

**AVALON CITY COUNCIL MEETING WILL ALSO INCLUDE A MEETING OF THE  
CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE  
AVALON COMMUNITY IMPROVEMENT AGENCY  
TUESDAY, FEBRUARY 18, 2014 – 6:00 P.M.  
CITY COUNCIL CHAMBERS  
410 AVALON CANYON ROAD, AVALON  
A G E N D A**

In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact Denise Radde, City Clerk (310) 510-0220. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35. 102-35.104 ADA Title II). All public records relating to an agenda item on this agenda are available for the public inspection at the time the records are distributed to all, or a majority of all, members of the City Council. Such records shall be available at City Hall located at 410 Avalon Canyon Rd.

**CALL TO ORDER / PLEDGE OF ALLEGIANCE / INVOCATION / ROLL CALL**

**ANNOUNCEMENTS / WRITTEN COMMUNICATIONS**

**PRESENTATION** – None

**ORAL COMMUNICATION**

Members of the public may address the City Council at this time. No action will be taken on non-agenda items at this meeting. Speakers should limit comments to three (3) minutes each.

**CONSENT CALENDAR**

All items listed on the Consent Calendar are considered to be routine by the Council and will be enacted with one motion. There will be no separate discussion of these items unless a specific item is removed from the Consent Calendar for further discussion and possible action.

1. Actions  
Although the live recording is the official record of public meetings, actions are prepared for the Council's approval.  
Recommended Action  
Approve actions from the February 4, 2014 City Council meeting.
  
2. Expenditures Submitted for Approval
  - o Warrants in the amount of \$386,062.62
  - o Payroll in the amount of \$211,929.83Recommended Action  
Approve total expenditure amount of \$597,992.45.

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3. Long Beach Unified School District (LBUSD) Reciprocal Use Agreement  
The current Reciprocal Use Agreement with LBUSD expired December 31, 2013. Both parties have met and shared concerns regarding the use of spaces and have agreed it was in their best interest to re-sign the Reciprocal Use Agreement.  
Recommended Action  
Authorize the City Manager to sign a two year Reciprocal Use Agreement contract with LBUSD.
  
4. Encroachment Permit for Planters and Trash Enclosures at 156 Middle Terrace  
Applicant is proposing to renovate and enlarge a single family dwelling. This renovation requires an encroachment permit for the planters and trash enclosures that currently exist on the public right away. The area of encroachment is one of the more narrow sections of Middle Terrace.  
Recommended Action  
Deny the Encroachment Permit and order the owners to remove the obstruction.
  
5. Yellow Jacket Control Contract with Catalina Honey  
Catalina Honey's contract with the City of Avalon will expire at the end of March 2014. Their contract allows for one more additional year extension.  
Recommended Action  
Approve an additional year extension on the yellow Jacket Control Contract with Catalina Honey and authorize the City Manager to execute the amendment document.

**GENERAL BUSINESS**

6. Extension of Law Enforcement Agreement with Los Angeles County  
The City's current five year agreement with the County of Los Angeles will expire on June 30, 2014. This new Law Enforcement Agreement includes a 4% increase and will extend the City's current contract with the County for five years through June 30, 2019.  
Recommended Action  
Authorize the Mayor to execute the Municipal Law Enforcement Services Agreement with Los Angeles County on behalf of the City of Avalon.

**\*\*\*\*The next three items in General Business are the "City of Avalon acting as the Successor Agency to the Avalon Community Improvement Agency"**

7. Avalon Community Improvement Agency Warrants  
General warrants issued in the amount of \$92,793.71.  
Recommended Action  
Approve total expenditure of warrants in the amount of \$92,793.71.

