. Should

the Purchaser, however, deliver a written notice to the Office of the Controller stating that: (a) the Seller failed to meet the requirements set forth in the Purchase and Sale Agreement; (b) the Purchaser has not waived such requirements; and (c) the Purchaser has not purchased the Proposition 1A Receivable as a result of the circumstances described in (a) and (b) above, then these instructions shall be automatically rescinded and the Seller shall again be entitled to receive all payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code.

Bank Name: Wells Fargo Bank, N.A.
Bank ABA Routing #: 121000248
Bank Account #: 0001038377
Bank Account Name: Corporate Trust Clearing
Further Credit To: CSCDA Proposition 1A Bonds
Bank Address: 707 Wilshire Blvd., 17th Floor
MAC E2818-176
Los Angeles, CA 90017
Bank Telephone #: (213) 614-3353
Bank Contact Person: Robert Schneider

Please do not hesitate to call the undersigned if you have any questions regarding this transaction. Thank you for your assistance in this matter.

Very truly yours,

CITY OF SAN DIMAS

By: _____
Authorized Officer

EXHIBIT E
ESCROW INSTRUCTION LETTER

ESCROW INSTRUCTION LETTER

October 28, 2009

California Statewide Communities Development Authority
1100 K Street
Sacramento, CA 95814

Re: Proposition 1A Receivable Financing

Dear Sir or Madam:

The City of San Dimas (the "Seller") hereby notifies you of its agreement to participate in the California Statewide Communities Development Authority Proposition 1A Receivable Financing. By adoption of a resolution (the "Resolution") authorizing the sale of its Proposition 1A Receivable, the Seller's City Council has agreed to sell to the California Statewide Communities Development Authority (the "Purchaser"), for a purchase price that meets the conditions set forth in the Resolution, all of its right, title and interest in the Proposition 1A Receivable.

Enclosed herewith are the following documents which have been duly approved and executed by the Seller and which are to be held in escrow by Orrick, Herrington & Sutcliffe LLP, as transaction counsel ("Transaction Counsel"), as instructed below:

1. certified copy of the Resolution, together with a certificate of the City Clerk, dated the Pricing Date;
2. the Seller Certificate, dated the Pricing Date;
3. the Opinion of Seller's Counsel, dated the Pricing Date;
4. the Opinion of Seller's Counsel (bringdown opinion), dated the Closing Date;
5. the Purchase and Sale Agreement, dated as of November 1, 2009;
6. the Bill of Sale and Bringdown Certificate, dated the Closing Date; and
7. the Irrevocable Instructions to Controller, dated the Closing Date.

The foregoing documents are to be held in escrow by Transaction Counsel and shall be delivered on the Closing Date (as defined in the Purchase and Sale Agreement), provided that such Closing Date occurs on or before December 31, 2009.

Should (i) the Closing Date not occur on or before December 31, 2009, or (ii) Transaction Counsel receive prior to the Closing Date written notification from Seller or Seller's Counsel stating, respectively and in good faith, that the representations made in the Seller's Certificate are not true and accurate, or the opinions set forth in the Opinion of Seller's Counsel are not valid, in each case as of the Closing Date and provided that the Purchaser may, in its sole discretion, choose to waive receipt of such representations or opinions, then this agreement shall terminate and Transaction Counsel shall destroy all of the enclosed documents.

Very truly yours,

CITY OF SAN DIMAS

By: _____
Authorized Officer

Enclosures

cc: Orrick, Herrington & Sutcliffe LLP



Agenda Item Staff Report

To: Honorable Mayor and Members of the City Council
For the meeting of October 27, 2009

From: Blaine Michaelis, City Manager *BM*

Initiated by: Ina Rios, CMC, City Clerk

Subject: **ORDINANCE NO. 1191, SECOND READING AND ADOPTION REGARDING ABATEMENT OF NUISANCE AND AMENDING THE SAN DIMAS MUNICIPAL CODE.**

SUMMARY

Ordinance No. 1191 amends the San Dimas Municipal Code to consider violations of code a nuisance.

