AGENDA
CITY COUNCIL/ SUCCESSOR AGENCY TO THE FOUNTAIN VALLEY AGENCY
FOR COMMUNITY DEVELOPMENT/ FOUNTAIN VALLEY HOUSING AUTHORITY
Study Session 4:30 p.m.
Closed Session Immediately Following Study Session
Regular Meeting 6:00 p.m.
Tuesday, August 18, 2020
Council Chambers
10200 Slater Avenue
Fountain Valley, CA 92708
http://www.fountainvalley.org

MEETING ASSISTANCE: In compliance with the Americans with Disabilities Act, anyone needing special assistance to participate in a meeting of the government bodies listed herein should contact the City Clerk’s Office at (714) 593-4445. Notification 72 hours prior to the meeting allows the City to make reasonable arrangements to ensure accessibility to the meeting.

AGENDA COMMUNICATIONS: All revised or additional documents and writings related to an item on this agenda provided to all or a majority of the government body members after distribution of the agenda packet, are available for public inspection (1) in the City Clerk’s Office at 10200 Slater Avenue, Fountain Valley, CA 92708 during normal business hours; and (2) in the Council Chambers at the time of the meeting. Unless directed otherwise by a government body listed herein all actions shall be based on/memorialized by the latest document submitted as a late communication.

PUBLIC COMMENTS/PUBLIC HEARINGS: Persons wishing to address the City Council or other government body listed complete a speaker card and give it to the City Clerk prior to the public comment period. Requests to speak will not be accepted after the public comment session begins without permission of the Mayor/Chair. Speakers must limit remarks to a total of (3) three minutes and address the City Council through the Mayor. Comments to individuals or staff are not permitted. Scheduled Matters, including Public Hearings: Indicate on the card what item you want to address. Unscheduled Matters: Indicate on the card what subject matter you want to address. Comments must be related to issues that are within the jurisdiction of the governing body listed on the agenda. Pursuant to the Brown Act, the governing body may not enter into discussion regarding items not on the agenda.

CONSENT CALENDAR: All matters listed under the Consent Calendar are considered by the governing bodies listed herein to be routine and will be enacted on simultaneously with one motion without discussion unless separate action and/or discussion is requested by a governing body member, staff, or a member of the public.

PUBLIC HEARINGS: Persons wishing to speak in favor of or in opposition to a proposal are given an opportunity to do so during the public hearing. Those wishing to address a governing body during the hearing are requested to complete the speaker card and submit it to the City Clerk prior to the hearing. If a proposed action is challenged in court, there may be a limitation to
raising only those issues raised during the hearing or in written correspondence received by the governing body at or before the hearing.

**Note:** The Fountain Valley City Council serves as the Successor Agency to the Fountain Valley Agency for Community Development (Successor Agency), the Fountain Valley Housing Authority, and the Fountain Valley Finance Authority. The Actions of the Successor Agency are separate and apart from the actions of the City Council.

**STUDY SESSION**

**CALL TO ORDER**

4:30 p.m.

**PUBLIC COMMENTS**

(Study Session matters only)

Persons wishing to speak on a Study Session matter are requested to identify themselves by completing a blue speaker card indicating the item they want to address and to give the card to the City Clerk prior to the public comment period. The City Clerk will call upon those that wish to speak.

1. Billboards on City-owned and/or Private Properties Options – Presented by Maggie Le, Assistant to the City Manager and Brian James, Planning / Building Director

2. Fire Department Ground Ambulance Transportation and EMS Manager Position – Presented by Fire Chief, Ron Cookston and Battalion Chief, Bill McQuaid

**CLOSED SESSION**

**CALL TO ORDER**

Immediately Following Study Session

**PUBLIC COMMENTS**

(Closed Session matters only)

Persons wishing to speak on a Closed Session matter are requested to identify themselves by completing a blue speaker card indicating the item they want to address and to give the card to the City Clerk prior to the public comment period.

3. **CONFERENCE WITH LABOR NEGOTIATORS**

   Pursuant to Government Code §54957.6.

   Agency Designated Representatives: City Manager, Rob Houston; Assistant to the City Manager, Maggie Le, Finance Director, Jennifer Lampman, Budget Analyst, David Faraone; Human Resources Director, Chelsea Phebus, Attorney for the City, Colin Burns.

   Employee Organizations: Police Officers' Association (POA), Police Officers' Management Unit (POMU), Fire Association (FVFA), Fountain Valley Municipal Employees Association (Field Services unit), Fountain Valley General Employees Association (FVGEA) and Fountain Valley Professional and Technical Employees (P&T), Individually Represented Battalion Chiefs and Administrative Officers

4. **CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION**

   Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (1 potential case - OCSD threat of litigation over headquarters expansion project)
5. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
   Title: City Manager

6. CONFERENCE WITH LABOR NEGOTIATORS
   Agency designated representative: Mayor
   Unrepresented employee: City Manager

OPEN SESSION

CALL TO ORDER
6:00 p.m.

INVOCATION

SALUTE TO THE FLAG
Council Member Patrick Harper

CITY COUNCIL/SUCCESSION AGENCY/HOUSING AUTHORITY/ROLL CALL
Council Members: Constantine, Harper, Nagel, Mayor Pro Tem/Vice Chair Vo, Mayor/Chair Brothers

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS

PUBLIC COMMENTS (Scheduled Matters Only)

Persons wishing to speak on Agenda item(s) are requested to identify themselves by completing a blue speaker card indicating the item they want to address and to give the card to the City Clerk prior to the public comment period. Each person will be given up to 3 minutes to speak on the entire Consent Calendar, 3 minutes to speak on each item pulled from the consent calendar, and 3 minutes to speak on any agendized item(s) not appearing on the Consent Calendar.

CONSENT CALENDAR
Consent Calendar Items 7 – 12 will be approved simultaneously with one motion, unless separate action/or discussion is requested.

7. Receive and File the Draft Minutes of the July 14, 2020 Regular City Council Meeting Page 6
   Approve

8. Receive and File the Draft Minutes of the Special City Council Meeting Minutes of August 11, 2020 Page 14
   Receive and File the Draft Minutes of the City Council Special Meeting held August 11, 2020.

9. REQUEST TO DESTROY POLICE DEPARTMENT RECORDS Page 15
Staff recommends that the City Council approve Alternative 1: Authorize the Chief of Police to destroy the Police Department records contained in the records destruction requests.

10. Approval to Send a Response to the Orange County Grand Jury Regarding Protecting Those Who Protect and Serve Page 21

Approve the Mayor to send a response to the Presiding Judge regarding the Grand Jury report.

11. Approval of Amendment No. 4 to Cooperative Agreement No. C-5-3613 in the amount of $282,000 between the Orange County Transportation Authority (OCTA) and the City of Fountain Valley Page 47

Approve Alternative No. 1, which is to approve Amendment No. 4 to Cooperative Agreement No. C-5-3613 in the amount of $282,000 between the Orange County Transportation Authority (OCTA) and the City of Fountain Valley to provide Reimbursement for a Water Line Replacement between Mt. Baldy Circle and Euclid Street for the I-405 Improvement Project.

12. Approve a Purchase in the Amount of $48,899.89 for New Holmatro Auto Extrication Equipment for the Fire Department Page 58

Approve the purchase of the recommended Holmatro auto extrication equipment in the amount of $48,899.89.

ADMINISTRATIVE ITEMS

13. Designation of Voting Delegate and Alternate for League of California Cities Annual Business Meeting in October 2020 (Report by Maggie Le, Assistant to the City Manager) Page 65

Designate a voting delegate and alternate for the upcoming League Annual Business Meeting.


It is recommended that the City Council approve the City of Fountain Valley Statement of Investment Policy for fiscal year 2020/21.

15. Resolution Accepting the City's Allocation of CARES Act Funding from the State of California (Report by Jennifer Lampman, Finance Director) Page 92

The City Council approve a resolution accepting $689,933 in CARES Act funding from the State of California and create budget appropriations in the same amount to allow for recovery of costs related to the City's response to COVID-19.

COUNCIL MEMBER ITEMS FOR FUTURE CONSIDERATION
CITY COUNCIL/ SUCCESSOR AGENCY/ HOUSING AUTHORITY/ PUBLIC COMMENTS
(Unscheduled Matters Only)

Persons wishing to speak on an unscheduled matter are requested to identify themselves by completing a blue speaker and to give the card to the City Clerk. Each person will have up to 3 minutes to speak. The City Clerk will call upon those that wish to speak.

CITY COUNCIL/SUCCESSOR AGENCY/HOUSING AUTHORITY AB 1234/GENERAL COMMENTS

ADJOURN THE MEETING OF THE CITY COUNCIL/SUCCESSOR AGENCY/HOUSING AUTHORITY

The next Regular Meeting of the Fountain Valley City Council September 15, 2020 is at 6:00 p.m., in the Fountain Valley Council Chambers, 10200 Slater Avenue, Fountain Valley.
To: Honorable Mayor and Members of the City Council

SUBJECT: Billboards on City-owned and/or Private Properties Options

AGENDA DATE: August 18, 2020

DISCUSSION:
At the May 19, 2020 City Council Meeting, City Council directed staff to evaluate billboard signs on City-owned and private properties as a new source of revenue for the City.

The Fountain Valley Municipal Code currently prohibits billboards. Billboards are defined as “a permanent structure sign which meets any one or more of the following criteria: (1) it is used for the display of off-site commercial messages; (2) it is used for general advertising for hire, in contrast to self-promotion; (3) it is not an accessory or auxiliary use serving a principal use on the same parcel, but rather is a separate or principal use of the parcel; (4) it is a profit center on its own. Signs within an area controlled by a master sign program or specific plan which displays commercial messages pertaining to establishments within the same sign program area or specific plan area are not billboards.”

Billboards take many forms and sizes. Typically, billboards either have static images or, more recently, are electronic with an image that changes approximately every eight seconds.

In addition to the City’s regulations, billboards along freeways are regulated by federal and state law. Caltrans regulates the placement of billboards visible from California Highways. The Department performs regular reviews of freeways and highways identified on the National Highway System to enforce outdoor advertising requirements under the Federal Highway Beautification Act and the State’s Outdoor Advertising Act. The Outdoor Advertising Act does not preempt local regulation of billboards, and municipalities are permitted to enact regulations that are more stringent, including complete prohibition.

In October 2015, the City Council conducted a public hearing regarding a proposal from Clear Channel Outdoor for a Development and Relocation Agreement, Final Environmental Impact Report (FEIR) and Lease Agreement for an electronic message center (EMC) sign proposal to be located at 10955 Ellis Avenue (city water reservoir). EMC is a type of sign and can advertise on-site businesses and off-site businesses. Following the public hearing, the Council voted to continue the Development and Relation Agreement and Lease Agreement, while certifying the FEIR, which included the Findings of Fact and Statement of Overriding Consideration and the Mitigation Monitoring
Program. The proposed Development and Relocation Agreement provided the tool in which the City Council would have been able to authorize the proposed EMC sign to be located on City property. Such an authorization is provided for in FVMC 21.25.010, which states, "Private parties may post or display signs on public property only in accordance with this chapter or some other authorization duly adopted by the city council."

On December 15, 2015, a revised Development and Relocation Agreement and Lease Agreement with the Rent term of the Lease Agreement was proposed and would have resulted in an increase in the 30-year term total from $6,193,315 to $8.1 million and the installation of thematic landscaping. In addition, Clear Channel Outdoor agreed to pay the City a one-time lump sum of $60,000. At the meeting, City Council continued the item and no action was taken.

Electronic billboards are becoming more common and some cities are realizing a revenue potential from these facilities. A number of examples are already in operation in Orange County including on the Cal-State Fullerton campus, Placentia (57-freeway) and Buena Park (91-freeway) and Garden Grove. Below is a summary of billboards and terms in Orange County.

<table>
<thead>
<tr>
<th>Company</th>
<th>Buena Park</th>
<th>Buena Park</th>
<th>Fullerton</th>
<th>Garden Grove</th>
<th>Placentia</th>
<th>Santa Fe Springs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear Channel</td>
<td>The Source Tower and Residences LLC</td>
<td>General Outdoor</td>
<td>Outfront Media, LLC</td>
<td>Lamar Central Outdoor, LLC</td>
<td>San Diego Outdoor Advertising</td>
<td></td>
</tr>
<tr>
<td>Date agreement approved</td>
<td>February 24, 2000</td>
<td>November 28, 2016</td>
<td>Pending</td>
<td>December 10, 2019</td>
<td>October 6, 2015</td>
<td>March 28, 2019</td>
</tr>
<tr>
<td>Lease term</td>
<td>15 years extended in 2012 another 20 years from sign structures to digital signs (2035)</td>
<td>25 years</td>
<td>Pending</td>
<td>30 years</td>
<td>50 years</td>
<td>30 years</td>
</tr>
<tr>
<td># of billboards</td>
<td>2-freeway</td>
<td>1-freeway, 1-non freeway</td>
<td>1-freeway</td>
<td>1-freeway</td>
<td>2-freeway</td>
<td>1-freeway</td>
</tr>
<tr>
<td>Dimension</td>
<td>14'X48'</td>
<td>25'X48'</td>
<td>14'X48'</td>
<td>14'X48'</td>
<td>14'X48'</td>
<td></td>
</tr>
<tr>
<td>Annual revenue</td>
<td>$400,000</td>
<td>5th year-10% net income</td>
<td>Pending</td>
<td>$90,625</td>
<td>$300,000</td>
<td>$100,000</td>
</tr>
</tbody>
</table>
City Council Request  
Billboards on City-owned and/or Private Properties Options  
August 18, 2020  
Page 3

<table>
<thead>
<tr>
<th></th>
<th>with minimum payment $25,000 and increase over the years</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CPI</td>
<td>None</td>
<td>None</td>
<td>Pending</td>
<td>2.25% beginning year 3</td>
<td>None</td>
<td>3%</td>
</tr>
<tr>
<td>City owned property</td>
<td>City-owned</td>
<td>Private</td>
<td>Private</td>
<td>Private</td>
<td>City-owned</td>
<td>City-owned</td>
</tr>
<tr>
<td>or private</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

City staff seeks further direction from City Council on billboards.

Prepared By: Maggie Le, Assistant to the City Manager  
Reviewed By: Brian James, Planning & Building Director  
Fiscal Review By: Jennifer Lampman, Finance Director  
Approved By: Rob Houston, City Manager

Attachments: December 15, 2015 Staff Report_Clear Channel Outdoor
CITY OF FOUNTAIN VALLEY
CITY COUNCIL
COUNCIL ACTION REQUEST

To: Honorable Mayor and Members of the City Council

Agenda Date: December 15, 2015

SUBJECT: Clear Channel Outdoor – Development and Relocation Agreement and Lease Agreement for an Electronic Message Center Sign Proposal to be Located at 10955 Ellis Avenue

EXECUTIVE SUMMARY:

On October 6, 2015, the City Council conducted a public hearing regarding a proposal from Clear Channel Outdoor for a Development and Relocation Agreement, Final Environmental Impact Report (FEIR) and Lease Agreement for an Electronic Message Center (EMC) sign proposal to be Located at 10955 Ellis Avenue. Following the public hearing, the Council voted to continue the Development and Relation Agreement and Lease Agreement, while certifying the FEIR, which included the Findings of Fact and Statement of Overriding Consideration and the Mitigation Monitoring Program.

Since the October 6th public hearing, Clear Channel Outdoor representatives have revised the financial terms of their proposal to increase the initial rent payment from $150,000 to $200,000, and to increase the thirty year total from $6,193,315 to $8.1 million. In order for the Council to consider the Development and Relocation Agreement and Lease Agreement for an EMC sign proposal with the revised financial terms, a new public hearing is required.

