

July 6, 2004

Honorable Mayor and Members of
the Hermosa Beach City Council

City Council Meeting
July 13, 2004

**ADOPTION OF A RESOLUTION APPROVING AMENDMENT NO. 4 TO THE
INDEPENDENT CITIES LEASE FINANCE AUTHORITY (ICLFA) JOINT
POWERS AGREEMENT RELATING TO PROCESS/PROCEDURES AND A
RESOLUTION APPOINTING A SECOND ALTERNATE BOARD MEMBER**

RECOMMENDATION:

It is recommended that the City Council:

1. adopt the attached resolution approving Amendment No 4. to the ICLFA Joint Powers Agreement, which addresses procedural and operational procedures.
2. adopt the attached resolution appointing City Treasurer John Workman as a second Alternate Board Member.

BACKGROUND:

Hermosa Beach is one of the eleven member cities of ICLFA, which was created sixteen years ago. ICLFA: 1) provides down payment and closing cost assistance to qualified families to aid them in purchasing homes in member cities; 2) provides funding through nonprofits for the purchase of multi-family residential projects, including mobile home parks (*most recently, our own Marineland Mobile Home Park*); and 3) will soon be remarketing lease finance programs for city purchasing of equipment and funding of capital projects.

Currently, Councilmember Tucker serves as the Board Member for ICLFA and Finance Director Viki Copeland serves as Alternate Board Member.

ANALYSIS:

Four documents are attached:

1. A memo from the ICLFA President, which outlines the proposed changes to the joint powers agreement, starting on page 4.
2. Joint Powers Agreement with changes shown
3. Resolution Approving Amendment 4 to the Joint Powers Agreement
4. Resolution Appointing City Treasurer John Workman as a second Alternate Board Member to ICLFA.

The content of the resolution pertaining to the proposed amendments may not be changed. The amendments must be approved in total or not at all. Most of the

changes are housekeeping items relating to ICLFA operations. One of the more notable changes is to Article 7 (c), which is intended to increase attendance at meetings by compensating elected officials who serve as Board Members or Alternate Board Members. Officials will receive \$150 per meeting with an annual maximum of \$600.

Article 7(a) will allow cities to have two Alternate Board Members instead of just one. This makes it easier for the city to be represented at Board meetings in the event that the Board member or one of the alternates cannot attend. City Treasurer John Workman expressed interest in being appointed as an Alternate Board Member.

These changes must be approved by 2/3 of the member cities to take effect. (Article 23 changes the vote requirement to a simple majority).

Respectfully submitted,

Viki Copeland
Finance Director

Stephen R. Burrell
City Manager

June 17, 2004

Honorable Mayor Art Yoon and
Members of the City Council
City of Hermosa Beach
1315 Valley Drive
Hermosa Beach, California 90254

Dear Mayor Yoon and Members of the City Council:

The Board of Directors of the Independent Cities Lease Finance Authority (ICLFA) respectfully requests an action by your City Council to facilitate the following changes in the ICLFA Joint Powers Agreement. Two-thirds of the Member Cities must adopt the attached resolution to effectuate the proposals.

ICLFA: 1) provides down payment and closing cost assistance to qualified families to aid them in purchasing homes in member cities; 2) provides funding through nonprofits for the purchase of multi-family residential projects, including manufactured home communities (otherwise known as mobile home parks); and 3) will soon be remarketing a new concept in lease finance programs for cities to utilize in purchasing equipment and funding capital projects.

ICLFA meets three to six times per year and conducts its considerable business in a professional manner. ICLFA is a known quantity having functioned for sixteen years without levying dues or assessments on any Member or Associate Member for any purpose.

Since the Authority was created sixteen years ago, several structural modifications have been made to the Joint Powers Agreement which expanded the scope of ICLFA programs but no significant procedural/operational modifications have been made.

Over the last several months, the ICLFA General Legal Counsel (Robert Messinger of Burke, Williams & Sorensen), the President (Mike McCormick, City of Vernon), the Treasurer (Shally Lin, City of Hawthorne), and the Program Administrator (David Smith), have carefully reviewed the Agreement and proposed the following changes to the Board of Directors.

MEMBER CITIES:

Alhambra	Compton	Hawthorne	Lynwood	San Bernardino
Azusa	Covina	Hermosa Beach	Monrovia	San Diego County
Baldwin Park	Downey	Huntington Park	Montebello	San Mateo County
Barstow	Duarte	Indio	Monterey Park	San Fernando
Bell	El Monte	Inglewood	Norwalk	Santa Clarita
Bellflower	Fontana	La Habra	Palmdale	Signal Hill
Brea	Fresno	La Puente	Paramount	South Gate
Carson	Gardena	Lakewood	Pico Rivera	Vernon
Chino	Garden Grove	Lancaster	Pomona	Vista
Claremont	Glendale	Lawndale	Rancho Cucamonga	West Covina
Colton	Glendora	Long Beach	Rialto	Whittier
Commerce	Hawaiian Gardens	Los Angeles	Riverside	Yucaipa

On June 9, 2004 the ICLFA Board of Directors unanimously directed the Program Administrator to distribute the proposed modifications to the Joint Powers Agreement which will strengthen the Authority's operations, enhance attendance at meetings and, in general terms, bring the Authority into sync with its expanded activities.