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8. Draft Recognized Obligation Payment Schedule (ROPS 14-15A) and Successor Agency Administrative Budget for July through December 2014  
Health and Safety Code (“HSC”) Section 34177(l) requires the Successor Agency to prepare and submit a Recognized Obligation Payment Schedule (“ROPS”), prior to each six-month fiscal period, to the Oversight Board, County Auditor-Controller, State Controller’s Office, and State Department of Finance for review and approval. For the ROPS period of July 1, 2014 to December 31, 2014 (ROPS 14-15A), the statute requires that an Oversight Board-approved ROPS be submitted to the State by no later than March 1, 2014.  
Recommended Action  
That the City Council acting as Successor Agency adopt “A Resolution of the City of Avalon as Successor Agency to the Avalon Community Improvement Agency Approving a Draft Recognized Obligation Payment Schedule and Draft Successor Agency Administrative Budget for the Six-Month Fiscal Period Beginning July 1, 2014 and Ending December 31, 2014.”
  
9. Extension of Geosoils, Inc. Contract for the Lower Terrace Road Strengthening and Utility Protection Project  
The original contract with Geosoils to oversee the technical work of drilling and soil stabilization on Lower Terrace Road Project was for three months. A change order is required to cover the duration of the project in an amount not to exceed \$39,725.76.  
Recommended Action  
Authorize Staff to execute a Change Order for the services of the Geotechnical Engineer on the Lower Terrace Road Strengthening and Utility Protection Project in an amount not to exceed \$39,725.76.

**CITY MANAGER REPORT**

**CITY ATTORNEY REPORT**

**COUNCILMEMBER REPORTS**

**MAYOR REPORT**

**CLOSED SESSION**

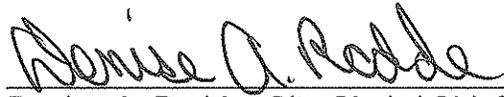
1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: Interim Chief Financial Officer

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**ADJOURN**

**NOTICE OF POSTING**

I, Denise Radde, declare that the City Council Agenda for February 18, 2014 was posted on Friday, February 14, 2014, on the City's website [www.cityofavalon.com](http://www.cityofavalon.com), and at City Hall, 410 Avalon Canyon Road. Copies of agendas and staff reports are available at City Hall.



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Denise A. Radde, City Clerk / Chief Administrative Officer

**CITY COUNCIL**

**MEETING DATE:** February 18, 2014

**AGENDA ITEM:** 1

**ORIGINATING DEP:** City Clerk

**CITY MANAGER:** JD

**PREPARED BY:** Denise Radde, City Clerk

**SUBJECT:** City Council Actions

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**RECOMMENDED ACTION(S):**

Approve City Council Actions from the regular City Council meeting on February 4, 2014.

**REPORT SUMMARY:**

Although the live recording is the official record of public meetings, actions are prepared for the Council's approval.

**FISCAL IMPACTS:**

N/A

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:**

N/A

**FOLLOW UP ACTION:**

File actions in the City Clerk's office.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:**

This item was properly listed on the posted agenda.

**ATTACHMENTS:**

City Council Actions will be provided under separate cover.

AVALON CITY COUNCIL

MEETING DATE: February 18, 2014

AGENDA ITEM: 2

ORIGINATING DEPT: Finance

CITY MANAGER: RU

PREPARED BY: Betty Jo Garcia - Finance Director

DEPT. HEAD: BJS

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SUBJECT: Warrant List

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**RECOMMENDATION(S):** Approve the warrants in the amount of \$386,062.62 and the payroll in amount of \$211,929.83 for a total expenditure amount of \$597,992.45.

**REPORT SUMMARY:** Attached you will find the warrant list for all general warrants issued for the the dates as indicated drawn on U.S. Bank. The warrant list represents check numbers #17700 - #17773 in the amount of \$386,062.62 for a total expenditure amount of \$386,062.62.

Also represented is the payroll dated February 7, 2014 in the amount of \$211,929.83 for a total expenditure amount of \$211,929.83.

