

DATE: December 8, 2020

SUBJECT:

..Title

RESOLUTION AUTHORIZING A 40-YEAR MUNICIPAL SERVICES AGREEMENT WITH THE CITY OF CHULA VISTA FOR POLICE, FIRE, AND EMERGENCY MEDICAL SERVICES ON NON-AD VALOREM DISTRICT PROPERTY LOCATED IN THE CITY OF CHULA VISTA

..Body

EXECUTIVE SUMMARY:

The District reimburses its five Member Cities for certain services provided on non-taxpaying Tidelands. These agreements are referred to as Municipal Services Agreements (MSAs). The District previously entered into an MSA with the City of Chula Vista for the provision of police, fire, and emergency medical services. This agreement is set to expire on June 30, 2021.

To continue to provide these valuable services to the District, staff has negotiated an MSA which for the first year continues at the currently budgeted rate of \$1,103,646 and which escalates to \$1,136,755 in FY 21/22. This "Baseline Rate" reflects the approximate cost to continue to provide the existing level of services at this time; however, with the anticipated development of the Chula Vista Bayfront, it is likely that the demand for services will increase in the future. To align with the proposed development schedule of the Chula Vista Bayfront, the first Baseline Rate reset would occur in 2022, the second in 2025, and subsequent resets in 2030, 2040, and 2050.

Additionally, as with the existing MSA, the proposed MSA includes a provision for annual adjustments to the Baseline Rate. Based on conversations with the City, the method set forth in the existing MSA does not adequately compensate the City for its costs to provide these services. As a result, staff negotiated a fixed, three percent (3%) annual increase with Baseline Rate resets at the timeframes set forth above. The agreement also includes the ability to defer, interest free, up to five (5) service years' worth of annual three percent (3%) payment increases.

Another item of discussion was the term, which under the existing MSA is nine years. The City requested a longer term coinciding with its commitment to use funds received by the District under the MSA to contribute to debt service on the public financing for the Chula Vista Bayfront project. To that end, staff and the City negotiated a forty (40) year term. To ensure the stability of revenues during the early years of the bond financing, for the first ten years only, the agreement cannot be terminated unless both parties agree. From and after the eleventh year, either party may terminate the MSA upon six (6) months' notice.

Staff and the City have worked closely together to negotiate an MSA to provide more certainty for both the District and the City as well as more accurately reflect the cost of

providing services on tidelands. For the reasons discussed above and as more fully outlined below, staff recommends the Board approve the proposed MSA with the City.

RECOMMENDATION:

..Recommendation

Adopt a resolution authorizing a 40-Year Municipal Services Agreement with the City of Chula Vista for police, fire, and emergency medical services on non-ad valorem District property located in the City of Chula Vista.

..Body

FISCAL IMPACT:

Funds are budgeted in the current FY 20/21 budget. Funds required for future fiscal years will be budgeted for in the appropriate year subject to Board approval upon adoption of each fiscal year's budget.

COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goal(s).

- A Port that the public understands and trusts.
- A Port with a healthy and sustainable bay and its environment.
- A Port that is a safe place to visit, work and play.

DISCUSSION:

The District reimburses its five Member Cities for certain services provided on non-taxpaying tidelands. These agreements are referred to as Municipal Services Agreements (MSAs). In 2012, the Board of Port Commissioners (Board) authorized staff to negotiate an MSA with the City of Chula Vista (City). The MSA was executed for a nine (9) year term expiring June 30, 2021. The value of the MSA at the time was approximately \$943,530 which amount has been escalated per the provisions of the MSA to \$1,103,646 in the current FY 20/21 budget. District and City staff have been in discussions on a new MSA while taking into account the City's commitment to contribute amounts received from the MSA to financing the public debt on the Chula Vista Bayfront.

The rate at which the City is reimbursed for services provided under the MSA is called the "Baseline Rate." Under the proposed MSA, and subject to scheduled resets, the Baseline Rate would be increased by three percent (3%) annually commencing FY 21/22. This is in contrast to the approach in the existing MSA, which provides that the Baseline Rate is adjusted annually depending upon the District's financial performance and is subject to a maximum upward or downward adjustment of four percent (4%) with a tie back to changes in the Consumer Price Index (CPI). Over the current term of the MSA, the annual adjustment has not decreased but rather has grown at a compound annual growth rate of approximately two percent (2%).

According to the City, these annual increases have not kept pace with the increasing expenses associated with providing these services on tidelands. As a result, to more closely align with the actual costs incurred by the City, the City and District staff negotiated a fixed three percent (3%) annual escalator. For FY 21/22, for example, the baseline rate will escalate to \$1,136,755.

Service levels would be revisited periodically during the term of the agreement upon the occurrence of a scheduled Baseline Rate reset. The first Baseline Rate reset would occur in 2022, the second in 2025, and subsequent resets in 2030, 2040, and 2050. This review provides the opportunity for the City to present a request for an increased Baseline Rate, if necessary, to continue to provide services or to offer the District an increase in service levels under the MSA. If the parties can't agree to a new Baseline Rate, then the existing rate and levels of service would stay in place and continue to escalate at three percent (3%) annually. Additionally, if reimbursements to the City failed to adequately cover the costs of providing the negotiated services, the City would have the ability to reduce service levels consistent with the amount of Baseline Rate funding provided under the MSA. Under the proposed MSA, the District may also defer, interest free, up to five (5) years of increases to the Baseline Rate over the term in the event certain unforeseen conditions are met.

In connection with the foregoing and throughout the term of the proposed MSA, the Baseline Rate will have a floor of the initial Baseline Rate as adjusted for the three percent (3%) annual escalations, and in no event are the services being provided to the District to be adjusted to a level so that the value of such services is less than the Baseline Rate then in effect.

Another item of discussion was the term, which under the existing MSA is nine years. The City requested a longer term to better align with its commitment to invest funds received by the District under the MSA to pay debt service on the public financing for the Chula Vista Bayfront project. As a result, staff and the City negotiated a forty (40) year term subject to certain termination provisions. To ensure the stability of revenues during the initial term of the bond financing for the public improvements, for the first ten years only, the MSA cannot be terminated unless both parties mutually agree. From and after the eleventh year, either party may terminate upon six (6) months' notice. The proposed MSA has also been updated to include language consistent with the District's current standard agreements for service providers and also to include an updated indemnity provision that is more appropriate given the nature of the arrangement between the City and the District and the services being provided

Upon the effectiveness of the new MSA, the MSA currently in effect will automatically terminate, provided that each of the City and the District shall remain liable for obligations arising prior to the effectiveness of the new MSA and other specific obligations in the MSAs that survive termination.

To ensure the City continues to provide these valuable services to non-ad valorem District property, staff recommends the Board authorize the MSA with the City.

General Counsel's Comments:

The Office of the General Counsel has reviewed and approved this agenda and the proposed resolution, as presented, as to form and legality.

Environmental Review:

The proposed Board action, including without limitation, a resolution authorizing a 40-year municipal services agreement with the City of Chula Vista, does not constitute a "project" under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Sections 15352 and 15378 because no direct or indirect changes to the physical environment would occur. CEQA requires that the District adequately assess the environmental impacts of projects and reasonably foreseeable activities that may result from projects prior to the approval of the same. Any project developed as a result of the proposed Board action that requires the District or the Board's discretionary approval resulting in a physical change to the environment will be analyzed in accordance with CEQA prior to such approval. CEQA review may result in the District, in its sole and absolute discretion, requiring implementation of mitigation measures, adopting an alternative, including without limitation, a "no project alternative" or adopting a Statement of Overriding Consideration, if required. The proposed Board action in no way limits the exercise of this discretion. Therefore, no further CEQA review is required.

The proposed Board action complies with Sections 21, 31, 35, and 81 of the Port Act, which allow the Board to pass resolutions; contract with cities for services; to do all acts necessary and convenient for the exercise of its powers; and to use funds for expenses of conducting the District. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board action does not allow for "development," as defined in Section 30106 of the California Coastal Act, or "new development," pursuant to Section 1.a. of the District's Coastal Development Permit (CDP) Regulations because it will not result in, without limitation, a physical change, change in use or increase the intensity of uses. Therefore, issuance of a Coastal Development Permit or exclusion is not required. However, development within the District requires processing under the District's CDP Regulations. Future development, as defined in Section 30106 of the Coastal Act, will remain subject to its own independent review pursuant to the District's certified CDP Regulations, PMP, and Chapters 3 and 8 of the Coastal Act. The proposed Board action in no way limits the exercise of the District's discretion under the District's CDP Regulations. Therefore, issuance of a CDP or exclusion is not required at this time.

Equal Opportunity Program:

Not applicable

PREPARED BY:

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Attachment(s):

Attachment A: Proposed 40-Year Municipal Services Agreement (MSA) with the
City of Chula Vista for Police, Fire, and Emergency Services
Attachment B: Existing MSA with the City of Chula Vista expiring June 30, 2021

**AGREEMENT BETWEEN
SAN DIEGO UNIFIED PORT DISTRICT
and
CITY OF CHULA VISTA
for
POLICE, FIRE, AND EMERGENCY MEDICAL SERVICES
AGREEMENT NO.**

The parties to this Agreement are the SAN DIEGO UNIFIED PORT DISTRICT, a public corporation ("District") and THE CITY OF CHULA VISTA, a chartered municipal corporation ("City"). The District and the City may each be referred to herein as a "Party" and together as the "Parties."

RECITALS:

WHEREAS, the San Diego Unified Port District Act allows the District to contract with the municipalities whose territorial limits are adjacent or contiguous to those of the District for police, fire, and other services; and

WHEREAS, the District and the City desire to execute an Agreement for police, fire, and emergency medical services on non-ad valorem tideland trust property located in the City of Chula Vista; and

WHEREAS, the City has the capacity to provide police, fire, and emergency services to said District Property.

NOW THEREFORE, the Parties agree to the following:

1. **SCOPE OF SERVICES.** This Agreement covers reimbursement of the cost of police, fire and emergency medical (EMS) services to be provided by the City upon the District's tidelands and property within the City's limits, which do not generate ad valorem tax revenues, as depicted on Exhibit 1, Non-Tax Paying Tidelands in the City of Chula Vista, incorporated by reference as though fully set forth herein. Those properties include, but are not limited to, non-dedicated

streets, parks and other open space, unleased developed properties, leased properties wherein the lessee is not subject to ad valorem taxes (with the exception of properties leased to the City), and unleased vacant land. Nothing herein contained shall give the City the right to use or occupy any District real or personal property, or to otherwise use the services of the District or its employees. City shall provide police, fire and emergency medical services as contained in the "Scope of Services" established as the baseline service level, attached hereto as Exhibit 2 and incorporated by reference as though fully set forth herein (collectively, the "Services"), as the same may be adjusted in accordance with the terms of this Agreement. Services under this Agreement shall be in furtherance of the San Diego Bay tideland trust for the accommodation of commerce, navigation, fisheries, and recreation on said trust tidelands for the benefit of all of the people of the State of California.

2. **TERM OF AGREEMENT.** The term of this Agreement (the "Term") shall be effective as of July 1, 2020 and shall terminate on June 30, 2060, subject to earlier termination as provided below. For purposes of this Agreement, each year beginning on July 1 and ending on June 30 of the following year shall be referred to herein as a "Service Year."
3. **COMPENSATION.** For performance of Services, District shall compensate City as follows:
 - a. **Baseline Rate for Services Provided.** Commencing on July 1, 2020, District shall pay City \$1,103,646 (the "Initial Baseline Rate") each Service Year for Services until the Initial Baseline Rate is adjusted in accordance with the terms of this Agreement. The Initial Baseline Rate, as adjusted in accordance with the terms of this Agreement, shall be referred to herein as the "Baseline Rate."

