



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt Resolution Authorizing the City Manager to Sign a Lease Agreement with Lodi Health for Operation of Camp Hutchins Day Care Program

MEETING DATE: March 20, 2013

PREPARED BY: Parks, Recreation and Cultural Services Director

RECOMMENDED ACTION: Adopt resolution authorizing the City Manager to sign a lease agreement with Lodi Health for operation of the Camp Hutchins Children's Day Care Program at Hutchins Street Square.

BACKGROUND INFORMATION: The City leases a portion of Hutchins Street Square to Lodi Health to operate a child care facility, known as Camp Hutchins, since 1998. The most recent lease agreement, in which Lodi Health paid \$1 a year for Camp Hutchins and the Adult Day Care Center, expired on August 1, 2012.

The City Council directed staff on December 19, 2012 to negotiate new lease terms with Lodi Health to reduce the City's subsidy of the private daycare program. Although Lodi Health initially indicated it would cease the program, it recently notified City staff it had reversed course. The attached agreement fulfills the Council's goals. Lodi Health will pay \$2,250 a month rent, \$200 a month for water and sewer use, and will continue paying \$338 a month for electricity and garbage service as it has since September 2012. Lodi Health will be responsible for all interior maintenance, repairs and janitorial services. The City is responsible for maintaining exterior areas.

The agreement is for one year with two automatic one-year extensions if neither party gives 30 days' notice to cancel the extension. The agreement may also be canceled by either party with 90 days' notice.

FISCAL IMPACT: Total annual revenue of \$33,456 to the Parks, Recreation and Cultural Services Department.

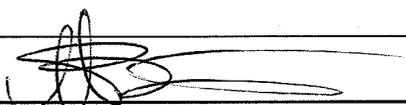
FUNDING AVAILABLE: Not applicable.



Jeff Hood
Director
Parks, Recreation and Cultural Services Department

Attachments: Agreement

cc: City Attorney

APPROVED: 

Konradt Bartlam, City Manager

AGREEMENT – Camp Hutchins

THIS AGREEMENT, entered into by and between the CITY OF LODI, a municipal corporation ("City"), and LODI MEMORIAL HOSPITAL ASSOCIATION, INC. ("Hospital").

WHEREAS, the Hospital and the City have a history of partnering with the operation of Camp Hutchins at Hutchins Street Square, formally located at 125 South Hutchins Str., Lodi, Calif. 95240;

WHEREAS, Hospital and the City have previously entered into Agreements whereby Hospital leased from City the western portion of the remodeled multi-purpose building at Hutchins Street Square, for Camp Hutchins use.

WHEREAS, the purpose of this Agreement is to continue these relationships through a contract that will run for one (1) year from the date established in this Agreement with the option of two (2) one-year (1) extensions.

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. The purpose of this Agreement is to provide a children's day care on a year-round basis at the Hutchins Street Square facility.
2. The City of Lodi will lease to Lodi Memorial Hospital for the sum of TWO THOUSAND TWO-HUNDRED FIFTY DOLLARS (\$2,250.00) per month, payable by the tenth day of each month, for the facilities and spaces described as follows:

Camp Hutchins

The western portion of the remodeled multi-purpose building at Hutchins Street Square, as more particularly shown on the floor plan attached hereto and made a part of this Agreement by reference.

3. The term of this Agreement shall be for a period of one (1) year commencing July 1, 2013 and expiring on June 30, 2014. This Agreement may be terminated with or without cause by either party by providing not less than ninety (90) days advance written notice to the other party. This Agreement will extend automatically for two successive one year periods if neither party gives notice of intent to terminate thirty (30) days prior to the then current expiration date.
4. Hospital agrees to provide, within the limits imposed by licensing/regulatory agencies, child care program services to all persons meeting the criteria for participation, regardless of race, color, religion, sexual orientation, marital status, national origin, ancestry, age, residency or any other criteria prohibited by law.
5. Hospital shall provide all necessary and customary equipment, furniture, and staff to provide care for a maximum of fifty-six (56) children in Camp Hutchins.
6. Hospital shall be responsible for publicity and marketing of the program.
7. The leased premises (as described in paragraph 2) will not be available to the City "after hours" or on weekends for outside rental.
8. City shall provide all customary and usual maintenance of the exterior building and grounds.
9. Hospital shall be responsible for all janitorial and cleaning services, and repairs and maintenance of the interior of the space described in paragraph 2. To assure notification of necessary repairs of the leased space, Hospital shall notify City for all interior repairs that exceed five hundred dollars (\$500.00) per occurrence.
10. Hospital shall pay the City THREE HUNDRED THIRTY-EIGHT DOLLARS (\$338.00) per month, due and payable by the tenth day of the month, for electricity and garbage expense. The

electricity and garbage rates are subject to annual adjustment by The City of Lodi in the event of a rate change or in the event of increased demand by Hospital. The garbage pickup adjustments shall be based on one-half the cost of weekly pickup of a 4-cubic yard container.