The City Council introduced Ordinance No. 1191 at their October 13, 2009 meeting.

RECOMMENDATION

Adopt Ordinance No. 1191.

ORDINANCE NO. 1191

**AN ORDINANCE OF THE CITY OF SAN DIMAS REGARDING ABATEMENT OF
NUISANCE AND AMENDING THE SAN DIMAS MUNICIPAL CODE**

The City Council of the City of San Dimas does hereby ordain as follows:

Title 1, Chapter 1.12, Section 1.12.060 of the San Dimas Municipal Code is hereby amended to read as follows:

1. Violations deemed a public nuisance.

In addition to the penalties provided in Section 1.12.010 any condition caused or permitted to exist or any act or activity done or caused or permitted to be done in violation of the provisions of this code or any ordinance of the city or any rule, regulation or order promulgated pursuant thereto, is a public nuisance and may be abated by civil proceedings such as restraining orders, civil injunctions, abatement proceedings or the like.

2. Publication.

This Ordinance shall take effect 30 days after its final passage, and within 15 days after its passage the City Clerk shall cause it to be published in the Inland Valley Daily Bulletin, a newspaper of general circulation in the City of San Dimas hereby designated for that purpose.

Passed, approved and adopted this 27th day of October, 2009.

MAYOR OF THE CITY OF SAN DIMAS:

Curtis W. Morris, Mayor of the City of San Dimas

ATTEST:

Ina Rios, CMC, City Clerk

I, INA RIOS, CITY CLERK of the City of San Dimas, do hereby certify that Ordinance No. 1191 was introduced at the regular meeting of the City Council on October 13, 2009 and was thereafter adopted and passed at the regular meeting on the City Council held on October 27, 2009 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

I DO FURTHER CERTIFY that within 15 days of the date of its passage, I caused a copy of Ordinance No. 1191 to be published in the Inland Valley Daily Bulletin.

Ina Rios, CMC, City Clerk



MINUTES
REGULAR CITY COUNCIL
TUESDAY, OCTOBER 13, 2009, 7:00 P. M.
COUNCIL CHAMBERS, 245 E. BONITA AVE.

PRESENT:

Mayor Curtis W. Morris
Mayor Pro Tem Denis Bertone
Councilmember Emmett Badar
Councilmember John Ebner
Councilmember Jeff Templeman

City Manager Blaine Michaelis
City Attorney J. Kenneth Brown
City Clerk Ina Rios
Assistant City Manager of Community Development Larry Stevens
Assistant City Manager Ken Duran
Director of Development Services Dan Coleman
Director of Public Works Krishna Patel
Director of Parks and Recreation Theresa Bruns

1. CALL TO ORDER AND FLAG SALUTE

Mayor Morris called the meeting to order at 7:00 p.m. and led the flag salute.

2. RECOGNITIONS

- ❖ Proclaim October 2009 as Fire Prevention Month

Mayor Morris read a proclamation declaring October as Fire Prevention Month - the 2009 theme is "Stay Fire Smart! Don't Get Burned!" and urged residents to protect their homes and families by heeding the important safety measures of Fire Prevention Month 2009 and to support the many public safety activities and efforts of San Dimas Fire and Emergency Services. He presented the proclamation to Battalion Chief Dan Wilson and his crew with appreciation for their services.

On behalf of the Los Angeles County Fire Department, Battalion Chief Dan Wilson thanked the City Council for the recognition.