**FISCAL IMPACT:** There are sufficient funds available, and the expenditures have been approved in the adopted fiscal year 13/14 budget.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION(S):** N/A

**FOLLOW UP ACTION(S):** N/A

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Agenda Posting

**ATTACHMENTS:** Audit Certificate and Warrant List

CITY COUNCIL

MEETING DATE: February 18, 2014

ADENDA ITEM: 3

ORIGINATING DEP: Recreation

CITY MANAGER: RA

PREPARED BY: Jennifer Monroe, Recreation Coordinator

SUBJECT: Long Beach Unified School District (LBUSD) Reciprocal Use Agreement

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**RECOMMENDED ACTION(S):**

Authorize the City Manager to sign a two year contract Reciprocal Use Agreement with LBUSD.

**REPORT SUMMARY:**

The current Reciprocal Use Agreement between Long Beach Unified School District expired on December 31, 2013. This is a two year agreement with the same language as the prior year.

Staff met with the representative of Avalon Schools to review the Reciprocal Use Agreement on February 13, 2014. Both parties agreed it was in their best interest to re-sign the reciprocal use agreement, which allows the City of Avalon access to the Avalon Schools gymnasium, baseball field, and other recreational spaces in exchange for Avalon Schools access to Joe Machado Field, Field of Dreams and any other recreational spaces, both free of charge. Each party had an opportunity to express any concerns regarding the use of the spaces. It was a positive and fruitful meeting.

This agreement is set to expire on December 31, 2015, which may be extended for three additional periods of one year each subject to mutual agreement between all Parties and may be terminated by either Party by giving ninety days prior written notice.

**FISCAL IMPACTS:**

N/A

**FOLLOW UP ACTION:**

Implement City Council direction.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:**

This item was properly listed on the posted agenda.

**ATTACHMENTS:**

Reciprocal Use Agreement

CITY COUNCIL

MEETING DATE: February 18, 2014

AGENDA ITEM: 4

ORIGINATING DEPT: Planning

CITY MANAGER: BA

PREPARED BY: Amanda Cook

DEPT. HEAD: \_\_\_\_\_

SUBJECT: Encroachment Permit for Planters and Trash Enclosure at 156 Middle Terrace

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RECOMMENDED ACTION(S): Deny Encroachment Permit and order the owners to remove the obstructions.

REPORT SUMMARY: The renovation of 156 Middle Terrace requires an encroachment permit for the planters and trash enclosure that currently exist in the public right of way for Middle Terrace.

The applicant is proposing to renovate and enlarge a single family dwelling. The changes include adding 367 interior square footage and 437 square footage of exterior deck to the top floor, adding 522 interior square footage to the middle level and 490 interior square footage and 132 exterior deck to the lowest level.

There currently exist two planters and a trash enclosure that encroach into the street easement for Middle Terrace. Records indicate that an encroachment permit has never been issued. As you are aware, Middle Terrace and Upper Terrace are both highly impacted streets for usable width and parking. The area of the encroachment is one of the more narrow sections of Middle Terrace. The attached plans indicate a front deck/patio area that could be utilized for the trash and planters

The municipal code states that the encroachment may be granted if the City Council determines that the encroachment is necessary or desirable, that the use of the encroachment does not create a substantial adverse impact on persons or property and the encroachment use does not adversely affect the public health, welfare and safety.

Staff is recommending denial of the encroachment because it is not necessary and because the encroachment would have an adverse impact upon persons using the road and impede emergency vehicles from travelling on the road, adversely affecting the public health, welfare and safety. If the encroachment permit is denied, the planter and trash enclosures should be either removed or relocated onto the owners' property.

FISCAL IMPACTS: None

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION(S): Applicant would be allowed to negatively impact the use of Middle Terrace.

ALTERNATIVE ACTION(S): None

FOLLOW UP ACTION(S): None

ADVERTISING, NOTICING AND PUBLIC CONTACT:

This item is included on the posted Agenda.