DISCUSSION:

On October 6, 2015, the City Council conducted a public hearing regarding a proposal from Clear Channel Outdoor for a Development and Relocation Agreement, FEIR and Lease Agreement for an EMC sign proposal to be located at 10955 Ellis Avenue. See Attachment No. 1 to this report for the October 6, 2015, Agenda Report. Following the public hearing and Council discussion, a motion was made to certify the FEIR, but to continue to the Development and Relocation Agreement and Lease Agreement. The motion was approved. This action meant that the City Council has determined that the FEIR adequately addressed the environmental impacts of the proposed EMC sign and future public hearings to consider the project would only need to concern the Development and Relocation Agreement and Lease Agreement.
Clear Channel Outdoor has recently informed staff that it would like to revise the financial terms of the proposed Lease Agreement. Previously, the initial rent payment was to be $150,000 for the first year with an annual escalator of 2.25% or CPI, whichever is greater. The revised financial terms that are represented in the attached Lease Agreement (see Exhibit “D” to Attachment No. 3) now include an initial rent payment of $200,000, with annual increases as noted in the list below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Rent Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$200,000</td>
</tr>
<tr>
<td>2</td>
<td>$205,000</td>
</tr>
<tr>
<td>3</td>
<td>$210,000</td>
</tr>
<tr>
<td>4</td>
<td>$215,000</td>
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<tr>
<td>5</td>
<td>$220,000</td>
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<td>6</td>
<td>$225,000</td>
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<td>7</td>
<td>$225,000</td>
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<td>8</td>
<td>$225,000</td>
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<td>9</td>
<td>$225,000</td>
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<td>10</td>
<td>$225,000</td>
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<td>11</td>
<td>$250,000</td>
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<td>$280,000</td>
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<td>20</td>
<td>$280,000</td>
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<td>21</td>
<td>$310,000</td>
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<td>28</td>
<td>$345,000</td>
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<tr>
<td>29</td>
<td>$345,000</td>
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<tr>
<td>30</td>
<td>$345,000</td>
</tr>
</tbody>
</table>

The revised financial proposal would result in an increase in the thirty year term total from $6,193,315 to $8.1 million.

As discussed in the October 6, 2015, Agenda Report, the proposed Development and Relocation Agreement provides the tool in which the City Council may authorize the
proposed EMC sign to be located on City property. Such an authorization is provided for in FVMC 21.25.010, which states, "Private parties may post or display signs on public property only in accordance with this chapter or some other authorization duly adopted by the city council."

A revised Development and Relocation Agreement and Lease Agreement has been included in this report as Attachment No. 3. The changes that have been made to these documents include (1) the Rent term of the Lease Agreement has been modified to reflect the table listed above; and (2) a Landscape term has been added to the Development and Relocation Agreement that calls for Clear Channel Outdoor to submit a plan that provides a thematic landscape coverage on the City-owned property. With the exception of these two adjustments, the attachments and exhibits to the Agenda Report included as Attachment No. 1 are still current.

Updated documents and new information that has been received since the October 6, 2015, public hearing are attached to this report as well. This information includes:

- Revised Development and Relocation Agreement and Lease Agreement
- Draft Ordinance of the City Council of the City of Fountain Valley approving a Development and Relocation Agreement between the City of Fountain Valley and Clear Channel Outdoor for the removal of an existing static billboard and construction of a new electronic message center sign on City-owned property
- Public written comments included as late communications for the October 6, 2015, public hearing
- Public written comments received since October 7, 2015
- Resolution No. 9528 A resolution of the City Council of the City of Fountain Valley making certain findings regarding environmental impacts and mitigation measures, approving certain findings concerning alternatives, and adopting a Statement of Overriding Considerations, all in accordance with CEQA, for the Clear Channel Outdoor electronic message center billboard.

ENVIRONMENTAL CLEARANCE:

The City Council has adopted Resolution No. 9528 certifying as complete and adequate the Environmental Impact Report (EIR) for the proposed Clear Channel Outdoor EMC sign to be located on City-owned property at 10955 Ellis Avenue. The EIR was circulated for public review from October 23, 2014 to December 8, 2014. The City Council has reviewed and considered the EIR, together with all comments received and responses to those comments and adopted Resolution No. 9528 certifying the Final EIR and the Mitigation Monitoring and Reporting Program. Additionally, some of the significant effects identified in the EIR cannot be lessened to a level of less than significant; therefore, Resolution No. 9528 also included a Statement of Overriding Considerations, as set forth in the Final EIR.
FINANCIAL ANALYSIS:

The proposed Lease Agreement is for a 30-year term. The financial terms of the agreement are described in the table included in the Discussion above. The total term of the agreement will equate to $8.1 million over the 30-year term of the Lease Agreement. In addition, Clear Channel Outdoor will pay the City a one-time lump sum of $60,000.

ATTORNEY REVIEW:

The attorney to the city has reviewed the Development and Relocation Agreement, Lease Agreement, and Draft Ordinance and approved all as to form.

PUBLIC NOTIFICATION:

This public hearing was published in the Orange County Register. Public notices also were mailed to property owners within 500’ of the subject site of the proposed EMC sign (10955 Ellis Avenue) and of the site that contains the existing billboard to be removed (12191 Edinger Avenue). Public notices were also emailed to all those that requested notification of prior public hearings or those that commented on the draft Environmental Impact Report. Public notice of this hearing and a copy of the City Council agenda were posted at City Hall, Recreation Center, and Fountain Valley Library.

ALTERNATIVES:

1. (a) Adopt the draft Ordinance of the City Council of the City of Fountain Valley approving a Development and Relocation Agreement between the City of Fountain Valley and Clear Channel Outdoor for the removal of an existing static billboard and construction of a new electronic message center sign on City-owned property.

   (b) Approve the Lease Agreement, included as Exhibit "D" to the Development and Relocation Agreement, between the City of Fountain Valley and Clear Channel Outdoor for a portion of City-owned property located10955 Ellis Avenue.

2. (a) Do not adopt the draft Ordinance of the City Council of the City of Fountain Valley approving a Development and Relocation Agreement between the City of Fountain Valley and Clear Channel Outdoor for the removal of an existing static billboard and construction of a new electronic message center sign on City-owned property.
(b) Do not approve the Lease Agreement, included as Exhibit “D” to the Development and Relocation Agreement, between the City of Fountain Valley and Clear Channel Outdoor for a portion of City-owned property located 10955 Ellis Avenue.

3. Take an alternative action.

4. Continue this item to a date certain.

RECOMMENDATION:

Staff recommends that the City Council open the public hearing, take public comment, consider the alternatives, and direct staff as to the preferred alternative.

Prepared by: Matt Mogensen, Planning/Building Director
Procurement Review by Cathy Wagner, Purchasing Manager
Fiscal Review by: David Cain, Finance Director/ Treasurer
Approved By: Bob Hall, City Manager

Attachment No 1: October 6, 2015, Agenda Report with attachments
Attachment No 2: Draft Ordinance Approving a Development and Relocation Agreement
Attachment No 3: Revised Draft Development and Relocation Agreement and Draft Lease
Attachment No 4: Late communications from the October 6, 2015, public hearing
Attachment No 5: Public written comments received since October 7, 2015
Attachment No 6: Resolution No. 9528 of the City Council Certifying the Final EIR
CALL TO ORDER

PUBLIC COMMENTS

None

• Utility Box Art Program presented by Community Services Manager, Yvette Aguilar

Community Services Manager Yvette Aguilar presented the City Council with options for creating a Utility Box Art Program.

CLOSED SESSION

CALL TO ORDER

PUBLIC COMMENTS

None

• CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
  Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9
  (1 potential case - OCSD threat of litigation regarding headquarters remodel)

  No Reportable Action

• CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
  Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 (1 potential case)

  No Reportable Action

• CONFERENCE WITH LABOR NEGOTIATORS
  Pursuant to Government Code §54957.6.

  Agency Designated Representatives: City Manager, Rob Houston; Assistant to the City Manager , Maggie Le, Finance Director, Jennifer Lampman, Budget Analyst, David Faraone; Human Resources Director, Chelsea Phebus, Attorney for the City, Colin Burns.

  Employee Organizations: Police Officers' Association (POA). Police Officers' Management Unit
(POMU), Fire Association (FVFA), Fountain Valley Municipal Employees Association (Field Services unit), Fountain Valley General Employees Association (FVGEA) and Fountain Valley Professional and Technical Employees (P&T), Individually Represented Battalion Chiefs and Administrative Officers

No Reportable Action

- **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
  Title: City Manager

  No Reportable Action

- **CONFERENCE WITH LABOR NEGOTIATORS**
  Agency designated representative: Mayor
  Unrepresented employee: City Manager

  No Reportable Action

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**OPEN SESSION**

**CALL TO ORDER**

6:04 p.m.

**INVOCATION**

Council Member Steve Nagel

**SALUTE TO THE FLAG**

Council Member Steve Nagel

**CITY COUNCIL/SUCCESSOR AGENCY/HOUSING AUTHORITY/ ROLL CALL**

Members Present: Constantine, Harper, Nagel, Mayor Pro Tem Vo, Mayor Brothers

Members Absent: None

**ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS**

Items 5 and 13 had supplemental items that were provided to the City Council and the public.

**PRESENTATIONS**

- July is Parks Make Life Better Month Resolution presented by Mayor Brothers; Presentation by Community Services Manager, Christie Araiza
  
  Mayor Brothers recognized July is Parks Make Life Better Month and read a resolution. Community Services Manager Christie Araiza gave a presentation on the events at Mile Square Park.

- Retirement Proclamation to Nora Webb presented by Mayor Brothers
  
  Mayor Brothers presented Nora Webb with a retirement proclamation

- I Back the Blue – Fountain Valley Fundraiser – Presented by Lynn Seeden
  
  Lynn Seeden presented the I Back the Blue fundraiser to benefit the Fountain Valley Police Department.
PUBLIC COMMENTS (Scheduled Matters Only)

There were no public comments on scheduled matters.

CONSENT CALENDAR
Consent Calendar Items 1 – 8 and 10 – 12 were approved simultaneously with one motion.

1. Receive and File the Draft Minutes of the June 16, 2020 Regular City Council Meeting

   ACTION: Moved to Receive and File the Draft Minutes of the June 16, 2020 Regular City Council Meeting

   MOTION: Nagel SECOND: Vo

   AYES: Constantine, Harper, Nagel, Vo, Brothers
   NOES: None
   ABSENT: None
   ABSTAIN: None

   Motion carried: 5-0

2. Approval of the Sixth Amendment to an Agreement between the Orange County Fire Authority and the City of Fountain Valley for Fire Protection and Emergency Medical Services for the Unincorporated County Island within Fountain Valley

   ACTION: Moved to Approve the Sixth Amendment to an Agreement between the Orange County Fire Authority and the City of Fountain Valley for Fire Protection and Emergency Medical Services for the Unincorporated County Island within Fountain Valley

   MOTION: Nagel SECOND: Vo

   AYES: Constantine, Harper, Nagel, Vo, Brothers
   NOES: None
   ABSENT: None
   ABSTAIN: None

   Motion carried: 5-0

3. GRM Microfiche Amendment

   ACTION: Moved to Approve the GRM Microfiche Amendment

   MOTION: Nagel SECOND: Vo

   AYES: Constantine, Harper, Nagel, Vo, Brothers
   NOES: None
   ABSENT: None
   ABSTAIN: None

   Motion carried: 5-0
4. Approval of Amendment No. 4 to CON-16-45 with Echologics, LLC for Pipeline Condition Assessment Services to Extend the Contract Term One Year with No Increase to the Contract Amount of $300,000

ACTION: Moved to Approve Amendment No. 4 to CON-16-45 with Echologics, LLC for Pipeline Condition Assessment Services to Extend the Contract Term One Year with No Increase to the Contract Amount of $300,000

MOTION: Nagel SECOND: Vo

AYES: Constantine, Harper, Nagel, Vo, Brothers
NOES: None
ABSENT: None
ABSTAIN: None

Motion carried: 5-0

5. Support of Assembly Bill 1063

ACTION: Moved to Approve Support of Assembly Bill 1063

MOTION: Nagel SECOND: Vo

AYES: Constantine, Harper, Nagel, Vo, Brothers
NOES: None
ABSENT: None
ABSTAIN: None

Motion carried: 5-0

6. Approve the Talbert Avenue Cooperative Agreement Between the City of Fountain Valley and the Cities of Huntington Beach, Santa Ana and OCTA for the Talbert Avenue Corridor Signal Timing Improvement Project

ACTION: Moved to Approve the Talbert Avenue Cooperative Agreement Between the City of Fountain Valley and the Cities of Huntington Beach, Santa Ana and OCTA for the Talbert Avenue Corridor Signal Timing Improvement Project

MOTION: Nagel SECOND: Vo

AYES: Constantine, Harper, Nagel, Vo, Brothers
NOES: None
ABSENT: None
ABSTAIN: None

Motion carried: 5-0

7. Approve the Warner Avenue Cooperative Agreement Between the City of Fountain Valley and the Cities of Huntington Beach, Santa Ana and OCTA for the Warner Avenue Corridor Signal Timing Improvement Project
ACTION: Moved to Approve the Warner Avenue Cooperative Agreement Between the City of Fountain Valley and the Cities of Huntington Beach, Santa Ana and OCTA for the Warner Avenue Corridor Signal Timing Improvement Project

MOTION: Nagel SECOND: Vo

AYES: Constantine, Harper, Nagel, Vo, Brothers
NOES: None
ABSENT: None
ABSTAIN: None

Motion carried: 5-0

8. Approve the Edinger Avenue Cooperative Agreement Between the City of Fountain Valley and the Cities of Huntington Beach, Westminster, Santa Ana and OCTA for the Edinger Avenue Corridor Signal Timing Improvement Project

ACTION: Moved to Approve the Edinger Avenue Cooperative Agreement Between the City of Fountain Valley and the Cities of Huntington Beach, Westminster, Santa Ana and OCTA for the Edinger Avenue Corridor Signal Timing Improvement Project

MOTION: Nagel SECOND: Vo

AYES: Constantine, Harper, Nagel, Vo, Brothers
NOES: None
ABSENT: None
ABSTAIN: None

Motion carried: 5-0

9. Approve a Purchase in the Amount of $49,247.26 for New Hurst Auto Extrication Equipment for the Fire Department

This item was removed from the Consent Calendar by Staff and not considered by the City Council.

10. Acceptance of Proposal and Award of a Contract in the Amount Not to Exceed $98,376 to Bucknam Infrastructure Group, Inc. for Core GIS Program Management and Maintenance for FY 20/21

ACTION: Moved to Approve the Proposal and Award of a Contract in the Amount Not to Exceed $98,376 to Bucknam Infrastructure Group, Inc. for Core GIS Program Management and Maintenance for FY 20/21

MOTION: Nagel SECOND: Vo

AYES: Constantine, Harper, Nagel, Vo, Brothers
NOES: None
ABSENT: None
ABSTAIN: None
Motion carried: 5-0

11. Award of a Contract to AGA Engineers for Annual Citywide Traffic Signal Timing Maintenance in an Amount Not to Exceed $15,000

ACTION: Moved to Approve the Award of a Contract to AGA Engineers for Annual Citywide Traffic Signal Timing Maintenance in an Amount Not to Exceed $15,000

MOTION: Nagel SECOND: Vo

AYES: Constantine, Harper, Nagel, Vo, Brothers
NOES: None
ABSENT: None
ABSTAIN: None

Motion carried: 5-0

12. Waiver of Bidding and Acceptance of Proposal and Award of a Contract in the Amount of $75,000 to Iteris, Inc. for Annual Fiber Optic Infrastructure Maintenance

ACTION: Moved to Approve the Waiver of Bidding and Acceptance of Proposal and Award of a Contract in the Amount of $75,000 to Iteris, Inc. for Annual Fiber Optic Infrastructure Maintenance

MOTION: Nagel SECOND: Vo

AYES: Constantine, Harper, Nagel, Vo, Brothers
NOES: None
ABSENT: None
ABSTAIN: None

Motion carried: 5-0

PUBLIC HEARINGS

13. Appeal of Fountain Valley Auto Wash

Public Hearing Opened 6:55 p.m.

Public Comment: Michael Hendren, Hilda Rendon, Warren Caves, Nancy Woo, Claudia Cheffs, Arthur Barela, Nathan Holthouser, Aaron Betit, Dick Wilbur, Khosro Habibi, Paige Gosney, Kevin Monson

Public hearing Closed 8:52 p.m.

ACTION: Moved to Approve Adopting a Resolution upholding the Planning Commission’s approval CUP No. 1864 and DR No. 19-01 for modifications to an existing car wash to allow for an automated express car wash and to add 14 new self-service vacuum/detailing stations located at 10035 Ellis Avenue, with the
additional conditions that the operating hours be from 7:00 a.m. to 7:00 p.m. and that directional arrows be installed to direct the flow of traffic at the entrance of the car wash.

