

MEJIA, JESSICA

To: GREEN, BRENDA
Subject: RE: Outsourcing Street Sweeping

From: MUNOZ, ERNESTO
Sent: Tuesday, February 17, 2015 11:01 AM
To: Bob Simonson
Cc: CITY COUNCIL; Gary Monahan; HATCH, THOMAS; LETOURNEAU, TAMARA; DUNIVENT, STEVE; [REDACTED]
Subject: FW: Outsourcing Street Sweeping

Mr. Simonson,

Thank you for your questions relative to the street sweeping services contract award. As it is generally the case with contract awards, most cities consider them a routine matter which are generally placed in the consent calendar. Similar to the landscape maintenance contract award the Council considered at their last meeting, and the traffic signal maintenance contract, in tonight's agenda, both of which are of similar dollar magnitude to the street sweeping contract, they are all considered routine items. These items may also be pulled for questions or additional clarification.

Staff's recommendation is predicated on significant savings to the community based on cost avoidance of replacing existing sweepers, which have little if any residual value left on them as they have exceeded their useful life and no longer meet air quality regulations, (these vehicles will be auctioned out); elimination of future depreciation expense to the City; reduced maintenance expenses of street sweeping machines; and you are correct, this will also result in eliminating any future cost increases in pension liability associated with the staffing of the street sweeping section. All these savings are estimated to be in excess \$436,000 per year, not including the potential future pension liability savings. This equates to approximately \$3.5 million in savings to the City's General Fund over the life of the contract. Again, this does not include the savings realized from future pension increases. The short term savings to the City include approximately \$1.5 million in savings from not having to replace our street sweeping fleet, which would need to budgeted immediately to continue in-house operations.

Relative to your question as to what the elimination of staffing in the street sweeping section through attrition entailed; the staffing in this section over time has either retired; been promoted to other positions within the organization, or have left the City for other job opportunities elsewhere. The positions were kept vacant to eliminate staffing impacts upon contracting for the services.

Thank you again for your questions, I hope this provided additional clarity to the recommended Council action this evening. Please feel free to contact me directly should I be of any assistance.

Ernesto Munoz, P.E.
Public Services Director
City of Costa Mesa
714-754-5343
ernesto.munoz@costamesaca.gov

From: Katrina Foley-Costa Mesa City Councilmember [REDACTED]
Sent: Tuesday, February 17, 2015 7:08 AM
To: Bob Simonson
Cc: FOLEY, KATRINA; GENIS, SANDRA; Jay Humphrey; NAKAMOTO, LANCE; Robin Leffler; CityManager; DUNIVENT, STEVE
Subject: Re: Outsourcing Street Sweeping

Dear Mr. Simonson:

These are great questions which I will ask staff to respond to.

Thank you.

Katrina Foley
Costa Mesa City Council
www.costamesaca.gov

www.katrinafoley.com
@katrinafoley

Sent from my iPhone

On Feb 16, 2015, at 9:47 PM, Bob Simonson [REDACTED] wrote:

Honorable Council Members,

Personally, I would prefer that the outsourcing of significant community services be placed in New Business rather than buried in the Consent Calendar.

That said, I am not opposed to Item seven if it makes good long term financial sense.

I will not be able to attend the meeting Tuesday and hope someone will pull this item for discussion.

I understand that four employees associated with street sweeping services have been eliminated through attrition. Perhaps the details of these four can be explained better.

However, there is much more to be considered. Do the salaries of four street sweeper related employees reduce the general fund obligation by nearly 700,000? What will happen to the City owned sweeping vehicles? What is their value? Are there employees in the City Vehicle Maintenance Pool that can be eliminated to save general fund expenses related to City owned sweeping equipment? Does the elimination of Sweeping Services reduce current pension Liability?

If anyone knows the actual savings to the City (long term and short) versus the \$699,600 being awarded to CleanSweep, can it be defined specifically?

Thanks much, Bob

RESOLUTION NO. 10-31

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, AUTHORIZING FORMATION OF THE ORANGE COUNTY FAIRGROUNDS AUTHORITY WITH THE COSTA MESA PUBLIC FINANCING AUTHORITY

THE CITY COUNCIL OF THE CITY OF COSTA MESA HEREBY RESOLVES AS FOLLOWS:

WHEREAS, the City of Costa Mesa (the "City") is undertaking proceedings for the potential purchase of the Orange County Fair and Event Center ("OCFEC") from the State of California; and

WHEREAS, in connection with such purchase, the City and the Costa Mesa Public Financing Authority (the "Authority") propose to form a joint powers authority pursuant to Articles 1 through 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (section 6500 *et seq.*) in order that such authority may purchase the OCFEC and manage the real and personal property which are purchased from the State of California, including the rights to operate the Orange County Fair; and

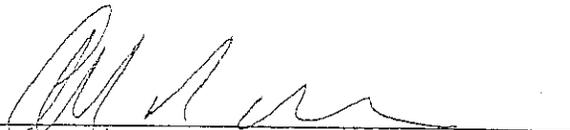
WHEREAS, the City is entitled to own property for recreational, fair, exposition or exhibition purposes, to operate such facilities, and to lease property owned by it to others for such purposes; and

WHEREAS, the assistance provided by such a joint powers authority to the City and the Authority in connection with such proceedings will result in significant public benefits to the City and the Authority.

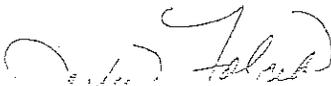
NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Costa Mesa, California, does hereby authorize the officers and staff members of the City to assist in the organization of a joint powers authority between the City and the Authority, to be known as the Orange County Fairgrounds Authority. The City Council hereby approves and authorizes the Mayor to execute and the City Clerk to attest the Joint Powers Agreement forming the Orange County Fairgrounds Authority, in substantially the form on file with the City Clerk.

BE IT FURTHER RESOLVED that the Mayor, the City Manager, Finance Director, City Clerk, and City Attorney of the City, and any other officers of the City, are hereby authorized and directed to take all actions and do all things necessary or desirable hereunder with respect to the formation of the Orange County Fairgrounds Authority, including, but not limited to, the execution and delivery of any agreements, certificates, instruments, and other documents, which they, or any of them, may deem necessary or desirable and not inconsistent with the purposes of this resolution.

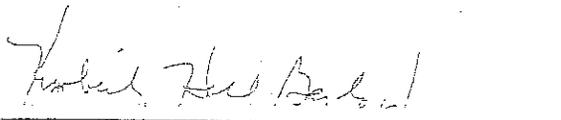
PASSED AND ADOPTED this 18th day of May, 2010.


Allan R. Mansoor, Mayor

ATTEST:


Julie Folcik, City Clerk

APPROVED AS TO FORM:

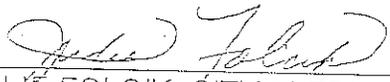

Kimberly Hall Barlow, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF COSTA MESA)

I, JULIE FOLCIK, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 10-31 and was duly passed and adopted by the City Council of the City of Costa Mesa at a special meeting held on the 18th day of May, 2010, by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS: MANSOOR, LEECE, BEVER, FOLEY, MONAHAN
NOES: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: NONE

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this 19th day of May, 2010.



JULIE FOLCIK, CITY CLERK

(SEAL)

RESOLUTION NO. P.F.A. 10-1

A RESOLUTION OF THE BOARD OF THE COSTA MESA
PUBLIC FINANCING AUTHORITY AUTHORIZING
FORMATION OF THE ORANGE COUNTY
FAIRGROUNDS AUTHORITY WITH THE CITY OF
COSTA MESA, CALIFORNIA

THE BOARD OF THE COSTA MESA PUBLIC FINANCING AUTHORITY HEREBY
RESOLVES AS FOLLOWS:

WHEREAS, the City of Costa Mesa (the "City") is undertaking proceedings for the potential purchase of the Orange County Fair and Event Center ("OCFEC") from the State of California; and