ATTACHMENTS:

Plan

Photo

**CITY COUNCIL**

**MEETING DATE:** February 18, 2014

**AGENDA ITEM:** 5

**ORIGINATING DEP:** Administration

**CITY MANAGER:** BA

**PREPARED BY:** Denise Radde, Chief Administrative Officer/City Clerk

**SUBJECT:** Yellow Jacket Control Contract with Catalina Honey

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**RECOMMENDED ACTION(S):** Approve an additional year extension on the Yellow Jacket Control Contract with Catalina Honey and authorize the City Manager to execute the amendment document.

**REPORT SUMMARY:** In April 2011 the City entered into a contract with Catalina Honey, for one year with the option of two, one year extensions. Last year we utilized the second one year option. Currently the contract will expire on March 31, 2014. City Council has the authority to grant an additional year if they are satisfied with the service.

Catalina Honey on a regular basis provides the City with a map showing locations of traps and a written progress report on the number of bees trapped. Staff is satisfied with the work of the contractor and recommends another year extension to their contract.

**FISCAL IMPACTS:** Already budgeted for Fiscal Year 2013/2014. For Fiscal Year 2014/2015 budgeted amount will be \$26,000.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** The City would need to go through the competitive bidding process to retain another contractor.

**FOLLOW UP ACTION:** Execute the contract amendment for one additional year.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:**  
This item was properly listed on the posted agenda.

**ATTACHMENTS:** None

CITY COUNCIL

MEETING DATE: February 18, 2014

AGENDA ITEM: 6

ORIGINATING DEP: City Manager

CITY MANAGER: BA

PREPARED BY: Ben Harvey, City Manager

**SUBJECT:** Municipal Law Enforcement Services Agreement By and Between County of Los Angeles and City of Avalon

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**RECOMMENDED ACTION(S):** Authorize the Mayor to sign on behalf of the City.

**REPORT SUMMARY:** The attached agreement extends the City's current agreement for municipal law enforcement services through the Sheriff's Department with the County of Los Angeles for five years through June 30, 2019, unless terminated sooner pursuant to the terms of the agreement. The City's current five year agreement with the County of Los Angeles will expire on June 30, 2014.

The City has budgeted \$1,198,938 for law enforcement services in Fiscal Year 2013-2014. The rates for Fiscal Year 2014-2015 have not yet been determined by the County Auditor Controller. It is anticipated the rates will be available at the City Managers' Educational Seminar on February 28<sup>th</sup>, or soon after. The Los Angeles County Sheriff's Department has recommended to its contract cities clients to budget for a 4% increase for law enforcement services. A 4% increase for the City amounts to \$47,959 over Fiscal Year 2013-2014, for an estimated new total of \$1,246,897 in Fiscal Year 2014-2015.

**FISCAL IMPACTS:** None; contract amount is provided for within the current budget.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:** Potential for an expired contract for municipal law enforcement services.

**FOLLOW UP ACTION:** Execution of amendment by the Mayor.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:** Listed on the posted agenda.

**ATTACHMENT:** Municipal Law Enforcement Services Agreement (Attachment "A").  
Note: The Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel Form, which is listed as Attachment A to the Municipal Law Enforcement Services Agreement, is not attached to the new agreement as indicated. It is not attached because the rates for Fiscal Year 2014-2015 have not yet been determined by the County Auditor Controller.

CITY OF AVALON SUCCESSOR AGENCY TO THE ACIA

MEETING DATE: February 18, 2014

AGENDA ITEM: 7

ORIGINATING DEPT: Finance

EXECUTIVE DIR: RA

PREPARED BY: Betty Jo Garcia

DEPT HEAD: SGH

SUBJECT: ACIA Warrants

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**RECOMMENDED ACTION(S):** Approve the warrants in the amount of \$92,793.71 drawn on US Bank for a total expenditure amount of \$92,793.71.

**REPORT SUMMARY:** Attached you will find the warrant list for all general warrants issued for the dates as indicated. The warrant list represents the following check numbers: #210 through #222 drawn on U.S. Bank in the amount of \$92,793.71 for a total expenditure amount of \$92,793.71.