- b. Periodic Baseline Rate Resets.** The Baseline Rate shall be subject to adjustment periodically on the following dates (each a “Baseline Reset Date”):

First Baseline Reset	July 1, 2022
Second Baseline Reset	July 1, 2025
Third Baseline Reset	July 1, 2030
Fourth Baseline Reset	July 1, 2040
Fifth Baseline Reset	July 1, 2050

At least six (6) months before a scheduled Baseline Reset Date, City shall send to the District a proposed new Baseline Rate for discussion which shall include reasonable justification and supporting documentation for the new Baseline Rate, as well as a proposed updated Scope of Services (a “Baseline Rate Proposal”). The Baseline Rate Proposal’s updated Scope of Services may include updated costs, updated Service levels, or a combination thereof. After the District receives a Baseline Rate Proposal, the Parties shall use good faith efforts to negotiate the Baseline Rate Proposal and agree upon a new Baseline Rate (which shall include an updated Scope of Services). If the Parties fail to agree on a new Baseline Rate on or prior to a Baseline Reset Date, then the Baseline Rate shall adjust pursuant to Section 3.c below, the Scope of Services then in effect shall continue to be effective, and the Parties shall continue to negotiate in good faith; provided that if the Parties, despite good faith efforts and each Party’s compliance with the terms of this Section 3.b, fail to agree on a new Baseline Rate on or before the date that is twelve (12) months after the District receives a Baseline Rate Proposal, then, subject to the second paragraph of Section 3.c below, the Baseline Rate (as adjusted and subject to further adjustment pursuant to Section 3.c below) and the Scope of Services then in effect shall continue to apply until the next Baseline Rate Proposal is provided in accordance with terms set forth

above. If the Parties agree on a new Baseline Rate on or before the date that is twelve (12) months after the District receives a Baseline Rate Proposal, then (i) in the event that the updated Scope of Services does not result in increased levels of Services as compared to the levels of Services in effect prior to the applicable Baseline Reset Date, then such new Baseline Rate (including the updated Scope of Services) shall become effective as of such Baseline Reset Date, or (ii) in the event that the updated Scope of Services results in increased levels of Services as compared to the levels of Services in effect prior to the applicable Baseline Reset Date, then such new Baseline Rate shall become the new Baseline Rate (including the updated Scope of Services) effective as of the first day of the quarter immediately following the Parties reaching an agreement. Following the establishment of a new Baseline Rate (and updated Scope of Services) pursuant to the previous sentence, the Baseline Rate shall be adjusted thereafter as described in Section 3.c below.

Following the establishment of a new Baseline Rate as set forth in this Section 3.b, the Parties shall execute a letter agreement to amend this Agreement solely in order to document (i) the new Baseline Rate, (ii) the updated Scope of Services, and (iii) the effective date of the new Baseline Rate and updated Scope of Services.

Notwithstanding anything to the contrary stated in this Agreement, in no event shall a Baseline Rate, as adjusted pursuant to the terms of this Section 3.b or Section 3.f below, be less than the Initial Baseline Rate as adjusted for Annual Baseline Increases (as defined in Section 3.c below); provided, however, that in no event (whether pursuant to a Service level adjustment under Section 3.f or otherwise) shall Services be adjusted to a level so that the value of such level of Services is less than the corresponding Baseline Rate then in effect.

- c. **Annual Baseline Rate Increases.** Commencing on July 1, 2021 and on each July 1 thereafter during the Term, the Baseline Rate shall be increased by three percent (3%) (the “Annual Baseline Increase”); provided, however, the procedures and provisions set forth in Section 3.b above shall control with respect to the effective Baseline Rate (or any adjustment thereof) on or following a Baseline Reset Date.

If the City provides the District with reasonable justification in writing that the Baseline Rate (as adjusted pursuant to an Annual Baseline Increase, distinguished from establishing a new Baseline Rate pursuant to Section 3.b above) is insufficient to cover the costs of the Services to be provided pursuant to the then applicable Scope of Services, then the City shall have the right to adjust the level of Services in accordance with the terms of Section 3.f below.

- d. **Events for Deferred Payments and Service Level Adjustments.** The Parties agree that upon the occurrence of certain unforeseeable events, the District may defer certain payments due under this Agreement and/or the District or the City may adjust the level of Services being provided by the City hereunder. Each of the following events (each an “Adjustment Event”) may justify Deferred Payments as provided in Section 3.e below or a level of Service adjustment as provided in Section 3.f below:

- (1) Unanticipated events or needs that would require District budget cuts in the Service Year during which the events or needs occur and/or the Service Year immediately thereafter;
- (2) Acts of God, civil commotions, fire or other casualty, acts of terrorism, pandemics, and/or other force majeure type events beyond the reasonable control of a Party;

- (3) Expenses associated with bad debt, benefit cost increases, pollution remediation costs, judgments, and/or settlement costs;
- (4) Unanticipated costs associated with regulatory requirements and/or legal mandates; or
- (5) A need by District to replenish operating reserves should reserves fall below levels required by the then current policies of the Board of Port Commissioners.

e. Deferred Payments. Following the occurrence of one or more Adjustment Events, the District may defer an amount equal to the Annual Baseline Increase attributable to a given future Service Year or Services Years (*i.e.*, an amount equal to the three percent (3%) increase to the Baseline Rate for the applicable Services Year(s)) by providing the City with written notice no less than sixty (60) days prior to the applicable Service Year (or the initial Service Year if the District is electing to defer an amount attributable to multiple Service Years). Any Adjustment Event may be used as a basis to defer the Annual Baseline Increase due for one or more entire future Service Year(s); provided that in no event over the Term may the District defer the Annual Baseline Increase(s) attributable to more than five (5) Service Years on a cumulative basis. Any amount deferred pursuant to this Section 3.e shall be referred to as a “Deferred Payment”. Any Deferred Payment(s) shall be repaid in the years following the deferral based upon the length of the deferral period. For example, if the District elects, at a given time, to defer the Annual Baseline Increase due for one (1) Service Year, the associated Deferred Payment must be repaid, in equal quarterly installments, during the Service Year following the Service Year to which the Deferred Payment applies and at the same time the District makes or would otherwise be obligated to make payments pursuant to Section 3.g below for such following Service Year; or if the

District elects, at a given time, to defer the Annual Baseline Increases for three (3) Service Years, the associated Deferred Payment must be repaid, in equal quarterly installments, during the three (3) Service Years following the three (3) Service Years to which the Deferred Payment applies and at the same time the District makes or would be obligated to make payments pursuant to Section 3.g below. Subject to the limits set forth above, the District may elect to defer Annual Baseline Increases in accordance with the terms hereof on one or more occasions. No interest shall accrue and be payable with respect to any Deferred Payment. The District's obligation to repay any Deferred Payment in accordance with the terms of this Section 3.e shall survive the expiration or earlier termination of this Agreement.

- f. Service Level Adjustments.** In the case of the District, following the occurrence of one or more Adjustment Events, or in the case of the City, following the occurrence of Adjustment Event (2) or pursuant to Section 3.c above, levels of Services may be reasonably reduced by either the District or the City. Should either Party require a reduction to the level of Services following an Adjustment Event applicable to such Party or, in the case of the City, pursuant to Section 3.c as provided above, then such Party shall notify the other Party of the request, the applicable Services to be reduced, the length of the reduction, and an explanation for the same. Within sixty (60) days of receiving or sending, as applicable, an adjustment request, the City shall provide to District a detailed summary of changes to the level of Services, the duration of such changes, and the associated reduction in cost to the City (an "Adjustment Summary"). Prior to an adjustment in Services becoming effective, an Adjustment Summary shall be subject to the District's prior written approval, such approval not to be unreasonably withheld, conditioned, or delayed. In connection with an Adjustment Summary, if reduced levels of Services will result in a lower cost to City to provide the Services, then amounts owed hereunder by the

District shall be reduced commensurate with the reduced levels of Services. Upon the District's approval of any Adjustment Summary, (i) the corresponding adjustments to the levels of Services and amounts due hereunder shall immediately become effective and (ii) such adjustments and amounts shall be incorporated into a letter agreement to amend this Agreement solely in order to document the adjustments.

- g. Reimbursement Process.** City shall submit written requests for reimbursement to District for equal quarterly payments under this Agreement. Such requests shall include amounts due for the Service Year in question and, if applicable, any Deferred Payment or amounts due pursuant to Section 16 below. Written requests shall be submitted on a quarterly basis, at the end of each fiscal quarter. District agrees to make reimbursement payments to City within thirty (30) days of receipt of a properly prepared request for reimbursement. Failure to make timely demand for payment shall not limit City's right to payment or District's obligation to pay.

4. **RECORDS**

- a. In accordance with generally accepted accounting principles, City shall maintain full and complete records of the cost of Services performed under this Agreement. Such documentation, if reasonably available and prepared and maintained in the regular course of business, may include time cards, contracts, receipts, original invoices, canceled checks, payroll documentation, calls for service records, dispatch records, police and fire budget data, other budget data used to calculate citywide overhead factors, and periodic logs maintained by police and fire staff. Such records shall be open to inspection of District at all reasonable times in the City of Chula Vista and such records shall be kept for at least three (3) years after the expiration or earlier termination of this Agreement.

- b. Such records shall be maintained by City for a period of three (3) years after completion of services to be performed under this Agreement or until all disputes, appeals, litigation or claims arising from this Agreement have been resolved, whichever is later.
- c. City understands and agrees that District, at all times under this Agreement, has the right to review project documents and work in progress and to audit financial or other records, whether or not final, which City or anyone else associated with the work has prepared or which relate to the work which City is performing for District pursuant to this Agreement regardless of whether such records have previously been provided to District. City shall provide District at City's expense a copy of all such records within ten (10) working days of a written request by District, unless the requested records are voluminous in nature, in which case the City shall deliver the requested records as soon as reasonably practicable. District's right shall also include inspection at reasonable times of the City's office or facilities, which are engaged in the performance of services pursuant to this Agreement. City shall, at no cost to District furnish reasonable facilities and assistance for such review and audit. City's failure to provide the records within the time requested shall preclude City from receiving any compensation due under this Agreement until such documents are provided.

5. **CITY'S SUB-CONTRACTORS**

- a. It may be necessary for City to sub-contract for the performance of certain technical services or other services for City to perform and complete the required services; provided, however, the City shall notify the District of all City's sub-contractors providing any services hereunder. The City shall remain responsible to District for any and all services and obligations required under this Agreement, whether performed by City or City's sub-contractors. City shall compensate each City's sub-contractors in the time

periods required by law. Any City's sub-contractors employed by City shall be independent and not agents of District. City shall ensure that City's sub-contractors satisfy all substantive requirements for the work set forth by this Agreement, including insurance and indemnification.

- b. City shall also endeavor to include a clause in its Agreements with City's sub-contractors which reserves the right, during the performance of this Agreement and for a period of three (3) years following termination of this Agreement, for a District representative to audit any cost, compensation or settlement resulting from any items set forth in this Agreement. This clause shall also require City's sub-contractors to retain all necessary records for a period of three (3) years after completion of services to be performed under this Agreement or until all disputes, appeals, litigation or claims arising from this Agreement have been resolved, whichever is later.

6. **COMPLIANCE**

- a. In performance of this Agreement, City and City's sub-contractors shall comply with the California Fair Employment and Housing Act, the American with Disabilities Act, and all other applicable federal, state, and local laws prohibiting discrimination, including without limitation, laws prohibiting discrimination because of age, ancestry, color, creed, denial of family and medical care leave, disability, marital status, medical condition, national origin, race, religion, sex, or sexual orientation. City shall comply with the prevailing wage provisions of the Labor Code and any other prevailing wage laws, and the Political Reform Act provisions of the Government Code, as applicable.
- b. City shall comply with all Federal, State, regional and local laws, and district Ordinances and Regulations applicable to the performance of services under this Agreement as exist now or as may be added or amended.

7. **INDEPENDENT ANALYSIS.** City shall provide the services required by this Agreement and arrive at conclusions with respect to the rendition of information, advice or recommendations, independent of the control and direction of District, other than normal contract monitoring.
8. **ASSIGNMENT.** This is a personal services Agreement between the Parties and neither Party shall not assign or transfer voluntarily or involuntarily any of its rights, duties, or obligations under this Agreement without the express written consent of the other Party hereto.
9. **MUTUAL INDEMNITY**
 - a. To the fullest extent provided by law, City agrees to defend, indemnify and hold harmless the District, its agents, officers, employees, and subcontractors (collectively, the "District Parties"), from and against any claim, demand, action, proceeding, suit, liability, damage, cost (including reasonable attorneys' fees) or expense, including but not limited to, damage to property, the loss or use thereof, or injury or death to any person, including City's officers, agents, subcontractors, employees (collectively "Claims"), caused by, arising out of, or related to the performance of services by the City or its officers, agents, subcontractors, and/or employees (collectively, the "City Parties") as provided for in this Agreement, or failure to act by any of the City Parties. The City's duty to defend, indemnify, and hold harmless shall exclude any Claim to the extent arising from the negligence or willful misconduct of any of the District Parties.
 - b. To the fullest extent permitted by law, District agrees to defend, indemnify, and hold harmless the City Parties from and against any Claims to the extent arising from the negligence or willful misconduct of any of the District Parties.