MOTION: Harper        SECOND: Nagel
AYES: Constantine, Harper, Nagel, Vo, Brothers
NOES: None
ABSENT: None
ABSTAIN: None

Motion carried: 5-0

ADMINISTRATIVE ITEMS

14. Vehicle Miles Traveled Thresholds of Significance

ACTION: Moved to Adopt a Resolution approving a Notice of Exemption in accordance with the California Environmental Quality Act and adopting the proposed Vehicle Miles Traveled Thresholds of Significance

MOTION: Vo        SECOND: Constantine
AYES: Constantine, Harper, Nagel, Vo, Brothers
NOES: None
ABSENT: None
ABSTAIN: None

15. Consideration of the Tree/Plant Identification Program

ACTION: Moved to Approve Alternative No. 3: Direct staff to proceed with the tree/plant identification program utilizing treated wood post markers with nameplates purchased from the outdoor sign vendor. The estimated cost for this alternative is $563.50.

MOTION: Nagel        SECOND: Vo
AYES: Constantine, Harper, Nagel, Vo, Brothers
NOES: None
ABSENT: None
ABSTAIN: None

Motion carried: 5-0

COUNCIL MEMBER ITEMS FOR FUTURE CONSIDERATION

Council Member Constantine requested that any current council member, during closed session, study session or open session of a City Council meeting, to make a verbal disclosure of having received a campaign donation or endorsement from a city contractor, city vendor, police union or fire union or currently holding a hospital or organization board position and to abstain from both discussion and vote when there is a directly related item before the city council. The request did not receive a second.
There were no requests to speak.

CITY COUNCIL/SUCCESSOR AGENCY/ HOUSING AUTHORITY/ PUBLIC COMMENTS
(Unscheduled Matters Only)

Mayor Pro Tem Vo

No report given and wished for everyone to stay safe

Council Member Nagel

June 26
July 2
July 2
July 8

Attended the OCSD meeting via zoom
Attended the Meals on Wheels program at the Senior Center
Attended the SCAG meeting via zoom
Attended the OC Sanitation District Administrative Meeting via Zoom

Council Member Harper

June 18
June 25

Attended the Community Foundation Meeting
Attended the Santa Ana River Flood Protection Agency meeting

Mayor Brothers

Informed the community about the senior meals on wheels program

Mayor Brothers gave the community information about John Collins Memorial Service and where to send cards.

ADJOURN THE MEETING OF THE CITY COUNCIL/SUCCESSOR AGENCY/ HOUSING AUTHORITY

Tonight's meeting was adjourned in the memory of John Collins, former City Council Member and Mayor.

Mayor Brothers adjourned the meeting at 9:42 p.m. The next Regular Meeting of the Fountain Valley City Council is August 18, 2020 at 6:00 p.m., in the Fountain Valley Council Chambers, 10200 Slater Avenue, Fountain Valley.

Cheryl Brothers, Mayor
MINUTES OF THE CITY COUNCIL
Special Meeting 5:00 p.m.
Tuesday, August 11, 2020

CLOSED SESSION

CALL TO ORDER
5:00 p.m.

CITY COUNCIL/SUCCESSOR AGENCY/HOUSING AUTHORITY/ ROLL CALL

Members Present: Constantine, Harper, Nagel, Mayor Pro Tem/Vice Chair Vo, Mayor/Chair Brothers

PUBLIC COMMENTS (Closed Session Matters Only)

There were no public comments on the Closed Session item

• CONFERENCE WITH LABOR NEGOTIATORS
  Pursuant to Government Code §54957.6.

Agency Designated Representatives: City Manager, Rob Houston; Assistant to the City Manager, Maggie Le, Finance Director, Jennifer Lampman, Budget Analyst, David Faraone; Human Resources Analyst, Amanda DeForest, Attorney for the City, Colin Burns.

Employee Organizations: Police Officers' Association (POA). Police Officers' Management Unit (POMU), Fire Association (FVFA), Fountain Valley Municipal Employees Association (Field Services unit), Fountain Valley General Employees Association (FVGEA) and Fountain Valley Professional and Technical Employees (P&T), Individually Represented Battalion Chiefs and Administrative Officers

At 5:15 p.m. Assistant to the City Manager, Maggie Le, Finance Director, Jennifer Lampman, Budget Analyst, David Faraone; Human Resources Analyst, Amanda DeForest left the meeting.

There was no reportable action taken on the closed session item.

ADJOURN THE SPECIAL MEETING OF THE CITY COUNCIL

Mayor Brothers adjourned the Special Meeting at 5:31 p.m. to the next Regular Meeting of the Fountain Valley City Council is August 18, 2020 at 6:00 p.m., in the Fountain Valley Council Chambers, 10200 Slater Avenue, Fountain Valley.

Cheryl Brothers, Mayor

Rick Miller, City Clerk
CITY OF FOUNTAIN VALLEY
CITY COUNCIL
COUNCIL ACTION REQUEST

To: Honorable Mayor and Members of the City Council

Agenda Date: August 18, 2020

SUBJECT: REQUEST TO DESTROY POLICE DEPARTMENT RECORDS

EXECUTIVE SUMMARY:

Pursuant to Government Code Section 34090, the head of a City Department may destroy a City record that is no longer required with the approval of the City Council by Resolution and the written consent of the Attorney for the City.

DISCUSSION:

The records sought to be destroyed by the Chief of Police are attached to the Resolution authorizing their destruction. Pursuant to the City’s Records Retention Schedule, the records are no longer required to be retained. Therefore, the Chief of Police seeks City Council authorization by Resolution, and written approval of the Attorney for the City, to destroy the records.

FINANCIAL ANALYSIS

There are no financial impacts related to this update.

ATTORNEY REVIEW:

The Attorney for the City reviewed and concurs with this Council Action Request.

PUBLIC NOTIFICATION:

This matter was noticed in compliance with the Ralph M. Brown Act.

ALTERNATIVES:

Alternative No. 1: Authorize the Chief of Police to destroy the Police Department records contained in the records destruction requests.

Alternative No. 2: Do not authorize the Chief of Police to destroy the Police Department records contained in the records destruction requests. The records will be retained.
City Council Request
REQUEST TO DESTROY POLICE DEPARTMENT RECORDS
August 18, 2020
Page 2

RECOMMENDATION:

Staff recommends that the City Council approve Alternative 1: Authorize the Chief of Police to destroy the Police Department records contained in the records destruction requests.

Prepared by: Matthew L. Sheppard, Chief of Police
Reviewed by: Alexandra M. Halfman, Attorney for the City
Approved by: Rob Houston, City Manager

Attachments: Resolution
Authority to Destroy Obsolete Records
RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOUNTAIN VALLEY AUTHORIZING THE DESTRUCTION OF CERTAIN RECORDS

WHEREAS, Government Code Section 34090 authorizes the destruction of City records upon compliance therewith; and

WHEREAS, the records and documents sought to be destroyed pursuant to Government Code Section 34090 are not records affecting title to real property, court records, records required to be kept by statute, records less than two years old, minutes, ordinances, or resolutions of the City Council, or any board or commission; and

WHEREAS, the Attorney for the City has given his consent to the destruction of said records, as required by law,

NOW, THEREFORE, the City Council of the City of Fountain Valley does hereby resolve that the records requested in the attached records destruction requests may be destroyed.

PASSED, ADOPTED AND SIGNED this 18th day of August, 2020.

Ayes: 
Nays: 
Absent: 
Abstain: 

ATTEST:

_____________________________  _______________________________
Rick Miller, City Clerk               Cheryl Brothers, Mayor

APPROVED AS TO FORM AND CONTENT:

HARPER & BURNS LLP

_____________________________
Attorneys for the City
City of Fountain Valley
Office of the City Clerk
Authority to Destroy Obsolete Records

The below listed department/division records have been retained in accordance with the City’s Records Management Program Policy and Procedures and with applicable federal and state laws as set forth in the City of Fountain Valley Retention Schedules.

In accordance with the City’s Records Management Program, with the consent of the Department/Division Head, and upon written approval of the City Clerk and City Attorney, these records will be properly destroyed/disposed of.

Note: Documents will be reviewed for historical value and, if applicable, retained in the archives. Documents involved in litigation or pending audit will not be destroyed.

<table>
<thead>
<tr>
<th>Department/Division: Police</th>
<th>Date: 07/01/20</th>
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<td>Prepared by:</td>
<td>Destruction Date</td>
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<td>Martha Shigemasa</td>
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<td>Department/Division Head’s Signature</td>
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<td>City Clerk:</td>
<td>Signature</td>
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| Consent is hereby given to destroy the above- listed records:

City Attorney By: Signature July 10, 2020

DESTRUCTION COMPLETED BY:
Martha Shigemasa
Printed/Typed Name Signature Date
PUBLIC SAFETY

LAW ENFORCEMENT

INVESTIGATIONS

Internal Affairs Investigations
(Non-Citizen Complaints per Confidential Attachment) 07/14/18 – Prior

Citizen Complaints
(per Confidential Attachment) 07/14/15 – Prior

FORMER EMPLOYEES

Former Employees
(per Confidential Attachment) 07/14/17 - Prior

EMPLOYEE EVALUATIONS

Employee Evaluations 2014 – Prior
AUTHORITY TO DESTROY OBSOLETE RECORDS

JULY 2020

PUBLIC SAFETY

LAW ENFORCEMENT

ADMINISTRATION

Claim Files
Pursuits and DMV CHP 187 Reports (Including all electronic documents)
Watch Commander Personnel Files
Use of Force Administrative Review
Canine Files

07/01/2015 – Prior
2017 – Prior
07/01/2018 – Prior
2017 – Prior
2017 – Prior
CITY OF FOUNTAIN VALLEY
CITY COUNCIL
COUNCIL ACTION REQUEST

To: Honorable Mayor and Members of the City Council

Agenda Date: August 18, 2020

SUBJECT: Approval to Send a Response to the Orange County Grand Jury Regarding Protecting Those Who Protect and Serve

EXECUTIVE SUMMARY:
The City of Fountain Valley is required to respond to the 2019-2020 Orange County Grand Jury report, "Protecting Those Who Protect and Serve" in compliance with Penal Code 933.05(f). Law enforcement is one of the most stressful occupations in the country. Public perception of law enforcement personnel is the leading cause of stress. In acknowledgement of the importance of peer support programs for Peace Officers, last year the California legislature unanimously passed Assembly Bill 1117: Peace officers: peer support and it was codified in California Government Code §§ 8669.1-8669.7, Law Enforcement Peer Support and Crisis Referral Services Program. It became effective on January 1, 2020.

The 2019-2020 Orange County Grand Jury investigated the availability of peer support services program in law enforcement agencies that serve the citizens of Orange County. The Grand Jury learned that law enforcement representatives are generally supportive of the program.

Local jurisdictions identified in the Grand Jury report is required to provide a response to each of the findings and recommendation. A response to each of the findings and recommendations of the Grand Jury report is due by September 28, 2020 to the Presiding Judge of the Superior Court. City staff is seeking approval to send a response to the Orange County Grand Jury.

DISCUSSION:
On June 30, 2020, the Orange County Grand Jury released the 2019-2020 Orange County Grand Jury report, "Protecting Those Who Protect and Serve". The purpose of the report was to investigate the availability of peer support programs in the law enforcement agencies that serve the citizens of Orange County. There are approximately 4,500 men and women in Orange County who have taken an oath to protect and serve the citizens of their respective municipalities, contracted cities, and unincorporated areas.

The Grand Jury interviewed 41 Peace Officers, including representatives from each law enforcement agency, and selected representatives from each agency's Peace Officers association. Additionally, an extensive online review and document research in the area of stress of Peace Officers was conducted. The effectiveness of peer support programs to support these Peace Officers was also evaluated. During multiple interviews, the Grand Jury learned that Peace Officers in Orange County experience stress from many sources, including some to directly involved with law enforcement activities. The most frequently cited cause of stress was a negative public perception of the profession.
City Council Request  
Approval to Send a Response to the Orange County Grand Jury Regarding Protecting Those Who Protect and Serve  
August 18, 2020  
Page 2

Orange County law enforcement agencies offer various programs to support Peace Officers that span the continuum of support, ranging from informal conversations with colleagues to formal written policies. Peer support program also provides crisis stress debriefings to everyone involved in a critical incident. Peer support team members have also been known to help other agencies within and outside of Orange County. Peer support program is successful because it occupies a supporting niche that cannot be readily duplicated by either health plan counseling or an employee assistance program.

The Grand Jury report identifies findings and recommendations regarding peer support program and the City is required to provide a response to each of the findings and recommendations of the report.

FINANCIAL ANALYSIS:  
There is no fiscal impact.

ATTORNEY REVIEW:  
This item does not require Attorney for the City review.

ALTERNATIVES:

Alternative No.1: Approve the Mayor to send a response to the Presiding Judge regarding the Grand Jury report.

Alternative No. 2: Do not approve and provide direction to Staff regarding the Grand Jury report.

RECOMMENDATION:  
It is recommended the City Council approve Alternative No. 1 or provide further direction to City staff.

Prepared By: Maggie Le, Assistant to the City Manager
Approved By: Mathew L. Sheppard, Chief of Police
Fiscal Review By: Jennifer Lampman, Finance Director/Treasurer
Approved By: Rob Houston, City Manager

Attachment 1: Orange County Grand Jury Report
Attachment 2: Mayor's letter to Kirk H. Nakamura, Presiding Judge of the Superior Court
June 25, 2020

The Honorable Cheryl Brothers
City of Fountain Valley
10200 Slater Avenue
Fountain Valley, CA  92708

VIA EMAIL ONLY: Cheryl.Brothers@fountaintvalley.org

Dear Mayor Brothers:

Enclosed is a copy of the 2019-2020 Orange County Grand Jury report, "Protecting Those Who Protect and Serve". Pursuant to Penal Code 933.05(f), a copy of the report is being provided to you at least two working days prior to its public release. Please note that under that subsection, "No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report." (Emphasis added.) It is required that you provide a response to each of the findings and recommendations of this report directed to your office in compliance with Penal Code 933.05(a) and (b), copy enclosed.

Please distribute this report to your governing body.

For each Grand Jury recommendation accepted and not implemented, provide a schedule for future implementation. In addition, by the end of March of each subsequent year, please report on the progress being made on each recommendation accepted but not completed. These annual reports should continue until all recommendations are implemented.

Please mail the response to the recommendations to Kirk H. Nakamura, Presiding Judge of the Superior Court, 700 Civic Center Drive West, Santa Ana, CA 92701, with a separate copy mailed to the Orange County Grand Jury, 700 Civic Center Drive West, Santa Ana, CA 92701, no later than 90 days after the public release date, June 30, 2020, in compliance with Penal Code 933, copy enclosed. The due date then is September 28, 2020.

Should additional time for responding to this report be necessary for further analysis, Penal Code 933.05(b)(3) permits an extension of time up to six months from the public release date. Such extensions should be advised in writing, with the information required in Penal Code 933.05(b)(3), to the Presiding Judge of the Superior Court, with a separate copy of the request to the Grand Jury.

We tentatively plan to issue the public release on June 30, 2020. Upon public release, the report will be available on the Grand Jury website at www.ocgrandjury.org.