11. Hospital shall pay the City TWO HUNDRED DOLLARS (\$200.00) per month, due and payable by the tenth day of each month, for water and sewer expense. The water and sewer rates are subject to annual adjustment by the City of Lodi in the event of a rate change or in the event of increased demand by Hospital.
12. City shall be obligated only to provide the necessary space and exterior maintenance as described within this Agreement. All other expenses of operation of the child care program shall be the responsibility of Hospital.
13. Hospital agrees to operate the Camp Hutchins program on a not-for-profit basis. Charges or fees for such services shall be adjusted with the intent to make such charges or fees reflect the actual cost of operation and overhead of the facility.
14. INDEMNITY: Hospital agrees to indemnify and hold harmless City and its officers, agents and employees from and against all claims of whatever nature arising from any act, omission, or negligence of Hospital or Hospital's contractors, licensees, agents, servants, or employees, or arising from any accident, injury, or damage whatsoever caused any person, or to the property of any person, occurring during the term hereof, in or about the demised premises where such accident, damage, or injury, including death, results, or is claimed in whole or in part to have resulted, from any act or omission on the part of Hospital or Hospital's agents or employees. This indemnity and hold harmless agreement shall include indemnity against all costs and expenses, including attorney's fees incurred in or in connection with any such claim or proceeding brought thereon and the defense thereof.
15. GENERAL LIABILITY AND PROPERTY DAMAGE INSURANCE: Hospital agrees to maintain in full force during the term hereof a policy of general liability insurance under which Hospital is named as insured, and containing an additional named insured endorsement naming City, its elected and appointed boards, commissions, officers, agents, employees and volunteers as additional insured, and under which the insurer agrees to indemnify and hold Hospital and City harmless from and against all costs, expenses, and liability arising out of, or based upon, any and all property damage, or damages for personal injuries, including death, sustained in accidents occurring in or about the premises, where such accident, damage, or injury, including death, results, or is claimed to have resulted, from any act or omission on the part of Hospital, or Hospital's agents or employees. The minimum limits of such insurance shall be \$5,000,000 (five million dollars). In addition to the additional named insured endorsement on Hospital's policy of insurance, said insurance policy shall be endorsed to include the following language:

"Insurance as is afforded by the endorsement for additional insured shall apply as primary insurance. Any other insurance maintained by the City of Lodi or its officers and employees shall be excess only and not contributing with the coinsurance afforded by this endorsement."
16. A duplicate or certificate of said public liability and property damage insurance policy containing the above-stated required endorsement shall be delivered to City within ten (10) days after the issuance and each renewal of said policy.
17. Hospital shall take out and maintain during the term of this Agreement, Worker's Compensation Insurance for all of the Hospital's employees employed to perform work in the programs described herein. A waiver of subrogation for workers compensation is required.
18. In the event of a cessation of operation or abandonment of the child care program by Hospital for a period exceeding thirty (30) days, City may, in its sole discretion, deem this Agreement null and void.

19. Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight deliver, postage prepaid, or in three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

City shall be: City Manager
P.O. Box 3006
Lodi, CA 95241-1910

With a copy to: Community Center Director
Hutchins Street Square
125 S. Hutchins Street
Lodi, CA 95240

Hospital shall be: Lodi Memorial Hospital
Hospital Administrator
975 South Fairmont Ave
Lodi, CA 95240

20. This Agreement shall be construed in accordance with the laws of the State of California.

21. If any term of this Agreement is found to be void or invalid, such invalidity shall not affect the remaining terms of this Agreement, which shall continue in full force and effect.

22. This Agreement constitutes the entire understanding and agreement between the parties hereto. There shall be no modifications without the written consent of both parties.

Executed this ____ day of _____, 2013 at Lodi, San Joaquin County, California.

CITY OF LODI, a municipal corporation

LODI MEMORIAL HOSPITAL

KONRADT BARTLAM
City Manager

JOSEPH HARRINGTON
President and CEO

ATTEST:

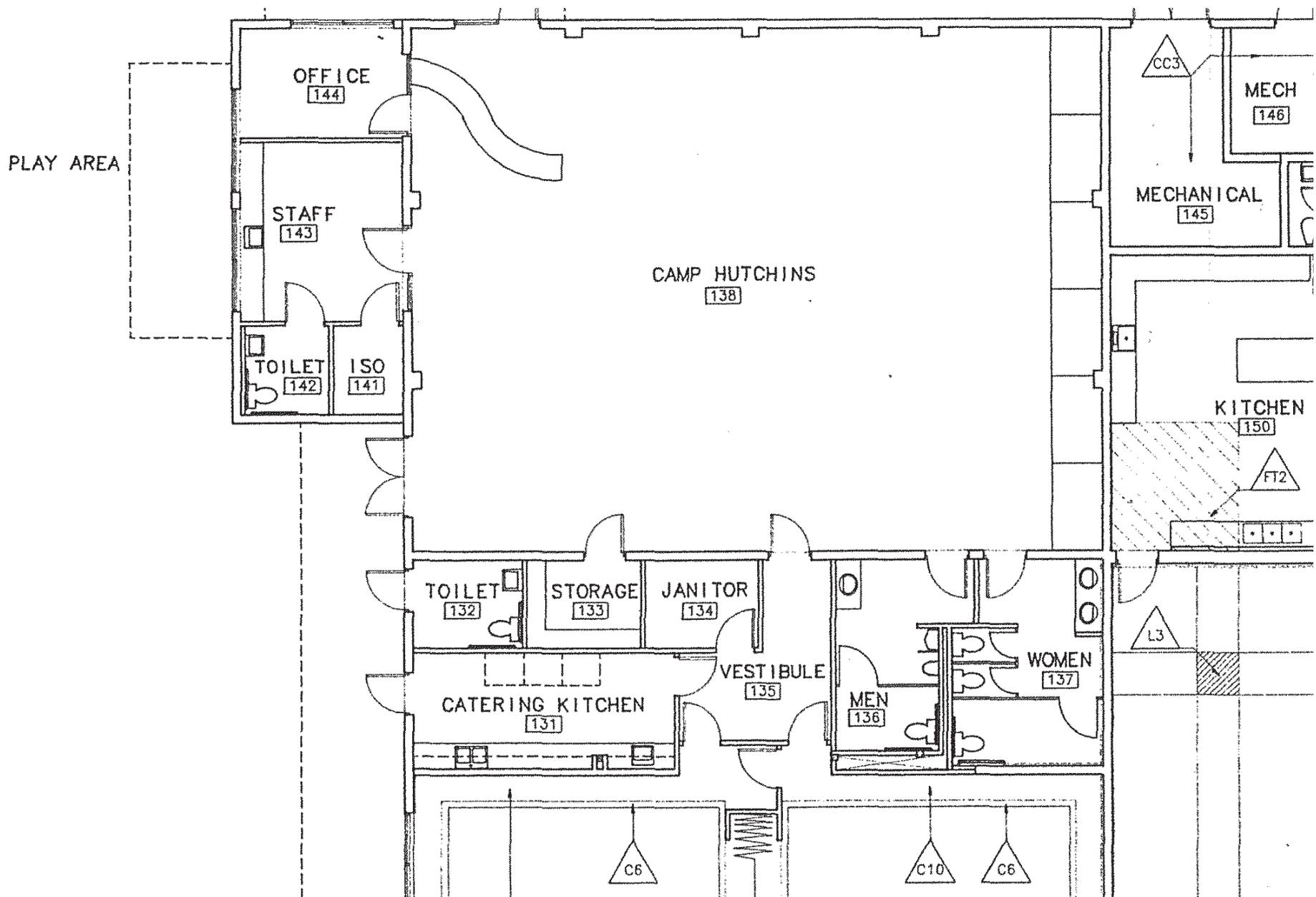
RANDI JOHL
City Clerk

Dated: _____

APPROVED AS TO FORM:
D. STEPHEN SCHWABAUER
CITY ATTORNEY

By: JANICE D. MAGDICH
Deputy City Attorney





RESOLUTION NO. 2013-44

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO EXECUTE LEASE
AGREEMENT WITH LODI HEALTH FOR OPERATION OF
CAMP HUTCHINS DAY CARE PROGRAM

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WHEREAS, the City has leased a portion of Hutchins Street Square to Lodi Health to operate a child care facility, known as Camp Hutchins, since 1998; and

WHEREAS, the most recent lease agreement, in which Lodi Health paid \$1 a year for Camp Hutchins and the Adult Day Care Center, expired on August 1, 2012; and

WHEREAS, the City Council directed staff on December 19, 2012, to negotiate new lease terms with Lodi Health to reduce the City's subsidy of the private daycare program; and

WHEREAS, although Lodi Health initially indicated it would cease the program, it recently notified City staff it had reversed course; and

WHEREAS, Lodi Health will pay \$2,250 a month rent, \$200 a month for water and sewer use, and will continue paying \$338 a month for electricity and garbage service as it has since September 2012; and

WHEREAS, Lodi Health will be responsible for all interior maintenance, repairs, and janitorial services, and the City of Lodi is responsible for maintaining exterior areas; and

WHEREAS, the agreement is for one year with two automatic one-year extensions if neither party gives 30 days' notice to cancel the extension. The agreement may also be canceled by either party with 90 days' notice.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute the lease agreement with Lodi Health for operation of Camp Hutchins Day Care program.

Dated: March 20, 2013

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I hereby certify that Resolution No. 2013-44 was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 20, 2013, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Johnson, Katzakian, Mounce, and Mayor Nakanishi

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



RANDI JOHL
City Clerk