3. PRESENTATIONS

- a. Pui-Ching Ho, Library Manager, San Dimas Library

Pui-Ching Ho, Library Manager, San Dimas Library, said Richard Wade will present the *Last Days of the Dinosaur* on October 14, at 6:30 p.m.; she invited the public to meet local author Isla Morley on Wednesday, October 21 at 6:30 p.m. and hear her tell the story about her book *Come Sunday* and how she finds inspiration. Copies of the book are available at the San Dimas Library. Ms. Ho said the first Teen Book Club meeting will be at the Student Union on October 27, at 4:00 p.m.; come dressed in your costume and make Halloween arts projects between 2:30 - 4:00 p.m. on Saturday, October 31. Refreshments will be provided. Students, Kindergarten through 12th grade, are invited to enter the Bookmark contest. This year's theme is Books and Beyond. Entry forms are available at the Library or on their website at www.co.la.publib.org and will be accepted through Friday, October 30. The winner will be announced the first week of November.

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4. **ORAL COMMUNICATIONS** (Members of the audience are invited to address the City Council on any item not on the agenda. Under the provisions of the Brown Act, the legislative body is prohibited from taking or engaging in discussion on any item not appearing on the posted agenda. However, your concerns may be referred to staff or set for discussion at a later date. If you desire to address the City Council on an item on this agenda, other than a scheduled public hearing item you may do so at this time or asked to be heard when that agenda item is considered. Comments on public hearing items will be considered when that item is scheduled for discussion. The Public Comment period is limited to 30 minutes. Each speaker shall be limited to three (3) minutes.)

a. Members of the Audience

1) **Ted Powl**, President/CEO, Chamber of Commerce, thanked volunteers and attendees for a great Western Days event. He said the event was well attended. He thanked the City for the support provided.

2) **Briana Sallette**, ASB President, San Dimas High School, reported on the projects needed to graduate; and said teachers and parents support the school and the programs. She mentioned they won the annual smudgepot game, but most importantly, the football program raised over \$9,000 to support children whose parents are serving in the war or have passed away while in service. They look forward to their homecoming parade and dance on Friday, October 23, 2009.

3) **Margie Green** invited the public to their 13th Annual Wildlife Art Show & Sale on Saturday October 17 and Sunday October 18, 2009, at the Walker House. She said the Art Show features 23 artists; art seminar by one of the artists on Saturday at 10:30 a.m.; Dream Shapers story telling at 12:00 Noon, live wild animals brought in by Wildlife Learning Center, and student art in the Gallery upstairs. She said admission is free.

4) **Margie Green** said the deadline to nominate someone for San Dimas Citizen of the Year is November 23, 2009 and paperwork can be filed with the Chamber of Commerce on behalf of the City.

5. **CONSENT CALENDAR**

(All items on the Consent Calendar are considered to be routine and will be enacted by one motion unless a member of the City Council requests separate discussion.)

It was moved by Mayor Pro Tem Bertone, seconded by Councilmember Badar, and carried unanimously to accept, approve and act upon the consent calendar, as follows.

- a. Resolutions read by title, further reading waived, passage and adoption recommended as follows:
- (1) **Resolution No. 09-45**, A Resolution of the City Council of the City of San Dimas Approving certain demands for the months of September and October, 2009.
 - (2) **Resolution No. 09-46**, A Resolution of the City Council of the City of San Dimas, County of Los Angeles, State of California, approving Administrative Penalties.
- b. Ordinances read by title, further reading waived, and introduction recommended as follows:
- (1) **Ordinance No. 1191**, An Ordinance of the City of San Dimas regarding abatement of nuisance and amending the San Dimas Municipal Code. **FIRST READING AND INTRODUCTION**
- c. Approval of minutes for September 22, 2009 regular City Council meeting and September 22, 2009 Special City Council meeting.

- d. Award of Cash Contract No. 2009-010, Swim & Racquet Club Swimming Pool Filter Replacement and Smart Pump Control System Project to California Commercial Pools, in the amount of \$121,700.00.
- e. Award of Cash Contract No. 2009-04, Reconstruction, Rehabilitation & Landscape Median Project on San Dimas Avenue in the City of San Dimas from Foothill Boulevard to Gladstone Street (ESPL-5367 (006) EA No. 07-933288) to Excel Paving Company, in the amount of \$1,827,282.50.
- f. Approval of the revised PAVECO Construction, Inc. Asphalt Maintenance Contract for Asphalt Repairs at Various Citywide Locations.