Very truly yours,

Steven G. Belasco, Foreperson
2019-2020 ORANGE COUNTY GRAND JURY

SGB:tk

Enclosures:  Grand Jury Report
Penal Code 933, 933.05
Protecting Those Who Protect and Serve

CONFIDENTIAL
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUMMARY</td>
<td>1</td>
</tr>
<tr>
<td>REASON FOR THE STUDY</td>
<td>1</td>
</tr>
<tr>
<td>METHOD OF STUDY</td>
<td>2</td>
</tr>
<tr>
<td>BACKGROUND AND FACTS</td>
<td>3</td>
</tr>
<tr>
<td>Peer Support Programs-Help is Here</td>
<td>4</td>
</tr>
<tr>
<td>Orange County Peer Support Programs</td>
<td>5</td>
</tr>
<tr>
<td>Peer Support Provided</td>
<td>6</td>
</tr>
<tr>
<td>Acceptance of Peer Support Programs</td>
<td>6</td>
</tr>
<tr>
<td>Awareness of Peer Support Programs</td>
<td>7</td>
</tr>
<tr>
<td>Selecting Peer Support Team Members</td>
<td>7</td>
</tr>
<tr>
<td>Training Peer Support Team Members</td>
<td>8</td>
</tr>
<tr>
<td>Protection of Confidential Communications</td>
<td>8</td>
</tr>
<tr>
<td>Peer Support Funding</td>
<td>9</td>
</tr>
<tr>
<td>FINDINGS</td>
<td>11</td>
</tr>
<tr>
<td>RECOMMENDATIONS</td>
<td>11</td>
</tr>
<tr>
<td>COMMENDATIONS</td>
<td>12</td>
</tr>
<tr>
<td>Peer Support Programs</td>
<td>12</td>
</tr>
<tr>
<td>Community Outreach Programs</td>
<td>12</td>
</tr>
<tr>
<td>RESPONSES</td>
<td>12</td>
</tr>
<tr>
<td>Responses Required</td>
<td>14</td>
</tr>
<tr>
<td>Findings</td>
<td>14</td>
</tr>
<tr>
<td>Recommendations</td>
<td>14</td>
</tr>
<tr>
<td>GLOSSARY</td>
<td>15</td>
</tr>
</tbody>
</table>

## FIGURES

- Figure 1. Law Enforcement Agencies in Orange County Investigated ........................................... 3
- Figure 2. Top Causes of Stress ................................................................. 4
SUMMARY

The citizens of Orange County are protected by over 4,500 sworn law enforcement personnel from the Orange County Sheriff’s Department (OCSD) and law enforcement agencies from the twenty-one cities that have their own police departments. Although every job has varying degrees of stress, law enforcement is one of the most stressful occupations in the country. During its investigation, the Grand Jury learned that public perception of law enforcement personnel is the leading cause of stress. In the aftermath of George Floyd’s untimely death, public perception of law enforcement has markedly worsened and with it, the climate under which law enforcement personnel must protect and serve the citizens of Orange County.

Recognizing the impacts of stress on one’s physical and mental health, both federal and state legislation was enacted in 2019 to address law enforcement mental health. In acknowledgement of the importance of peer support programs for Peace Officers, last year the California legislature unanimously passed (79-0) Assembly Bill-1117: Peace officers: peer support. It was codified in California Government Code §§ 8669.1-8669.7, Law Enforcement Peer Support and Crisis Referral Services Program and became effective on January 1, 2020. Peer support services are available to listen, support, refer, and assist employees and family during difficult times in their personal and professional lives.

As there are many peer support groups for various occupations, the 2019-2020 Orange County Grand Jury sought to investigate the availability of those programs in the law enforcement agencies that serve the citizens of Orange County. Today, all but four law enforcement agencies in Orange County have established peer support programs with written policies.

The Orange County Grand Jury interviewed representatives of the OCSD and all city police agencies in Orange County. Although it was difficult to quantify the effectiveness of Peer Support Programs due to confidentiality concerns, the Grand Jury learned that law enforcement representatives are generally supportive of the program.

This report will focus on the importance of providing formal Peer Support Programs in all law enforcement agencies in Orange County to help manage stress inherent in law enforcement.

REASON FOR THE STUDY

It is common knowledge that law enforcement personnel (defined in statute and hereafter as Peace Officers) have a stressful job. They are subjected to tragic situations and occurrences not normally experienced by the general public. These stress-inducing experiences can affect a

1 https://leginfo.legislature.ca.gov/faces/billStatusClient.xhtml?bill_id=201920200AB1117
2 Cal. Penal Code § 830.1(a)
Protecting Those Who Protect and Serve

Peace Officer's performance on the job, as well as relationships off the job. For Peace Officers to be effective, focused and fully engaged, they must be provided with safety nets to support their own mental health and wellbeing. One consideration is a program to assist Peace Officers in coping with the stress of their profession. This study was undertaken to determine whether law enforcement agencies within Orange County, California, maintain programs to ensure the mental wellbeing of its Peace Officers. In addition, the Grand Jury undertook to review the variety of programs that are currently in place throughout the many agencies, and to recommend implementation of peer support and wellbeing programs to those agencies currently without them.

METHOD OF STUDY

In conducting its investigation, the 2019-2020 Orange County Grand Jury interviewed 41 Peace Officers, including representatives from each law enforcement agency, and selected representatives from each agency's Peace Officers association. The Grand Jury's investigations was limited to the law enforcement agencies identified in Figure 1 and did not include others such as the harbor patrols, universities, and other police agencies with specific assignments. Additionally, an extensive online review and document research in the area of stress of Peace Officers was conducted. The effectiveness of peer support programs to support these Peace Officers was also evaluated.

The Grand Jury also interviewed a leading expert on Peer Support Programs, who provided invaluable information for its investigation.
Figure 1. Law Enforcement Agencies in Orange County Investigated

BACKGROUND AND FACTS

There are approximately 4,500 men and women in Orange County who have taken an oath to protect and service the citizens of their respective municipalities, contracted cities, and unincorporated areas. There are 21 city-operated law enforcement agencies and one regional, the Orange County Sheriff’s Department, which contracts with 13 cities and several unincorporated areas to provide law enforcement services.

In the discharge of their duties, these Peace Officers routinely place their lives and wellbeing in harm’s way every time they go to work. When responding to a call, a Peace Officer seldom knows what to expect. Many decisions a Peace Officer makes must be made quickly, decisively, and instinctively based on their training. A Peace Officer may be responding to a call of domestic violence, or a deceased person. Even worse, they may be responding to a call of a crime committed against a child. There are Peace Officers in other equally stressful areas.

During multiple interviews, the Grand Jury learned that Peace Officers in Orange County experience stress from many sources, including some not directly involved with law enforcement activities. The most frequently cited cause of stress was a negative public perception of the profession (See Figure 2). Peace Officers are acutely aware of negative perceptions from the community, their neighbors, and the general public so much so that sometimes they feel compelled not to disclose they work in law enforcement. Although the death of George Floyd occurred long after the Grand Jury’s interviews were complete, the mantras of “Defund the
Police” and “I can’t breathe” must resonate loudly in the ears of every Officer as he or she ventures out in the community every day to protect and serve. This issue will likely have a negative impact on future public perception of the police in general.

![TOP CAUSES OF STRESS](image)

Figure 2. Top Causes of Stress

**Peer Support Programs—Help is Here**

In law enforcement agencies, support for personnel was recognized and provided through policies describing the procedures in a “Trauma Support Policy.” Some of these included aspects of what is now called peer support services. A California statute recognizes that “peer support services assist those affected by a critical incident in coping with critical incident stress and mitigating reactions to critical incident stress.”[^3] The California Peer Support Association defines peer support as follows:

> Peer support is a process where a person discusses a personal issue with a non-professional, usually a friend or a co-worker. A person will select a peer support person primarily based upon trust. Most only share problems with someone considered credible, able to listen without judgments and capable of maintaining confidentiality. Peer support members have the responsibility to understand their role and its limitations. They are trained to employ active

[^3]: Cal. Government Code § 8669.3(g)

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2019-2020 Orange County Grand Jury Page 4

Page 30
listening skills, to avoid “solving” or taking on the person’s problems, and when appropriate, to refer the individual to professional resources.  

Orange County Peer Support Programs
Orange County law enforcement agencies offer various programs to support Peace Officers that span the continuum of support, ranging from informal conversations with colleagues to formal written policies.

- Orange County Association of Peer Supporters (OCAPS) provide support, training, advisement, response and resources in the aftermath of a critical incident or traumatic loss implicating law enforcement professional and families members in Orange County and surrounding areas. Peer Support Team members of participating departments have access to OCAPS resources.
- After an Officer Involved Shooting, Peace Officers must comply with their law enforcement agency’s policy. Most Officer Involved Shooting policies require three days paid-time off, psychological counseling and clearance before returning to active duty.
- After a Critical Incident (e.g. involving of a child), the agency chief may order a Peace Officer to take time off with pay and may order the Peace Officer to go through psychological counseling.
- Although an agency chief cannot order a Peace Officer to participate in a Peer Support Program, Peace Officers are encouraged to avail themselves of peer support services.
- When the Peer Support Team member considers it appropriate, Peace Officers may be referred to counseling by certified professionals through an Employee Assistance Program (EAP), which are available to all personnel without a referral.
- Some law enforcement agencies have faith-based programs that involve chaplains to support personnel in managing psychological and emotional reactions to traumatic events and stress. Chaplains are often used to support peer support teams in critical incident debriefings.
- Most law enforcement agencies report that informal peer support is always available to Peace Officers, at their discretion and sense of need, to discuss troublesome events with colleagues who know how these situations unfold and how to resolve them for the best; this could be over a cup of coffee.

4 https://www.californiapeersupport.org/page-303232
Peer Support Provided

It is important to emphasize the Peer Support Program also provides crisis stress debriefings to everyone involved in a critical incident. For example: in the case of an Officer Involved Shooting, not only is the Peace Officer provided immediate support, support is also extended to those involved with the 911 call. This includes the dispatcher taking the initial call and the crime scene investigators witnessing the aftermath of the incident. The goal of debriefing after the incident is to put everything into perspective by providing the big picture of the incident. Debriefing can be a cathartic relief of anxiety for those who participate.

Peer support team members have also been known to help other agencies within and outside of Orange County. The Grand Jury learned that in the case of the 2015 attack in San Bernardino and the 2017 North Park Elementary School shooting, the Peer Support Team provide mutual aid to their colleagues in the San Bernardino Sheriff’s Department.

Some agencies have written policies in place for many years that address a peer support program that may need to be revised to provide participants with the protections of the new law. The bill AB 1117, defines a “peer support team” as a law enforcement agency response team composed of peer support team members. The bill defines a “peer support team member” as a law enforcement agency employee who has completed a peer support training course or courses pursuant to Section 8669.6. Agency selection criteria of peer support team members shall be incorporated into agency policies.

The Grand Jury learned that 18 Orange County law enforcement agencies operate with written policies. The remaining four have “ad hoc” peer support programs that are not documented in a written policy.

Acceptance of Peer Support Programs

Law enforcement agency chiefs, or their representatives, were all very supportive of having a Peer Support Program (PSP). Several said that many long-time Peace Officers would probably not use the Peer Support Program, as they were “old school,” or were too “maso,” subscribing to the “suck-it-up” mentality of career veterans on the force. In contrast, younger Peace Officers were more open to the program and embraced peer support efforts.

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2019-2020 Orange County Grand Jury
The major reason for the popularity of the program is the inclusion of one’s peers. Peace Officers feel that a fellow Peace Officer better understands them, whereas an outsider might be less understanding of the duties and stresses specific to their profession.

The Grand Jury learned police associations in Orange County were very supportive of the Peer Support Program, and encourage their members to utilize peer support when needed.

Peer Support Program is successful because it occupies a supporting niche that cannot be readily duplicated by either health plan counseling or an Employee Assistance Program. The power of the peer is the factor that is a constant in the support by peer support team members.

Some agencies, belong to the Orange County Association of Peer Supporters. This organization provides regional support, training, promotion, response and resources in the aftermath of a critical incident or traumatic loss impacting law enforcement personnel and family members in Orange County and surrounding areas.

**Awareness of Peer Support Programs**

A variety of techniques are used by city-operated law enforcement agencies and the Orange County Sheriff’s Department to communicate the availability and to encourage the use of these support systems. Following are some examples:

- Information included in home mailings, including paychecks
- Brochures and posters prominently displayed in the briefing and break rooms
- Information posted on the internal websites (intranet)
- Information included in the training curriculum for new Peace Officers

**Selecting Peer Support Team Members**

Those who assist Peace Officers in coping with stressful incidents become part of the “Peer Support Team” and are commonly referred to as “Peer Support Team members” or “Peer Supporters.” They are current sworn and non-sworn personnel who have been selected based on several criteria including but not limited to:

- Ability to maintain confidentiality
- Good communication and listening skills
- Genuinely care for the well-being of their peers
- Successful completion of required training

The new peer support statute states that agency selection of peer support members shall be incorporated into agency policy.⁶

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⁶ Cal. Gov. Code, Section 8693(f)
During its investigation, the Grand Jury became aware of the compassionate nature of Peer Support Team members, and that they are in jeopardy themselves for burn out through the additional stress of coping with another person’s problems. Team members may have a tendency to internalize the crisis they are assisting their peers to resolve. In order for team members to be effective Peer Supporters, some law enforcement agencies offered yearly counseling sessions to assist in de-stressing team members.

A provision of the newly effective peer support statute, may assist with recruiting Peer Support Team members. A provision in the law exempts peer support team members and their agencies from any liability for damages related to performing peer support services except in cases of gross negligence or intentional misconduct. These protections mean a Peer Supporter cannot be held liable if an officer responds to peer support with self-harm, property damage or other acts causing damage or injury.

To avail themselves of the benefit of the newly effective peer support statute, law enforcement agencies must consult with an employee representative organization to develop and implement a program created under this the statute.

**Training Peer Support Team Members**

Becoming a Peer Support Team member is voluntary and attracts those personalities of those who want to help others. Communication skills, especially listening and knowing when to engage, are essential traits in a good Peer Supporter. Building trust quickly, strong observation skills, sharing common experiences, and emphasizing the person’s positive activities such as cooking.

In order to become a member of a Peer Support Team, formal training is required. Training generally consists of classes totalling 70-80 hours over a two-week period. The importance of confidentiality is emphasized, as this is essential to the success of the program. New members may be trained by fellow Peer Support Team members, but most go to seminars led by counselling professionals. There are many educational seminars available throughout California covering a wide variety of topics pertaining to peer support.

**Protection of Confidential Communications**

Peace Officers may be hesitant to use Peer Support Programs because they do not trust that what they say to a peer will be kept confidential. Confidentiality for these communications is essential

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7 Cal. Government Code § 8669.5
9 Cal. Government Code § 8669.2(c)

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to allow Peace Officers in crisis, whether from critical incidents or other trauma, to talk freely to Peer Supporters without fear of embarrassment, disclosure or reprisal.\textsuperscript{10}

A Peer Support Program in which the team members have been trained in compliance with the newly effective peer support addresses that problem by making communications between a Peace Officer and Peer Support Team member confidential. A Peace Officer now has the right to refuse to disclose those communications, and to prevent a peer counselor from disclosing he, except in criminal proceedings, cases where the disclosure is necessary to prevent death or substantial bodily harm, for purposes of referring the Peace Office to crisis services, and in other limited circumstances. The confidentially provisions also apply to disclosure of confidential communications to crisis hotline or crisis referral services in civil, administrative an arbitration proceedings.\textsuperscript{11} These “authorized” Peer Support Programs address concerns that may make Peace Officers reluctant to speak with others about their experiences.

To qualify for confidentiality protection, a Peer Support Team member must complete a training course approved by the law enforcement agency including, but not limited to, the topics\textsuperscript{12} below:

- Pre-crisis education
- Critical incident stress defusing.
- Critical incident stress debriefing
- On-scene support services.
- One-on-one support services.
- Consultation.
- Referral services
- Confidentiality
- Impact of toxic stress on health and well-being
- Grief support
- Substance abuse awareness and approaches
- Active listening skills
- Stress management
- Psychological first aid.

Conversations with Peer Support Team members who have not completed a peer support training course pursuant to the newly effective statute are not considered “confidential communications” and may be disclosed during a civil, administrative or arbitration proceeding.

\textbf{Peer Support Funding}

During its investigation, the Grand Jury learned that only four law enforcement agencies allocate a specific budget line item for Peer Support Program. A majority of all law enforcement

\textsuperscript{10} Cal. Government Code § 8669.2(o).
\textsuperscript{11} Cal. Government Code § 8669.4.
\textsuperscript{12} Cal. Government Code § 8669.6.
agencies rely on their general operating budget to absorb the cost of peer support. The Grand Jury learned that due to the lack of funding, some departments will send one team member to formal training in order to conduct in-house training for other members. This practice of “Train the Trainer” is how many team members receive training.

In light of the current rancor to “Defund the Police,” Peer Support Programs are likely to take a back seat to other funding priorities. By cruel coincidence, this is occurring at a time when the need for peer support has never been greater.
FINDINGS

In accordance with California Penal Code Sections §933 and §933.05, the 2019-2020 Grand Jury requires responses from each agency affected by the findings presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation entitled “Protecting Those Who Protect and Serve,” the 2019-2020 Orange County Grand Jury has arrived at six principal findings, as follows:

F1. Peer Support Programs are effective in helping Peace Officers develop healthy coping techniques for themselves and their families.