**FISCAL IMPACTS:** Expenditures allocated in FY 13/14 budget.

**CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION(S):** N/A

**ALTERNATIVE ACTION(S):** N/A

**FOLLOW UP ACTION(S):** N/A

**ADVERTISING, NOTICING, AND PUBLIC CONTACT:** Agenda postings.

**ATTACHMENTS:**

1. Audit Certificate
2. Warrant List

CITY OF AVALON AS SUCCESSOR AGENCY TO  
THE AVALON COMMUNITY IMPROVEMENT AGENCY

MEETING DATE: February 18, 2014

AGENDA ITEM: 8

ORIGINATING DEPARTMENT: Successor Agency

CITY MANAGER: BH

PREPARED BY: Ken Lee, Consultant, RSG Inc.  
Suzy Kim, Consultant, RSG Inc.

SUBJECT: Draft Recognized Obligation Payment Schedule (ROPS 14-15A) and  
Successor Agency Administrative Budget for July through December 2014

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### RECOMMENDED ACTION

That the City Council as Successor Agency:

1. Adopt "A Resolution of the City of Avalon as Successor Agency to the Avalon Community Improvement Agency Approving a Draft Recognized Obligation Payment Schedule and Draft Successor Agency Administrative Budget for the Six-Month Fiscal Period Beginning July 1, 2014 and Ending December 31, 2014."

### BACKGROUND

#### ROPS 14-15A

Health and Safety Code ("HSC") Section 34177(l) requires the Successor Agency to prepare and submit a Recognized Obligation Payment Schedule ("ROPS"), prior to each six-month fiscal period, to the Oversight Board, County Auditor-Controller, State Controller's Office ("SCO"), and State Department of Finance ("DOF") for review and approval. For the ROPS period of July 1, 2014 to December 31, 2014 ("ROPS 14-15A"), the statute requires that an Oversight Board-approved ROPS be submitted to the DOF by no later than March 1, 2014. If the ROPS is not submitted by that deadline, the City of Avalon (as the City and not as the Successor Agency) will be subject to a civil penalty of \$10,000 per day for each day it is late. These requirements for the ROPS took effect in 2012 as a result of AB 1484 (Chapter 26, Statutes of 2012).

#### *Non-housing Bond Proceeds – Lower Terrace Road*

The Successor Agency received a Finding of Completion (aka the "Golden Ticket") on July 16, 2013. The Finding of Completion opens the door for the Successor Agency to pay for capital projects using non-housing bond proceeds (2003 Tax Allocation Bond Series A) for which an enforceable obligation did not previously exist on the ROPS. Enforceable obligations for capital projects funded on the ROPS since dissolution of the Avalon Community Improvement Agency ("ACIA") in 2012 have included sewer repairs,

wastewater treatment plan repairs, and Pebbly Beach Road improvements. In the current ROPS 13-14B period (January-June 2014), \$1.3 million in bond proceeds were proposed to be spent on the Lower Terrace Road Strengthening and Utility Protection Project. The Oversight Board and DOF approved the obligation. Significant work on this project has been completed but may continue into the next ROPS 14-15A period. Staff is therefore proposing to make \$250,000 in non-housing bond proceeds available on the ROPS 14-15A to finish out the project.

### *Housing Bond Proceeds*

In addition to non-housing capital projects, the Successor Agency can use housing bond proceeds (2003 Tax Allocation Bond Series B) to fund housing activities consistent with the bond covenants. In the ROPS 13-14A (July-December 2013), the Successor Agency included a \$500,000 line item to make funding available for the Housing Authority's Low and Moderate Income Down Payment Assistance Program. This item carried over onto the ROPS 13-14B (January-June 2014) since no funds were expended during the July-December period. The eligibility review and application process for the program is currently under way. Depending on the timing of the Housing Authority's approvals on the program applications, the Housing Authority could expend none, some, or all of the funds by June 30, 2014. Staff is proposing to maintain the \$500,000 funding level on the ROPS 14-15A to address different outcomes by June 30, 2014.