END OF CONSENT CALENDAR

6. SAN DIMAS REDEVELOPMENT AGENCY

Mayor Morris recessed the regular meeting at 7:18 p.m. to convene a meeting of the San Dimas Redevelopment Agency Board of Directors. The regular meeting reconvened at 7:19 p.m..

7. ORAL COMMUNICATIONS

- a. Members of the Audience (*Speakers are limited to five (5) minutes or as may be determined by the Chair.*)

There were no comments.

- b. City Manager

There were no comments.

- c. City Attorney

City Attorney Brown reported that the Pearman escrow closed today, and the City recovered funds which it had advanced in the amount of \$75,000 for the loan made in 1991 for property repairs and recovered an additional \$908 for the participation share.

- d. Members of the City Council

- 1) Councilmembers' report on meetings attended at the expense of the local agency.

Councilmember Templeman reported that he attended the California Contract Cities Fall conference and said a representative from Metropolitan Water District (MWD) presented a complete description of what the real problem is regarding water shortages. He added that MWD and several water purveyors are suing Fish and Game over the analysis they conducted which included the delta smelt going under in part because mussels are coming in on hulls of freighters into the area to eat the delta smelt.

He said another session involved SB 375, Sustainable Planning Strategies, also known as AB32. Discussion centered on how important the General Plan is and Mr. Templeman said the General Plan will be our roadmap to much of SB 375 use and said City staff should not hold off on the General Plan Amendment.

Councilmember Templeman mentioned that Mayor Morris was one of the speakers at the conference regarding the Liability Trust Fund, which is doing a great job of protecting the City against losses. He

added that the Trust is adding training for the Sheriff's Department to prevent claims. He said overall it was a good program.

3) Appointment to Equestrian Commission

Councilmember Templeman said he, Mayor Morris, and Equestrian Commissioner Reiss interviewed three applicants on Monday, September 21 and Tuesday, October 6, 2009 to fill one vacancy on the Equestrian Commission. He said all applicants were outstanding and it was difficult to select just one.

It was moved by Councilmember Templeman, seconded by Mayor Morris, to appoint Rebecca Pike to the Equestrian Commission for a two-year term ending July 31, 2009. The motion carried unanimously.

Councilmember Templeman requested the other two applicants be contacted and invited to attend the Equestrian Commission meetings. He would like them added to the list to be sent agendas.

2) Individual Members' comments and updates.

1) Councilmember Templeman said he met with John Rossfeld, new Chief Executive Officer of San Dimas Community Hospital, and invited him to introduce himself to the community at a future City Council meeting. Mr. Rossfeld agreed and would also like to attend Chamber events to improve outreach.

2) Mayor Pro Tem Bertone said the City Council will reconvene the study session held earlier to consider the renovation of the City Hall, Civic Center Plaza and the Plummer Community Building and to consider the Project Management contract. He said the public will be informed of the City's plans before the final vote takes place. He asked if he can make a motion.

City Attorney Brown said the second point of the discussion was the Agreement and the City Council has not had the benefit of reviewing it in detail. He said City Manager Michaelis suggested making a presentation for the benefit of the public at the next City Council meeting.

City Manager Michaelis said staff completed their report and desire direction to prepare the Agreement to be brought back for ratification on October 27th. He said at the October 27, 2009 meeting he can explain the background of the contract and the bid process schedule. He added that at their February 9, 2010 meeting, the City Council would be making a decision whether or not to accept the bids and spend the funds for the renovation project.

It was moved by Councilmember Bertone to reconvene the study session in the Council Chambers for the benefit of the audience, or postpone discussion until October 27, 2009.

The motion died for lack of a second.