F2. A written policy documenting each agency’s Peer Support Program helps ensure the program’s continuation after changes in staff.

F3. The benefits in the peer support statute, effective January 1, 2020, are important to Peace Officers and Peer Support Team members.

F4. It is important that Peer Support Team members receive periodic training.

F5. Allocating a specific budget line item for Peer Support Programs help ensure adequate training and continuation of the programs.

F6. Continuous communication to Peace Officers about the Peer Support Programs is important to increase awareness and use of the Peer Support Programs.

RECOMMENDATIONS

In accordance with California Penal Code Sections §933 and §933.05, the 2019-2020 Grand Jury requires responses from each agency affected by the recommendations presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation described herein, the 2019-2020 Orange County Grand Jury makes the following recommendations following four recommendations:

R1. The 2019-2020 Orange County Grand Jury recommends that that the four law enforcement agencies without a written policy on their Peer Support Program institute a policy. (F1, F2)

R2. The 2019-2020 Orange County Grand Jury recommends that all Peer Support Programs be in compliance with the peer support statute. (F3)
R3. The 2019-2020 Orange County Grand Jury recommends that Peer Support Team members receive periodic training and that completion of training is documented. (F4)

R4. The 2019-2020 Orange County Grand Jury recommends that all law enforcement agencies allocate a specific budget line item for their Peer Support Program. (F5)

COMMENDATIONS

The Grand Jury commends the following law enforcement agencies for their robust programs of peer support and community outreach to counter the public’s negative perception of Peace Officers, as well as its extraordinary efforts to ensure the mental health and wellbeing of its Peace Officers, as well as the Peer Support Team Members:

Peer Support Programs

- Anaheim Police Department
- Laguna Beach Police Department
- Dr. Heather Williams, formerly with the Orange County Sheriff’s Department, for her invaluable contribution to peer support programs.

Community Outreach Programs

- Several city law enforcement agencies hold “Coffee with a Cop” at different locations in their city.
- Westminster Police Department holds “Corvettes with a Cop.”
- La Palma Police Department has “Checkout with a Cop.”
- Garden Grove Police Department holds “Run with a Cop”.
- Laguna Beach Police Department has a number of programs, i.e. “Hip Hop with a Cop” at the high school and visits with the Boys and Girls Club.

RESPONSES

The following excerpts from the California Penal Code provide the requirements for public agencies to respond to the Findings and Recommendations of this Grand Jury report:

§933

(c) No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on
the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. All of these comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file in those offices. One copy shall be placed on file with the applicable grand jury final report by, and in the control of the currently impaneled grand jury, where it shall be maintained for a minimum of five years.

933.05.

(a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

(1) The respondent agrees with the finding.

(2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

(1) The recommendation has been implemented, with a summary regarding the implemented action.

(2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.

(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.

(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

(d) A grand jury may request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.

(e) During an investigation, the grand jury shall meet with the subject of that investigation regarding the investigation, unless the court, either on its own determination or upon request of the foreperson of the grand jury, determines that such a meeting would be detrimental.
(f) A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.

(Amended by Stats. 1997, Ch. 443, Sec. 5. Effective January 1, 1998.)

Responses Required
Comments to the Presiding Judge of the Superior Court in compliance with Penal Code §933.05 are required from:

Findings
Orange County Sheriff-Coroner
City councils of the following cities:
  Brea, Cypress, La Palma, Westminster

City councils of the following cities:
  Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Irvine, La Habra, La Palma, Laguna Beach, Los Alamitos, Newport Beach, Orange, Placentia, Santa Ana, Seal Beach, Tustin, Westminster

Recommendations
Orange County Sheriff-Coroner
City councils of the following cities:
  Brea, Cypress, La Palma, Westminster
City councils of the following cities:
  Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Irvine, La Habra, La Palma, Laguna Beach, Los Alamitos, Newport Beach, Orange, Placentia, Santa Ana, Seal Beach, Tustin, Westminster
# GLOSSARY

A list of definitions for uncommon terms and acronyms is included here.

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB</td>
<td>Assembly Bill</td>
</tr>
<tr>
<td>EAP</td>
<td>Employee Assistance Program</td>
</tr>
<tr>
<td>OCAPS</td>
<td>Orange County Association of Peer Supporters</td>
</tr>
<tr>
<td>OCSD</td>
<td>Orange County Sheriff’s Department</td>
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<tr>
<td>PSP</td>
<td>Peer Support Program</td>
</tr>
</tbody>
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California Penal Code Sections §933 and §933.05

[NOTE: to reduce grand jury requests for additional response information, the grand jury has bolded those words in §933.05 which should be appropriately included in a response]

§933 (a) Each grand jury shall submit to the presiding judge of the superior court a final report of its findings and recommendations that pertain to county government matters during the fiscal or calendar year. Final reports on any appropriate subject may be submitted to the presiding judge of the superior court at any time during the term of service of a grand jury. A final report may be submitted for comment to responsible officers, agencies, or departments, including the county board of supervisors, when applicable, upon finding of the presiding judge that the report is in compliance with this title. For 45 days after the end of the term, the foreperson and his or her designee shall, upon reasonable notice, be available to clarify the recommendations of the report.

(b) One copy of each final report, together with the responses thereto, found to be in compliance with this title shall be placed on file with the clerk of the court and remain on file in the office of the clerk. The clerk shall immediately forward a true copy of the report and the responses to the State Archivist who shall retain that report and all responses in perpetuity.

(c) No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall submit to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. All of these comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file in those offices. One copy shall be placed on file with the applicable grand jury final report by, and in the control of the currently impaneled grand jury, where it shall be maintained for a minimum of five years.

(d) As used in this section "agency" includes a department.

§933.05 (a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

1. The respondent agrees with the finding.
2. The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

1. The recommendation has been implemented, with a summary regarding the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.
3. The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.
4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

(d) A grand jury may request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.

(e) During an investigation, the grand jury shall meet with the subject of that investigation regarding the investigation, unless the court, either on its own determination or upon request of the foreperson of the grand jury, determines that such a meeting would be detrimental.

(f) A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.
August 18, 2020

The Honorable Kirk H. Nakamura  
Presiding Judge of the Superior Court  
700 Civic Center Drive West  
Santa Ana, CA  92701

Dear Judge Nakamura:

In response to the 2019-2020 Orange County Grand Jury report, “Protecting Those Who Protect and Serve,” the City of Fountain Valley and the Fountain Valley Police Department have listed the required response to the findings and recommendations.

In accordance with California Penal Code Sections 933 and 933.05, the City of Fountain Valley is responding to the investigation entitled, “Protecting Those Who Protect and Serve,” and the sections requested by the Grand Jury as follows:

Findings

Finding #1: “Peer Support Programs are effective in helping Peace Officers develop healthy coping techniques for themselves and their families.”

The City of Fountain Valley agrees with the finding and have been effective in helping Peace Officers develop healthy coping techniques for themselves and their family. The Police Department provides personnel with education via videos, articles, handouts and personal interaction.

Finding #3: “The benefits in the Peer Support Statute, effective January 1, 2020, are important to Peace Officers and Peer Support Team Members.”

The City of Fountain Valley agrees.

Finding #4: “It is important that Peer Support Team members receive periodic training.”

The City of Fountain Valley agrees. The Police Department attends the annual Public Safety Peer Support Association training conference, as well as Orange County Association Peer Supporters meetings and independent training opportunities.

Finding #5: “Allocating a specific budget line item for Peer Support Programs help ensure adequate training and continuation of the programs.”
The City of Fountain Valley agrees and has an allocated Peer Support budget of $16,500 for the budget year 2020/2021 in order to cover the cost of training and Peer Support services.

Finding #6: "Continuous communication to Peace Officers about the Peer Support Programs is important to increase awareness and use of the Peer Support Programs."

The City of Fountain Valley agrees. The Police Department does this via email, handouts, and monthly one-page bulletins.

Recommendations

Recommendation #2: "The 2019-2020 Orange County Grand Jury recommends that all Peer Support Programs be in compliance with the Peer Support Statute. (F3)"

Review of Assembly Bill 1117, the Police Department is in compliance with the statute; and the recommendations have been implemented.

Recommendation #3: "The 2019-2020 Orange County Grand Jury recommends that Peer Support Team members receive periodic training and that completion of training is documented. (F4)"

The Police Department Peer Support Team receives periodic and on-going training, which is documented per Department policy.

Recommendation #4: "The 2019-2020 Orange County Grand Jury recommends that all law enforcement agencies allocate a specific budget line item for their Peer Support Program. (F5)"

The Police Department has an allocation of an annual recurring budget line item of $16,500 for our Peer Support Program.

Sincerely,

CHERYL BROTHERS
CITY OF FOUNTAIN VALLEY, MAYOR
EXECUTIVE SUMMARY:

On April 5, 2016, the City entered into a cooperative agreement with the Orange County Transportation Authority (OCTA) regarding the I-405 Improvement Project. The cooperative agreement allows project improvements to move forward, memorializes the responsibilities of both the City and OCTA throughout the course of the project and upon completion, and provides the financial mechanism for the City to receive reimbursement funds for staff time, consultant assistance, project related police services, and pavement restoration upon project completion.

The cooperative agreement provided $975,700 in reimbursement funds for city services, including plan review and approval of plans, specifications, reports, and the traffic management plan; oversight of construction and detour inspection services; traffic engineering and police services.

On December 18, 2018, City Council approved Amendment No. 1 which provided a one time, upfront payment in the amount of $557,008 for pavement mitigation costs for city streets used for signed, long-term detour routes during construction. In addition, City Council approved Amendment No. 2, which provided OCTA with a payment in the amount of $750,000 for the relocation of four City waterlines into the New Bridge Overcrossings.

On April 30, 2019, the City was able to secure Amendment No. 3, which provided an additional $1,885,000 for reimbursement for ongoing review and approval of engineering plans, specifications, traffic management, and oversight construction inspection services.

Staff is now recommending that the City Council approve Amendment No. 4 to Cooperative Agreement No. C-5-3613 in the amount of $282,000 between the Orange County Transportation Authority (OCTA) and the City of Fountain Valley to provide
reimbursement for the replacement of a new 8-inch water line along the freeway between Mt. Baldy Circle and Euclid Street for the I-405 Improvement Project. This will increase OCTA’s maximum obligation of the cooperative agreement to a total value of $4,649,708.

**DISCUSSION:**

The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation (Caltrans), and corridor cities have implemented the I-405 Improvement Project between SR-73 and I-605 (Project). The Project will add one general-purpose lane from Euclid Street to I-605, and will add an additional lane in each direction that will combine with the existing high-occupancy vehicle (HOV) lane to provide dual express lanes in each direction of I-405 from SR-73 to I-605, otherwise known as the 405 Express Lanes. The project will also include the demolition and reconstruction of the bridges that span the freeway. Several interchanges, including the Brookhurst and Magnolia interchanges, will be modified and signalized.

On April 5, 2016, City Council approved the cooperative agreement to provide funding for city services during the design-build implementation of the Project. The cooperative agreement provided $975,700 in reimbursement funds for city services, including plan review and approval of plans, specifications, reports; oversight of construction inspection services, detour inspection services; review and acceptance of the transportation management plan (TMP); traffic engineering and police services during the design and construction of the Project. The agreement also provided for reimbursement for pavement mitigation on the corridor city streets used for signed, long-term detour routes during construction. Specific dollar amounts were not included at the time because the TMP was not yet approved, and the pavement mitigation costs had not yet been quantified. OCTA reported that amendments to the cooperative agreement would be brought back to their Board for approval when costs for pavement mitigation based on the approved TMP were developed. On November 16, 2017, OCTA's Board approved the TMP.

On December 18, 2018, the City Council approved Amendment No. 1 which provided a one time, upfront payment in the amount of $657,008 for pavement mitigation costs for city streets used for signed, long-term detour routes during construction. In addition, City Council approved Amendment No. 2 which will relocate four (4) city waterlines that are currently located along side of existing bridges and under the I-405 freeway into the new bridge structures that will cross over the widened freeway. The City contribution for relocation of these four (4) waterlines was $750,000. Originally, these pipelines were identified as protect in place; however, during discussions between OCTA and City management staff regarding overall project construction staging and impacts, an opportunity to advance and expedite the construction of the Slater bridge while providing for much needed relocation of city waterlines into the bridges was developed.

The total cost contribution by the City to relocate the four waterlines into the new bridge structures at Magnolia, Brookhurst, Ward, and Bushard Structures as well as to properly
City Council Request
Amendment No. 4 to OCTA Coop Agreement No. C-5-3613
August 18, 2020
Page 3

abandon the existing waterlines under the freeway was $750,000. The estimated value for this work, including design, construction management, contingency, and all construction costs is estimated to be in excess of $7 million if the City were to execute this work separately from this project.

Amendment No. 3 provided an additional $1,985,000 for additional reimbursement for ongoing review and approval of engineering plans, specifications, traffic management, and oversight construction inspection services for the remainder of construction for the I-405 Improvement Project.

Amendment No. 4 will secure an additional $282,000 for the replacement of a new 8-inch water line along the freeway between Mt. Baldy Circle and Euclid Street (Water Line Replacement). The Water Line Replacement will consist of proper removal and disposal of the existing 6-inch waterline and installation of proper bedding, backfill, and new 8-inch cement mortar-line and coated steel pipe within the existing City waterline easement. Staff recommends that City Council approve Amendment No. 4 to secure the additional funding.

FINANCIAL ANALYSIS:

Approving Amendment No. 4 to the Cooperative Agreement in the amount of $282,000 will provide the City with reimbursement funds for the replacement of a new 8-inch water line along the freeway between Mt. Baldy Circle and Euclid Street for the I-405 Improvement Project. Amendment No. 4 increases OCTA’s maximum obligation of the cooperative agreement to a total value of $4,649,708.

ATTORNEY REVIEW:

The Attorney for the City has reviewed and approved Amendment No. 4 to Cooperative Agreement No. C-5-3613.

ALTERNATIVES:

Alternative No. 1: Approve Amendment No. 4 to Cooperative Agreement No. C-5-3613 in the amount of $282,000 between the Orange County Transportation Authority (OCTA) and the City of Fountain Valley to provide Reimbursement for a Water Line Replacement between Mt. Baldy Circle and Euclid Street for the I-405 Improvement Project. This will increase the maximum obligation of the cooperative agreement to a total value of $4,649,708 and is the recommended action.

Alternative No. 2: Do not approve Amendment No. 4 to Cooperative Agreement No. C-5-3613 in the amount of $282,000 between the Orange County
City Council Request  
Amendment No. 4 to OCTA Coop Agreement No. C-5-3613  
August 18, 2020  
Page 4

Transportation Authority (OCTA) and the City of Fountain Valley to provide Reimbursement for a Water Line Replacement between Mt. Baldy Circle and Euclid Street for the I-405 Improvement Project. This is not recommended as this amendment is necessary for the City to receive reimbursement funds to compensate for staff and consultant services for design, construction management and construction costs for the Water Line Replacement during construction for the I-405 Improvement Project.

RECOMMENDATION:

It is recommended that the City Council approve Alternative No. 1, which is to approve Amendment No. 4 to Cooperative Agreement No. C-5-3613 in the amount of $282,000 between the Orange County Transportation Authority (OCTA) and the City of Fountain Valley to provide Reimbursement for a Water Line Replacement between Mt. Baldy Circle and Euclid Street for the I-405 Improvement Project.

Prepared by: Fatana Temory, Management Aide  
Reviewed by: Temo Galvez, Deputy Director of Public Works/City Engineer  
Approved by: Hye Jin Lee, Director of Public Works  
Fiscal Review by: Jennifer Lampman, Finance Director/Treasurer  
Approved by: Rob Houston, City Manager

Attachment 1: Amendment No. 4 to Cooperative Agreement No. C-5-3613
AMENDMENT NO. 4 TO
AGREEMENT NO. C-5-3613

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF FOUNTAIN VALLEY

FOR

I-405 IMPROVEMENT PROJECT

THIS AMENDMENT NO. 4 is effective this _____ day of ____________, 2020
("Effective Date"), by and between the Orange County Transportation Authority, 550 South Main Street,
P.O. Box 14184, Orange, California, a public entity of the State of California (hereinafter referred to as
"AUTHORITY"), and the City of Fountain Valley, 10200 Slater Avenue, Fountain Valley, California 92708,
a municipal corporation duly organized and existing under the constitution and laws of the State of
California (hereinafter referred to as "CITY"), each individually known as "Party", and collectively known
as "Parties".