- c. Each Party further agrees that its respective duty to indemnify and defend as set forth in Sections 9.a. and 9.b above requires that District or City, as applicable, pay all reasonable attorneys' fees and costs the indemnified Party incurs associated with or related to enforcing the applicable indemnification provisions and defending any Claim indemnified pursuant to Section 9.a or 9.b above.
- d. An indemnified Party may, at its own election, conduct its defense, or participate in the defense of any Claim related in any way to this Agreement. If an indemnified Party chooses at its own election to conduct its own defense, participate in its own defense or obtain independent legal counsel in defense of any indemnified Claim pursuant to Section 9.a or 9.b above, the indemnifying Party agrees to pay all reasonable attorneys' fees and all costs incurred by the indemnified Party.
- e. Each of the Party's indemnification obligations set forth in this Section 9 shall survive the expiration or earlier termination of this Agreement.

10. **INSURANCE REQUIREMENTS**

- a. City shall procure and maintain for the duration of the Agreement and for five (5) years thereafter (or, if longer than five (5) years, for the then applicable statute of limitations for bodily injury and property damage claims following the expiration or earlier termination of this Agreement), insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the City, its agents, representatives, employees, or subcontractors. City (and District unless noted to only be applicable to the City) shall at all times during the Term maintain, at its expense, the following minimum levels and types of insurance:

- (1) Commercial General Liability (including, without limitation, Contractual Liability, Personal Injury, Advertising Injury, and Products/Completed Operations) coverages, with coverage at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence Form CG 0001) with limits no less than one million dollars (\$1,000,000) per Occurrence and two million dollars (\$2,000,000) Aggregate for bodily injury, personal injury and property damage.
 - (a) The deductible or self-insured retention on this Commercial General Liability shall not exceed \$5,000 unless District has approved of a higher deductible or self-insured retention in writing.
 - (b) In the case of the City, the Commercial General Liability policy shall be endorsed to include the District; its agents, officers and employees as additional insureds in the form as required by the District. An exemplar endorsement is attached (Exhibit 3, Certificate of Insurance, attached hereto and incorporated herein).
 - (c) The coverage provided to the District, as an additional insured, shall be primary and any insurance or self-insurance maintained by the District shall be excess of the City's insurance and shall not contribute to it.
 - (d) The City's Commercial General Liability policy shall be endorsed to include a waiver of transfer of rights of recovery against the District ("Waiver of Subrogation").
- (2) Commercial Automobile Liability (Owned, Scheduled, Non-Owned, or Hired Automobiles) written at least as broad as Insurance Services Office Form Number CA 0001 with limits of no less than

one million dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.

- (3) In the case of the City, Workers' Compensation, statutory limits, is required of the City and all sub-consultants (or be a qualified self-insured) under the applicable laws and in accordance with "Workers' Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any Acts amendatory thereof. Employer's Liability, in an amount of not less than one million dollars (\$1,000,000) each accident, \$1,000,000 disease policy limit and \$1,000,000 disease each employee. This policy shall be endorsed to include a waiver of subrogation endorsement, where permitted by law.
 - (4) Umbrella or Excess Liability insurance with limits no less than one million dollars (\$1,000,000) per occurrence and aggregate. This policy must provide excess insurance over the same terms and conditions required above for the General Liability, Automobile Liability and Employer's Liability policies.
- b. City shall furnish District with certificates of insurance coverage for all the policies described above upon execution of this Agreement and upon renewal of any of these policies. A Certificate of Insurance in a form acceptable to the District, an exemplar Certificate of Insurance is attached as Exhibit 3 and made a part hereof, evidencing the existence of the necessary insurance policies and endorsements required shall be kept on file with the District. Except in the event of cancellation for non-payment of premium, in which case notice shall be 10 days, all such policies must be endorsed so that the insurer(s) must notify the District in writing at least 30 days in advance of policy cancellation. City shall also provide notice to District prior to cancellation of, or any change in, the stated coverages of insurance.

- c. The Certificate of Insurance must delineate the name of the insurance company affording coverage and the policy number(s) specifically referenced to each type of insurance, either on the face of the certificate or on an attachment thereto. If an addendum setting forth multiple insurance companies or underwriters is attached to the certificate of insurance, the addendum shall indicate the insurance carrier or underwriter who is the lead carrier and the applicable policy number for the CGL coverage.
 - d. Furnishing insurance specified herein by the District will in no way relieve or limit any responsibility or obligation imposed by the Agreement or otherwise on City or City's sub-contractors or any tier of City's sub-contractors. District shall reserve the right to obtain complete copies of any of the insurance policies required herein.
 - e. On each Baseline Reset Date, the insurance policies limits set forth in this Section 10 shall be subject to reasonable increases as determined by District in District's reasonable discretion.
11. **ACCURACY OF SERVICES.** City shall be responsible for the technical accuracy of its services and documents resulting therefrom and District shall not be responsible for discovering deficiencies therein. City shall correct such deficiencies without additional compensation. Furthermore, City expressly agrees to reimburse District for any costs incurred as a result of such deficiencies. City shall make decisions and carry out its responsibilities hereunder in a timely manner and shall bear all costs incident thereto so as not to delay the District, the City or its agents, employees, or subcontractors.
12. **INDEPENDENT CONTRACTOR.** City and any agent or employee of City shall act in an independent capacity and not as officers or employees of District. The District assumes no liability for the City's actions and performance, nor assumes responsibility for taxes, bonds, payments or other commitments, implied or

explicit by or for the City. City shall not have authority to act as an agent on behalf of the District unless specifically authorized to do so in writing and signed by the Executive Director of the District. City acknowledges that it is aware that because it is an independent contractor, District is making no deductions from its fee and is not contributing to any fund on its behalf. City disclaims the right to any fee or benefits except as expressly provided for in this Agreement.

13. **ADVICE OF COUNSEL.** The Parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and that the decision of whether or not to seek the advice of counsel with respect to this Agreement is a decision which is the sole responsibility of each of the Parties hereto. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of the Agreement. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California.
14. **INDEPENDENT REVIEW.** Each Party hereto declares and represents that in entering into this Agreement it has relied and is relying solely upon its own judgment, belief and knowledge of the nature, extent, effect and consequence relating thereto. Each Party further declares and represents that this Agreement is being made without reliance upon any statement or representation not contained herein of any other party, or any representative, agent or attorney of any other party.
15. **INTEGRATION AND MODIFICATION.** This Agreement contains the entire Agreement between the Parties and supersedes all prior negotiations, discussion, obligations and rights of the Parties in respect of each other regarding the subject matter of this Agreement. There is no other written or oral understanding between the Parties. No modifications, amendment or alteration of this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

16. **PRIOR AGREEMENT.** Reference is hereby made to that certain Agreement between the District and the City for Police, Fire and Emergency Medical Services filed in the Office of the District Clerk on April 22, 2013 as Document No. 60299 (as amended or otherwise modified, the “Prior Services Agreement”). As of the mutual execution of this Agreement by the Parties, the Prior Services Agreement shall automatically terminate without the need for additional action by either Party; provided that, notwithstanding the foregoing, any obligations of District or City under the Prior Services Agreement accruing or arising on or prior to such termination, any obligations arising under Section 8 of the Prior Services Agreement, and/or any obligations which by their terms survive such termination, shall remain enforceable by District or City, as applicable.

Notwithstanding the foregoing provisions of this Section 16, the Parties agree that in the first quarterly statement submitted by the City to the District pursuant to Section 3.g above, and for the time period between July 1, 2020 and the effectiveness of this Agreement, the City shall submit for reimbursement an amount equal to (a) the amounts owed for Services between July 1, 2020 and the effectiveness of this Agreement and pursuant to the terms hereof less (b) the amounts paid under the Prior Services Agreement between July 1, 2020 and the effectiveness of this Agreement.

17. **TERMINATION.** In addition to any other rights and remedies allowed by law, this Agreement may be terminated with or without cause by providing written notice to the other Party specifying the date of such termination, which termination date shall be no less than six (6) months after to the date on which the non-terminating Party receives the termination notice. For the first ten (10) years of the Term, the termination must be upon the mutual written agreement of the Parties and from and after the eleventh (11th) year, either Party may terminate in its sole and absolute discretion by providing six months’ advance notice as set forth in the previous sentence.

In that event, all finished or unfinished documents and other materials shall at the option of District be delivered by City to the Don L. Nay Port Administration Building (located at 3165 Pacific Highway, San Diego, California 92101). Termination of this Agreement by Executive Director (President/CEO) as provided in this paragraph shall release District from any further fee or claim hereunder by City other than the fee earned for services which were performed prior to termination but not yet paid.

18. **DISPUTE RESOLUTION**

- a. If a dispute arises out of or relates to this Agreement, or the alleged breach thereof, and is not settled by direct negotiation or such other procedures as may be agreed, and if such dispute is not otherwise time barred, the Parties agree to first try in good faith to settle the dispute amicably by mediation administered at San Diego, California, by the American Arbitration Association, or by such other provider as the Parties may mutually select, prior to initiating any litigation or arbitration. Notice of any such dispute must be filed in writing with the other Party within a reasonable time after the dispute has arisen. Any resultant Agreements shall be documented and may be used as the basis for an amendment or directive as appropriate.
- b. If mediation is unsuccessful in settling all disputes that are not otherwise time barred, and if both Parties agree in their sole and absolute discretion, any still unresolved disputes may be resolved by arbitration administered at San Diego, California, by the American Arbitration Association, or by such other provider as the Parties may mutually select, provided, however, that the Arbitration Award shall be non-binding and advisory only. Any resultant Agreements shall be documented and may be used as the basis for an amendment or directive as appropriate. On demand of the arbitrator or any Party to this Agreement, sub-contractor and all parties bound by this arbitration provision agree to join in and become parties to the arbitration proceeding.

- c. The foregoing mediation and arbitration procedures notwithstanding, all claim filing requirements of the Agreement documents, the California Government Code, and otherwise, shall remain in full force and effect regardless of whether or not such dispute avoidance and resolution procedures have been implemented, and the time periods within which claims are to be filed or presented to the District Clerk as required by said Agreement, Government Code, and otherwise, shall not be waived, extended or tolled thereby. If a claim is not timely filed or presented, such claim shall be time barred and the above dispute avoidance and resolution procedures, whether or not implemented or then pending, shall likewise be time barred as to such claims.
19. **PAYMENT BY DISTRICT.** Payment by the District pursuant to this Agreement does not represent that the District has made a detailed examination, audit, or arithmetic verification of the documentation submitted for payment by the City, made an exhaustive inspection to check the quality or quantity of the services performed by the City, made an examination to ascertain how or for what purpose the City has used money previously paid on account by the District, or constitute a waiver of claims against the City by the District.
20. **CAPTIONS.** The captions by which the paragraphs of this Agreement are identified are for convenience only and shall have no effect upon its interpretation.
21. **EXECUTIVE DIRECTOR'S SIGNATURE.** It is an express condition of this Agreement that said Agreement shall not be complete nor effective until signed by either the Executive Director (President/CEO) or Authorized Designee on behalf of the District and by Authorized Representative of the City.
- a. Submit all correspondence regarding this Agreement to:

President/CEO

Executive Offices
San Diego Unified Port District
P.O. Box 120488
San Diego, CA 92112-0488

- b. The City's Authorized Representative assigned below has the authority to authorize changes to the scope, terms and conditions of this Agreement:

City Manager
City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91910
(619) 409-5818
mkachadoorian@chulavistaca.gov

- c. Written notification to the other Party shall be provided, in advance, of changes in the name or address of the designated Authorized Representative.

- d. Requests for payment by City shall be remitted to:

Finance Department
San Diego Unified Port District
P.O. Box 120488
San Diego, CA 92112-0488

[SIGNATURE PAGE FOLLOWS]

SAN DIEGO UNIFIED PORT DISTRICT

CITY OF CHULA VISTA

Randa Coniglio
President/CEO

Maria Kachadoorian
City Manager

Approved as to form and legality:
GENERAL COUNSEL

Attest:

By: Assistant/Deputy

Kerry Bigelow
City Clerk

Approved as to Form:

Glen R. Googins
City Attorney

A manually signed copy of this Agreement transmitted by email or any other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.