Mayor Morris said questions can be asked and direction given to the City Manager to prepare the Agreement; however, the contract is not binding until it comes to the City Council for a specific vote. In addition, a presentation will be made at that meeting by the City Manager on financial matters regarding the need, design, and costs of the project.

Councilmember Templeman stated that the public should be made aware of the crowded conditions at the employees' work stations.

8. ADJOURNMENT

Mayor Morris adjourned the meeting at 7:41 p.m. to reconvene the study session. The next meeting is on October 27, 2009, 7:00 p.m.

Respectfully submitted,

Ina Rios, CMC, City Clerk



MINUTES
SPECIAL MEETING OF
CITY COUNCIL/SAN DIMAS
REDEVELOPMENT AGENCY
TUESDAY, OCTOBER 13, 2009, 5:30 P. M.
CITY COUNCIL CONFERENCE ROOM
245 E. BONITA AVE.

COUNCIL:

Mayor Curtis W. Morris
Mayor Pro Tem Denis Bertone
Councilmember Emmett Badar
Councilmember John Ebner
Councilmember Jeff Templeman

City Manager Blaine Michaelis
City Attorney J. Kenneth Brown
City Clerk Ina Rios
Assistant City Manager of Community Development Larry Stevens
Assistant City Manager Ken Duran
Director of Development Services Dan Coleman
Director of Public Works Krishna Patel
Director of Parks and Recreation Theresa Bruns

Stephen Gaffney, AIA, Nestor+Gaffney Architects
Gary Chubb, Vice President, Griffin Structures Inc.

1. CALL TO ORDER

Mayor Morris called the special meeting to order at 5:34 p.m.

2. ORAL COMMUNICATIONS

(For anyone wishing to address the City Council on an item on this agenda. Under the provisions of the Brown Act, the legislative body is prohibited from taking or engaging in discussion on any item not appearing on the posted agenda. Speakers are limited to three minutes or as may be determined by the Chair.)

- a. Members of the Audience

There were no comments.

3. STUDY SESSION

- a. Receive presentation and provide direction on the Guaranteed Maximum Price for the City Hall, Civic Center Plaza and Plummer Community Building renovation and expansion project
- b. Program Management Agreement - Authorization to waive formal bid process and award to Griffin Structures, Inc., for professional services in an amount not to exceed \$775,000. Cost for this service is included in the guaranteed maximum price for the project.

City Manager Michaelis provided a brief background on the schedule for the renovation of the City Hall, Plummer Community Building and Civic Center Plaza and said the Architect and Project Manager were contracted to determine needs and cost estimates. He said the Guaranteed Maximum Price (GMP) for the project is \$13,034,000 and includes the total

construction cost for the renovation and expansion of the City Hall, Plummer Community Building, and Civic Center Plaza, however, it does not include architectural fees, temporary relocation of city hall, and furnishings. He outlined the detailed services and issues covered and said if the competitive bid results in lower construction costs than anticipated, the GMP will be adjusted accordingly.

Mr. Michaelis proposed including additional project elements also not included in the GMP. He said the City Council can decide whether or not to add them as part of the overall project after cost estimates and bid results are received. The additional project elements are:

- Installation of skylights to bring in outside light to interior areas.
- Automatic sliding doors at city hall entrances.
- Replace HVAC unit in the community center.
- Rehabilitation of the East and West parking lots.
- Installation of a new fire hydrant.
- Purchase of a moveable ADA lift for the stage in the community center.

Mr. Michaelis said if the Project Management Contract is approved, Griffin Structures, Inc. will manage the competitive bid process.

In response to Council, **Gary Chubb**, Vice President, Griffin Structures Inc., said change-orders and contingencies are included in the GMP, and unused funds all revert to the City. He said if estimated levels of contingency are lower than anticipated, he has the option of offering the City a discount on the GMP maintaining the contingency.

Stephen Gaffney, AIA, Nestor+Gaffney Architects responded to Council that three separate independent cost estimates were conducted to narrow the specific probable cost.