WITNESSETH:

WHEREAS, by Agreement No C-5-3613 dated April 18, 2016 (Agreement), as last changed by
Amendment No. 3 dated August 26, 2019, AUTHORITY and CITY entered into a cooperative agreement,
in cooperation and partnership with the California Department of Transportation, herein referred to as
"CALTRANS", for the specific terms, conditions, and funding responsibilities between the AUTHORITY
and CITY for improvements defined as adding one general purpose lane from Euclid Street to Interstate
605 (I-605), plus adding an additional median lane which will be combined with the existing high-
occupancy vehicle (HOV) lane and operated as dual express lanes in each direction of the Interstate 405
(I-405) from State Route 73 (SR-73) to I-805, replacing and/or widening structures, and other additional
geometric and interchange improvements, including improvements to CITY-owned and operated streets,
and traffic facilities hereafter referred to as CITY FACILITIES potentially impacted by this project, all of
which are hereafter referred to as "PROJECT"; and

WHEREAS, the Agreement assumed a certain level of CITY SERVICES, as related to improvements to CITY FACILITIES and negotiated the dollar amount at that time, and as later modified by the Amendments; and

WHEREAS, AUTHORITY and CITY have agreed to further amend the Agreement, in the amount of Two Hundred Eighty Two Thousand Dollars ($282,000), to reimburse CITY for the replacement of a new 8-inch water line along the freeway between Mt. Baldy Circle and Euclid Street, hereafter referred to as "Water Line Replacement"; and

WHEREAS, CITY agrees to lead all phase of the Water Line Replacement, including the design, construction, and contract administration; and

WHEREAS, AUTHORITY and CITY agree that the scope of work for the Water Line Replacement will be identified in the Agreement as the following:

- Proper removal and disposal of the existing 6-inch waterline and the replace of proper bedding, backfill, and new 8-inch cement mortar-lined and coated steel pipe with the existing CITY waterline easement

- New Water Line Replacement shall meet existing CITY standards at agreement execution date

- No additional property or property rights shall be purchased as part of the Water Line Replacement nor funded by AUTHORITY

- Water Line Replacement shall not commence until a mutually acceptable date for both Parties has been determined which shall not interfere with the PROJECT. Parties further agree that construction of the Water Line Replacement shall be completed no later than the expiration of the original Agreement of April 30, 2023.

WHEREAS, AUTHORITY agrees to fund design costs in not to exceed amount of Thirty Thousand Dollars ($30,000), construction management support costs in a not to exceed amount of Thirty Thousand Dollars ($30,000), and construction costs in not exceed amount of Two Hundred Twenty Two Thousand Dollars ($220,000).
Dollars ($222,000), including all contract change orders, for a total not to exceed amount of $282,000, for the Water Line Replacement; and

WHEREAS, CITY agrees to manage its staff and consultants to provide CITY SERVICES within the maximum Obligation amount as amended herein; and

WHEREAS, AUTHORITY and CITY agree that all costs above the authorized not to exceed amount of $282,000 shall require approval by both Parties. Net savings for all costs related to the Water Line Replacement not expended shall be returned to AUTHORITY by CITY.

WHEREAS, AUTHORITY and CITY agree that this Amendment No. 4 brings the total Agreement amount to Four Million Six Hundred Forty Nine Thousand Seven Hundred Eight Dollars ($4,649,708.00); and

WHEREAS, the AUTHORITY's Board of Directors approved this Amendment No. 4 on the 9th day of March 2020; and

WHEREAS, the CITY's Council approved this Amendment No. 4 on the _____ day of ______________, 2020.

NOW, THEREFORE, it is mutually understood and agreed by the AUTHORITY and CITY that the Agreement, is hereby amended in the following particulars only:

1. Amend ARTICLE 3, RESPONSIBILITY OF AUTHORITY, as follows:
   a) Page 8 of 17, paragraph EE, to delete in its entirety and, in lieu thereof, insert:
   "EE. To reimburse CITY for combined costs identified as "CITY SERVICES", and in accordance with the attached "REVISED SCHEDULE A, REIMBURSEMENT SCHEDULE FOR COMBINED CITY SERVICES, CITY OF FOUNTAIN VALLEY."
   b) Page 8 of 17, paragraph GG, to delete in its entirety and, in lieu thereof, insert:
   "GG. AUTHORITY's reimbursement for CITY SERVICES shall not exceed the combined maximum amount shown in Revised Schedule A."
   c) Page 9 of 17, add new paragraphs as follows:
"JJ. To reimburse CITY for the Water Line Replacement, in a not to exceed amount of $282,000, including the design, construction management, construction, and all contract change orders unless otherwise approved by the Parties."

"KK. To reimburse CITY for the design costs, in a not to exceed amount of $30,000 and construction management costs, in a not to exceed amount of $30,000, and construction costs in a not to exceed amount of $222,000, including all contract change orders, for the Water Line Replacement."

"LL. To reimburse CITY, in the ratio of fifty (50%) percent of the actual construction bid amount upon contract award; forty (40) percent of the actual construction bid amount upon completion of the installation; and the remaining ten (10) percent of the actual construction bid amount upon CITY acceptance of work, and after submittal of acceptable invoices from CITY for the construction and acceptance of the Water Line Replacement."

2. Amend ARTICLE 4. RESPONSIBILITY OF CITY, as follows:

   a) Page 11 of 17, add new paragraph O:

   "O. To serve as the lead agency for the design, construction management, and construction of the Water Line Replacement."

3. Amend ARTICLE 7. MAXIMUM OBLIGATION, page 13 of 17, to delete in its entirety and, in lieu thereof, insert:

   "Notwithstanding any provisions of the Agreement to the contrary, AUTHORITY and CITY mutually agree that the total Agreement value, is Four Million Six Hundred Forty Nine Thousand Seven Hundred Eight Dollars ($4,649,708.00). AUTHORITY's maximum cumulative payment obligation hereunder shall be Three Million Eight Hundred Ninety Nine Thousand Seven Hundred Eight Dollars ($3,899,708.00), including, but not limited to, street pavement obligation for pavement mitigation. CITY's maximum cumulative payment obligation hereunder shall be Seven Hundred Fifty Thousand Dollars ($750,000) for the relocation of CITY WATER LINES, in accordance with Schedule A, "Reimbursement/Contribution Schedule for City Services", unless maximum obligation is modified by an
amendment to this Agreement and agreed to by both Parties."

4. Amend Agreement's "SCHEDULE A, REIMBURSEMENT SCHEDULE FOR COMBINED CITY SERVICES CITY OF FOUNTAIN VALLEY", as amended, to delete SCHEDULE A in its entirety and, in lieu thereof, replace with the "REVISED SCHEDULE A, REIMBURSEMENT SCHEDULE FOR COMBINED CITY SERVICES, CITY OF FOUNTAIN VALLEY" attached to this Amendment No. 4.
AMENDMENT NO. 4 TO
AGREEMENT NO. C-5-3613

The balance of Agreement No. C-5-3613, as amended, remains unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 4 to Agreement No. C-5-3613 to be executed as of the date of the last signature below.

CITY OF FOUNTAIN VALLEY

By: ______________________________
    Cheryl Brothers
    Mayor

Dated: ______________________________

ATTEST:

By: ______________________________
    Rick Miller
    City Clerk

Dated: ______________________________

APPROVAL RECOMMENDED

By: ______________________________
    Hye Jin Lee, MS, PE.
    Director of Public Works

Dated: 7-15-2020

APPROVED AS TO FORM:

By: ______________________________
    Colin Burns
    City Attorney

Dated: ______________________________

Attachment:

Revised Schedule A - Reimbursement Schedule for Combined City Services, City of Fountain Valley

By: ______________________________
    Darrell E. Johnson
    Chief Executive Officer

Dated: ______________________________

APPROVED AS TO FORM:

By: ______________________________
    James G. Beil, P.E.
    Executive Director, Capital Programs

Dated: ______________________________
### REVISED SCHEDULE A

**REIMBURSEMENT/CONTRIBUTION SCHEDULE FOR COMBINED CITY SERVICES**

**CITY OF FOUNTAIN VALLEY**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description of City Services</th>
<th>Maximum Reimbursement Amount by AUTHORITY[^1]</th>
<th>Maximum Contribution Amount by CITY</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Review and approval of plans, specifications, plans, and other pertinent engineering plans and reports, Traffic Management Plan (TMP) review and concurrence, and construction oversight inspection services related to CITY FACILITIES.</td>
<td>$2,380,500</td>
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<tr>
<td>2</td>
<td>Traffic engineering and detour oversight inspection</td>
<td>$642,000</td>
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<td>3</td>
<td>Police services (including overtime costs)</td>
<td>$130,200</td>
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<tr>
<td>4</td>
<td>Pavement Mitigation</td>
<td>$657,008</td>
<td></td>
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<tr>
<td>5</td>
<td>Replacement of Water Line between Mt. Baldy Circle and Euclid Street</td>
<td>$252,000</td>
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</table>

**TOTAL MAXIMUM REIMBURSEMENT BY AUTHORITY**

$3,899,708

^1 Revised Schedule A shows estimated reimbursement amounts for each CITY SERVICES item of work. During the term of this Agreement, the CITY may redistribute funds for items of work as needed; however, the total amount for CITY SERVICES shall not exceed the total Maximum Reimbursement amount shown herein.

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description of City Services</th>
<th>Maximum Reimbursement Amount by AUTHORITY[^1]</th>
<th>Maximum Contribution Amount by CITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Relocation of CITY Water Lines into Bridges</td>
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<td>$750,000</td>
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**TOTAL MAXIMUM CONTRIBUTION BY CITY**

$750,000

**TOTAL AGREEMENT AMOUNT (AUTHORITY AND CITY)**

$4,649,708
CITY OF FOUNTAIN VALLEY
CITY COUNCIL
COUNCIL ACTION REQUEST

To: Honorable Mayor and Members of the City Council

Agenda Date: August 18, 2020

SUBJECT: Approve a Purchase in the Amount of $48,899.89 for New Holmatro Auto Extrication Equipment for the Fire Department

EXECUTIVE SUMMARY:

The Fountain Valley Fire Department is requesting the purchase of new auto extrication equipment to replace our aging equipment. In June of 2007, the department purchased a complete cache of auto extrication equipment. This consisted of a power supply, spreaders, cutters (Jaws of Life), ram bar and a combination tool. Although serving the community well for over a decade, this critical lifesaving rescue equipment has reached the end of its service life. The current budget for auto extrication equipment is $52,000. The equipment is listed as a capital replacement item.

DISCUSSION:

The fire department is currently utilizing Holmatro auto extrication equipment. The tool set includes a hydraulic power supply, spreaders, cutters, combination tool and a ram bar used to move and cut metal and to save lives at extreme auto collision scenes. One of the major advantages of the updated tools is the newer battery technology that allows the equipment to be free from hydraulic hose-connected power supplies, which increases on-scene portability. Based on the age of the equipment, cost of periodic repairs, maintenance requirements and the advancement in modern auto extrication technology, the fire department is recommending the equipment be replaced.

The evaluation process to replace this equipment was conducted by Fountain Valley Truck 31 suppression personnel and vetted by command staff. Three well known manufacturers were tested and reviewed; Holmatro (current brand in service), Genesis and Hurst. All three brands are NFPA 1936 (Fire Department Rescue Tools) compliant. The main criteria used while testing and reviewing the equipment was overall performance, quality of construction, manufacturer’s warranty and cost. All of the tools were tested on a variety of vehicles at the Central Net Training Center. At the conclusion of the evaluation, the Holmatro extrication tools were clearly the appropriate choice. The overall consensus was that the Holmatro tools had the highest quality of craftsmanship and were superior in every matrix component. The Holmatro tools price point is the lowest of the three tool packages evaluated and have a long standing reputation for innovative
and cutting edge auto extrication technology. Itemized quotes are attached. Staff recommends that council approve a purchase in the amount of $48,899.89 for new Holmatro auto extrication equipment for the Fire Department.

**FINANCIAL ANALYSIS**

The Fire Department’s capital replacement account lists a budget of $52,000 for the purchase of auto extrication equipment. The total cost of the Holmatro equipment is $48,899.89 ($50,899.89 with a $2,000.00 contingency consideration). The totals for all three manufacturers that were evaluated by department personnel are below.

**HOLMATRO Auto Extrication Equipment** — *Suggested Manufacturer*

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<td>Shipping</td>
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<td><strong>Total</strong></td>
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<td><em>Contingency</em></td>
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<td><strong>Total with Contingency</strong></td>
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**HURST Auto Extrication Equipment**

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**GENESIS Auto Extrication Equipment**

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<td><strong>Total with Contingency</strong></td>
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ATTORNEY REVIEW:
No attorney review is required for this item.

PUBLIC NOTIFICATION:
No public hearing is required for this item.

ALTERNATIVES:

Alternative No.1: Approve the purchase of the recommended Holmatro auto extrication equipment in the amount of $48,899.89.

Alternative No. 2: Do not approve the purchase of the Holmatro equipment and provide direction to staff. This is not the recommended alternative.

RECOMMENDATION:
Staff recommends Alternative No. 1

Prepared by: Bryan McKay, Battalion Chief

Approved by: Ron Cookston, Fire Chief

Procurement Review by: Amanda McCall, Management Analyst

Fiscal Review by: Jennifer Lampman, Finance Director/ Treasurer

Approved by: Rob Houston, City Manager

Attachment 1: Holmatro Auto Extrication Tool Package Quote (Provided by Western Extrication Specialists)

Attachment 2: Hurst Auto Extrication Tool Package Quote (Provided by CURTIS)

Attachment 3: Genesis Auto Extrication Tool Package Quote (Provided by MES)
Price Quote

ADDRESS
Julieann Parente  
Fountain Valley Fire  
Department  
10200 Slater Ave.  
Fountain Valley, CA 92708  
USA

SHIP TO
Julieann Parente  
Fountain Valley Fire  
Department  
17737 Bushard St.  
Fountain Valley, CA 92708  
USA

TECH/SALES REP.
Tom Gilbertsen

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Accepted By

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SIC CODE: 5099
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THIS PRICING REMAINS FIRM UNTIL 08/24/2020. CONTACT US FOR UPDATED PRICING AFTER THIS DATE.

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| Subtotal | $45,054.95 |
| Tax Total | $3,942.31 |
| Transportation* | $0.00 |
* (to be added when order ships)

| Total | $48,997.26 |

[View Terms of Sale and Return Policy]
Bill To
ADOLFO VELASCO
FOUNTAIN VALLEY FIRE DEPT.
10200 SLATER AVE
Fountain Valley CA 92708
United States

Ship To
ADOLFO VELASCO
FOUNTAIN VALLEY FIRE DEPT.
10200 SLATER AVE
Fountain Valley CA 92708
United States

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<td>GENESIS 3 WAY CHARGER 120V &quot;extended lead time of 12-16 weeks-see cancellation policy on pricelist&quot;</td>
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Subtotal 47,184.69
Shipping Cost (FedEx Ground) 0.00
Tax Total 4,128.66
Total $51,313.35

This Quotation is subject to any applicable sales tax and shipping & handling charges that may apply. Tax and shipping charges are considered estimated and will be recalculated at the time of shipment to ensure they take into account the most current local tax information.

Page 64

All returns must be processed within 30 days of receipt and require a return authorization number and are subject to a restocking fee.
CITY OF FOUNTAIN VALLEY
CITY COUNCIL
COUNCIL ACTION REQUEST

To: Honorable Mayor and Members of the City Council

Agenda Date: August 18, 2020

SUBJECT: Designation of Voting Delegate and Alternate for League of California Cities Annual Business Meeting in October 2020

EXECUTIVE SUMMARY:
The League of California Cities (League) on an annual basis hold its Annual Business Meeting during the General Assembly at the annual conference which is being held at the Long Beach Convention Center from October 7-9, 2020. At this meeting, the League membership considers and takes action on resolutions that establish the League policy. In order to vote at the Annual Business Meeting, City Council must designate a voting delegate and an alternate in an event that the designated voting delegate is unable to serve in that capacity. Staff is requesting City Council to designate a voting delegate and alternate to vote at the League Annual Business Meeting.