Exhibit 2

STATEMENT OF SERVICES CITY OF CHULA VISTA

Summary of Cost to Provide Police, Fire & Emergency Medical Services

	<u>FY 2012-13</u>
Service	
Police Services	\$ 819,001
Fire & Emergency Medical Services	\$ 124,529
Total All Services	<u><u>\$ 943,530</u></u>

Police Services

	<u>FY 2013</u>
Calls for Service (3-Year Average)	800.67
Average Call Time (Dispatch to Clear, hours)	647.28
Average Report Time (hours)	55.33
Total Call For Service Time (hours)	<u>702.61</u>
Proactive Patrol	
20 min/patrol shift * 3 shifts = 60 min/day (hours)	365.00
Reserve Capacity	
4 Beats @ 24 Hours/Day, 365 Days/Year (hours)	35,040.00
Allocation to Tidelands Factor ^a	4.49%
Reserve Capacity Hours Allocated to Tidelands	<u>1,572.67</u>
Total Beat Officer Time Required (hours)	<u>2,640.28</u>
Officers Required (FTE)	
Available Hours per Officer	1,423.00
Officers to Meet Time Requirement (FTE)	1.86
Annual Cost per Beat Officer ^b	<u>\$ 144,761</u>
Total Officer Costs (1.32 FTE)	<u>\$ 268,595</u>
Support Staff	
Ratio of support staff per officer ^c	1.91
Total Support staff	3.54
Annual Cost per Support Staff ^d	<u>\$ 136,429</u>
Total Support Staff Costs (3.54 FTE)	<u>482,959</u>
Total Officer and Support Staff Cost	<u>\$751,554</u>
Allocation of Citywide Overhead and Building Use Allowance	
Total Beat Officer Salaries ^e	\$ 151,483
Total Support Staff Salaries ^e	<u>259,028</u>
Total Salaries (Overhead Allocation Factor)	410,511
Overhead - Citywide OH @ 15.8% ^f	64,861
Overhead - Building Use Allowance @ 6.3% ^f	<u>2,586</u>
Total Citywide Overhead & Building Use Allowance	<u>67,447</u>
Cost of Police Services	<u><u>\$ 819,001</u></u>

^a See Exhibit B for details.

^b See Exhibit C for details.

^c See Exhibit D for details.

^d See Exhibit E for details.

^e See Exhibit F for details.

^f FY 2011-12 Chula Vista Cost Allocation Plan Fully Burdened Hourly Rates.

Reserve Capacity Tidelands Allocation Factor Calculation

Beat	Total Beat Acreage	Non-Ad Valorem Tidelands Acreage
11	2.2060	0.0322
12	1.7840	0.1761
13	2.6450	0.1116
21	2.0510	0.0699
Total	8.6860	0.3898
% of Beat Acreage Within Non-Ad Valorem Tidelands		4.49%

Reserve Capacity Description

The tidelands are located within four (4) Chula Vista Police beats: 11, 12, 13, and 21. These beats provide primary reserve capacity for incidents on the tidelands, although additional reserves can be pulled from throughout the City in an emergency situation. The reserve capacity has been allocated to the non-ad valorem tidelands properties on an acreage basis (as compared to the total beat acreage).

Annual Cost per Beat Officer

	<u>FY 2013</u>
Personnel Expenditures	
Salaries	\$ 81,643
Hard Holiday Overtime	3,082
Bilingual Pay	715
Shift Pay	1,912
Education Pay	2,450
Officer Uniforms (Cleaning)	300
Flex Benefits / Health	15,441
PERS Retirement	25,319
Medicare	1,306
Retiree Medical Trust	1,200
Worker's Compensation	2,829
Personnel Subtotal	\$ 136,197
Non-Personnel Expenditures	
Training	\$ 283
Vehicles	5,780
Communications Equipment	546
Ammunition	118
Miscellaneous Supplies	1,837
Non-Personnel Subtotal	\$ 8,564
Total Annual Cost per Beat Officer	<u>\$ 144,761</u>

Support Staff Ratio Calculation

<u>Position</u>	<u>Ratio per Patrol Officer</u>	
Lieutenants/Sergeants/Agents	$28/101 =$	0.28
Community Service Officers	$2.5/101 =$	0.02
Dispatchers	$26/101 =$	0.26
Auxiliary Services ^a	$47.5/101 =$	0.47
Investigations	$41/101 =$	0.41
Support Services ^b	$47.5/101 =$	0.47
Support Staff Ratio		1.91

Notes:

- ^a Auxiliary Services includes civilian and sworn staff budgeted in the patrol division, but not providing patrol services. Examples include traffic enforcement, street teams and the JUDGE program. These groups provide direct services to the community, but do not provide beat patrol services.
- ^b Support Services includes staff that supports the employees providing direct community services. Examples include forensic services, training, professional standards, the firing range, and administrative/clerical support.

Annual Support Staff Costs

	<u>FY 2013</u>
<u>Support Staff Personnel Costs</u>	
Police Department (PD) Personnel Services Budget	\$40,676,768
1. Number of Beat Officers	101
2. Annual Cost per Beat Officer ^a	\$ 136,197
3. Total Beat Officer Cost (1. X 2.)	\$13,755,945
4. Number of Canine Officers	5
5. Additional Cost per Canine Officer	\$ 10,518
6. Total Canine Officer Cost (2. X 4. + 5. X 4.)	\$ 733,577
Support Staff Personnel Costs (PD Personnel Budget - 3. - 6.)	\$26,187,246
1. Total PD Positions (FTE)	313.00
2. Number of Beat Officers (FTE)	101.00
3. Number of Canine Officers (FTE)	5.00
Number of Support Staff (1. - 2. - 3.) (FTE)	207.00
Personnel Cost per Support Staff (\$/FTE)	<u>\$ 126,508</u>
<u>Support Staff Non-Personnel Costs</u>	
PD Non-Personnel Budget	\$ 3,286,502
1. Average Non-Personnel Officer Cost ^a	\$ 8,564
2. Number of Beat Officers	101
3. Total Beat Officer Cost (1. X 2.)	864,964
4. Number of Canine Officers	5
5. Total Canine Officer Cost (1. X 4.)	42,820
Support Staff Non-Personnel Cost (PD Non-Personnel - 3. - 5.)	2,378,718
1. Total PD Positions	313.00
2. Number of Beat Officers	101.00
3. Number of Canine Officers	5.00
Number of Support Staff (1. - 2. - 3.)	207.00
Non-Personnel Cost per Support Staff (\$/FTE)	<u>\$ 11,491</u>
<u>Total Annual Support Staff Cost</u>	
Support Staff Direct Costs + Non-Personnel Costs	<u><u>\$ 137,999</u></u>

^a See Exhibit B for details.

Citywide Overhead and Building Use Allowance Allocation Factor

	<u>FY 2013</u>
Total Beat Officer Salaries	
Salary per Beat Officer	\$ 81,643
Beat Officers Required ^a	1.86
Total Beat Officer Salaries	<u>\$ 151,483</u>
Total Support Staff Salaries	
Total Police Department Salaries	\$ 23,697,571
Less Beat Officer Salaries	\$ 8,150,564
Less Canine Officer Salaries	\$ 400,463
Net Support Staff Salaries	<u>\$ 15,146,544</u>
Total Support Staff (FTE)	207.00
Average Salary per Support Staff	\$ 73,172
Support Staff Required ^a	3.54
Total support staff salaries	<u>\$ 259,028</u>
Total Salaries (Overhead Allocation Factor)	<u><u>\$ 410,511</u></u>

Fire & Emergency Medical Services

	Station 1 Total	Fire Companies	Total per Company
Direct Personnel Costs ^a	\$ 3,258,653	2.00	\$ 1,629,326

	Fire Dept Total	Fire Companies	Total per Company
Direct Non-Personnel Costs ^b	\$ 1,922,946	11.00	\$ 174,813
Support Staff Personnel Costs ^c	\$ 3,801,642	11.00	\$ 345,604

Fire Department Costs (FS 1, 1 Company)	FY 2013
Direct Personnel Costs	\$ 1,629,326
Direct Non-Personnel Costs	\$ 174,813
Support Staff Personnel Costs	\$ 345,604
Total Fire Department Costs (FS 1, 1 Company)	\$ 2,149,743

Allocation of Citywide Overhead and Building Use Allowance

Direct Personnel Salaries (FS 1, 2 Companies) ^a	\$ 1,649,352
Direct Personnel Salaries (FS 1, 1 Company)	\$ 824,676
Support Staff Salaries (Department, 11 Companies) ^c	\$ 2,298,393
Support Staff Salaries (1 Company)	\$ 208,945
Total Salaries (1 Company, Overhead Allocation Factor)	\$ 1,033,621
Overhead - Citywide OH @ 15.2%	\$ 157,110
Overhead - Building Use Allowance @ 6.3%	\$ 65,118
Total Citywide Overhead & Building Use Allowance	\$ 222,229

Total Costs (FS 1, 1 Company)	\$ 2,371,972
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Allocation to Non-Ad Valorem Tideland Factor	5.25%
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Cost to Provide Fire & Emergency Services to Non-Ad Valorem Tidelands	\$ 124,529
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^a See Exhibit H for details.

^b FY 2012-13 Adopted Fire Department Operating Budget.

^c See Exhibit I for details.

Direct Personnel Costs

Fire Station 1 (FS 1) Staffing (2 Companies)

	FTEs per Shift	# of Shifts	Total FTEs
Captains	2.00	3.00	6.00
Engineers	2.00	3.00	6.00
Firefighters	3.00	3.00	9.00
Total FS 1 Staffing	7.00	3.00	21.00

Personnel Costs *

	Average Cost per FTE	FTEs	Total Cost, All FTEs
Salaries			
Captains	\$ 93,514	6.00	\$ 561,084
Engineers	79,732	6.00	478,392
Firefighters	67,764	9.00	609,876
Total Salaries		21.00	1,649,352
Overtime	26,079	21.00	547,659
Differentials, Average Cost per FTE			
Bilingual	2,400	3.69	8,856
Education	3,421	17.89	61,202
Total Differentials			70,058
Sick/Vacation/Comp In Lieu			
Sick In Lieu	165	19.55	3,226
Vacation In Lieu	464	19.55	9,071
Comp Time In Lieu	1,140	19.89	22,675
Total Sick/Vacation/Comp In Lieu			34,972
Uniforms, per MOU	200	21.00	4,200
Flex/Insurance			
Captains	14,210	6.00	85,260
Engineers	14,210	6.00	85,260
Firefighters	14,210	9.00	127,890
Total Flex/Insurance		21.00	298,410
PERS			
Captains	31,543	6.00	189,258
Engineers	27,223	6.00	163,338
Firefighters	23,173	9.00	208,557
Total PERS		21.00	561,153
Workers Compensation	2,829	21.00	59,409
Medicare	\$ 2,306,240	Rate 1.45%	\$ 33,440
Total Direct Personnel Costs (2 Companies)			\$ 3,258,659
Total Direct Personnel Costs (1 Company)			\$ 1,629,326

\$

Support Staff Personnel Costs

Classification	# OF FTEs	Salaries	Overtime	Differential	Flex/Ins	PERS	Medicare	Worker Comp	Total
Fire Chief	1.00	\$ 172,456		\$ 5,100	\$ 17,581	\$ 54,417	\$ 2,575	\$ 2,829	\$ 254,958
Deputy Fire Chief	3.00	431,139		13,650	47,469	136,239	6,449	8,487	643,433
Fire Battalion Chief	6.00	698,982	156,474	21,726	85,260	220,932	12,719	16,974	1,213,067
Training Captains	2.00	187,028		37,696	28,420	68,884	3,258	5,658	330,944
Fire Prevention Investigator	1.00	89,464	4,913	10,306	14,210	29,263	1,518	2,829	152,503
Sr Fire Investigator	1.00	86,163	4,913	7,906	14,210	27,514	1,435	2,829	144,970
Fire Investigators	5.00	370,875	24,565	38,509	71,050	118,862	6,292	14,145	644,298
Public Safety Analyst	1.00	70,638			12,905	18,532	1,024	2,829	105,928
Administrative Secretary	1.00	57,116		1,200	12,797	15,303	846	2,829	90,091
Facility & Supply Specialist	1.00	49,137		1,200	12,733	13,213	730	2,829	79,842
Training Secretary	1.00	44,731			12,697	11,744	649	2,829	72,650
Office Specialist	1.00	40,664		1,200	12,665	10,993	607	2,829	68,958
Total	24.00	\$ 2,298,393	\$ 190,865	\$ 138,493	\$ 341,997	\$ 725,896	\$ 38,102	\$ 67,896	\$ 3,801,642

Number of Companies, Citywide 11
Support Staff Personnel Cost, per Company \$ 345,604

EXHIBIT 3 CERTIFICATE OF INSURANCE San Diego Unified Port District

By signing this form, the authorized agent or broker **certifies** the following:

- (1) The Policy or Policies described below have been issued by the noted Insurer(s) [Insurance Company(ies)] to the Insured and is (are) in force at this time.
- (2) As required in the Insured's agreement(s) with the District, the policies include, or have been endorsed to include, the coverages or conditions of coverage **noted on page 2 of this certificate**.
- (3) Signed copies of **all** endorsements issued to effect require coverages or conditions of coverage are attached to this certificate.