In response to Council, Mr. Michaelis replied that \$600,000 has been set aside in the budget to cover furniture and relocation costs.

Mr. Michaelis reported that approximately one-third of the costs contend with bringing up to current code standards and current energy requirements a 40-year old building with many challenges including outdated plumbing, heating and air conditioning, ADA compliance, sewer line issues, installing fire sprinklers, and miscellaneous deferred repairs to the city hall and plaza area.

Pay Plan and Options:

Mr. Michaelis said the City is in a strong financial position with reserves that exceed the cost of the project, a source of funds within the existing annual budget, over \$1.1 million to control irregularities and budget uncertainties, and financial tools to help pay borrowed debt. He reviewed the City's annual budget to deal with State budget issues and economic challenges, and provided a plan on how to keep the City's reserves strong throughout the payment of debt. Mr. Michaelis provided the option and terms of borrowing \$12.5 million over a 20 year period or using cash reserves to pay for the project.

In response to Council, Mr. Michaelis said the Certificate of Deposit for the Senior Citizens/Community Center will be fully repaid in 2012 and \$6.4 million will be repaid over 20 years for the Walker House which will provide other sources of revenue to the general fund reserves.

Mayor Pro Tem Bertone expressed concern with the cost of borrowing funds over a 20 year period in addition to costs for furnishings and relocation, and felt the project should not be endorsed.

Councilmember Badar suggested borrowing less to reduce the amount of interest over the term.

Recommendation:

Staff recommended approving the Program Management at Risk Agreement and directing staff to prepare and submit a relocation budget for Council approval. The budget will include the need to make certain expenditures prior to the actual acceptance of the bid in order to be able to start and finish the project as soon as possible when the bids are ultimately approved on February 9, 2010.

RECESS

Mayor Morris recessed the study session at 6:55 p.m. to convene the regular City Council meeting in the City Council Chambers. The study session reconvened at 7:46 p.m.

Mr. Michaelis provided a project schedule that begins with accepting the GMP and authorizing the bid process at the October 27, 2009 City Council meeting, to completing the project in April 2011.

Councilmember Ebner said he will be out of town on October 27th and requested postponing the meeting until November 10, 2009 to allow him to participate.

In response to Councilmember Badar, City Manager Michaelis replied that it would cost approximately \$3.5 million to rehabilitate the existing Plummer Community Building, not including the City Hall expansion and Civic Center Plaza.

In response to Mayor Morris, Mr. Gaffney highlighted the deficiencies of the Plummer Community Building and the required structural improvements to bring the building up to current standards. He added that not moving out of city hall would require a complicated phasing program and it would take longer to complete the project and incrementally cost more money.

Assistant City Manager Stevens said another solution to the problem might be a reconfiguration of staff and counter spaces. However, this is an entirely different plan, and there would be additional expenses to find spaces to locate employees currently without work stations.

Mayor Morris invited members of the public to comment.

Alta Skinner said being on the Bond Oversight Committee for the School District, she was pleased to find out that construction costs are down in this economic climate. She inquired how the project would enhance community use.

Alline Kranzer suggested involving the public in the project.

Ron Kranzer was pleased that the plan retains the basic architectural design of the existing buildings.

Mayor Morris indicated that the City Manager has asked for direction. Mayor Morris said there is a need to renovate the building and he would be in favor of financing a portion of the debt as long as a prudent reserve is maintained. He is also willing to authorize the contractor to move forward with the bidding process.

Councilmember Templeman inquired about the schedule if the vote is delayed to the November 10, 2009 meeting.

Mr. Chubb replied that he and his team have a series of steps to administer to prepare bid documents prior to the holidays. If the project is delayed, he would have to wait for the final decision and then take action. He added that the pre-qualification determines the responsible contractor.

City Attorney Brown suggested that the existing contract with Griffin Structures, Inc. be amended to include the kind of services required to initiate the bid process.