DISCUSSION:
The League is a 482-member association of California city officials who work together to enhance their knowledge and skills, exchange information, and combine resources so that they may influence policy decisions that affect cities. The League has 33 out of 34 Orange County cities that are members. The City has been a member of the League as far back as 2006. Through the League, all cities and all city officials have the opportunity to help shape solutions to the issues of greatest importance to our cities and the state of California.

Annually, the League holds its Annual Business Meeting during the General Assembly at the annual conference where members consider and take action on resolutions that establish the League policy. The League bylaws require that the voting delegate and alternate be designated by the City Council. The League would like to have the voting delegate and alternate no later than September 30 to establish voting delegate/alternate records prior to the conference. Both the voting delegate and alternate must be registered to attend the conference; however, they do not need to register for the full conference.

FINANCIAL ANALYSIS
There is no financial impact.
ATTORNEY REVIEW:

Legal review is not required for this action.

ALTERNATIVES:

Alternative No. 1:  Designate a voting delegate and alternate for the upcoming League Annual Business Meeting.

Alternative No. 2:  Do not designate a voting delegate and alternate for the upcoming League Annual Business Meeting.

RECOMMENDATION:

Staff is requesting the City Council approve Alternate 1, to designate a voting delegate and alternate to vote at the League Annual Business Meeting in October 2020.

Prepared by:    Maggie Le, Assistant to the City Manager
Fiscal Review by:  Jennifer Lampman, Finance Director/Treasurer
Approved by:   Rob Houston, City Manager/Executive Director
Attachment:   2020 League Annual Conference Voting Delegate Form
2020 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM

Please complete this form and return it to the League office by Wednesday, September 30, 2020. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

In order to vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: ________________________________

Title: ________________________________

2. VOTING DELEGATE - ALTERNATE

Name: ________________________________

Title: ________________________________

3. VOTING DELEGATE - ALTERNATE

Name: ________________________________

Title: ________________________________

PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES.

OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: ________________________________ Email ________________________________

Mayor or City Clerk ________________________________ Date __________ Phone __________
(circle one) (signature)

Please complete and return by Wednesday, September 30, 2020.

League of California Cities  FAX: (916) 658-8240
ATTN: Darla Yacub  E-mail: dyacub@cacities.org
1400 K Street, 4th Floor (916) 658-8254
Sacramento, CA 95814
Annual Conference Voting Procedures

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.

2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.

3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.

4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.

5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.

6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.

7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.
CITY OF FOUNTAIN VALLEY
CITY COUNCIL
COUNCIL ACTION REQUEST

To: Honorable Mayor and Members of the City Council

Agenda Date: August 18, 2020

SUBJECT: Approval of the FY20/21 Statement of Investment Policy

EXECUTIVE SUMMARY:

The Investment Policy provides the guidelines for prudent investment of the City’s idle or reserve cash and outlines the policies essential to ensuring the safety and financial strength of the City’s investment portfolio. The City’s Investment Policy is reviewed on an annual basis for submission and approval by the City Council. Upon review, it was determined that all sections of the investment policy are in compliance with current California Government Code requirements related to authorized investments and therefore no substantive changes have been made. Attached for your consideration is the investment policy for the fiscal year 2020/21.

DISCUSSION:

The City’s Investment Policy guides the investment of over $60 million in pooled cash and investments. The California Government Code sets specific rules for how public agencies can invest their idle cash and limits the types of investment vehicles public agencies can utilize. The City’s Investment Policy further limits investment choices to a smaller subset of what is allowed by the Government Code. The City’s primary investment objective is to achieve a reasonable rate of return on public funds while minimizing the potential for capital losses arising from market changes or issuer default. Although the generation of revenues through interest earnings on investments is an appropriate City goal, the primary consideration in the investment of City funds is capital preservation in the overall portfolio. As such, the City’s yield objective is to achieve a reasonable rate of return on City investments rather than the maximum generation of income, which could expose the City to unacceptable levels of risk.

On August 20, 2019, the City Council approved the FY2019/20 Statement of Investment Policy which incorporated the Government Finance Officers Association (GFOA) Model Policy and Best Practices and made substantial changes to the City’s Investment Policy. Some of these changes included: updating the general objective to safety, liquidity and return, legislative driven changes allowing the City to continue to purchase and hold asset-backed securities with a rating of AA or higher, as well as referencing the market benchmark, the Intercontinental Exchange (ICE) Bank of America Merrill Lynch (BAML) 1-5 Year U.S. Treasury/ Agency Index.
Consistent with best practices, the Investment Policy is reviewed each year and presented to the City Council for adoption. After review, it was determined that all sections of the investment policy are in compliance with current California Government Code requirements related to authorized investments and therefore no substantive changes have been made. The only proposed change is the addition of language restricting Collatorized Bank Deposits to a maximum maturity of five (5) years to be consistent with maturity timeframes for other types of authorized investments. A red-line version is attached for review.

**FINANCIAL ANALYSIS:**

Consistent with State law, the City’s primary objective is to invest in a manner aimed to safeguard principal and maintain liquidity where the secondary objective is to achieve a market rate of return. Investment performance is evaluated by comparing the City’s pooled investment portfolio’s total rate of return to a market benchmark that closely resembles the City’s investment policy constraints in terms of duration, security types and credit quality. As reflected below, the City’s “total rate of return” has performed comparably with the selected benchmark, Intercontinental Exchange (ICE) Bank of America Merrill Lynch (BAML) 1-5 Year U.S. Treasury/Agency Index.

<table>
<thead>
<tr>
<th>Total Rate of Return</th>
<th>1 Year</th>
<th>2 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Fountain Valley</td>
<td>5.22%</td>
<td>5.10%</td>
</tr>
<tr>
<td>ICE BAML 1-5 Year U.S. Treasury/Agency Index</td>
<td>5.22%</td>
<td>5.04%</td>
</tr>
</tbody>
</table>

**ATTORNEY REVIEW:**

The Attorney for the City has reviewed the attached Statement of Investment Policy.

**ALTERNATIVES:**

Alternative No. 1: Adopt the FY20/21 Statement of Investment Policy as presented.

Alternative No. 2: Do not approve as presented and provide direction to staff and resubmit.

**RECOMMENDATION:**

It is recommended that the City Council approve the City of Fountain Valley Statement of Investment Policy for fiscal year 2020/21.
FY2020/21 Investment Policy
August 18, 2020
Page 3

Prepared by: Jennifer Lampman, Director of Finance/Treasurer

Approved by: Rob Houston, City Manager

Attachment 1: FY20/21 Statement of Investment Policy
City of Fountain Valley

STATEMENT OF INVESTMENT POLICY

Adopted by the City Council on August 18, 2020
CITY OF FOUNTAIN VALLEY

INVESTMENT POLICY

CONTENTS

I. INTRODUCTION .................................................................................................................. 1
II. SCOPE ................................................................................................................................. 1
III. PRUDENCE ......................................................................................................................... 1
IV. OBJECTIVES ..................................................................................................................... 2
V. DELEGATION OF AUTHORITY ....................................................................................... 2
VI. ETHICS AND CONFLICTS OF INTEREST .................................................................... 3
VII. INTERNAL CONTROLS .................................................................................................... 3
VIII. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, AND BROKER/DEALERS . 3
IX. AUTHORIZED INVESTMENTS ....................................................................................... 5
X. PROHIBITED INVESTMENT VEHICLES AND PRACTICES ........................................ 9
XI. INVESTMENT POOLS/MUTUAL FUNDS ......................................................................... 9
XII. COLLATERALIZATION ................................................................................................... 10
XIII. DELIVERY, SAFEKEEPING AND CUSTODY ................................................................ 11
XIV. MAXIMUM MATURITY .................................................................................................. 11
XV. RISK MANAGEMENT AND DIVERSIFICATION ............................................................ 11
XVI. REVIEW OF INVESTMENT PORTFOLIO ................................................................... 12
XVII. PERFORMANCE EVALUATION ..................................................................................... 12
XVIII. REPORTING ................................................................................................................ 13
XIX. REVIEW OF INVESTMENT POLICY ........................................................................... 14
GLOSSARY OF INVESTMENT TERMS ................................................................................. 14
I. INTRODUCTION

The purpose of this investment policy is to identify various policies and procedures that will foster a prudent and systematic investment program designed to seek the City of Fountain Valley's objectives of safety, liquidity and return on investment through a diversified investment portfolio. This policy also serves to organize and formalize the City's investment-related activities, while complying with all applicable statutes governing the investment of public funds. This policy is written to incorporate industry best practices and recommendations from sources such as the Government Finance Officers Association (GFOA), California Municipal Treasurers Association (CMTA), California Debt and Investment Advisory Commission (CDIAC) and the Association of Public Treasurers (APT).

This investment policy was adopted by the City Council and is effective as of August 18, 2020, and replaces any previous versions.

II. SCOPE

This policy covers all funds and investment activities under the direct authority of the City, as set forth in the State Government Code, Sections 53600 et seq., with the following exceptions:

- Proceeds of debt, which are governed by the investment provisions of their specific bond indentures.
- Pension and Other Post-Employment Benefit (OPEB) Trust Funds, which are invested in accordance with the provisions of the Trust Agreements.
- Any other funds specifically exempted by the City Council.

POOLING OF FUNDS

Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

III. PRUDENCE

Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the City are trustees and therefore fiduciaries subject to the Prudent Investor Standard:

"...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor"
standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

The Treasurer and other authorized persons responsible for managing City funds acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes provided that the Treasurer or other authorized persons acted in good faith. Deviations from expectations of a security’s credit or market risk should be reported to the governing body in a timely fashion and appropriate action should be taken to control adverse developments.

IV. OBJECTIVES

The City’s overall investment program shall be designed and managed with a degree of professionalism worthy of the public trust. The overriding objectives of the program are to preserve principal, provide sufficient liquidity, and manage investment risks, while seeking a market-rate of return.

- **SAFETY.** Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City will diversify its investments by investing funds among a variety of securities with independent returns.

- **LIQUIDITY.** The investment portfolio will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

- **RETURN ON INVESTMENTS.** The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints for safety and liquidity needs.

V. DELEGATION OF AUTHORITY

Authority to manage the City’s investment program is derived from California Government Code, Sections 41006 and 53600 et seq.

The City Council is responsible for the management of the City’s funds, including the administration of this investment policy. Management responsibility for the cash management of the City’s funds is hereby delegated to the Treasurer.
The Treasurer will be responsible for all transactions undertaken and will establish a system of procedures and controls to regulate the activities of subordinate officials and employees. Such procedures will include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer.

The City may engage the services of one or more external investment advisers, who are registered under the Investment Advisers Act of 1940, to assist in the management of the City’s investment portfolio in a manner consistent with the City’s objectives. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this investment policy.

The City’s overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that in a diversified portfolio, occasional measured losses may be inevitable and must be considered within the context of the overall portfolio’s return and the cash flow requirements of the City.

VI. ETHICS AND CONFLICTS OF INTEREST

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. Thus employees and officials involved in the investment process shall refrain from personal business activity that could create a conflict of interest or the appearance of a conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Employees and investment officials shall disclose to the City Manager any material interests in financial institutions with which they conduct business, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall not undertake any personal investment transactions with the same individual with whom business is conducted on behalf of the Agency.

VII. INTERNAL CONTROLS

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. Internal controls shall include but are not limited to: dual authorization of transactions, timely bank reconciliations and custodial safekeeping (investment securities are held by an independent financial institution and are recorded in the City’s name). Annually, an independent auditing firm shall review internal controls in conjunction with the audit of the City’s financial statements.

VIII. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, AND BROKER/DEALERS

To the extent practicable, the Treasurer shall endeavor to complete investment transactions using a competitive bid process whenever possible. The City’s Treasurer will determine
which financial institutions are authorized to provide investment services to the City. It shall be the City’s policy to purchase securities only from authorized institutions and firms.

The Treasurer shall maintain procedures for establishing a list of authorized broker/dealers and financial institutions which are approved for investment purposes that are selected through a process of due diligence as determined by the City. Due inquiry shall determine whether such authorized broker/dealers, and the individuals covering the City are reputable and trustworthy, knowledgeable and experienced in Public Agency investing and able to meet all of their financial obligations. These institutions may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (uniform net capital rule).

In accordance with Section 53601.5, institutions eligible to transact investment business with the City include:

- Primary government dealers as designated by the Federal Reserve Bank and non-primary government dealers.
- Nationally or state-chartered banks.
- The Federal Reserve Bank.
- Direct issuers of securities eligible for purchase.

Selection of financial institutions and broker/dealers authorized to engage in transactions will be at the sole discretion of the City, except where the City utilizes an external investment adviser in which case the Agency may rely on the adviser for selection.

All financial institutions which desire to become qualified bidders for investment transactions (and which are not dealing only with the investment adviser) must supply the Treasurer with audited financials and a statement certifying that the institution has reviewed the California Government Code, Section 53600 et seq. and the City’s investment policy. The Treasurer will conduct an annual review of the financial condition and registrations of such qualified bidders.

Public deposits will be made only in qualified public depositories as established by State law. Deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law.

Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.
IX. AUTHORIZED INVESTMENTS

The City’s investments are governed by California Government Code, Sections 53600 et seq. Within the investments permitted by the Code, the City seeks to further restrict eligible investments to the guidelines listed below. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity, and shall be exempt from the current policy. At the time of the investment’s maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

1. MUNICIPAL SECURITIES include obligations of the City, the State of California and any local agency within the State of California, provided that:

   - The securities are rated in a rating category of “A” or its equivalent or better by at least one nationally recognized statistical rating organization (“NRSRO”).
   - No more than 5% of the portfolio may be invested in any single issuer.
   - No more than 30% of the portfolio may be in Municipal Securities.
   - The maximum maturity does not exceed five (5) years.

2. MUNICIPAL SECURITIES (REGISTERED TREASURY NOTES OR BONDS) of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

   - The securities are rated in a rating category of “A” or its equivalent or better by at least one nationally recognized statistical rating organization (“NRSRO”).
   - No more than 5% of the portfolio may be invested in any single issuer.
   - No more than 30% of the portfolio may be in Municipal Securities.
   - The maximum maturity does not exceed five (5) years.

3. U.S. TREASURIES and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the City may invest in U.S. Treasuries, provided that:

   - The maximum maturity is five (5) years.

4. FEDERAL AGENCIES or United States Government-Sponsored Enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to
principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage that the City may invest in Federal Agency or Government-Sponsored Enterprises (GSEs), provided that:

- No more than 25% of the portfolio may be invested in any single Agency/GSE issuer.
- The maximum maturity does not exceed five (5) years.
- The maximum percent of agency callable securities in the portfolio will be 20%.

5. **Banker’s Acceptances**, provided that:

- They are issued by institutions which have short-term debt obligations rated “A-1” or its equivalent or better by at least one NRSRO; or long-term debt obligations which are rated in a rating category of “A” or its equivalent or better by at least one NRSRO.
- No more than 40% of the portfolio may be invested in Banker’s Acceptances.
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed 180 days.

6. **Commercial Paper**, provided that:

- The issuer is a corporation organized and operating in the United States with assets in excess of $500 million.
- The securities are rated “A-1” or its equivalent or better by at least one NRSRO.
- They are issued by corporations which have long-term obligations rated in a rating category of “A” or its equivalent or better by at least one NRSRO.
- City may purchase no more than 10% of the outstanding commercial paper of any single issuer.
- No more than 25% of the portfolio may be invested in Commercial Paper.
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed 270 days.

7. **Negotiable Certificates of Deposit (NCDs)**, issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:

- The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
- Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated “A-1” or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of “A” or its equivalent or better by at least one NRSRO.
- No more than 30% of the total portfolio may be invested in NCDs (combined with CDARS).
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.
8. **Federally Insured Time Deposits** (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:

- The amount per institution is limited to the maximum covered under federal insurance.
- No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
- The maximum maturity does not exceed five (5) years.

9. **Collateralized Time Deposits** (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions in excess of insured amounts which are fully collateralized with securities in accordance with California law, provided that:

- No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
- The maximum maturity does not exceed five (5) years.