Return this form to: **San Diego Unified Port District**
c/o Ebix BPO
P.O. Box 100085 – 185
Duluth, GA 30096 – OR –
Email: portofsandiego@ebix.com
Fax: 1-866-866-6516

Name and Address of Insured (Consultant)	SDUPD Agreement Number: _____ This certificate applies to all operations of named insureds on District property in connection with all agreements between the District and Insured.
--	--

CO LTR	TYPE OF INSURANCE	POLICY NO.	DATES	LIMITS
	Commercial General Liability <input type="checkbox"/> Occurrence Form <input type="checkbox"/> Claims-made Form Retro Date _____ <input type="checkbox"/> Liquor Liability Deductible/SIR: \$ _____		Commencement Date: Expiration Date:	Each Occurrence: \$ _____ General Aggregate: \$ _____
	Commercial Automobile Liability <input type="checkbox"/> All Autos <input type="checkbox"/> Owned Autos <input type="checkbox"/> Non-Owned & Hired Autos		Commencement Date: Expiration Date:	Each Occurrence: \$ _____
	Workers Compensation – Statutory Employer's Liability		Commencement Date: Expiration Date:	E.L. Each Accident \$ _____ E.L. Disease Each Employee \$ _____ E.L. Disease Policy Limit \$ _____
	Police Professional Liability <input type="checkbox"/> Claims Made Retro-Active Date _____		Commencement Date: Expiration Date:	Each Claim \$ _____
	Excess/Umbrella Liability		Commencement Date: Expiration Date:	Each Occurrence: \$ _____ General Aggregate: \$ _____

CO LTR	COMPANIES AFFORDING COVERAGE	A. M. BEST RATING
A		
B		
C		
D		

A. M. Best Financial Ratings of Insurance Companies Affording Coverage Must be A-VII or better unless approved in writing by the District.

Name and Address of Authorized Agent(s) or Broker(s)	E-mail Address:
--	-----------------

Phone:

Fax Number:

Signature of Authorized Agent(s) or Broker(s)

Date:

SAN DIEGO UNIFIED PORT DISTRICT
REQUIRED INSURANCE ENDORSEMENT

<u>ENDORSEMENT NO.</u>	<u>EFFECTIVE DATE</u>	<u>POLICY NO.</u>
NAMED INSURED:		
GENERAL DESCRIPTION OF AGREEMENT(S) AND/OR ACTIVITY(IES): All written agreements, contracts and leases with the San Diego Unified Port District and any and all activities or work performed on district premises		

Notwithstanding any inconsistent statement in the policy to which this endorsement is attached or in any endorsement now or hereafter attached thereto, it is agreed as follows:

1. The San Diego Unified Port District, its officers, agents, and employees are additional insureds in relation to those operations, uses, occupations, acts, and activities described generally above, including activities of the named insured, its officers, agents, employees or invitees, or activities performed on behalf of the named insured.
2. Insurance under the policy(ies) listed on this endorsement is primary and no other insurance or self-insured retention carried by the San Diego Unified Port District will be called upon to contribute to a loss covered by insurance for the named insured.
3. This endorsement shall include a waiver of transfer of rights of recovery against the San Diego Unified Port District ("Waiver of Subrogation").
4. The policy(ies) listed on this endorsement will apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the insurer's liability.
5. As respects the policy(ies) listed on this endorsement, with the exception of cancellation due to nonpayment of premium, thirty (30) days written notice by certified mail, return receipt requested, will be given to the San Diego Unified Port District prior to the effective date of cancellation. In the event of cancellation due to nonpayment of premium, ten (10) days written notice shall be given.

Except as stated above, and not in conflict with this endorsement, nothing contained herein shall be held to waive, alter or extend any of the limits, agreements or exclusions of the policy(ies) to which this endorsement applies.

(NAME OF INSURANCE COMPANY)

(SIGNATURE OF INSURANCE COMPANY AUTHORIZED REPRESENTATIVE)

MAIL THIS ENDORSEMENT AND NOTICES OF CANCELLATION:

San Diego Unified Port District
c/o Ebix BPO
P.O. Box 100085 – 185
Duluth, GA 30096 – OR –
Email to: portofsandiego@ebix.com
Fax: 1-866-866-6516

**AGREEMENT BETWEEN
SAN DIEGO UNIFIED PORT DISTRICT
and
CITY OF CHULA VISTA
for
POLICE, FIRE AND EMERGENCY MEDICAL SERVICES
AGREEMENT NO. 88-2012**

The parties to this Agreement are the SAN DIEGO UNIFIED PORT DISTRICT, a public corporation, herein called "District" and the CITY OF CHULA VISTA; a municipal corporation, herein called "City."

RECITALS:

WHEREAS, the San Diego Unified Port District Act allows the District to contract with the Municipalities whose territorial limits are adjacent to or contiguous to those of the District for police, fire and other services, and;

WHEREAS, the District and the City desire to execute an Agreement for police, fire and emergency medical services on non-ad valorem tideland trust property located in the City ("Agreement"), and;

WHEREAS, the City has the capacity to provide police, fire and emergency medical services to said District property;

NOW, THEREFORE, it is mutually understood and agreed by and between the parties as follows:

1. SCOPE OF SERVICES

- A. This Agreement covers reimbursement of the cost of police, fire and emergency medical (EMS) services to be provided by the City upon the District's tidelands and property within the City's limits, which do not generate ad valorem tax revenues, as depicted in Exhibit A, Non Tax Paying Tidelands in the City of Chula Vista, incorporated by reference as

though fully set forth herein. Those properties include, but are not limited to, non-dedicated streets, parks and other open space, unleased developed properties, leased properties wherein the lessee is not subject to ad valorem taxes (with the exception of properties leased to the City), and unleased vacant land. Nothing herein contained shall give the City the right to use or occupy any District real or personal property, or to otherwise use the services of the District or its employees.

City shall provide police, fire and emergency medical services as contained in the Statement of Services established as the baseline service level, attached hereto as Attachment A and incorporated by reference as though fully set forth herein.

- B. Services under this Agreement shall be in furtherance of the San Diego Bay tideland trust for the accommodation of commerce, navigation, fisheries, and recreation on said trust tidelands for the benefit of all of the people of the State of California.
- C. District may reduce level of service or adjust compensation based on unanticipated events, including but not limited to:
- Unanticipated events/needs that would require District expense budget cuts.
 - Significant bad debt, significant pension cost increases, pollution remediation, significant loss or settlement payment from litigation.
 - Major Maintenance project necessary for preservation of existing revenue stream or prior capital investment.
 - Unforeseen need to comply with current regulatory requirement or legal mandate.
 - District's need to replenish operating reserves when reserves go below the current policy.
- D. Service levels may be adjusted in the event of exogenous shocks as a result of acts of nature and/or catastrophic events (e.g., storms, wildfires, and/or 9/11 type incidents).

- E. District and City shall have the option to re-evaluate service needs every three (3) years, as needed (i.e., substantial changes in service needs from increased activity resulting in negative impact to public safety or mutually determined unsatisfactory service conditions on tidelands, or a significant change in the non-taxpaying tidelands). If the need for re-evaluation is mutually determined by District and City, discussions may start on the third contract year and any decisions made may apply to the fourth contract year.
 - F. Should service levels require adjustment, City shall provide to District a detailed summary of changes to service levels. Upon approval by District, the service level adjustment shall be incorporated as an amendment to the Agreement.
2. **TERM OF AGREEMENT:** This Agreement covers services rendered from July 1, 2012 through June 30, 2021, subject to earlier termination as provided herein.
3. **COMPENSATION:**
- A. In consideration of the foregoing performances by the City, District shall pay City an amount not to exceed the baseline rate **\$943,530.00** for Fiscal Year 12/13 for services contained in the Statement of Services, referenced as Attachment A. Compensation for Fiscal Year 13/14 through Fiscal Year 20/21 shall be calculated on an annual escalation based on San Diego County Consumer Price Index (CPI), except for years when the District's actual percentage increase in operating revenue¹ is less than the CPI. CPI will be based on the index change from the prior calendar year.

¹ The operating revenues used in this formula include certain exclusions, such as pass through revenues, restricted revenues, significant one-time revenue increases or decreases, and any significant unforeseen substantial expenses greater than \$500,000 in the aggregate (e.g., loss or settlement payment from litigation, any unforeseen equipment breakdown like HVAC).

- B. If the District's operating revenue growth is less than the CPI, the compensation shall be adjusted based on the District's financial performance and service level shall be reduced accordingly in collaboration with City.-District shall provide the City the prior fiscal year's revenue growth no later than December 31 of the following fiscal year.

Example: FY13/14 revenue growth will be calculated after the fiscal year has ended on June 30, 2014 and the financial reports are completed. No later than December 2014, the District will provide the compensation adjustment to the City to coincide with the preparation of the city's FY 15/16 budget. The adjustment will be effective for the FY15/16 compensation.

- C. Yearly escalation based on CPI shall not exceed 4%.

Example:

CPI 2012= 4.5%

District's Revenue Growth FY 13/14= 5%

Escalation will be capped at 4%.

- D. If the District's operating revenue growth is negative, adjustment may not be lower than -4%.

Example:

CPI 2012= 3%

District's Revenue Growth FY 13/14 = -6%

Adjustment will be -4%

- E. City shall submit written requests for reimbursement to District for equal quarterly payments under this Agreement. Written requests shall be submitted on a quarterly basis, at the end of each fiscal quarter. District agrees to make reimbursement payments to the City within thirty (30) days of receipt of a properly prepared request for reimbursement.

4. **RECORDS:** In accordance with generally accepted accounting principles, City shall maintain full and complete documentation of the cost of services performed under this Agreement. Such documentation, if reasonably available and prepared and maintained in the regular course of business, may include time cards, contracts, receipts, original invoices, canceled checks, payroll documentation, calls for service records, dispatch records, police and fire budget data, other budget data used to calculate citywide overhead factors, and periodic logs maintained by police and fire staff. Such records shall be open to inspection of District at all reasonable times in the City of Chula Vista and such records shall be maintained in accordance with applicable laws and policies of the State of California and City of Chula Vista related to records retention. Generally, all records set forth herein shall be maintained for at least three (3) years from the date of termination of this Agreement.

If City is notified by District of a dispute, claim, litigation, or appeal arising from this Agreement, City shall maintain applicable and material records for a period of three (3) years after notification of the dispute, claim, litigation, or appeal, or until the dispute, appeal, litigation or claim has been finally resolved or adjudicated, whichever is later.

City understands and agrees that District, at all times under this Agreement, has the right to audit financial or other records, which City has prepared or which relate to the work which City is performing for District pursuant to this Agreement regardless of whether such records have previously been provided to District. City shall provide District at City's expense a copy of all such records within ten (10) working days of a written request by District, unless the requested records are voluminous in nature. In that case, City may extend the time to respond to a request for records, as provided by the California Public Records Act, set forth in the California Government Code, and incorporated herein as controlling authority related to records disclosure. District's right to records shall also include inspection at reasonable times at the City's office or facilities, which are engaged

in the performance of services pursuant to this Agreement. City shall, at no cost to District furnish reasonable facilities and assistance for such review and audit.