It was moved by Councilmember Templeman, seconded by Councilmember Ebiner to direct staff to modify the existing contract to include bidder prequalification requirements until such time as the City Council can consider the new Program Management At Risk Contract.

City Manager Michaelis stated he would make the presentation for the benefit of the public at the October 27th meeting and the contract agreement would be considered at the November 10th meeting.

The motion carried 4.1; Mayor Pro Tem Bertone voted in opposition.

4. ADJOURNMENT

Mayor Morris adjourned the meeting at 8:40 p.m. The next City Council meeting is Tuesday, October 13, 2009, 7:00 p.m.

Respectfully submitted,

Ina Rios, CMC, City Clerk



Agenda Item Staff Report

TO: Honorable Mayor and Members of City Council
For the Meeting of October 27, 2009

FROM: Blaine Michaelis, City Manager *BM*

SUBJECT: Presentation regarding a project to renovate and expand City Hall, the Civic Center Plaza and the Stanley Plummer Community Building.

SUMMARY

As offered at the October 13, 2009 study session and council meeting, the purpose of this presentation is to explain this project to the public and respond to questions and receive comments. Staff has advertised 3 public presentations on the project. We have placed meeting information on the city's web site, on display boards in our lobbies, cable television, and a press release to the media.

The format for the presentation will be an overview of the project with time for questions and comments. We are also offering tours of the facilities to further explain the project.

Attachment: Invitation information

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What's New in San Dimas

FRIDAY, OCTOBER 23, 2009

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• You're Invited

You're Invited

You're Invited



Come and learn more about a project to renovate and expand City Hall, the Civic Center Plaza and the Stanley Plummer Community Building on Tuesday October 27th. Three presentations will be given at City Hall at 2:00 p.m., 6:00 p.m. and 7:00 p.m. (as part of the City Council Meeting.) We will provide an overview of the project, its purpose, objective, and overall cost.

The City Hall complex was built over 40 years ago. We have been working to determine what is necessary to update these buildings to meet modern requirements, and to make sure that any expansion work matches the architecture and building materials of the existing buildings. We have also been working for some time to analyze the appropriate size for these facilities based on current and future needs. Not only will we be able to provide information on these projects at these presentations, but we can arrange for tours of the buildings to visually explain the project in more detail.

Please join us at a session that is convenient for you. Please feel free to contact City Manager Blaine Michaelis if you have any questions or desire more information at 909-394-6210.

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**CITY OF SAN DIMAS
MINUTES
SAN DIMAS REDEVELOPMENT AGENCY MEETING
TUESDAY, OCTOBER 13, 2009
COUNCIL CHAMBERS
245 E. BONITA AVENUE**

PRESENT:

Chairman Curtis W. Morris
Vice Chairman Denis Bertone
Mr. Emmett G. Badar
Mr. John Ebiner
Mr. Jeffrey W. Templeman
Executive Director Blaine Michaelis
Agency Attorney Ken Brown
Secretary Ina Rios
Assistant City Manager of Community Development Larry Stevens
Assistant City Manager Ken Duran
Director of Development Services Dan Coleman
Director of Public Works Krishna Patel
Director of Parks and Recreation Theresa Bruns

CALL TO ORDER

Chairman Morris called the meeting to order at 7:18 p.m.

ORAL COMMUNICATIONS *(This is the time set aside for members of the audience to address the Board. Speakers are limited to three minutes.)*

There were no comments.

APPROVAL OF MINUTES

It was moved by Mr. Ebiner, seconded by Mr. Templeman, to approve the minutes of the September 22, 2009 meeting. The motion carried unanimously.

EXECUTIVE DIRECTOR

There were no comments.

MEMBERS OF THE AGENCY

There were no comments.

ADJOURNMENT

Chairman Morris adjourned the meeting at 7:19 p.m..

Respectfully submitted,

Ina Rios, Secretary