The exact changes proposed are reflected in the attached strike out/underline version of the Joint Powers Agreement. The reasons for the changes are outlined below:

Article 1

The proposed modification defines Acities@ and Acity councils@ to clarify that public entities other than cities may participate as members and associate members of ICLFA.

Article 6(b)

The proposed modification updates the Joint Powers Agreement in that Joint Powers Authority law requires that the JPA be limited in its exercise of powers in the same manner as one of its member cities. The City of Manhattan Beach terminated its membership several years ago and the City of Indio is not a regular participant in ICLFA activities; therefore, new cities must be named.

Article 7(a)

The proposed modification allows a member city to appoint two alternate Board Members. Hopefully, this will enhance attendance at Board meetings as it has for the Independent Cities Risk Management Authority (ICRMA).

Article 7(c)

The proposed amendment permits Board Members to be compensated. Due to the fact that agenda packets for bond issues are large and complex and thus require considerable review, and it is desirable to have elected officials participate in the governance of ICLFA, it would be appropriate to compensate elected officials who serve as Board Members and Alternate Board Members for the work they do in the furtherance of the ICLFA Board adopted policies and programs. This change does not provide for compensation but allows the members to establish a compensation level in the Bylaws. (The Bylaws, which will become effective upon approval of the modifications to the Joint Powers Agreement, provide that elected Board Members receive \$150 per meeting with an annual maximum of \$600). It is estimated that the cost to ICLFA will be between \$3,300 and \$6,600 per year.

Article 8(a)

The proposed modification acknowledges and clarifies that most ICLFA Board meetings are special meetings and that the Board or President may call same.

Article 9

The proposed modification recognizes that elections may take place at the annual meeting but could also be conducted at special meetings.

Article 12(3)

The proposed modification clarifies that the Auditor audits the books of the Authority and is a Certified Public Accountant. The Treasurer or staff draws warrants and pays demands. (It has been concluded that this section was, in all probability, incorrectly inserted in the Joint Powers Agreement at formation).

Article 13(a)

The proposed modification allows the Authority to adopt multi-year operating budgets.

Article 13(b)

The proposed modification further clarifies and separates [see Article 12(3)] the responsibilities of the Auditor and Treasurer and directs the Treasurer or Program Administrator to perform financial tasks.

Article 16

The proposed modification changes the requirement that two-thirds of the Board Members approve new Members to a simple approval of the Board. ICLFA has never had any issue with adding new members of the Authority.

The proposed modification also eliminates the requirement that ICLFA voting members be members of the Independent Cities Association (ICA). There is no valid reason to require membership in ICA as a condition of ICLFA membership as there is no connection between ICA, which is a 501(c)(3) nonprofit, public benefit corporation, and ICLFA which is a Joint Powers Authority. This requirement was placed in the Joint Powers Agreement at formation to generate revenue for ICA.

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Article 17

The proposed modification further addresses the requirement that ICLFA members are now required to pay dues to the Independent Cities Association. This is not considered a valid requirement and probably would not withstand a legal challenge.

Article 21

The proposed modification further clarifies that the Bylaws are the vehicle in which operating procedures are set forth.

Article 23

The proposed modification specifies that amendments to the Joint Powers Agreement are considered effective when a majority of the members have approved them.

A resolution is attached for your City's adoption. While its form may be changed to accommodate your City, the content as it relates to the proposed amendments may not be changed. Your City has two options: 1) approve all of the amendments as proposed; or 2) not approve the proposed amendments at all.

If you have any questions, please feel free to contact David Smith, ICLFA Program Administrator at (877) 906-0941, or Robert Messinger, the ICLFA General Legal Counsel at (949) 863-3363.

Respectfully,

W. Michael McCormick
President

ds
Attachments

c: Sam Edgerton, Councilman (w/attachments)
Viki Copeland, Finance Director (w/attachments)
Stephen Burrell, City Manager (w/attachments)

JOINT POWERS AGREEMENT

CREATING THE INDEPENDENT CITIES LEASE FINANCE AUTHORITY

This Agreement is executed in the State of California by and among those cities organized and existing under the Constitution of the State of California which are parties signatory to this Agreement. All such cities hereinafter called Members, shall be listed in Appendix A, which shall be attached hereto and made a part hereof.