5. **COMPLIANCE:** In performance of this Agreement, City shall comply with the California Fair Employment and Housing Act, the American with Disabilities Act, and all other applicable federal, state, and local laws prohibiting discrimination, including without limitation, laws prohibiting discrimination because of age, ancestry, color, creed, denial of family and medical care leave, disability, marital status, medical condition, national origin, race, religion, sex, or sexual orientation. City shall comply with the prevailing wage provisions of the Labor Code, and the Political Reform Act provisions of the Government Code, as applicable. City shall comply with all applicable federal, state and local law, as well as any applicable District codes and policies in effect now.
6. **INDEPENDENT ANALYSIS:** City shall provide the services required by this Agreement, independent of the control and direction of District, other than normal contract monitoring provided, however, City shall possess no authority with respect to any District decision beyond rendition of such information, advice, or recommendations.
7. **ASSIGNMENT:** City shall not assign this Agreement or any right or interest hereunder without express prior written consent of District, nor shall District assign this Agreement or any right or interest hereunder without express prior written consent of City.
8. **MUTUAL INDEMNIFICATION**
 - A. City agrees to defend, indemnify and hold the District harmless against and from any and all damages to property or injuries to or death of any person or persons, including employees or agents of the District, and shall defend, indemnify and hold harmless the District, its officers, agents and employees, from any and all claims, demands, suits, actions or

proceedings of any kind or nature, of or by anyone whomsoever, in any way resulting from or arising out of the negligent or intentional acts, errors or omissions of the City or any of its officers, agents or employees, unless otherwise agreed to in writing by City and District.

- B. District agrees to defend, indemnify and hold the City harmless against and from any and all damages to property or injuries to or death of any person or persons, including employees or agents of the City, and shall defend, indemnify and hold harmless the City, its officers, agents and employees, from any and all claims, demands, suits, actions or proceedings of any kind or nature, of or by anyone whomsoever, in any way resulting from or arising out of the negligent or intentional acts, errors, or omissions of the District or any of its officers, agents or employees, unless otherwise agreed to in writing by District and City.

9. INSURANCE REQUIREMENTS:

- A. City and District shall at all times during the term of this Agreement maintain, at its expense, the following minimum levels and types of insurance:
- (1) Commercial General Liability (including, without limitation, Contractual Liability, Personal Injury, Advertising Injury, and Products/Completed Operations) coverages, with coverage at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence Form CG 0001) with limits no less than one million dollars (\$1,000,000) per Occurrence and two million dollars (\$2,000,000) Aggregate for bodily injury, personal injury and property damage.
- (a) The deductible or self-insured retention on this Commercial General Liability shall not exceed \$5,000 unless District has

approved of a higher deductible or self-insured retention in writing.

- (b) The Commercial General Liability policy shall be endorsed to include the District; its agents, officers and employees as additional insureds in the form as required by the District. An exemplar endorsement is attached (Exhibit B, Certificate of Insurance, attached hereto and incorporated herein).
 - (c) The coverage provided to the District, as an additional insured, shall be primary and any insurance or self-insurance maintained by the District shall be excess of the Service Provider's insurance and shall not contribute to it.
 - (d) The Commercial General Liability policy shall be endorsed to include a waiver of transfer of rights of recovery against the District ("Waiver of Subrogation").
- (2) Commercial Automobile Liability (Owned, Scheduled, Non-Owned, or Hired Automobiles) written at least as broad as Insurance Services Office Form Number CA 0001 with limits of no less than one million dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.
- (3) Workers' Compensation, statutory limits, is required of the Service Provider and all sub-consultants (or be a qualified self-insured) under the applicable laws and in accordance with "Workers' Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any Acts amendatory thereof. Employer's Liability, in an amount of not less than one million dollars (\$1,000,000) each accident, \$1,000,000 disease policy limit and \$1,000,000 disease each employee. This policy shall be

endorsed to include a waiver of subrogation endorsement, where permitted by law.

- (4) Umbrella or Excess Liability insurance with limits no less than one million dollars (\$1,000,000) per occurrence and aggregate. This policy must provide excess insurance over the same terms and conditions required above for the General Liability, Automobile Liability and Employer's Liability policies.

- B. Certificates of insurance coverage for all the policies described above upon execution of this Agreement and upon renewal of any of these policies shall be provided by City and District to the other party. A Certificate of Insurance in a form acceptable to the District, an exemplar Certificate of Insurance is attached as Exhibit B and made a part hereof, evidencing the existence of the necessary insurance policies and endorsements required shall be kept on file with the District. Except in the event of cancellation for non-payment of premium, in which case notice shall be 10 days, all such policies must be endorsed so that the insurer(s) must notify the District in writing at least 30 days in advance of policy cancellation. City shall also provide notice to District prior to cancellation of, or any change in, the stated coverages of insurance.
- C. The Certificate of Insurance must delineate the name of the insurance company affording coverage and the policy number(s) specifically referenced to each type of insurance, either on the face of the certificate or on an attachment thereto. If an addendum setting forth multiple insurance companies or underwriters is attached to the certificate of insurance, the addendum shall indicate the insurance carrier or underwriter who is the lead carrier and the applicable policy number for the CGL coverage.

- D. Furnishing insurance specified herein by the District will in no way relieve or limit any responsibility or obligation imposed by the Agreement or otherwise on City. Each party reserves the right to obtain complete copies of any of the insurance policies required herein.
- 10. INDEPENDENT CONTRACTOR:** City and any agent or employee of City shall act in an independent capacity and not as officers or employees of District. The District assumes no responsibility for taxes, bonds, payments or other commitments, implied or explicit by or for the City. City shall not have authority to act as an agent on behalf of the District unless specifically authorized to do so in writing. City acknowledges that it is aware that because it is an independent contractor, District is making no deductions from its fee and is not contributing to any fund on its behalf. City disclaims the right to any fee or benefits except as expressly provided for in this Agreement.
- 11. ADVICE OF COUNSEL:** The parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and that the decision of whether or not to seek the advice of counsel with respect to this Agreement is a decision which is the sole responsibility of each of the parties hereto. This Agreement shall not be construed in favor of or against either party by reason of the extent to which each party participated in the drafting of the Agreement. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California.
- 12. INDEPENDENT REVIEW:** Each party hereto declares and represents that in entering into this Agreement it has relied and is relying solely upon its own judgment, belief and knowledge of the nature, extent, effect and consequence relating thereto. Each party further declares and represents that this Agreement is being made without reliance upon any statement or representation not

contained herein of any other party, or any representative, agent or attorney of any other party.

13. INTEGRATION AND MODIFICATION: This Agreement contains the entire Agreement between the parties and supersedes all prior negotiations, discussion, obligations and rights of the parties in respect of each other regarding the subject matter of this Agreement. There is no other written or oral understanding between the parties. No modifications, amendment or alteration of this Agreement shall be valid unless it is in writing and signed by the parties hereto.

14. TERMINATION: In addition to any other rights and remedies allowed by law, either party may terminate this Agreement at the end of a service year with or without cause by giving at least six (6) months written notice prior to the start of the next year of service to the other parties of such termination and specifying the effective date thereof.

In that event, all finished or unfinished documents and other materials, in possession of City that are the property of District, at the option of District, shall be delivered by City to the Don L. Nay Port Administration Building (located at 3165 Pacific Highway, San Diego, California 92101). Termination of this Agreement by Executive Director (President/CEO) as provided in this paragraph shall release District from any further fee hereunder by City other than the fees earned for services which were performed prior to termination but not yet paid. Said fee shall be calculated and based on the schedule as provided in this Agreement.

15. DISPUTE RESOLUTION: If a dispute arises out of or relates to this Agreement, or the alleged breach thereof, and is not settled by direct negotiation or such other procedures as may be agreed, and if such dispute is not otherwise time barred, the parties agree to first try in good faith to settle the dispute amicably by

mediation administered at San Diego, California, by the American Arbitration Association, or by such other provider as the parties may mutually select, prior to initiating any litigation or arbitration. Notice of any such dispute must be filed in writing with the other party within a reasonable time after the dispute has arisen. Any resultant Agreements shall be documented and may be used as the basis for an amendment or directive as appropriate.

If mediation is unsuccessful in settling all disputes that are not otherwise time barred, and if both parties agree, any still unresolved disputes may be resolved by arbitration administered at San Diego, California, by the American Arbitration Association, or by such other provider as the parties may mutually select, provided, however, that the Arbitration Award shall be non-binding and advisory only. Any resultant Agreements shall be documented and may be used as the basis for an amendment or directive as appropriate. On demand of the arbitrator or any party to this Agreement, all parties bound by this arbitration provision agree to join in and become parties to the arbitration proceeding.

16. **PAYMENT BY DISTRICT:** Payment by the District pursuant to this Agreement does not represent that the District has made a detailed examination, audit, or arithmetic verification of the documentation submitted for payment by the City, made an exhaustive inspection to check the quality or quantity of the services performed by the City, made an examination to ascertain how or for what purpose the City has used money previously paid on account by the District, or constitute a waiver of claims against the City by the District.
17. **CAPTIONS:** The captions by which the paragraphs of this Agreement are identified are for convenience only and shall have no effect upon its interpretation.
18. **SIGNATURE:** It is an express condition of this Agreement that said Agreement shall not be complete nor effective until signed by the Executive Director

(President/CEO) or Authorized Designee on behalf of the District and by the City Mayor or Authorized Designee of the City.

- A. City shall submit all correspondence regarding this Agreement to the following District representative:

Executive Vice President, Administration
Executive Offices
San Diego Unified Port District
P.O. Box 120488
San Diego, CA 92112-0488


- B. District shall submit all correspondence regarding this Agreement to the following City representative:

Jim Sandoval, City Manager
City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91910
(619) 691-5031


END OF PAGE

- C. Written notification to the other party shall be provided, in advance, of changes in the name or address of the designated representative.

SAN DIEGO UNIFIED PORT DISTRICT

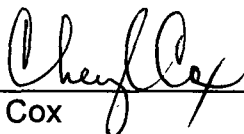

Wayne Darbeau
President/CEO

PORT ATTORNEY

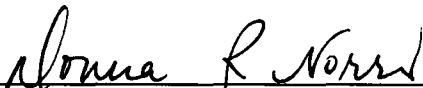


DEPUTY PORT ATTORNEY


CITY OF CHULA VISTA


Cheryl Cox
Mayor

Attest:


Donna R. Norris
City Clerk

Approved as to Form:


City Attorney *Deputy*

ATTACHMENT A
STATEMENT OF SERVICES
CITY OF CHULA VISTA

Summary of Cost to Provide Police, Fire & Emergency Medical Services

<u>FY 2012-13</u>	
Service	
Police Services	\$ 819,001
Fire & Emergency Medical Services	\$ 124,529
Total All Services	\$ 943,530

Police Services

	<u>FY 2013</u>
Calls for Service (3-Year Average)	800.67
Average Call Time (Dispatch to Clear, hours)	647.28
Average Report Time (hours)	55.33
Total Call For Service Time (hours)	<u>702.61</u>
Proactive Patrol	
20 min/patrol shift * 3 shifts = 60 min/day (hours)	365.00
Reserve Capacity	
4 Beats @ 24 Hours/Day, 365 Days/Year (hours)	35,040.00
Allocation to Tidelands Factor ^a	4.49%
Reserve Capacity Hours Allocated to Tidelands	<u>1,572.67</u>
Total Beat Officer Time Required (hours)	2,640.28
Officers Required (FTE)	
Available Hours per Officer	1,423.00
Officers to Meet Time Requirement (FTE)	1.86
Annual Cost per Beat Officer ^b	<u>\$ 144,761</u>
Total Officer Costs (1.32 FTE)	<u>\$ 268,595</u>
Support Staff	
Ratio of support staff per officer ^c	1.91
Total Support staff	3.54
Annual Cost per Support Staff ^d	<u>\$ 136,429</u>
Total Support Staff Costs (3.54 FTE)	<u>482,959</u>
Total Officer and Support Staff Cost	<u>\$751,554</u>
Allocation of Citywide Overhead and Building Use Allowance	
Total Beat Officer Salaries ^e	\$ 151,483
Total Support Staff Salaries ^e	<u>259,028</u>
Total Salaries (Overhead Allocation Factor)	410,511
Overhead - Citywide OH @ 15.8% ^f	64,861
Overhead - Building Use Allowance @ 6.3% ^f	<u>2,586</u>
Total Citywide Overhead & Building Use Allowance	<u>67,447</u>
Cost of Police Services	<u><u>\$ 819,001</u></u>

^a See Exhibit B for details.

^b See Exhibit C for details.

^c See Exhibit D for details.

^d See Exhibit E for details.

^e See Exhibit F for details.

^f FY 2011-12 Chula Vista Cost Allocation Plan Fully Burdened Hourly Rates.