10. **Certificate of Deposit Placement Service (CDARS)**, provided that:

- No more than 30% of the total portfolio may be invested in a combination of Certificates of Deposit, including CDARS.
- The maximum maturity does not exceed five (5) years.

11. **Collateralized Bank Deposits**. City’s deposits with financial institutions will be collateralized with pledged securities per California Government Code, Section 53651. There are no limits on the dollar amount or percentage that the City may invest in collateralized bank deposits, provided that:

- The maximum maturity does not exceed five (5) years.

12. **Repurchase Agreements** collateralized with securities authorized under California Government Code, maintained at a level of at least 102% of the market value of the Repurchase Agreement. There are no limits on the dollar amount or percentage that the City may invest, provided that:

- Securities used as collateral for Repurchase Agreements will be delivered to an acceptable third party custodian.
- Repurchase Agreements are subject to a Master Repurchase Agreement between the City and the provider of the repurchase agreement. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).
- The maximum maturity does not exceed one (1) year.

13. **State of California Local Agency Investment Fund (LAIF)**, provided that:

- The City may invest up to the maximum amount permitted by LAIF.
• LAIF's investments in instruments prohibited by or not specified in the City's policy do not exclude the investment in LAIF itself from the City's list of allowable investments, provided LAIF's reports allow the Treasurer to adequately judge the risk inherent in LAIF's portfolio.

14. CORPORATE MEDIUM TERM NOTES (MTNs), provided that:

• The issuer is a corporation organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
• The securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
• No more than 30% of the total portfolio may be invested in MTNs.
• No more than 5% of the portfolio may be invested in any single issuer.
• The maximum maturity does not exceed five (5) years.

15. ASSET-BACKED, MORTGAGE-BACKED, MORTGAGE PASS-THROUGH SECURITIES, AND COLLATERALIZED MORTGAGE OBLIGATIONS FROM ISSUERS NOT DEFINED IN SECTIONS 3 AND 4 OF THE AUTHORIZED INVESTMENTS SECTION OF THIS POLICY, provided that:

• The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
• No more than 20% of the total portfolio may be invested in these securities.
• No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer.
• The maximum legal final maturity does not exceed five (5) years.

16. MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:

a. MUTUAL FUNDS that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:

(i) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
(ii) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of $500 million.

• No more than 10% of the total portfolio may be invested in shares of any one mutual fund.
b. **Money Market Mutual Funds** registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:

(i) Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
(ii) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years’ experience managing money market mutual funds with assets under management in excess of $500 million.

- No more than 20% of the total portfolio may be invested in the shares of any one Money Market Mutual Fund.

c. No more than 20% of the total portfolio may be invested in these securities.

17. **Supranationals**, provided that:

- Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- The securities are rated in a rating category of “AA” or its equivalent or better by a NRSRO.
- No more than 30% of the total portfolio may be invested in these securities.
- No more than 10% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

X. **Prohibited Investment Vehicles and Practices**

- State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
- In accordance with Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- Investment in any security that could result in a zero interest accrual if held to maturity is prohibited.
- Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- Purchasing or selling securities on margin is prohibited.
- The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
- The purchase of foreign currency denominated securities is prohibited.

XI. **Investment Pools/Mutual Funds**
The City shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Treasurer shall develop a questionnaire which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- A statement of how/if reserves and retained earnings are utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

XII. COLLATERALIZATION

CERTIFICATES OF DEPOSIT (CDS). The City shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

COLLATERALIZATION OF BANK DEPOSITS. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. The City shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

REPURCHASE AGREEMENTS. The City requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

- The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.
- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
- The City shall receive monthly statements of collateral.
XIII. DELIVERY, SAFEKEEPING AND CUSTODY

DELIVERY-VERSUS-PAYMENT (DVP). All investment transactions shall be conducted on a delivery-versus-payment basis.

SAFEKEEPING AND CUSTODY. To protect against potential losses due to failure of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all cash and securities in the City’s portfolio shall be held in safekeeping in the City’s name by a third party custodian, acting as agent for the City under the terms of a custody agreement executed by the bank and the City. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by the City from the custodian listing all securities held in safekeeping with current market data and other information.

The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money mutual funds, since the purchased securities are not deliverable.

XIV. MAXIMUM MATURITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities.

The City will not invest in securities maturing more than five (5) years from the date of trade settlement, unless the City Council has by resolution granted authority to make such an investment.

XV. RISK MANAGEMENT AND DIVERSIFICATION

MITIGATING CREDIT RISK IN THE PORTFOLIO
Credit risk is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The City will mitigate credit risk by adopting the following strategies:

- The diversification requirements included in the “Authorized Investments” section of this policy are designed to mitigate credit risk in the portfolio.

- No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless otherwise specified in this policy.

- The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity or yield of the portfolio in response to market conditions or City’s risk preferences.

- If the credit ratings of any security owned by the City are downgraded to a level below the quality required by this investment policy, it will be the City’s policy to review the
credit situation and make a determination as to whether to sell or retain such securities in the portfolio.

- If a security is downgraded, the Treasurer will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.

- If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the City Council.

**MITIGATING MARKET RISK IN THE PORTFOLIO**

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The City recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The City will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The City further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The City, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The City will maintain a minimum of six months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements.

- The maximum stated final maturity of individual securities in the portfolio will be five (5) years, except as otherwise stated in this policy.

- The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the City based on the City’s investment objectives, constraints and risk tolerances.

**XVI. REVIEW OF INVESTMENT PORTFOLIO**

The Treasurer shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the City Council.

**XVII. PERFORMANCE EVALUATION**

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City’s risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.
The Treasurer shall monitor and evaluate the portfolio’s performance relative to the chosen market benchmark(s), which will be included in the Treasurer’s quarterly report. The Treasurer shall select an appropriate, readily available index to use as a market benchmark. The market benchmark for 2020-2021 will be the Intercontinental Exchange (ICE) Bank of America Merrill Lynch (BAML) 1-5 Year U.S. Treasury/Agency Index.

XVIII. REPORTING

MONTHLY REPORTS
Monthly transaction reports will be made available to the public and the City Council, which can be obtained from the City’s website at www.fountainvalley.org/1249/Investment-Reports.

QUARTERLY REPORTS
The Treasurer will prepare a quarterly investment report, which provides full disclosure of the City’s investment activities. The quarterly investment reports will be made available to the public and the City Council, which can be obtained from the City’s website at www.fountainvalley.org/1249/Investment-Reports. These reports will disclose, at a minimum, the following information about the City’s portfolio:

1. An asset listing showing par value, cost and independent third-party fair market value of each security as of the date of the report, the source of the valuation, type of investment, issuer, maturity date and interest rate.

2. Transactions for the period.

3. A description of the funds, investments and programs (including lending programs) managed by contracted parties (i.e. LAIF; investment pools, outside money managers and securities lending agents)

4. A one-page summary report that shows:
   a. Average maturity of the portfolio and modified duration of the portfolio;
   b. Maturity distribution of the portfolio;
   c. Percentage of the portfolio represented by each investment category;
   d. Average portfolio credit quality; and,
   e. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months and since inception compared to the City’s market benchmark returns for the same periods;

5. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.

6. A statement that the City has adequate funds to meet its cash flow requirements for the next six months.
XIX. REVIEW OF INVESTMENT POLICY

The investment policy will be reviewed and adopted at least annually, to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

Any recommended modifications or amendments shall be presented by Staff to the City Council for their consideration and adoption.

GLOSSARY OF INVESTMENT TERMS

AGENCIES. Shorthand market terminology for any obligation issued by a government-sponsored entity (GSE), or a federally related institution. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.
FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.
FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “FreddieMac” issues discount notes, bonds and mortgage pass-through securities.
FNMA. Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “FannieMae,” issues discount notes, bonds and mortgage pass-through securities.
GNMA. The Government National Mortgage Association, known as “GinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.
PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.
TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

ASSET BACKED SECURITIES. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

AVERAGE LIFE. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

BANKER'S ACCEPTANCE. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

BENCHMARK. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BROKER. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

CALLABLE. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

CERTIFICATE OF DEPOSIT (CD). A time deposit with a specific maturity evidenced by a certificate.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS). A private placement service that allows local agencies to purchase more than $250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC
insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than $250,000 each, so that FDIC coverage is maintained.

**COLLATERAL.** Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

**COLLATERALIZED BANK DEPOSIT.** A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

**COLLATERALIZED MORTGAGE OBLIGATIONS (CMO).** Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

**COLLATERALIZED TIME DEPOSIT.** Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

**COMMERCIAL PAPER.** The short-term unsecured debt of corporations.

**COUPON.** The rate of return at which interest is paid on a bond.

**CREDIT RISK.** The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

**DEALER.** A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

**DEBENTURE.** A bond secured only by the general credit of the issuer.

**DELIVERY VS. PAYMENT (DVP).** A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

**DERIVATIVE.** Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

**DISCOUNT.** The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

**DIVERSIFICATION.** Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

**DURATION.** The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a security to changes interest rates.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC).** The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

**FEDERALLY INSURED TIME DEPOSIT.** A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.
LEVERAGE. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY. The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF). A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer’s Office.

LOCAL GOVERNMENT INVESTMENT POOL. Investment pools that range from the State Treasurer’s Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN. The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE. The price at which a security can be traded.

MATURE. The final date on which the principal of a security becomes due and payable.

MEDIUM TERM NOTES. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION. The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MONEY MARKET. The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MONEY MARKET MUTUAL FUND. A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at $1 per share.

MORTGAGE PASS-THROUGH SECURITIES. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES. Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO). A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CERTIFICATE OF DEPOSIT (CD). A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-
licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

**PRIMARY DEALER.** A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

**PRUDENT PERSON (PRUDENT INVESTOR) RULE.** A standard of responsibility which applies to fiduciaries. In California, the rule is stated as “Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes.”

**REPURCHASE AGREEMENT.** Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller’s point of view, the same transaction is a reverse repurchase agreement.

**SAFEKEEPING.** A service to bank customers whereby securities are held by the bank in the customer’s name.

**SECURITIES AND EXCHANGE COMMISSION (SEC).** The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent and manipulative practices in the market, and monitors corporate takeover actions in the United States.

**SECURITIES AND EXCHANGE COMMISSION SEC) RULE 15c3-1.** An SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

**STRUCTURED NOTE.** A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

**SUPRANATIONAL.** A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

**TOTAL RATE OF RETURN.** A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

**U.S. TREASURY OBLIGATIONS.** Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

**TREASURY BILLS.** All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

**TREASURY NOTES.** All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.
TREASURY BONDS. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

YIELD TO MATURITY. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.
CITY OF FOUNTAIN VALLEY
CITY COUNCIL
COUNCIL ACTION REQUEST

To: Honorable Mayor and Members of the City Council

Agenda Date: August 18, 2020

SUBJECT: Resolution Accepting the City's Allocation of CARES Act Funding from the State of California

EXECUTIVE SUMMARY:

Since the beginning of the pandemic, cities have incurred millions of dollars in unanticipated emergency spending to protect their residents and prevent further spread of the virus. The City of Fountain Valley is no exception, and has incurred significant costs in response to the pandemic such as procuring personal protective equipment, planning for the needs of the community, modifying employee schedules to allow for social distancing and creating programs to help stimulate the economic recovery of the community.

On March 27, 2020 the President of the United States signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act following its passage by Congress. Included in the CARES Act was $9.5 billion in funding for the State of California to support its response to the COVID-19 pandemic. The State’s FY20/21 budget allocates $1.8 billion of this funding to assist counties and cities, with the City of Fountain Valley allocated $689,933 based on population.

DISCUSSION:

The State of California received $9.5 billion in funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. An additional $5.8 billion in funding was allocated directly to cities and counties with populations greater than 500,000, for a total amount of $15.3 billion in aid distributed to agencies within California to assist in the response to COVID-19.

The City of Fountain Valley has already received funding originating from the CARES Act from the County of Orange to support small businesses and offset the City’s expenses in responding to COVID-19. On June 16, 2020 the City Council approved acceptance of $499,954 of CARES Act funding from the County of Orange to help offset the City’s costs associated with the pandemic. In addition, the City of Fountain Valley has also received $913,679 from Supervisor Steel's Supervisorial District and $84,800 from Supervisor Do’s
City Council Request
Accept Fountain Valley’s Allocation of CARES Act Funding from the State of California
August 18, 2020
Page 2

Supervisorial District to provide direct assistance to local, small businesses and support economic development within the community.
Recently, the State of California approved its FY20/21 budget which authorizes the Department of Finance to allocate $1.8 billion of the State’s share of CARES Act funding to counties and cities to address the public health and public safety impacts of COVID-19, including homelessness. Based on population, the City of Fountain Valley has been allocated $689,933.

The State of California will distribute allocations in installment payments, with the first installment being one-sixth of the total determined for each city. Funding is contingent on the cities adherence to federal guidance, the state’s stay-at-home requirements and other health requirements as directed in gubernatorial Executive Order N-33-20, any subsequent executive orders or statutes, and all California Department of Public Health orders, directives, and guidance issued in response to the COVID-19 public health emergency. The City has already received its first allotment of $114,989.

FINANCIAL ANALYSIS:

The City of Fountain Valley has incurred substantial costs in its efforts to combat COVID-19, while simultaneously experiencing a dramatic decrease in revenue. While this funding cannot be used to offset revenue lost due to the pandemic’s impact on the economy, it will assist in minimizing the impact on the City’s budget due to these expenses.

ATTORNEY REVIEW:

This staff report and attachments have been reviewed by the Attorney for the City.

ALTERNATIVES:

Alternative No.1: The City Council accept $689,933 in CARES Act funding from the State of California and create budget appropriations in the same amount to allow for recovery of costs related to the City’s response to COVID-19.

Alternative No. 2: Do not accept $689,933 in CARES Act funding from the State of California. This alternative is not recommended and would negatively impact the City’s ability to support its continued response to COVID-19.

RECOMMENDATION:
It is recommended the City Council approve Alternative No. 1 or provide further direction to City staff.

Fiscal Review By:                Jennifer Lampman, Finance Director
Approved By:                     Rob Houston, City Manager

Attachment 1:                   Resolution
RESOLUTION NUMBER _____ - _____

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF FOUNTAIN VALLEY
ACCEPTING $689,933 CARES ACT FUNDING

WHEREAS, since the beginning of the COVID-19 pandemic, cities have incurred significant unanticipated emergency spending to protect residents and prevent further spread of coronavirus; and

WHEREAS, the City of Fountain Valley incurred significant costs in response to the pandemic such as procuring personal protective equipment, planning for the needs of the community, modifying employee schedules to allow for social distancing and creating programs to help stimulate the economic recovery of the community; and

WHEREAS, on March 27, 2020 the President of the United States signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act following its passage by Congress. Included in the CARES Act was $9.5 billion in funding for the State of California to support its response to the COVID-19 pandemic; and

WHEREAS, the State’s FY20/21 budget allocates $1.8 billion of this funding to assist counties and cities, with the City of Fountain Valley allocated $689,933 based on population; and

WHEREAS, the City Manager has submitted a "CERTIFICATION FOR RECEIPT OF FUNDS PURSUANT TO PARAGRAPHS (2) OR (3) OF SJBDIVISION (d) OF CONTROL SECTION 11.90 OF THE BUDGET ACT OF 2020" ("Certification") to the Department of Finance; and

WHEREAS, the City of Fountain Valley shall adhere to all requirements of said Certification including adherence "to federal guidance, the state’s stay-at-home requirements and other health requirements as directed in gubernatorial Executive Order N-33-20, any subsequent executive orders or statutes, and all California Department of Public Health orders, directives, and guidance issued in response to the COVID-19 public health emergency."

NOW, THEREFORE, the City Council of the City of Fountain Valley does hereby RESOLVE:

SECTION 1. The City of Fountain Valley agrees to adhere by the terms and conditions of the Certification.

SECTION 2. The City of Fountain Valley accepts the $689,933 of CARES Act funding from the State of California.
PASSED and ADOPTED by the City Council of the City of Fountain Valley at a regular meeting this 18th day of August 2020.

ATTEST:

Rick Miller
City Clerk

Cheryl Brothers
Mayor

APPROVED AS TO FORM:

Harper & Burns LLP

Colin Burns
Attorneys for the City