RECITALS

WHEREAS, Articles 1 and 2, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and

WHEREAS, cities executing this Agreement desire to join together for the purpose of assisting public agencies to finance the acquisition, construction, installation and/or equipping of public capital improvements and to encourage and promote other joint and cooperative endeavors among such public agencies for their mutual benefit;

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1

DEFINITIONS

"Associate Member" shall mean any Local Agency that shall have duly executed and delivered to the Authority an Associate Membership Agreement in the form and as further provided in the Bylaws of the Authority.

"Authority" shall mean the Independent Cities Lease Finance Authority created by this Agreement.

"Board of Directors" or "Board" shall mean the governing body of the Authority.

ACities@ shall include all public agencies that are allowed by law to participate in a Joint Powers Authority.

ACity Council@ shall include the legislative board of the public agencies that are members of the Authority.

"Executive Committee" shall mean the Executive Committee of the Board of Directors of the Authority.

"Fiscal Year" shall mean that period of twelve months which is established by the Board of Directors or the Bylaws as the fiscal year of the Authority.

"Government Code" shall mean the California Government Code, as amended.

"Home Mortgage Financing Program" shall mean a program for financing home mortgages undertaken by the Authority pursuant to the provisions of Part 5 of Division 31 (commencing with Section 52000) of the California Health and Safety Code with respect to those Members or Associate Members that are either a city or a county of the State of California.

"Joint Powers Law" shall mean Articles 1 and 2, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code.

"Member" shall mean any California city which has executed this Agreement and has become a member of the Authority.

"Local Agency" shall have the meaning set forth in Section 6585(f) of the Government Code.

ARTICLE 2

PURPOSES

This Agreement is entered into by the Members in order that they may jointly develop programs to assist in the raising of capital to finance the capital improvement needs of Local Agencies, provide for home mortgage financing with respect to those Members or Associate Members that are either a city or a county of the State of California, provide financing in connection with the improvement, construction, acquisition, creation, rehabilitation and preservation of affordable housing within the boundaries of the Members and Associate Members, and provide financing in accordance with the provisions of applicable law in connection with other projects and programs that are in the public interest and which benefit Members and Associate Members including making loans to tax-exempt organizations from the proceeds of mortgage revenue bonds to finance the acquisition of multi-family rental housing, including mobilehome parks, under the provisions of Chapter 8 of Part 5 of Division 31 (commencing with Section 52100) of the Health and Safety Code (the ANonprofit Financing Law®). This Agreement is also entered into by the Members in order to provide a forum for discussion and study of problems common to the Members and to assist in the development and implementation of solutions to such problems.

ARTICLE 3

PARTIES TO AGREEMENT

Each Member, as a party to this Agreement, certifies that it intends to and does contract with all other Members as parties to this Agreement and, with such other cities as may later be added as parties to this Agreement. Each Member also certifies that the withdrawal of any party from this Agreement pursuant to Article 17 shall not affect this Agreement or the Members' obligations hereunder.

ARTICLE 4

TERM

This Agreement shall become effective when executed and returned to the Authority by at least four Members. The Authority shall promptly notify all Members in writing of such effective date. This Agreement shall continue in effect until terminated as provided herein; provided that the termination of this Agreement with respect to an individual Member upon its withdrawal from membership in the Authority shall not operate to terminate this Agreement with respect to the remaining Members.

ARTICLE 5

CREATION OF THE AUTHORITY

Pursuant to the Joint Powers Law, there is hereby created a public entity separate and apart from the parties hereto, to be known as the "Independent Cities Lease Finance Authority," with such powers as are hereinafter set forth.

ARTICLE 6

POWERS OF THE AUTHORITY

(a) Powers. The Authority shall have all of the powers common to its Members and all additional powers set forth in the Joint Powers Law and other statutes applicable to the joint powers authority created hereby, and is hereby authorized to do all acts necessary for the exercise of said powers. Such powers include, but are not limited to, the following:

- (1) To make and enter into contracts.
- (2) To incur debts, liabilities, and obligations and to encumber real or personal property.
- (3) To acquire, hold, or dispose of real or personal property, contributions and donations of real or personal property, funds, services, and other forms of assistance from persons, firms, corporations, and government entities.
- (4) To sue and be sued in its own name, and to settle any claim against it.
- (5) To receive and use contributions and advances from Members as provided in Government Code Section 6504, including contributions or advances of personnel, equipment or property.
- (6) To invest any money in its treasury that is not required for its immediate necessities, pursuant to Government Code Section 6509.5

(7) To acquire, construct, manage, maintain or operate title to real or personal property or rights or any interest therein.

(8) To employ agents and employees.

(9) To receive, collect and disburse moneys.

(10) To finance the acquisition, construction or installation of real or personal property for the benefit of one or more Local Agencies through the sale of its revenue bonds, certificates of participation or other obligations and to enter into any agreement or instrument in connection with the execution, issuance, sale or delivery of such bonds, certificates of participation or other obligations.

(11) To lease, sell, convey or otherwise transfer title or rights to or an interest in real or personal property, including, but not limited to, property financed by the Authority for the benefit of its Members or other Local Agencies, and to enter into any agreement or instrument in connection with any such lease, sale, conveyance or transfer.