Reserve Capacity Tideland Allocation Factor Calculation

Beat	Total Beat Acreage	Non-Ad Valorem Tidelands Acreage
11	2.2060	0.0322
12	1.7840	0.1761
13	2.6450	0.1116
21	2.0510	0.0699
Total	8.6860	0.3898
% of Beat Acreage Within Non-Ad Valorem Tidelands		4.49%

Reserve Capacity Description

The tidelands are located within four (4) Chula Vista Police beats: 11, 12, 13, and 21. These beats provide primary reserve capacity for incidents on the tidelands, although additional reserves can be pulled from throughout the City in an emergency situation. The reserve capacity has been allocated to the non-ad valorem tidelands properties on an acreage basis (as compared to the total beat acreage).

Annual Cost per Beat Officer

	FY 2013
Personnel Expenditures	
Salaries	\$ 81,643
Hard Holiday Overtime	3,082
Bilingual Pay	715
Shift Pay	1,912
Education Pay	2,450
Officer Uniforms (Cleaning)	300
Flex Benefits / Health	15,441
PERS Retirement	25,319
Medicare	1,306
Retiree Medical Trust	1,200
Worker's Compensation	2,829
Personnel Subtotal	\$ 136,197
Non-Personnel Expenditures	
Training	\$ 283
Vehicles	5,780
Communications Equipment	546
Ammunition	118
Miscellaneous Supplies	1,837
Non-Personnel Subtotal	\$ 8,564
Total Annual Cost per Beat Officer	\$ 144,761

Support Staff Ratio Calculation

<u>Position</u>	<u>Ratio per Patrol Officer</u>	
Lieutenants/Sergeants/Agents	$28/101 =$	0.28
Community Service Officers	$2.5/101 =$	0.02
Dispatchers	$26/101 =$	0.26
Auxiliary Services ^a	$47.5/101 =$	0.47
Investigations	$41/101 =$	0.41
Support Services ^b	$47.5/101 =$	0.47
Support Staff Ratio		1.91

Notes:

- ^a Auxiliary Services includes civilian and sworn staff budgeted in the patrol division, but not providing patrol services. Examples include traffic enforcement, street teams and the JUDGE program. These groups provide direct services to the community, but do not provide beat patrol services.
- ^b Support Services includes staff that supports the employees providing direct community services. Examples include forensic services, training, professional standards, the firing range, and administrative/clerical support.

Annual Support Staff Costs

	<u>FY 2013</u>
<u>Support Staff Personnel Costs</u>	
Police Department (PD) Personnel Services Budget	\$40,676,768
1. Number of Beat Officers	101
2. Annual Cost per Beat Officer ^a	\$ 136,197
3. Total Beat Officer Cost (1. X 2.)	\$13,755,945
4. Number of Canine Officers	5
5. Additional Cost per Canine Officer	\$ 10,518
6. Total Canine Officer Cost (2. X 4. + 5. X 4.)	\$ 733,577
Support Staff Personnel Costs (PD Personnel Budget - 3. - 6.)	\$26,187,246
1. Total PD Positions (FTE)	313.00
2. Number of Beat Officers (FTE)	101.00
3. Number of Canine Officers (FTE)	5.00
Number of Support Staff (1. - 2. - 3.) (FTE)	207.00
Personnel Cost per Support Staff (\$/FTE)	<u>\$ 126,508</u>
<u>Support Staff Non-Personnel Costs</u>	
PD Non-Personnel Budget	\$ 3,286,502
1. Average Non-Personnel Officer Cost ^a	\$ 8,564
2. Number of Beat Officers	101
3. Total Beat Officer Cost (1. X 2.)	864,964
4. Number of Canine Officers	5
5. Total Canine Officer Cost (1. X 4.)	42,820
Support Staff Non-Personnel Cost (PD Non-Personnel - 3. - 5.)	2,378,718
1. Total PD Positions	313.00
2. Number of Beat Officers	101.00
3. Number of Canine Officers	5.00
Number of Support Staff (1. - 2. - 3.)	207.00
Non-Personnel Cost per Support Staff (\$/FTE)	<u>\$ 11,491</u>
<u>Total Annual Support Staff Cost</u>	
Support Staff Direct Costs + Non-Personnel Costs	<u>\$ 137,999</u>

^a See Exhibit B for details.

Citywide Overhead and Building Use Allowance Allocation Factor

	<u>FY 2013</u>
Total Beat Officer Salaries	
Salary per Beat Officer	\$ 81,643
Beat Officers Required ^a	1.86
Total Beat Officer Salaries	<u>\$ 151,483</u>
Total Support Staff Salaries	
Total Police Department Salaries	\$ 23,697,571
Less Beat Officer Salaries	\$ 8,150,564
Less Canine Officer Salaries	\$ 400,463
Net Support Staff Salaries	<u>\$ 15,146,544</u>
Total Support Staff (FTE)	207.00
Average Salary per Support Staff	\$ 73,172
Support Staff Required ^a	3.54
Total support staff salaries	<u>\$ 259,028</u>
Total Salaries (Overhead Allocation Factor)	<u><u>\$ 410,511</u></u>

Fire & Emergency Medical Services

	Station 1 Total	Fire Companies	Total per Company
Direct Personnel Costs ^a	\$ 3,258,653	2.00	\$ 1,629,326

	Fire Dept Total	Fire Companies	Total per Company
Direct Non-Personnel Costs ^b	\$ 1,922,946	11.00	\$ 174,813
Support Staff Personnel Costs ^c	\$ 3,801,642	11.00	\$ 345,604

Fire Department Costs (FS 1, 1 Company)	FY 2013
Direct Personnel Costs	\$ 1,629,326
Direct Non-Personnel Costs	\$ 174,813
Support Staff Personnel Costs	\$ 345,604
Total Fire Department Costs (FS 1, 1 Company)	\$ 2,149,743

Allocation of Citywide Overhead and Building Use Allowance

Direct Personnel Salaries (FS 1, 2 Companies) ^a	\$ 1,649,352
Direct Personnel Salaries (FS 1, 1 Company)	\$ 824,676
Support Staff Salaries (Department, 11 Companies) ^c	\$ 2,298,393
Support Staff Salaries (1 Company)	\$ 208,945
Total Salaries (1 Company, Overhead Allocation Factor)	\$ 1,033,621
Overhead - Citywide OH @ 15.2%	\$ 157,110
Overhead - Building Use Allowance @ 6.3%	\$ 65,118
Total Citywide Overhead & Building Use Allowance	\$ 222,229

Total Costs (FS 1, 1 Company)	\$ 2,371,972
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Allocation to Non-Ad Valorem Tideland Factor	5.25%
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Cost to Provide Fire & Emergency Services to: Non-Ad Valorem Tidelands	\$ 124,529
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^a See Exhibit H for details.

^b FY 2012-13 Adopted Fire Department Operating Budget.

^c See Exhibit I for details.

Direct Personnel Costs

Fire Station 1 (FS 1) Staffing (2 Companies)

	FTEs per Shift	# of Shifts	Total FTEs
Captains	2.00	3.00	6.00
Engineers	2.00	3.00	6.00
Firefighters	3.00	3.00	9.00
Total FS 1 Staffing	7.00	3.00	21.00

Personnel Costs ^a

	Average Cost per FTE	FTEs	Total Cost, All FTEs
Salaries			
Captains	\$ 93,514	6.00	\$ 561,084
Engineers	79,732	6.00	478,392
Firefighters	67,764	9.00	609,876
Total Salaries		21.00	1,649,352
Overtime	26,079	21.00	547,659
Differentials, Average Cost per FTE			
Bilingual	2,400	3.69	8,856
Education	3,421	17.89	61,202
Total Differentials			70,058
Sick/Vacation/Comp In Lieu			
Sick In Lieu	165	19.55	3,226
Vacation In Lieu	464	19.55	9,071
Comp Time In Lieu	1,140	19.89	22,675
Total Sick/Vacation/Comp In Lieu			34,972
Uniforms, per MOU	200	21.00	4,200
Flex/Insurance			
Captains	14,210	6.00	85,260
Engineers	14,210	6.00	85,260
Firefighters	14,210	9.00	127,890
Total Flex/Insurance		21.00	298,410
PERS			
Captains	31,543	6.00	189,258
Engineers	27,223	6.00	163,338
Firefighters	23,173	9.00	208,557
Total PERS		21.00	561,153
Workers Compensation	2,829	21.00	59,409
Medicare	\$ 2,306,240	1.45%	\$ 33,440
Total Direct Personnel Costs (2 Companies)			\$ 3,258,653
Total Direct Personnel Costs (1 Company)			\$ 1,629,326

\$

Support Staff Personnel Costs

Classification	# OF FTEs	Salaries	Overtime	Differential	Flex/Ins	PERS	Medicare	Worker Comp	Total
Fire Chief	1.00	\$ 172,456		\$ 5,100	\$ 17,581	\$ 54,417	\$ 2,575	\$ 2,829	\$ 254,958
Deputy Fire Chief	3.00	431,139		13,650	47,469	136,239	6,449	8,487	\$ 643,433
Fire Battalion Chief	6.00	698,982	156,474	21,726	85,260	220,932	12,719	16,974	\$ 1,213,067
Training Captains	2.00	187,028		37,696	28,420	68,884	3,258	5,658	\$ 330,944
Fire Prevention Investigator	1.00	89,464	4,913	10,306	14,210	29,263	1,518	2,829	\$ 152,503
Sr Fire Investigator	1.00	86,163	4,913	7,906	14,210	27,514	1,435	2,829	\$ 144,970
Fire Investigators	5.00	370,875	24,565	38,509	71,050	118,862	6,292	14,145	\$ 644,298
Public Safety Analyst	1.00	70,638			12,905	18,532	1,024	2,829	\$ 105,928
Administrative Secretary	1.00	57,116		1,200	12,797	15,303	846	2,829	\$ 90,091
Facility & Supply Specialist	1.00	49,137		1,200	12,733	13,213	730	2,829	\$ 79,842
Training Secretary	1.00	44,731			12,697	11,744	649	2,829	\$ 72,650
Office Specialist	1.00	40,664		1,200	12,665	10,993	607	2,829	\$ 68,958
Total	24.00	\$ 2,298,393	\$ 190,865	\$ 138,493	\$ 341,997	\$ 725,896	\$ 38,102	\$ 67,896	\$ 3,801,642

Number of Companies, Citywide 11
Support Staff Personnel Cost, per Company \$ 345,604

