



## CITY OF COMMERCE AGENDA REPORT

**TO:** Honorable City Council

**Item No.** \_\_\_\_\_

**FROM:** City Administrator

**SUBJECT:** ADOPTION OF RESOLUTION APPROVING THE ADDENDUM AGREEMENT TO THE CALIFORNIA CITIES FOR SELF-RELIANCE JOINT POWERS AUTHORITY TO ADMIT THE CITY OF GARDENA AS A TRADE MEMBER

**MEETING DATE:** November 20, 2018

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### **RECOMMENDATION:**

Approve the Resolution approving the Addendum Agreement to the California Cities for Self-Reliance Joint Powers Authority to admit the City of Gardena as a Trade Member.

### **BACKGROUND:**

The California Cities for Self-Reliance Joint Powers Authority ("California Cities JPA") was formed through a Joint Powers Agreement adopted by the City Councils of the Cities of Bell Gardens, Commerce, Gardena and Hawaiian Gardens on July 11, 2000. Its mission is to advocate for issues on behalf of the City of Commerce, the Commerce Casino and like cities in Los Angeles County.

Subsequently, the Cities of Compton and Inglewood were admitted as members in 2006. The City of Cudahy was admitted as a member in 2016. The City of Gardena withdrew as a member in 2015.

The City of Gardena has reconsidered its decision to withdraw from the membership of the California Cities JPA. On October 9, 2018, the City Council of Gardena elected to become a member by adopting the attached Addendum as required by the Joint Powers Agreement. [See attached Resolution and Addendum].

Now the Board of Directors of the California Cities JPA, the JPA members and the City of Commerce must decide whether to admit the City of Gardena as a JPA member. Currently the Bureau of Gambling Control is considering potential changes to 21/Blackjack like games and the adoption of regulations related to the dealer-player position. These actions contemplated by the Bureau of Gambling Control have the potential of significantly impacting the operation of card club causing a decrease in revenues. A decrease in card club revenues will lead to a decrease in revenues received by the cities. Such a decrease will force cities to make difficult decisions to decrease their workforce and decrease and/or

eliminate certain city services. In the face of the potential devastating impacts faced by card club cities, City staff believes the position of the card club cities, including the City of Commerce, will be strengthened by additional cities advocating on behalf of the card clubs to operate as they have already been legally authorized to operate by the Bureau of Gambling Control. The Board of Directors of the California Cities JPA recently voted to readmit the City of Gardena as a full voting member.

To that end, it is City staff's belief that Gardena's inclusion as part of the California Cities JPA's membership ranks will benefit the City and the members of the JPA. The attached Addendum will admit the City of Gardena as a full voting member to the California Cities for Self Reliance Joint Powers Authority upon its adoption by the remaining members of the California Cities JPA including the City of Commerce.

The provisions of the Addendum are summarized as follows:

- A. The recitals set forth the historical and operative facts pertaining to the formation and existence of the California Cities JPA and those related to the admission of the City of Gardena.
- B. Paragraph 3 provides for the admission of the City of Gardena as a Trade Member by the current members of the California Cities JPA and grants the City of Gardena the right to appoint one of its Council Members to serve on the Board of Directors of the California Cities JPA with the right to participate and vote on all matters before the Board of Directors.
- C. Paragraph 4 commits the City of Gardena to be bound by the terms and conditions of the Fourth Restated and Amended Joint Powers Agreement and the Bylaws of the California Cities JPA including the obligation to appoint a City Council Member and alternative to attend the meetings of the Board of Directors of the California Cities JPA and to pay its annual contribution in the sum established by the Board of Directors.

#### **ALTERNATIVES:**

- 1. Approve the resolution;
- 2. Provide staff with further direction.

#### **FISCAL IMPACT:**

This activity may be carried out without additional impact on the current operating budget.

Prepared by: Lena Shumway, Director of Administrative Services and City Clerk

Reviewed by: Vilko Domic, Finance Director

Approved as to Form: Noel Tapia, City Attorney

Respectfully submitted: Edgar P. Cisneros, City Administrator

Attachment:

- 1) Resolution

## 2) JPA Addendum