(12) To exercise all powers of entities, such as the Authority, created under the Joint Powers Law including, but not limited to, those powers enumerated under the Marks-Roos Local Bond Pooling Act of 1985, as amended.

(13) To exercise other reasonable and necessary powers in furtherance or support of any purpose of the Authority or power granted by the Joint Powers Law, this Agreement or the Bylaws of the Authority.

(b) Restrictions on Powers. Pursuant to and to the extent required by Government Code Section 6509, the Authority shall be restricted in the exercise of its powers in the same manner as the City of ~~Manhattan Beach Hawthorne~~ is restricted in its exercise of similar powers; provided that, if the City of ~~Manhattan Beach Hawthorne~~ shall cease to be a Member, then the Authority shall be restricted in the exercise of its power in the same manner as the City of ~~Indio~~ Baldwin Park. If the City of Baldwin Park shall cease to be a Member, then the Authority shall be restricted in the exercise of its powers in the same manner as the City of South Gate.

(c) In addition to the other powers provided herein, this Agreement is entered into for the express purpose of the joint exercise of powers under Part 5 of Division 31 (commencing with Section 52000) of the California Health and Safety Code.

ARTICLE 7

BOARD OF DIRECTORS

(a) Composition of Board. The Authority shall be governed by the Board of Directors, which shall be composed of one director representing each Member. The City Council of each Member shall appoint a member of such City Council as a director to represent such Member on the Board of Directors. Such director shall serve at the pleasure of such City Council. The City Council of each Member shall also appoint an

one or two alternate ~~director~~ directors who shall have the authority to attend, participate in and vote at any meeting of the Board when the director is absent. Each alternate director shall be an official or staff person of the Member which such alternate director represents. Any vacancy in a director or alternate director position shall be filled by the appointing Member's City Council, subject to the provisions of this Article. Immediately upon admission of a new Member pursuant to Article 16, such Member shall be entitled and required to appoint a director and one or two alternate ~~director~~ directors.

(b) Termination of Status as Director. A director and/or alternate director shall be removed from the Board of Directors upon the occurrence of any one of the following events: (1) the Authority receives written notice from the appointing Member of the removal of the director or alternate director, together with a certified copy of the resolution of the City Council of the Member effecting such removal; (2) the withdrawal of the Member from this Agreement; (3) the death or resignation of the director or alternate director; (4) the Authority receives written notice from the Member that the director or alternate director is no longer qualified as provided in the first paragraph of this Article.

(c) Compensation. Directors and their alternates are ~~not~~ entitled to compensation as specified in the Bylaws. The Board of Directors may authorize reimbursement of expenses incurred by directors or their alternates.

(d) Powers of Board. The Board of Directors shall have the following powers and functions.

(1) Except as otherwise provided in this Agreement, the Board shall exercise all powers and conduct all business of the Authority, either directly or by delegation to other bodies or persons.

(2) The Board may form an Executive Committee, as provided in Article 10. If an Executive Committee is established by the Board, the Executive Committee may exercise all powers or duties of the Board relating to the execution, issuance, sale or delivery of bonds, certificates of participation or other obligations of the Authority and the entering into by the Authority of all agreements, leases, indentures, conveyances, security documents and other instruments relating thereto or relating to the financing of capital improvements for the Members or other Local Agencies. If an Executive Committee is established by the Board, the Board may delegate to the Executive Committee and the Executive Committee may discharge any additional powers or duties of the Board except adoption of the Authority's annual budget. Any additional powers and duties so delegated shall be specified in a resolution adopted by the Board.

(3) The Board may form, as provided in Article 11, such other committees as it deems appropriate to conduct the business of the Authority or it may delegate such power to the Executive Committee in the Bylaws or by resolution of the Board. The membership of any such other committee may consist in whole or in part of persons who are not members of the Board; provided that the Board and the Executive Committee may delegate decision-making powers and duties only to a committee a majority of the members of which are Board members. Any committee a majority of the members of which are not Board members may function only in an advisory capacity.

(4) The Board shall elect the officers of the Authority and shall appoint or employ necessary staff in accordance with Articles 9 and 12.

(5) The Board shall cause to be prepared, and shall review, modify as necessary, and adopt the annual operating budget of the Authority. Adoption of the budget may not be delegated.

(6) The Board shall receive, review and act upon periodic reports and audits of the funds of the Authority, as required under Articles 13 and 14 of this Agreement.

(7) The Board shall have such other powers and duties as are reasonably necessary to carry out the purposes of the Authority.

ARTICLE 8

MEETINGS OF THE BOARD OF DIRECTORS

(a) Regular Meetings. The Board of Directors shall hold at least one regular meeting each year. The Board of Directors shall fix by resolution or in the Bylaws the date upon which, and the hour and place at which, each regular meeting is to be held. The Board or President may call special meetings.