EXHIBIT A **Non Tax Paying Tidelands in the** **City of Chula Vista**

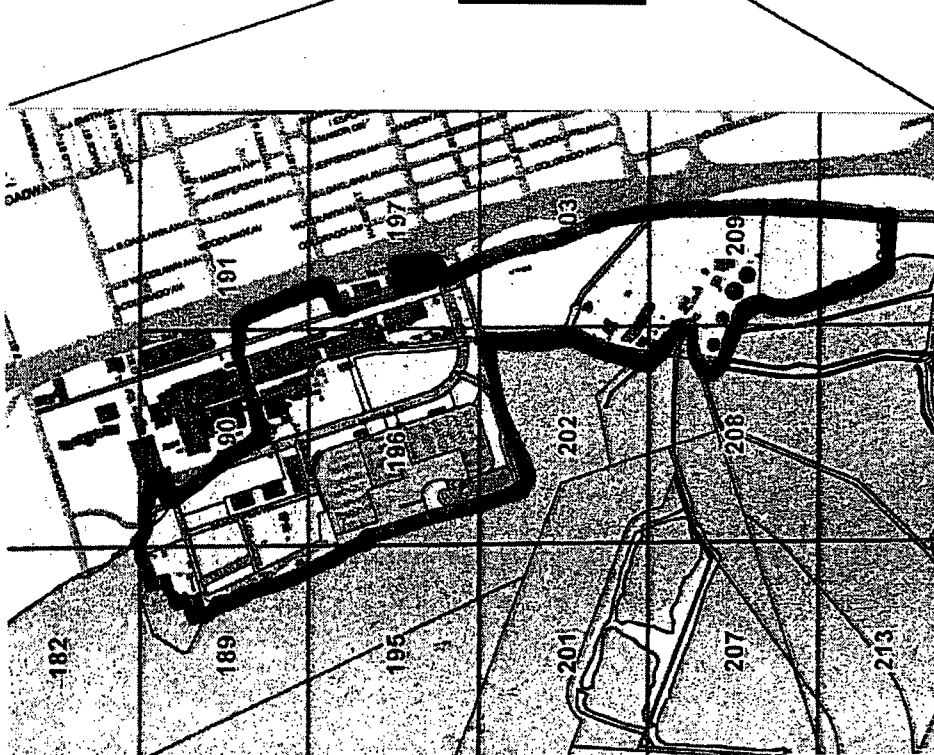
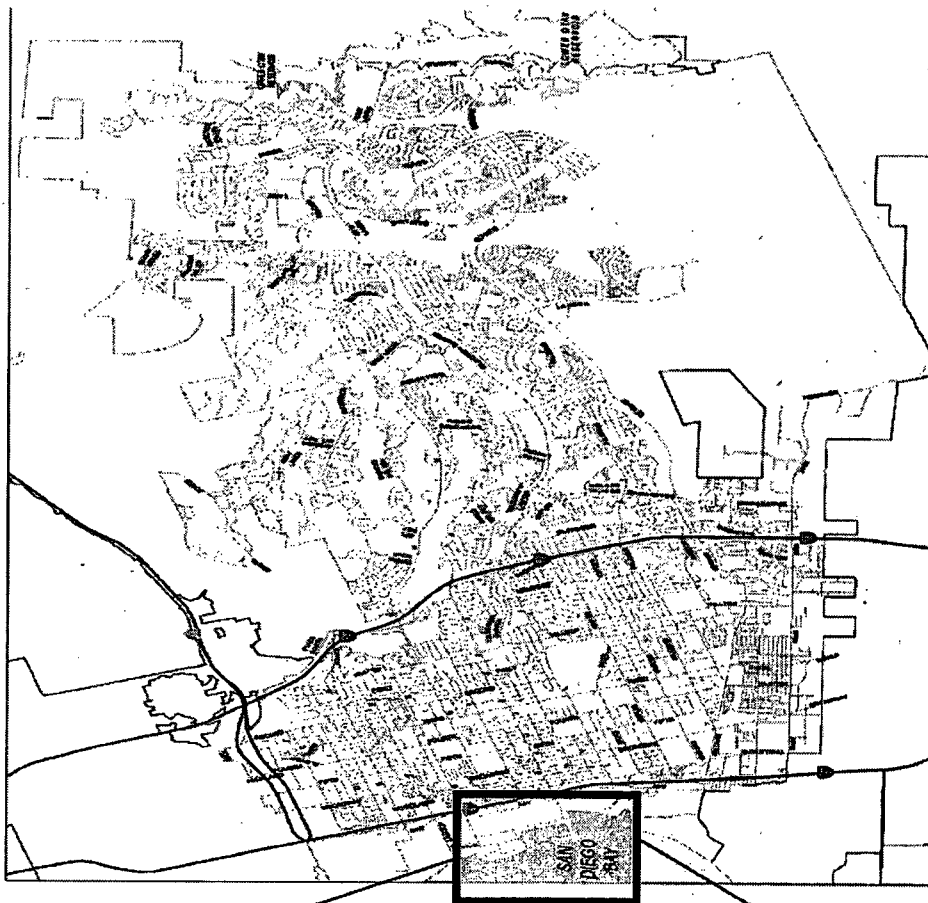


EXHIBIT B **CERTIFICATE OF INSURANCE** **San Diego Unified Port District**

By signing this form, the authorized agent or broker **certifies** the following:

- (1) The Policy or Policies described below have been issued by the noted Insurer(s) [Insurance Company(ies)] to the Insured and is (are) in force at this time.
- (2) As required in the Insured's Agreement(s) with the District, the policies include, or have been endorsed to include, the coverages or conditions of coverage noted on page 2 of this certificate.
- (3) Signed copies of **all** endorsements issued to effect require coverages or conditions of coverage are attached to this certificate.

Return this form to: San Diego Unified Port District
c/o Ebix BPO
P.O. Box 12010-03
Hemet, CA 92546 – OR-
E-mail: sdupd@prod.certificatesnow.com –OR-
Fax: 1-866-866-6516

Name and Address of Insured (Contractor or Vendor)			SDUPD Agreement Number _____ This certificate applies to all operations of named insureds property in connection with all Agreements between the District and Insured.	
CO LTR	TYPE OF INSURANCE	POLICY NO.	DATES	LIMITS
	<u>Commercial General Liability</u> <input type="checkbox"/> Occurrence Form <input type="checkbox"/> Claims-made Form Retro Date _____ <input type="checkbox"/> Liquor Liability Deductible/SIR: \$ _____		Commencement Date: _____ Expiration Date: _____	Each Occurrence: _____ \$ _____ General Aggregate: _____ \$ _____
	Commercial Automobile Liability <input type="checkbox"/> All Autos <input type="checkbox"/> Owned Autos <input type="checkbox"/> Non-Owned & Hired Autos		Commencement Date: _____ Expiration Date: _____	Each Occurrence: _____ \$ _____
	Workers Compensation – Statutory Employer's Liability		Commencement Date: _____ Expiration Date: _____	E.L. Each Accident \$ _____ E.L. Disease Each Employee \$ _____ E.L. Disease Policy Limit \$ _____
	Professional Liability <input type="checkbox"/> Claims Made Retro-Active Date _____		Commencement Date: _____ Expiration Date: _____	Each Claim _____ \$ _____
	Excess/Umbrella Liability		Commencement Date: _____ Expiration Date: _____	Each Occurrence: \$ _____ General Aggregate: \$ _____
CO LTR	COMPANIES AFFORDING COVERAGE		BEST'S RATING	
A				
B				
C				
D				
A. M. Best Financial Ratings of Insurance Companies Affording Coverage Must be A- VII or Better unless Approved in Writing by the District.				
Name and Address of Authorized Agent(s) or Broker(s)			E-Mail Address:	
			Phone: _____ Fax Number: _____	
			Signature of Authorized Agent(s) or Broker(s)	
			Date: _____	

**SAN DIEGO UNIFIED PORT DISTRICT
REQUIRED INSURANCE ENDORSEMENT**

<u>ENDORSEMENT NO.</u>	<u>EFFECTIVE DATE</u>	<u>POLICY NO.</u>
NAMED INSURED:		
GENERAL DESCRIPTION OF AGREEMENT(S) AND/OR ACTIVITY(IES): All written Agreements, contracts and leases with the San Diego Unified Port District and/or any and all activities or work performed on district premises		

All written Agreements, contracts, and leases with the San Diego Unified Port District and/or any and all activities or work performed on District owned premises.

Notwithstanding any inconsistent statement in the policy to which this endorsement is attached or in any endorsement now or hereafter attached thereto, it is agreed as follows:

1. The San Diego Unified Port District, its officers, agents, and employees are additional insureds in relation to those operations, uses, occupations, acts, and activities described generally above, including activities of the named insured, its officers, agents, employees or invitees, or activities performed on behalf of the named insured.
2. Insurance under the policy(ies) listed on this endorsement is primary and no other insurance or self-insured retention carried by the San Diego Unified Port District will be called upon to contribute to a loss covered by insurance for the named insured.
3. This endorsement shall include a waiver of transfer of rights of recovery against the San Diego Unified Port District ("Waiver of Subrogation").
4. The policy(ies) listed on this endorsement will apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the insurer's liability.
5. As respects the policy(ies) listed on this endorsement, with the exception of cancellation due to nonpayment of premium, thirty (30) days written notice by certified mail, return receipt requested, will be given to the San Diego Unified Port District prior to the effective date of cancellation. In the event of cancellation due to nonpayment of premium, ten (10) days written notice shall be given.

Except as stated above, and not in conflict with this endorsement, nothing contained herein shall be held to waive, alter or extend any of the limits, Agreements or exclusions of the policy(ies) to which this endorsement applies.

(NAME OF INSURANCE COMPANY)

(SIGNATURE OF INSURANCE COMPANY AUTHORIZED REPRESENTATIVE)

MAIL THIS ENDORSEMENT AND NOTICES OF CANCELLATION TO:

**San Diego Unified Port District
c/o Ebix BPO
P.O. Box 12010-03
Hemet, CA 92546
San Diego, CA 92168-1639 – OR –
Email to: sdupd@prod.certificatesnow.com – OR –
Fax: 1-866-866-6516**

**SAN DIEGO UNIFIED PORT DISTRICT
REQUIRED INSURANCE ENDORSEMENT**

<u>ENDORSEMENT NO.</u>	<u>EFFECTIVE DATE</u>	<u>POLICY NO.</u>
NAMED INSURED:		
GENERAL DESCRIPTION OF AGREEMENT(S) AND/OR ACTIVITY(IES): All written Agreements, contracts and leases with the San Diego Unified Port District and/or any and all activities or work performed on district premises		

All written Agreements, contracts, and leases with the San Diego Unified Port District and/or any and all activities or work performed on District owned premises.

Notwithstanding any inconsistent statement in the policy to which this endorsement is attached or in any endorsement now or hereafter attached thereto, it is agreed as follows:

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(NAME OF INSURANCE COMPANY)

(SIGNATURE OF INSURANCE COMPANY AUTHORIZED REPRESENTATIVE)

MAIL THIS ENDORSEMENT AND NOTICES OF CANCELLATION TO:

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Fax: 1-866-866-6516

DRAFT**RESOLUTION 20xx-xxx****RESOLUTION AUTHORIZING A 40-YEAR
MUNICIPAL SERVICES AGREEMENT WITH THE
CITY OF CHULA VISTA FOR POLICE, FIRE, AND
EMERGENCY MEDICAL SERVICES ON NON-AD
VALOREM DISTRICT PROPERTY LOCATED IN
THE CITY OF CHULA VISTA**

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the legislature in 1962 pursuant to Harbors and Navigation Code Appendix 1, (Port Act); and

WHEREAS, Section 21 of the Port Act authorizes the Board of Port Commissioners (BPC) to pass all necessary ordinances and resolutions for the regulation of the District; and

WHEREAS, the District reimburses its five Member Cities for certain services provided on non-taxpaying Tidelands; and

WHEREAS, these agreements are referred to as Municipal Services Agreements (MSAs); and

WHEREAS, the District entered into an MSA with the City of Chula Vista for the provision of police, fire, and emergency medical services; and

WHEREAS, the current MSA is scheduled to expire on June 30, 2021; and

WHEREAS, to continue to provide these valuable services to the District and as a replacement to the existing MSA, staff has negotiated a new proposed MSA which for FY 20/21 continues at the currently budgeted baseline rate of \$1,103,646 and which escalates to \$1,136,755 in FY 21/22; and

WHEREAS, this rate reflects the approximate cost to continue to provide the existing level of services at this time; however, with the anticipated development of the Chula Vista Bayfront, it is likely that the demand for services will increase in the future; and

WHEREAS, to align with the proposed development schedule of the Chula Vista Bayfront, the first baseline reset would occur in 2022, the second in 2025, and subsequent resets in 2030, 2040, and 2050; and

20xx-xxx

WHEREAS, as with the existing MSA, this proposed MSA includes a provision for annual adjustments to the baseline rate; and

WHEREAS, based on conversations with the City, the previous method does not adequately compensate the City for its costs to provide these services; and

WHEREAS, as a result, staff negotiated a fixed, three percent (3%) annual increase to the baseline rate with the aforementioned baseline reset dates to review service levels and rates; and

WHEREAS, the proposed MSA also allows the District the ability to defer up an amount equal to five (5) service years' worth of the annual three percent (3%) payment increases; and

WHEREAS, the term under the existing MSA is nine (9) years; and

WHEREAS, the City requested a longer term coinciding with its commitment to use funds received by the District under the MSA to contribute to debt service on the public financing for the Chula Vista Bayfront; and

WHEREAS, to that end, staff and the City negotiated a forty (40) year term in the proposed MSA; and

WHEREAS, to ensure the stability of revenues during the early years of the bond financing for the Chula Vista Bayfront, for the first ten (10) years only, the proposed MSA cannot be terminated unless both parties agree; and

WHEREAS, from and after the eleventh year, either party may terminate the proposed MSA upon six (6) months' notice; and

WHEREAS, staff and the City have worked closely together to negotiate an MSA to provide more certainty for both the District and the City as well as more accurately reflect the cost of providing services on tidelands; and

WHEREAS, upon the effectiveness of the proposed MSA, the existing MSA will automatically terminate, provided that each of the City and the District shall remain liable for obligations arising prior to the effectiveness of the proposed MSA and other specific obligations in the existing MSA that survive termination; and

WHEREAS, staff recommends the Board approve the proposed MSA with the City.

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District that the Executive Director,

20xx-xxx

or her designee, is hereby authorized on behalf of the San Diego Unified Port District to enter into a 40-Year Municipal Services Agreement with the City of Chula Vista for police, fire, and emergency medical services on non-ad valorem District property located in the City of Chula Vista.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 8th day of December 2020, by the following vote: