

RESOLUTION NO. 14-74

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, APPROVING TRACTION SEAL PROGRAM FISCAL YEAR 14-15 BUDGET AND AUTHORIZING THE CITY MANAGER TO SET PRICES, CHARGES AND TERMS OF SALE OF EXCESS ASPHALY SUPPLY WITHIN APPROVED PRICE RANGES

WHEREAS, The City of Lancaster (the “City) owns certain real property located within its own jurisdictional boundaries (the “Property”) that is improved with facilities, equipment and machinery (“Plant”) necessary in order to manufacture asphalt rubber binder coatings (“Asphalt”) based upon certain core technologies that the City has licensed from Ecostar Science & Technology, Inc (“Ecostar”) pursuant to the terms of that certain “Manufacturing License and Sales Agreement” dated as of June 6, 2014. The City may produce a quantity of Asphalt at the Property that exceeds the City’s own needs and that the City does not need for its own purposes (the “Excess Asphalt Supply”); and

WHEREAS, Section 304 of the City’s Charter provides that “[t]he City shall have the power to engage in any enterprise deemed necessary to produce revenues for the general fund or any other fund established by the City Council to promote a public purpose”; and

WHEREAS, The City has determined that it is in its best interest to manufacture Asphalt at the Property for its own use and sell such excess product as may be produced by the Plant on the open market in order to offset the costs of construction of the Plant and to produce revenue for the general fund; and

WHEREAS, The City desires to adopt a budget for the traction seal program.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF LANCASTER DOES HEREBY RESOLVE, DETERMINE AND FIND AS FOLLOWS;

Section 1. That the foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. That the City Manager is hereby authorized to establish and implement all prices, charges (including, without limitation, shipping charges), and terms governing the sale of excess asphalt supply generated at the Plant; provided, however that the City Manager may only establish a sales prices between \$1.80 and \$2.80 per gallon without prior City Council approval.

Section 3. That the City Council hereby adopts the Fiscal Year 14-15 budget for the Traction Seal Program attached hereto as Exhibit “A”.

Section 4. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED, and ADOPTED this _____ day of _____, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

BRITT AVRIT, CMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES }ss
CITY OF LANCASTER }

CERTIFICATION OF RESOLUTION
CITY COUNCIL

I, _____,
City of Lancaster, CA do hereby certify that this is a true and correct copy of the original
Resolution No. 14-74, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____
day of _____, _____.

(seal)

EXHIBIT A

Draft Budget - Traction Seal Program
Period October 2014 - June 2015

Account #	Description	Amount
101-3550100	Traction Seal Revenue	<u>\$ 525,000.00</u>
101-4306410	Traction Seal Materials	\$242,500.00
101-4306301	Professional Services	<u>\$140,000.00</u>
	Cost of production	<u>\$382,500.00</u>
	Net Revenue	<u><u>\$142,500.00</u></u>