WHEREAS, in connection with such purchase, the City and the Costa Mesa Public Financing Authority (the "Authority") propose to form a joint powers authority pursuant to Articles 1 through 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (section 6500 *et seq.*) in order that such authority may purchase the OCFEC and manage the real and personal property which are purchased from the State of California, including the rights to operate the Orange County Fair; and

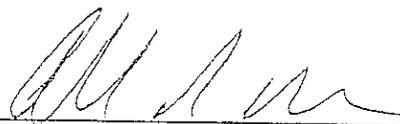
WHEREAS, the PFA is entitled to own property for recreational, fair, exposition or exhibition purposes, to operate such facilities, and to lease property owned by it to others for such purposes; and

WHEREAS, the assistance provided by such a joint powers authority to the City and the Authority in connection with such proceedings will result in significant public benefits to the City and the Authority.

NOW, THEREFORE, BE IT RESOLVED that the Board of the Costa Mesa Public Financing Authority, does hereby authorize the officers and staff members of the Authority to assist in the organization of a joint powers authority between the City and the Authority, to be known as the Orange County Fairgrounds Authority. The Board of the Authority hereby approves and authorizes the Chair of the Board to execute and the City Clerk, acting as Authority Secretary, to attest the Joint Powers Agreement forming the Orange County Fairgrounds Authority, in substantially the form on file with the City Clerk.

BE IT FURTHER RESOLVED that the Board Chair, the Executive Director, Treasurer, Secretary, and Authority Attorney of the Authority, and any other officers of the Authority, are hereby authorized and directed to take all actions and do all things necessary or desirable hereunder with respect to the formation of the Orange County Fairgrounds Authority, including, but not limited to, the execution and delivery of any agreements, certificates, instruments, and other documents, which they, or any of them, may deem necessary or desirable and not inconsistent with the purposes of this resolution.

PASSED AND ADOPTED this 18th day of May, 2010.



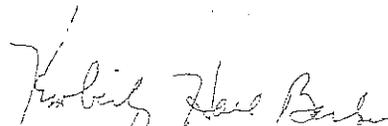
Allan R. Mansoor, Chair

ATTEST:

APPROVED AS TO FORM:



Julie Folcik, Authority Secretary



Kimberly Hall Barlow, Authority Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF COSTA MESA)

I, JULIE FOLCIK, Secretary of the Costa Mesa Public Financing Authority, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. P.F.A. 10-1 and was duly passed and adopted by the Board of the Costa Mesa Public Financing Authority at a special meeting held on the 18th day of May, 2010, by the following roll call vote, to wit:

AYES: BOARD MEMBERS: MANSOOR, LEECE, BEVER, FOLEY, MONAHAN
NOES: BOARD MEMBERS: NONE
ABSENT: BOARD MEMBERS: NONE

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the Costa Mesa Public Financing Authority this 19th day of May, 2010.



JULIE FOLCIK, SECRETARY

(SEAL)

BYLAWS
OF THE
ORANGE COUNTY FAIRGROUNDS AUTHORITY

ARTICLE I

DEFINITIONS; OFFICES AND SEAL

Section 1. Definitions. All capitalized terms used herein shall have the respective meanings given such terms in the Joint Powers Agreement establishing the Authority (the "Agreement").

Section 2. Offices. The principal office of the Authority for the transaction of business shall be City Hall, 77 Fair Drive, Costa Mesa, California. The Board may, however, fix and change from time to time the principal office from one location to another within the City of Costa Mesa by noting the change of address in the minutes of the meeting of the Board at which the address is fixed or changed. The fixing or changing of such address shall not be deemed an amendment to these Bylaws.

Section 3. Seal. The Authority shall have a seal, consisting of images and the words "Orange County Fairgrounds Authority" and with the date of establishment of the Authority, as reflected in Attachment "A" hereof.

ARTICLE II

BOARD

Section 1. Powers. Subject to the limitations of the Agreement, the terms of these Bylaws and the laws of the State of California, the powers of this Authority shall be vested in and exercised by, and its property controlled and its affairs conducted by, the Board of the Authority.

Section 2. Number. The Board shall have five (5) Directors, who shall be the members of the City Council of the City of Costa Mesa. Each Director shall hold office for a term which coincides with such Director's term of office as member of the City Council.

Section 3. Compensation. Each Director may be reimbursed his or her necessary and actual expense, including travel incident to his or her services as Director, pursuant to resolution of the Board. Any Director may elect, however, to decline reimbursement.

Section 4. Regular Meetings. Regular meetings of the Board shall be held at such time as the Board may fix by resolution from time to time, and if any day so fixed shall fall upon a legal holiday, then upon the next succeeding business day at the same hour. No notice of any regular meeting of the Board need be given to the Directors.

Section 5. Special Meetings. Special meetings of the Board shall be held whenever called by the Chair, any Vice Chair, or by a majority of the Board.

Section 6. Public Meetings; Notice of Meetings. All proceedings of the Board shall be subject to the provisions of the Ralph M. Brown Act, constituting Chapter 9 of Part 1 of Division 2 of Title 5 of the California Government Code, and notice of the meetings of the Authority shall be given in accordance with such Act.

Section 7. Consent to Meetings. The transactions of the Board at any meeting however called and noticed or wherever held, shall be as valid as though done at a meeting duly held after call and notice if a quorum is present and if either before or after the meeting each Director not present signs a written waiver of notice or a consent to the holding of such meeting or approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 8. Quorum. A quorum shall consist of a majority of the members of the Board unless a greater number is expressly required by statute, by the Agreement, or by these Bylaws. Every act or decision done or made by a majority of the Directors voting at a meeting duly held at which a quorum is present shall be the act of the Board.

Section 9. Order of Business. The order of business at the regular meeting of the Board and, so far as possible, at all other meetings of the Board, shall be essentially as follows, except as otherwise determined by the Directors at such meeting:

(a) Report on the number of Directors present in order to determine the existence of a quorum.

(b) Reading of the notice of the meeting and proof of the delivery or mailing thereof, or the waiver or waivers of notice of the meeting then filed, as the case may be.

(c) Reading of unapproved minutes of previous meetings of the Board and the taking of action with respect to approval thereof.

(d) Presentation and consideration of reports of officers and committees.

(e) Unfinished business.

(f) New business.

(g) Adjournment.

Section 10. Non-liability for Debts. The private property of the Directors shall be exempt from execution or other liability for any debts, liabilities or obligations of the Authority, and no Director shall be liable or responsible for any debts, liabilities or obligations of the Authority.

Section 11. Indemnity by Authority for Litigation Expenses of Officer, Director or Employee. Should any Director, officer or employee of the Authority be sued, either alone or with others, because he or she is or was a director, officer or employee of the Authority, in any proceeding arising out of his or her alleged misfeasance or nonfeasance in the performance of his or her duties or out of any alleged wrongful act against the Authority or by the Authority, indemnity for his or her reasonable expenses, including attorneys' fees incurred in the defense of the proceedings, may be assessed against the Authority or its receiver by the court in the same or a separate proceeding, as specified in California Government Code section 825. The amount of such indemnity shall equal the amount of the expenses, including attorneys' fees, incurred in the defense of the proceeding.

ARTICLE III

OFFICERS

Section 1. Officers. The officers of the Authority shall be a Chair, a Vice Chair, a Secretary, a Treasurer, an Executive Director and such other officers as the Board may appoint. When the duties do not conflict, one person, other than the Chair, may hold more than one of these offices.

Section 2. Election of Officers. The Chair, Vice Chair and Secretary shall be chosen at every other annual meeting of the Board (to be set by Resolution), in the year in which elections of the City of Costa Mesa for City Council are held, and each shall hold office until he or she shall resign, be removed, otherwise be disqualified to serve, or until his or her successor is elected and qualified to serve.

Section 3. Subordinate Officers. The Board may elect or authorize the appointment of such other officers than those hereinabove mentioned as the business of the Authority may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws; or as the Board from time to time may authorize or determine.

Section 4. Removal of Officers. Any officer may be removed, either with or without cause, by a majority of the Directors then in office at any regular or special meeting of the Authority, or, except in the case of an officer chosen by the Board, by any officers upon whom such power of removal may be conferred by the Board. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other cause, the Board may delegate the powers and duties of such office to any officers or to any Directors until such time as a successor for said office has been elected or appointed.

Section 5. Chair. The Chair shall preside at all meetings of the Board and exercise and perform such other powers and duties as may be from time to time assigned to him or her by the Board or be prescribed by the Agreement or these Bylaws. The Chair shall have the general powers and duties usually vested in the office of Chair of a public corporation.

Section 6. Vice Chair. In the absence or disability of the Chair, the Vice Chair shall perform all the duties of the Chair and when so acting shall have all the powers of and be subject to all of the restrictions upon the Chair. The Vice Chair shall have such other powers and perform such other duties as may from time to time be assigned to him or her by the Board or be prescribed by the Board, the Agreement or these Bylaws.

Section 7. Secretary. The Secretary shall keep or cause to be kept a book of minutes at the principal office or at such other place as the Board may order, of all meetings of the Directors, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings and the proceedings thereof. The Secretary shall give or cause to be given notice of all meetings of the Board of the Authority, shall keep the corporate records in safe custody and shall have such other powers and perform such other duties as may from time to time be assigned to him by the Board or be prescribed by the Board, the Agreement or these Bylaws.

Section 8. Treasurer. The Treasurer shall be the chief financial officer of the Authority, shall have the general powers and duties usually vested in the chief financial officer of a public corporation and shall have such other powers and perform such other duties as may from time to time be assigned to him by the Board or be prescribed by the Board, the Agreement or these Bylaws.

Section 9. Executive Director. The Executive Director shall be the chief administrative officer of the Authority and shall, subject to the control of the Board, have general supervision, direction and control of the business and officers of the Authority, and shall have such other powers and perform such other duties as may from time to time be assigned to him or her by the Board or be prescribed by the Board, the Agreement or these Bylaws.

ARTICLE IV

OBJECTS AND PURPOSES

Section 1. Nature of Objects and Purposes. The business of this Authority is to be operated and conducted in the promotion of its objects and purposes as set forth in the Agreement.

Section 2. Distribution of Assets during Continuance of Authority. During the continuance of the Authority, it may distribute any of its assets to the members of the Authority. If, for any reason, the members are unable or unwilling to accept the assets of the Authority, said assets shall be distributed to the federal government, or to a state or local government for public purposes, or to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes.

Section 3. Dissolution. The Authority may, with the approval of all of the members, be dissolved by majority vote of the Directors if at the time of such dissolution the Authority has no outstanding indebtedness and is not a party to any outstanding material contracts. Upon the dissolution or termination of this Authority, and after payment or provision for payment, all debts and liabilities, the assets of this Authority shall be distributed to the members of the Authority. If for any reason, the members are unable or unwilling to accept the assets of the Authority, said assets will be distributed to the federal government or to a state or local government for public purposes, or to a nonprofit fund, foundation, or corporation which is organized and operated for charitable purposes.

ARTICLE V

GENERAL PROVISIONS

Section 1. Payment of Money, Signatures. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Authority and any and all securities owned by or held by the Authority requiring signature for transfer shall be signed or endorsed by the Treasurer.

Section 2. Execution of Contracts. The Board, except as otherwise provided in the Agreement or these Bylaws, may authorize any officer or officers, and agent or agents, to enter into any contract or execute any contract or execute any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Authority by any contract or engagement or to pledge its credit or to render it liable for any

purpose or in any amount.

Section 3. Fiscal Year. The fiscal year of the Authority shall commence on the 1st day of July of each year and shall end on the 30th day of June of the next succeeding year.

Section 4. Amendment of Bylaws. These Bylaws may be amended at any time and from time to time by majority vote of the Board.

Secretary

APPROVED AS TO FORM.

By _____
Kimberly Hall Barlow
Authority Attorney