For the current ROPS 13-14B (January-June 2014), the Successor Agency also added a \$3.8 million line item to make housing bond proceeds available for a proposed very low income multifamily housing project pursuant to an Exclusive Negotiating Agreement ("ENA") with Hamilton Pacific, Inc. The ENA process is ongoing. No bond proceeds are expected to be spent until a development agreement with Hamilton Pacific, Inc. is executed, if any such development agreement is ever executed. Staff is proposing to maintain the \$3.8 million line item on the ROPS 14-15A while the ENA process continues into the July-December 2014 ROPS period.

### *SERAF Loan Repayment*

In addition to providing access to unspent bond proceeds, the Finding of Completion also provides the Successor Agency the ability to repay monies loaned or advanced to the former ACIA from its Low and Moderate Income Housing Fund ("LMIHF") in fiscal years 2009-10 and/or 2010-11 to make required payments to the State's Supplemental Educational Revenue Augmentation Fund ("SERAF") during those years. In fiscal year 2009-10, the ACIA suspended a \$1,000,000 deposit of tax increment in to its LMIHF, creating a \$1,000,000 debt to the LMIHF. With the receipt of the Finding of Completion, the Successor Agency can now repay that \$1,000,000 loan to the Housing Authority's Low and Moderate Income Housing Asset Fund through the ROPS based on a prescribed calculation formula. Staff is proposing to begin repayments starting in the ROPS 14-15B period (January-June 2015) or later, depending on the projected sufficiency of available property tax revenues. The Oversight Board must first approve a proposed repayment schedule which staff will be presenting to the Board later this month.

### *ROPS Technical Adjustments/Revisions*

The ROPS 14-15A provides estimated expenditures for enforceable obligations for the July through December 2014 period. However, as staff refines the projected expenditures, it anticipates that adjustments to the draft ROPS 14-15A will need to be made prior to submittal to the Oversight Board for approval. Staff is recommending that the Successor Agency authorize staff to make any such necessary adjustments, as appropriate, prior to submittal to the Oversight Board.

### *Prior Period Payment "True-up"*

The Successor Agency is required to itemize all prior period ROPS payments for enforceable obligations and administrative costs. The prior period included in this next ROPS is July through December 2013 (ROPS 13-14A). The prior period payment "true-up" process compares estimated ROPS 13-14A payments versus actual payments from July through December 2013. If the Successor Agency spent less than it estimated, fund balances should be used to pay for ROPS 14-15A obligations and, under AB 1484, the County Auditor-Controller will adjust down the distribution of RPTTF to the Successor Agency for this next ROPS period by the surplus amount.

### *DOF Review*

Upon submittal of an Oversight Board-approved ROPS, DOF has 45 days to make its determination of the enforceable obligations, including amounts and funding sources. Within five business days of DOF's determination, the Successor Agency may request additional review and an opportunity to meet and confer on disputed items. DOF has until 15 days prior to the date for property tax distribution to make its final decision. The RPTTF distribution date for ROPS 14-15A is June 1, 2014.

### SUCCESSOR AGENCY ADMINISTRATIVE BUDGET (JULY TO DECEMBER 2014)

HSC Section 34177(j) requires the Successor Agency to prepare a proposed administrative budget for each six-month fiscal period and submit it to the Oversight Board for approval. The minimum Administrative Cost Allowance to the Successor Agency provided for under the dissolution legislation is \$250,000 annually. In addition to the Administrative Cost Allowance, a preexisting 2003 tax sharing agreement between the City, ACIA, and County of Los Angeles provides for a Permitted Administrative Expense ("PAE") to the Successor Agency to fund additional administrative and operational costs. The annual PAE amount increases each year to adjust for inflation. For fiscal year 2014-15, the PAE may provide up to \$499,322 in funding for administrative and operational costs. These costs can include, but are not limited to: personnel, supplies/travel, noticing, professional services, legal services, financial services, and overhead, including property-related fees. Both the Administrative Cost Allowance (\$250,000) and PAE (\$499,322) are not 100% guaranteed funding levels since distributions of those funds are based on the sufficiency and availability of property tax revenues during each ROPS period.

Staff is recommending that the Successor Agency approve an annual administrative budget of \$749,332 for fiscal year 2014-15, approve a six-month administrative budget of \$374,666 for July through December 2014, and direct staff to submit the budget to the Oversight Board for approval. As staff refines its financial projections, it anticipates that adjustments to the attached draft Administrative Budget may need to be made prior to submittal to the Oversight Board for approval. Staff is recommending that the Successor Agency authorize staff to make any such necessary adjustments, as appropriate, prior to submittal of a six-month budget to the Oversight Board.

## **ENVIRONMENTAL REVIEW**

The action taken by the Successor Agency to approve ROPS 14-15A and the Successor Agency Administrative Budget does not commit the Successor Agency to any actions that may have a significant effect on the environment. As a result, such actions do not constitute projects subject to the requirements of the California Environmental Quality Act.

## **FISCAL IMPACT**

Approval of the draft ROPS and Administrative Budget is necessary for the Successor Agency to continue administrative operations and make payments for debt service, contracts, and other enforceable obligations. By not adopting the ROPS and Administrative Budget, the Successor Agency would risk defaulting on loans and other debt agreements, and not being able to fund certain expenses and operations, which would also impact the City's General Fund. Failure to submit an Oversight Board-approved ROPS to DOF March 1, 2014 will also result in a \$10,000 per day penalty assessed against the City for each day the ROPS is late.

Attachment:

- A. Successor Agency Resolution Approving the Draft ROPS 14-15A and the Annual and Six-Month Successor Agency Administrative Budgets

CITY COUNCIL ACTING AS THE SUCCESSOR AGENCY TO THE AVALON  
COMMUNITY IMPROVEMENT AGENCY

MEETING DATE: February 18, 2014

AGENDA ITEM: 9

ORIGIN. DEPT: Capital Improvements

CITY MANAGER: BA

PREPARED BY: Dennis Jaich

SUBJECT: Extension of Geosoils, Inc. Contract for the Lower Terrace Road  
Strengthening and Utility Protection Project

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RECOMMENDED ACTION (S):

Authorize Staff to execute a Change Order for the services of the Geotechnical Engineer on the project in an amount not to exceed \$39,725.76.

REPORT SUMMARY:

Previously the City Council had authorized Staff to enter into a contract with Geosoils to oversee the technical work of drilling and soil stabilization on the Lower Terrace Project. This original contract was only for three (3) months. We need a change order for the duration of the project.

As a note, unexpected subsurface conditions encountered to date and anticipated to be realized in the future, warrant a change order to their original contract.

Additionally, please note that the monetary amounts associated with this extension are "Successor Agency" funds, and not general fund monies, and the project is still anticipated by Staff to be completed under the \$1.3 million budget.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:

Geosoils, Inc. is responsible for the initial design from ground characteristics at the project site. Their proficiency in determining proper embedment and acceptable applications of the caissons in the ground, make them fundamentally responsible for the end product and durability of the fortified slope. Without executing the change order, the

City would have to seek another company and spend additional resources to acquaint and prepare them for service.

**FOLLOW UP ACTION:**

Allow Staff to proceed with a change order to Geosoils contract to extend throughout the completion of the Lower Terrace Project.

**FISCAL IMPACTS:**

Additional Successor Agency funds will be necessary on an “as needed basis”. However, this action had previously been anticipated and should not affect the original budgeted amount. The change order will be issued in a not to exceed amount of \$39,725.76.

**ADVERTISING, NOTICE AND PUBLIC CONTACT:**

Pursuant to the Brown Act.

**ATTACHMENTS:** Letter from Geosoils dated January 8, 2014.