(b) Ralph M. Brown Act. Each meeting of the Board of Directors, including without limitation regular, adjourned regular, and special meetings shall be called, noticed, held, and conducted in accordance with the Ralph M. Brown Act, Section 54950 et seq. of the Government Code.

(c) Minutes. The Authority shall have minutes of regular, adjourned regular, and special meetings kept by the Secretary. As soon as practicable after each meeting, the Secretary shall forward to each Board member a copy of the minutes of such meeting.

(d) Quorum. A majority of the members of the Board is a quorum for the transaction of business. However, less than a quorum may adjourn from time to time. A vote of the majority of a quorum at a meeting is sufficient to take action.

(e) Voting. Each member of the Board shall have one vote.

ARTICLE 9

OFFICERS

The Board shall elect a President and Vice President from among the directors at its first meeting. Thereafter, except as may be otherwise provided in the Bylaws of the Authority, the Board shall elect a new President and Vice President, ~~at the annual meeting~~ in each succeeding alternating fiscal year. Each officer shall assume the duties of his office

upon election. If either the President or Vice President ceases to be a member of the Board, the resulting vacancy shall be filled at the next ~~regular~~ meeting of the Board held after the vacancy occurs or at a special meeting of the Board called to fill such vacancy. In the absence or inability of the President to act, the Vice President shall act as President. The President shall preside at and conduct all meetings of the Board. The Board may appoint such other officers as it considers necessary.

ARTICLE 10

EXECUTIVE COMMITTEE

The Board may establish an Executive Committee of the Board which shall consist solely of members selected from the membership of the Board. If an Executive Committee is established by the Board, the terms of office of the members of the Executive Committee shall be as provided in the Bylaws of the Authority. If an Executive Committee is established by the Board the Executive Committee shall conduct the business of the Authority between meetings of the Board, exercising all those powers as provided for in Section (d)(2) of Article 7, or as otherwise delegated to it by the Board.

ARTICLE 11

COMMITTEES

The Board may establish committees, as it deems appropriate to conduct the business of the Authority or it may, in the Bylaws or by resolution, delegate such power to the Executive Committee. Members of Committees shall be appointed by the Board or the Executive Committee, as the case may be. Each Committee shall have those duties as determined by the Board or the Executive Committee, as the case may be, or as otherwise set forth in the Bylaws. Each Committee shall meet on the call of its chairperson, and shall report to the Executive Committee and the Board as directed by the Board or the Executive Committee, as the case may be.

ARTICLE 12

STAFF

(a) Principal Staff. The following staff members shall be appointed by and serve at the pleasure of the Board of Directors:

(1) Program Administrator. The Program Administrator shall administer the affairs of the Authority, subject to the general supervision and policy direction of the Board and the Executive Committee; shall coordinate the activities of all consultants and staff of the Authority; shall be responsible for required filings by the Authority with the State of California; shall prepare all meeting notices, minutes and required correspondence of the Authority and shall maintain the records of the Authority; shall assist Local Agencies in the preparing and filing

of applications for participation in the financing programs of the Authority and shall expedite the processing of such applications; and shall perform such other duties as are assigned by the Board and Executive Committee.

(2) Treasurer. The duties of the Treasurer are set forth in Articles 13 and 14 of this Agreement. The Treasurer shall be appointed by the Board of Directors and shall be eligible to serve as Treasurer as provided in the Joint Powers Law.

~~(3) Auditor. The Auditor shall draw warrants to pay demands against the Authority when approved by the Treasurer. The Auditor shall be appointed by the Board of Directors and shall be a person eligible to serve as Auditor as provided in the Joint Powers Law~~ a Certified Public Accountant licensed to practice in the State of California. The Auditor will conduct annual audits of the Authority.

(b) Other Staff. The Board, Executive Committee or Program Administrator shall provide for the appointment of such other staff as may be necessary for the administration of the Authority.

(c) Compensation. The Program Administrator, the Treasurer, the Auditor and any other members of the staff or employees of the Authority shall be compensated in such manner as shall be approved by the Board as permitted by applicable law.

ARTICLE 13

ACCOUNTS AND RECORDS

(a) Annual Budget. The Authority shall ~~annually~~ adopt an operating budget pursuant to Article 7 of this Agreement. The Treasurer, in cooperation with the Program Administrator, shall prepare the annual or multi-year operating budget for review and approval by the Board of Directors as provided in Article 7 of this Agreement.

(b) Funds and Accounts. ~~The Auditor~~ Treasurer of the Authority ~~or the Program Administrator~~ shall establish and maintain such funds and accounts as may be required by good accounting practices and by the Board. Books and records of the Authority in the hands of the ~~Auditor~~ Treasurer or Program Administrator shall be open to inspection at all reasonable times by authorized representatives of the Members.

The Authority shall adhere to the standard of strict accountability for funds set forth in the Joint Powers Law.

(c) Auditor's Report. The Auditor, within one hundred and twenty (120) days after the close of each Fiscal Year, shall give a complete written report of all financial activities for such Fiscal Year to the Board and to each Member.

(d) Annual Audit. If then required by the Joint Powers Law, the Authority shall either make or contract with a certified public accountant to make an annual Fiscal Year

audit of all accounts and records of the Authority, conforming in all respects with the requirements of the Joint Powers Law. A report of the audit shall be filed, if then required by law, as a public record with each of the Members and with the county auditor of the county or counties in which each of the Members is located. Costs of the audit shall be considered a general expense of the Authority.

ARTICLE 14

RESPONSIBILITIES FOR FUNDS AND PROPERTY

(a) Custody of Authority Funds. The Treasurer shall have the custody of and disburse the Authority's funds. Proceeds of bonds, certificates of participation or other similar obligations of the Authority may be deposited with an indenture trustee, agent or other depository and shall not be considered the Authority's funds for purposes of this Article. The Treasurer may delegate disbursing authority to such persons as may be authorized by the Board or the Executive Committee to perform that function, subject to the requirements of (b) below.

(b) Duties of Treasurer. The Treasurer shall perform all functions then required to be performed by the Treasurer under the Joint Powers Law. The Treasurer shall review the financial statements and the annual audit of the Authority.

(c) Authority Property. Pursuant to Government Code Section 6505.1, the Program Administrator, the Treasurer, and such other persons as the Board may designate shall have charge of, handle, and have access to the property of the Authority. The Authority shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in form specified by the Board of Directors, covering all officers and staff of the Authority who are authorized to hold or disburse funds of the Authority and all officers and staff who are authorized to have charge of, handle and have access to property of the Authority.

ARTICLE 15

MEMBER RESPONSIBILITIES

Each Member shall have the following responsibilities.

(a) To appoint its director and alternate director to or remove its director and alternate director from the Board as set forth in Article 7.

(b) To consider proposed amendments to this Agreement as set forth in Article 23.

(c) To make contributions in the form of annual membership assessments and fees, if any, determined by the Board for the purpose of defraying the costs of providing the annual benefits accruing directly to each party from this Agreement.

(d) If a Member shall give written notice to the Authority of its election to relinquish its status as a Member and instead become an Associate Member or if a Member shall fail to be represented at three (3) or more successive meetings of the Board of Directors, then such Member shall be deemed to be an Associate Member upon action of the Board of Directors duly adopted to such effect. Promptly following any such action by the Board of Directors, such Member shall promptly deliver to the Authority an executed Associate Membership Agreement in the form and as further provided in the Bylaws. Such Associate Member status shall not relieve such Member from its obligations under any outstanding agreements relating to the Authority's bonds, certificates of participation or other obligations except in accordance with such agreements.

ARTICLE 16

NEW MEMBERS

With the approval of ~~two-thirds of the members~~ the Board any qualified city may become a party to this Agreement. ~~Membership is restricted to cities which are members of the Independent Cities Association.~~ A city requesting membership shall apply by presenting to the Authority a resolution of the City Council of such city evidencing its approval of this Agreement. The date that the applying city will become a Member will be determined by the Board.

ARTICLE 17

WITHDRAWAL

A Member or an Associate Member may withdraw from membership in the Authority upon thirty (30) days advance written notice to the Authority. ~~A Member must withdraw if it discontinues its membership in the Independent Cities Association.~~ No such withdrawal, however, shall relieve such Member or such Associate Member from its obligations under any outstanding agreements relating to the Authority's bonds, certificates of participation or other obligations except in accordance with such agreements.

ARTICLE 18

OBLIGATIONS OF AUTHORITY

The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of the Members. Any Member may separately contract for, or assume responsibility for, specific debts, liabilities or obligations of the Authority.

ARTICLE 19

TERMINATION AND DISTRIBUTION OF ASSETS

This Agreement may be terminated at any time that no bonds, certificates of participation or other similar obligations of the Authority are outstanding with the approval

of two-thirds of the Members. Upon termination of this Agreement, all assets of the Authority shall, after payment of all unpaid costs, expenses and charges incurred under this Agreement, be distributed among the parties hereto in accordance with the respective contributions of each of said parties.

ARTICLE 20

LIABILITY OF BOARD OF DIRECTORS, OFFICERS AND COMMITTEE MEMBERS

The members of the Board of Directors, officers and committee members of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. They shall not be liable for any mistake of judgment or any other action made, taken or omitted by them in good faith, nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care, nor for loss incurred through investment of Authority funds, or failure to invest.

No director, officer or committee member shall be responsible for any action taken or omitted by any other director, officer or committee member. No director, officer or committee member shall be required to give a bond or other security to guarantee the faithful performance of his or her duties pursuant to this Agreement.

The funds of the Authority shall be used to defend, indemnify and hold harmless the Authority for any director, officer or committee member for their actions taken within the scope of the authority of the Authority. Nothing herein shall limit the right of the Authority to purchase insurance to provide such coverage as hereinafter set forth.

ARTICLE 21

BYLAWS

The Board may adopt Bylaws consistent with this Agreement which shall provide for the administration and management of the Authority. The provisions of the Bylaws, as modified from time to time, shall establish the operating procedures and standards for the Authority.

ARTICLE 22

NOTICES

The Authority shall address notices, billings and other communications to a Member as directed by such Member. Each Member shall provide the Authority with the address to which communications are to be sent. Members shall address notices and other communications to the Authority, at the office address of the Authority as set forth in the Bylaws.

ARTICLE 23

AMENDMENT

This Agreement may be amended at any time by vote of ~~two-thirds~~ of the Members, acting through their City Councils. Any amendment of this Agreement shall become effective upon receipt by the Authority of notice of the approval of such amendment by a majority of the City Councils of ~~two-thirds~~ of the Members.

ARTICLE 24

SEVERABILITY

Should any portion, term, condition, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

ARTICLE 25

PROHIBITION AGAINST ASSIGNMENT

No Member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any Member shall have any right, claim or title to any part, share, interest, fund or asset of the Authority.

ARTICLE 26

AGREEMENT COMPLETE

This Agreement constitutes the full and complete agreement of the parties.

ARTICLE 27

ASSOCIATE MEMBERS

Any city or county within the State of California may, with the approval of the Board of Directors, become an Associate Member of the Authority by executing and delivering to the Authority an Associate Membership Agreement in form and as further provided in the Bylaws. An Associate Member shall not be entitled to representation on the Board of Directors or to vote on any matter coming before the Board of Directors or the Authority. However, an Associate Member shall be entitled to participate in all programs and other undertakings of the Authority, including, without limitation, any Home Mortgage Financing Program, any financing under the Nonprofit Financing Law, any undertaking to finance the acquisition, construction, installation and/or equipping of public capital improvements, and any other financing program.

ARTICLE 28

FILING WITH SECRETARY OF STATE

The Program Administrator of the Authority shall file a notice of this Agreement with the office of the California Secretary of State within thirty (30) days of its effective date, as required by Government Code Section 6503.5 and within seventy (70) days of its effective date as required by Government Code Section 53051.

IN WITNESS WHEREOF, the undersigned party hereto has executed this Agreement on the date indicated below.

DATE: _____

CITY OF _____

By: _____

Its

Seal:

ATTEST:

- Amendment No. 1 - Authorized for distribution to member cities for approval on May 21, 1998
- Amendment No. 2 - Authorized for distribution to member cities for approval on May 21, 1998
- Amendment No. 3 - Authorized for distribution to member cities for approval on October 9, 2002
- Amendment No. 4 - Authorized for distribution to member cities for approval on June 9, 2004

- Amendment No. 1 - Effective upon two-thirds of City Councils of member cities taking official action (August 20, 1998)
- Amendment No. 2 - Effective upon two-thirds of City Councils of member cities taking official action (August 20, 1998)
- Amendment No. 3 - Effective upon two-thirds of City Councils of member cities taking official action (February 27, 2003)

APPENDIX A

MEMBERS

Baldwin Park
Claremont
Compton
Hawthorne
Hermosa Beach
Huntington Park

Indio
Lynwood
San Fernando
South Gate
Vernon

ASSOCIATE MEMBERS

Alhambra
Azusa
Barstow
Bell
Bellflower
Brea
Carson
Chino
Colton
Commerce
Covina
Downey
Duarte
El Monte
Fontana
Fresno
Gardena
Garden Grove
Glendale
Glendora
Hawaiian Gardens
Inglewood
La Habra
La Puente
Lakewood

Lancaster
Lawndale
Long Beach
Los Angeles
Monrovia
Montebello
Monterey Park
Norwalk
Palmdale
Paramount
Pico Rivera
Pomona
Rancho Cucamonga
Rialto
Riverside
San Bernardino
San Diego County
San Mateo County
Santa Clarita
Signal Hill
Vista
West Covina
Whittier
Yucaipa

1 **RESOLUTION NO. 04-**

2 **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF THE CITY OF HERMOSA**
3 **BEACH APPROVING AMENDMENT NO. 4 TO THE JOINT POWERS AGREEMENT**
4 **CREATING THE INDEPENDENT CITIES LEASE FINANCE AUTHORITY AND**
5 **PROVIDING OTHER MATTERS PROPERLY RELATING THERETO**

6 **WHEREAS**, this City together with certain other cities of the State of California
7 (collectively, the “Members”) entered into the Joint Powers Agreement Creating the Independent
8 Cities Lease Finance Authority (as heretofore amended, the “Joint Powers Agreement”),
9 establishing the Independent Cities Lease Finance Authority (the “Authority”) for the purposes of
10 assisting public agencies to finance the acquisition, construction, installation and/or equipping of
11 public capital improvements; the undertaking of home mortgage financing programs with respect
12 to Members and associate members (“Associate Members”) of the Authority; making loans to tax
13 exempt organizations for the for the purchase of bonds to fund the acquisition of multi-family
14 residential housing including mobile home parks; and the encouragement and promotion of other
15 joint and cooperative endeavors among such public agencies for their mutual benefit;

16 **WHEREAS**, it is proposed to amend the Joint Powers Agreement with regard to
17 process/procedures to: 1) clarify that public entities other than cities may participate as members
18 and associate members of the Authority; 2) change the cities that are used to limit the Authority in
19 its exercise of powers; 3) provide that member cities may appoint two alternate Board Members;
20 4) provide for compensation of Board Members; 5) clarify that most Board meetings are special
21 meetings and that the President may call same; 6) clarify that elections of Officers may take place
22 at either annual or special meetings; 7) define the responsibilities of the Auditor; 8) permit the
23 adoption of multi-year budgets; 9) separate the responsibilities of the Auditor and Treasurer; 10)
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1 provide that a majority of the Board may approve new members and eliminates the requirement
2 that cities pay dues to the Independent Cities Association in order to maintain membership in the
3 Authority; 11) further clarify that the Bylaws are the vehicle in which operating procedures are
4 established; and 12) provide that amendments to the Joint Powers Agreement are considered
5 effective when a majority of the members have approved them;

6 **WHEREAS**, the City Council has determined that it is appropriate and in the best
7 interests of the City to approve the proposed amendment to the Joint Powers Agreement;

8 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY**
9 **OF HERMOSA BEACH, CALIFORNIA AS FOLLOWS:**

10 **SECTION 1.** Approval of Amendment No. 4. The City Council hereby approves
11 Amendment No. 4 to the Joint Powers Agreement Creating The Independent Cities Lease Finance
12 Authority in the form presented to this meeting and on file with the City Clerk.
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15 **SECTION 2.** Notice of Approval. The Mayor of the City is hereby directed to give the
16 Authority notice of such approval in accordance with the notice requirements of Article 23 of the
17 Joint Powers Agreement.
18

19 **SECTION 3.** Effective Date. This Resolution shall take effect from and after the date of
20 its passage and adoption.
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23 **PASSED, APPROVED and ADOPTED** this 13th day of July, 2004.
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26 _____
27 **PRESIDENT** of the City Council and **MAYOR** of the City of Hermosa Beach, California
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ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney

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RESOLUTION NO. 04-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH,
CALIFORNIA, REPEALING RESOLUTION NO. 04-6323 AND AMENDING
RESOLUTION NO. 89-5256, NAMING AN ADDITIONAL CITY REPRESENTATIVE TO
THE BOARD OF DIRECTORS OF THE INDEPENDENT CITIES LEASE FINANCE
AUTHORITY**

WHEREAS, the City Council desires to change its representatives to the Independent Cities Lease Finance Authority; and

WHEREAS, the City Council adopted Resolution No. 89-5256 on April 11, 1989, which authorized the execution of the joint powers agreement creating the Authority, approved the City's membership, and appointed a specific Council member as the representative to the Authority; and

WHEREAS, the City Council adopted Resolution No. 04-6323 on January 27, 2004, which repealed Resolution No. 00-6040 (appointing a previous delegate) and amended Resolution No. 89-5256 by deleting Section 4 and replacing it with appropriate wording to appoint Councilmember Pete Tucker as the representative to the Authority; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That Resolution No. 04-6323, appointing Councilmember Pete Tucker as the representative to the Authority, is hereby repealed.

SECTION 2. That Resolution No. 89-5256 is hereby amended by deleting the existing Section 4 and replacing it with the new following Section 4, which reads, "That the City Council hereby appoints Pete Tucker, a member of the Council, to serve as the representative of the City

1 on the Authority's Board of Directors; Viki Copeland, a member of the staff of the City, to serve
2 as an alternative representative of the City on the Authority's Board of Directors; and John
3 Workman, City Treasurer, to serve as an additional alternative representative of the City on the
4 Authority's Board of Directors. Such appointments shall be effective until the death, resignation,
5 disqualification or subsequent removal by the City Council of such representative."
6

7 **SECTION 3.** That this resolution shall be effective immediately upon its passage.

8 **SECTION 2** That the City Clerk shall certify to the adoption of this resolution, and shall
9 cause the action of the City Council in adopting same to be entered in the official minutes of said
10 City Council.
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12 **PASSED, APPROVED and ADOPTED** this 13th day of July, 2004.
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15 _____
PRESIDENT of the City Council and **MAYOR** of the City of Hermosa Beach, California
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17 ATTEST:

APPROVED AS TO FORM:

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20 _____
City Clerk

City Attorney