AGENDA
EL SEGUNDO CITY COUNCIL
COUNCIL CHAMBERS - 350 Main Street

The City Council, with certain statutory exceptions, can only take action upon properly posted and listed agenda items. Any writings or documents given to a majority of the City Council regarding any matter on this agenda that the City received after issuing the agenda packet are available for public inspection in the City Clerk’s office during normal business hours. Such Documents may also be posted on the City’s website at www.elsegundo.org and additional copies will be available at the City Council meeting.

Unless otherwise noted in the Agenda, the Public can only comment on City-related business that is within the jurisdiction of the City Council and/or items listed on the Agenda during the Public Communications portions of the Meeting. Additionally, the Public can comment on any Public Hearing item on the Agenda during the Public Hearing portion of such item. The time limit for comments is five (5) minutes per person.

Before speaking to the City Council, please come to the podium and state: Your name and residence and the organization you represent, if desired. Please respect the time limits.

Members of the Public may place items on the Agenda by submitting a Written Request to the City Clerk or City Manager’s Office at least six days prior to the City Council Meeting (by 2:00 p.m. the prior Tuesday). The request must include a brief general description of the business to be transacted or discussed at the meeting. Playing of video tapes or use of visual aids may be permitted during meetings if they are submitted to the City Clerk two (2) working days prior to the meeting and they do not exceed five (5) minutes in length.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact City Clerk, 524-2305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, NOVEMBER 03, 2015 – 5:00 PM

5:00 P.M. SESSION

CALL TO ORDER

ROLL CALL

PUBLIC COMMUNICATION – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have received value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of $250.

SPECIAL ORDER OF BUSINESS:

CLOSED SESSION:
The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for the purposes of conferring with the City's Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City’s Labor Negotiators; as follows:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov’t Code §54956.9(d)(1): -2- matter

1. City of El Segundo vs. City of Los Angeles, et.al. LASC Case No. BS094279
2. Penuelas vs. City of El Segundo, LASC Case No. BC523072

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code §54956.9(d)(2): -1- matter.


DISCUSSION OF PERSONNEL MATTERS (Gov’t Code §54957): -0- matter

APPOINTMENT OF PUBLIC EMPLOYEE (Gov’t. Code § 54957): -0- matter

PUBLIC EMPLOYMENT (Gov’t Code § 54957) -0- matter
CONFERENCE WITH CITY'S LABOR NEGOTIATOR (Gov't Code §54957.6): -8-matters

1. Employee Organizations: Police Management Association; Police Officers Association; Police Support Services Employees Association; Fire Fighters Association; Supervisory and Professional Employees Association; City Employees Association; Executive Management Group (Unrepresented Group); Management/Confidential Group (Unrepresented Group)

Agency Designated Representative: Steve Filarsky and City Manager

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov’t Code §54956.8): -0-matters
AGENDA
EL SEGUNDO CITY COUNCIL
COUNCIL CHAMBERS - 350 Main Street

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REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, NOVEMBER 03, 2015 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER

INVOCATION – Pastor Wes Harding, The Bridge

PLEDGE OF ALLEGIANCE – Council Member Dugan
PRESENTATIONS

a)  Proclamation – Annual Spark of Love program November 16, 2015 through December 17, 2015.


ROLL CALL

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have received value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of $250. While all comments are welcome, the Brown Act does not allow Council to take action on any item not on the agenda. The Council will respond to comments after Public Communications is closed.

CITY COUNCIL COMMENTS – (Related to Public Communications)

A.  PROCEDURAL MOTIONS

Consideration of a motion to read all ordinances and resolutions on the Agenda by title only.

Recommendation – Approval.

B.  SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

1. Consideration and possible action to modify Condition No. 5L in Resolution No. 4415 and Ordinance No. 1382, as amended by Resolution No. 4542 and Ordinance No. 1417, regarding fencing requirements for the Plaza El Segundo and The Point development project. Applicant: Street Retail Inc. (Fiscal Impact: None)

Recommendation – 1) Open the Public Hearing; 2) Discussion; 3) Adopt a Resolution approving Environmental Assessment No. EA-1122 to modify Condition No. 5L for the Plaza El Segundo and The Point development project; 4) Introduce, and waive first reading, of an Ordinance for Environmental Assessment No. EA-1122 to modify Condition No. 5L for the Plaza El Segundo and The Point development project; 5) Schedule second reading and adoption of Ordinance on November 17, 2015; and/or 6) Alternatively, discuss and take other possible related action to this item.
C. UNFINISHED BUSINESS

2. Consideration and possible action regarding the results of the Information Technology Strategic Plan ("ITSP") completed by NexLevel Information Technology, Inc. (Fiscal Impact: $0)

Recommendation – 1) Review and adopt the Information Technology Strategic Plan; 2) Direct staff to follow the identified recommendations and staff proposals; 3) Alternatively, discuss and take other action related to this item.

3. Consideration and possible action to: 1) review the proposed lighting designs for the Richmond St. Rehabilitation Arterial Improvement Project between El Segundo Blvd. and Holly St., 2) provide direction to staff on possible revisions and 3) direct staff to proceed with preparation of construction plans and specifications. (Fiscal Impact: $800,000.00)

Recommendation – 1) Review the proposed lighting designs for the Richmond St. Rehabilitation Arterial Improvement Project; 2) Provide direction to staff on possible revisions to the proposed design; 3) Direct staff to proceed with the preparation of construction plans and specifications inclusive of any design changes; or 4) Alternatively, discuss and take other action related to this item.

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

4. Environmental Committee Status Report (Fiscal Impact: $0)

Recommendation - 1) Receive and file; 2) Alternatively discuss and take other action related to this item

E. CONSENT AGENDA

All items listed are to be adopted by one motion without discussion and passed unanimously. If a call for discussion of an item is made, the item(s) will be considered individually under the next heading of business.

5. Warrant Numbers 3008163 through 3008395 on Register No. 2 in the total amount of $1,026,805.58 and Wire Transfers from 10/05/15 through 10/18/15 in the total amount of $3,081,097.21.

Recommendation – Approve Warrant Demand Register and authorize staff to release. Ratify Payroll and Employee Benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers.

6. Special Meeting Minutes of October 5,

Recommendation – Approval.
7. Consideration and possible action to receive and file this report regarding emergency work to repair dwelling units at the Park Vista Senior Housing Facility due to water intrusion without the need for bidding in accordance with Public Contracts Code §§ 20168 and 22050 and El Segundo Municipal Code ("ESMC") §§ 1-7-12 and 1-7A-4.
(Fiscal Impact: $50,000.00)]
Recommendation – 1) Receive and file this report regarding emergency work to repair dwelling units at the Park Vista Senior Housing Facility due to water intrusion without the need for bidding in accordance with Public Contracts Code §§ 20168 and 22050 and El Segundo Municipal Code ("ESMC") §§ 1-7-12 and 1-7A-4 2) Alternatively, discuss and take other action related to this item.

8. Consideration and possible action to authorize the City Manager to execute a professional services agreement with Prosum Technology Services in the amount not-to-exceed $50,000 to provide helpdesk and technical support for the Information Systems division.
(Fiscal Impact: $50,000.00)
Recommendation – 1) Authorize the City Manager to execute a professional services agreement with Prosum Technology Services in the amount not-to-exceed $50,000 to provide helpdesk and technical support for the Information Systems division; 2) Alternatively, discuss and take other action related to this item.

9. Consideration and possible action regarding freezing the Public Agency Retirement System (PARS) Supplemental Retirement Plan for eligible members of the El Segundo Supervisory and Professional Employees Bargaining Unit.
(Fiscal Impact: FY 2015-16: $118,000)
Recommendation – 1) Approve the amended PARS Plan Document; 2) Adopt the Resolution freezing the Public Agency Retirement System (PARS); 3) Approve the Side Letter between the City of El Segundo and the El Segundo Supervisory and Professional Employees’ Association; 4) Alternatively, discuss and take other action related to this item.

10. Consideration and possible action to authorize the City Manager to execute an agreement, in a form approved by the City Attorney, with MV Cheng & Associates to (1) continue to provide professional, technical, and consulting support as the City’s Interim Finance Director; and (2) provide support personnel/consultants at various levels as needed in the Finance Department, with the proposed term of the agreement to be from October 1, 2015 to September 30, 2016, with a total amount of the agreement not to exceed $450,000
(FISCAL IMPACT: $450,000.00)
Recommendation – 1) Authorize the City Manager to execute an agreement with MV Cheng & Associates in an amount not to exceed $450,000; 2) Alternatively, discuss and take other action related to this item.
F. NEW BUSINESS

11. Consideration and possible action regarding 1) Introduction of an Ordinance; 2) Adoption of a Resolution of Intention to approve an Amendment to the Contract between the Board of Administration of the California Public Employees' Retirement System (CalPERS) and the El Segundo City Council to cease contributions under Government Code Section 20516(a) (3% Employer Cost Sharing of Additional Benefits) applicable to unrepresented fire classifications and the represented classification in the Supervisory and Professional Employees' Association; 3) Approval of a Side Letter between the City and the Supervisory and Professional Employees' Association; and 4) Approval for Staff to administer the required Employee Election.

(Fiscal Impact: FY 2015-16: $118,000)

Recommendation – 1) Introduce and waive the First Reading of the Ordinance; 2) Adopt the Resolution of Intention; 3) Approve the Side Letter between the City and Professional Employees' Association (SPEA); 4) Approve Staff to administer the Employee Election; 5) Alternatively, discuss and take other action related to this item.

G. REPORTS – CITY MANAGER

H. REPORTS – CITY ATTORNEY

I. REPORTS – CITY CLERK

J. REPORTS – CITY TREASURER

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Fellhauer –

Council Member Atkinson –

Council Member Dugan –

Mayor Pro Tem Jacobson –

Mayor Fuentes –
PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have receive value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of $250. While all comments are welcome, the Brown Act does not allow Council to take action on any item not on the agenda. The Council will respond to comments after Public Communications is closed.

MEMORIALS –

CLOSED SESSION

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §§54960, et seq.) for the purposes of conferring with the City’s Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §§54957 (Personnel); and/or conferring with the City’s Labor Negotiators.

REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

ADJOURNMENT

POSTED:

DATE: 10.31.2015

TIME: 04:31 PM

NAME: [Signature]
Proclamation

City of El Segundo, California

WHEREAS, In an effort to provide for children who otherwise might not experience the joy of the holiday season, the City of El Segundo Fire Department along with other Southland fire agencies, has participated in the Spark of Love program for the past twenty three years and has been a collection site for toys and food items donated during the holidays; and

WHEREAS, The ever upward spiraling cost of living burdens disadvantaged and displaced families who may not be able to give gifts during the holiday season without help from the Spark of Love program; and

WHEREAS, The true holiday spirit is reflected in unselfish giving and our thoughts and hearts go out to those less fortunate than ourselves; and

WHEREAS, In the past, with the help of civic-minded citizens who live and work in our community, hundreds of toys plus food items have been collected and distributed to children and families in El Segundo and other South Bay cities.

NOW, THEREFORE, the Mayor and Members of the City Council of the City of El Segundo, California, do hereby proclaim November 16, 2015 through December 17, 2015 as the

Spark of Love
TOY DRIVE

The community is encouraged to support this holiday program by contributing toys and non-perishable foods to the El Segundo Fire Department, Fire Station No. 1 at 314 Main Street, during the period of November 16 through December 17, 2015.

Mayor Suzanne Fuentes

Mayor Pro Tem Carl Jacobson                Council Member Dave Atkinson
Council Member Marie Fellhauer            Council Member Michael Dugan
WHEREAS, Over 70 percent of Americans may feel helpless to act during a cardiac emergency because they either do not know how to administer CPR or their training has significantly lapsed; and

WHEREAS, 88 percent of cardiac emergencies happen in the home; and

WHEREAS, nearly 326,000 out-of-hospital cardiac arrest occur annually; and

WHEREAS, about 90 percent of victims of a cardiac arrest die, often because bystanders do not know how to start CPR; and

WHEREAS, the El Segundo Fire Department and the American Red Cross have historically provided exemplary emergency medical care and training, and continue this tradition with Super CPR Saturday; and

WHEREAS, El Segundo High School provides a critical element for Super CPR Saturday by allowing use of the school's facilities that accommodates the training of approximately 300 people; and

WHEREAS, Super CPR Saturday receives generous financial and in-kind support from our corporate sponsors (Chevron, NRG, Continental Development Corporation, Teledyne Controls, Raytheon, Rinaldi's, McDonalds and Doubletree Hotel) that enables this valuable community event to be held.

NOW, THEREFORE, the Mayor and Members of the City Council of the City of El Segundo, California, hereby proclaim Saturday, November 7, 2015, as "SUPER CPR SATURDAY", and encourage participation in CPR training.

Mayor Suzanne Fuentes
Mayor Pro Tem Carl Jacobson
Council Member Dave Atkinson
Council Member Marie Fellhauer
Council Member Michael Dugan
AGENDA DESCRIPTION:
Consideration and possible action to modify Condition No. 5L in Resolution No. 4415 and Ordinance No. 1382, as amended by Resolution No. 4542 and Ordinance No. 1417, regarding fencing requirements for the Plaza El Segundo and The Point development project.
Applicant: Street Retail Inc. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Open the Public Hearing;
2. Discussion;
3. Adopt a Resolution approving Environmental Assessment No. EA-1122 to modify Condition No. 5L for the Plaza El Segundo and The Point development project;
4. Introduce, and waive first reading, of an Ordinance for Environmental Assessment No. EA-1122 to modify Condition No. 5L for the Plaza El Segundo and The Point development project;
5. Schedule second reading and adoption of Ordinance on November 17, 2015; and/or
6. Alternatively, discuss and take other possible related action to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Planning Commission Staff Report, dated September 24, 2015 and Planning Commission Resolution No. 2783 with conditions of approval.
2. Draft Resolution
3. Draft Ordinance
4. Project Plan.

FISCAL IMPACT:

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
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<tr>
<td>Additional Appropriation:</td>
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<tr>
<td>Account Number(s):</td>
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ORIGINATED BY: Kimberly Christensen, AICP, Planning Manager
REVIEWED BY: Sam Lee, Director of Planning and Building Safety
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

Background
In 2005, the City Council approved the Plaza El Segundo development project. That project was later amended in 2008 and 2013. Phase 1A (Plaza El Segundo) is constructed and began operation in 2007. Phase 1B (The Point) is in the final stages of construction and is partly operational with some retail shops and restaurants open as of the end of July 2015.
Street Retail, Inc. has filed an application for Environmental Assessment No. EA-1122 to modify Condition No. 5L regarding requirements for fencing along The Point’s north property line abutting the railroad tracks.

Discussion

The existing condition requires a combination of a fence constructed of six-foot high wrought iron or steel tubing and a six-foot high solid wall along the north property line of The Point. Under the existing conditions, chain link fencing is prohibited as permanent fencing anywhere on the site. The purpose of the existing condition was to provide aesthetically attractive fencing for safety and security along the southern property line of Plaza El Segundo north of the rail lines and along the northern property line of The Point (south of the rail lines) that also provided transparency for the safety of the rail lines. The applicant is requesting to allow a six-foot tall vinyl-clad chain link fence along the first 200 feet of the north property line east of the Sepulveda Boulevard right-of-way and a six-foot tall steel chain link fence along the remainder of the same property line. The fence would be topped along its entire length with a three-strand 1.5-foot tall barbed wire. The reason for the request is to: a) improve public safety by discouraging trespassing onto the train tracks and access to approaching trains; and b) to improve security by providing a tall physical barrier and deterrent to visitors in The Point’s parking areas.

Existing language

“A six-foot high solid wall must be constructed along the southern property line of Lot 15 of Vesting Tentative Tract Map No. 061630 for at least a length of 200 feet from the eastern edge of the Sepulveda Boulevard right-of-way and along the northern property line of Lot 19 of Vesting Tentative Tract Map No. 061630 for at least a length of 200 feet from the eastern edge of the Sepulveda Boulevard right-of-way. A six-foot high wall or a fence constructed of vinyl chain link or other material must be constructed along the remaining property lines of the Project Area abutting the Union Pacific Railroad right-of-way with screening of the right-of-way with the use of landscaping, including, without limitation, vines, hedges and/or trees to the satisfaction of the P.B.S. Director. A combination of a fence constructed of 6-foot high wrought iron or steel tubing and a six-foot high solid wall compatible with the fence and wall materials on the portion of the site north of the Union Pacific Railroad right-of-way must be constructed along the northern property line of Project Site Phase 1B for those portions east of the eastern edge of the Sepulveda Boulevard right-of-way with screening of the right-of-way with the use of landscaping, that includes without limitation, vines, hedges and/or trees to the satisfaction of the P.B.S. Director excepting those areas closest to Sepulveda Boulevard prohibited by Union Pacific Railroad for visibility and safety reasons.”

Proposed language

“A six-foot high solid wall must be constructed along the southern property line of Lot 15 of Vesting Tract Map No. 061630 for at least a length of 200 feet from the eastern edge of the Sepulveda Boulevard right-of-way and along the northern property line of Lot 19 of Vesting Tentative Tract Map No. 061630 for at least a length of 200 feet from the eastern edge of the Sepulveda Boulevard right-of-way. A six-foot high wall or a fence constructed of vinyl chain link or other material must be constructed along the remaining property lines of the Project Area abutting the Union Pacific Railroad right-of-way with screening of the right-of-way with the use of landscaping, including, without limitation, vines, hedges and/or trees to the satisfaction of the
P.B.S. Director. A combination of a fence constructed of 6-foot high wrought iron or steel tubing and a six-foot high solid wall compatible with the fence and wall materials on the portion of the site north of the Union Pacific Railroad right-of-way must be constructed along the northern property line of Project Site Phase 1B for those portions east of the eastern edge of the Sepulveda Boulevard right-of-way with screening of the right-of-way with the use of landscaping, that includes without limitation, vines, hedges and/or trees to the satisfaction of the P.B.S. Director excepting those areas closest to Sepulveda Boulevard prohibited by Union Pacific Railroad for visibility and safety reasons. A six-foot high chain link fence or other material aesthetically compatible with existing fencing or walls in the Project Area must be constructed along the northern property line of Project Site Phase 1B abutting the Burlington Northern Santa Fe Railroad right-of-way to the satisfaction of the P.B.S. Director. Additionally, screening of the right-of-way with the use of landscaping, including, without limitation, vines, hedges and/or trees is required to the satisfaction of the P.B.S. Director. An eighteen-inch high, three-strand barbed wire fence may be placed upon the top of the chain link fence for the entire length of this fence (approximately 1,690 feet)."

The proposed language only affects the portion of fencing along the northern boundary of The Point. This modification will allow the applicant to retain an existing chain link fence along the northern property line of The Point, while giving the Planning and Building Safety Director oversight of the design and screening of the fence, particularly the portion of the fence most visible from Sepulveda Boulevard. The proposed fencing will be green vinyl clad chain link so that it blends in with the landscaping in the planters in front of the fencing.

PLANNING COMMISSION:

On September 24, 2015, the Planning Commission held a public hearing on the proposed modification to Condition No. 5L for the Plaza El Segundo and The Point development project. The attached September 24, 2015 Planning Commission staff report includes a Project Description and Analysis/Justification for the proposed condition modification.

The Planning Commission received public testimony from the applicant. After receiving testimony and documentary information, the Commission adopted Resolution No. 2736, recommending the City Council approve Environmental Assessment No. 1122, readopt the Statement of Overriding Considerations as required by CEQA, and modify condition of approval No. 5L for the Plaza El Segundo and The Point Development Project.

RECOMMENDATION:

Staff recommends that the Council adopt the draft Resolution approving Environmental Assessment No. EA-1122 with a re-adoption of the Statement of Overriding Considerations, and modifications to condition of approval No 5L; and introduce, and waive first reading of, the attached proposed Ordinance.
AGENDA DESCRIPTION:
Consideration and possible action to modify Condition No. 5L regarding fencing in Resolution No. 4415 and Ordinance No. 1382, as amended by Resolution No. 4542 and Ordinance No. 1417 for the Plaza El Segundo and The Point development project.

RECOMMENDED PLANNING COMMISSION ACTION: It is recommended that the Planning Commission open the public hearing, receive testimony, consider the evidence, and then adopt Resolution No. 2783 recommending City Council approval of Environmental Assessment No. EA-1122 to modify Condition No. 5L for the Plaza El Segundo and The Point development project.

ATTACHED SUPPORTING DOCUMENTS:

1. Draft Planning Commission Resolution No. 2783
2. Excerpts from City Council Resolution No. 4415
3. Excerpts from Ordinance No. 1382
4. Excerpts from City Council Resolution No. 4542
5. Excerpts from Ordinance No. 1417
6. Plans

ORIGINATED BY: Paul Samaras, Principal Planner
REVIEWED BY: Kimberly Christensen, AICP, Planning Manager
APPROVED BY: Sam Lee, Director of Planning and Building Safety

INTRODUCTION:
In 2005, the City Council approved the Plaza El Segundo development project. That project was later amended in 2008 and 2013. Phase 1A (Plaza El Segundo) is constructed and began operation in 2007. Phase 1B (The Point) is in the final stages of construction and is partly operational with some retail shops and restaurants open as of the end of July 2015.

Street Retail, Inc. has filed an application for Environmental Assessment No. EA-1122 to modify Condition No. 5L regarding requirements for fencing along The Point's north property line abutting the railroad tracks. The existing condition requires a combination of a fence constructed of six-foot high wrought iron or steel tubing and a six-foot high solid wall along the north property line of The Point. Under the existing conditions, chain link fencing is prohibited as permanent fencing anywhere on the site. The applicant is requesting to allow a six-foot tall vinyl-clad chain link fence along the first 200 feet of the north property line east of the Sepulveda Boulevard right-of-way and a six-foot tall steel chain link fence along the remainder of the same property line. The fence would be topped along its entire length with a three-strand 1.5-foot tall barbed wire.
BACKGROUND AND DISCUSSION:

I. Background

The project site is located in the Commercial Center (C-4) Zone on northeast corner of Sepulveda Boulevard and Rosecrans Avenue.

The uses surrounding the project site are summarized in the following table:

<table>
<thead>
<tr>
<th>Direction</th>
<th>Land Use</th>
<th>Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>Plaza El Segundo Phase 1A, self-storage, warehouse, light industrial</td>
<td>Commercial Center (C-4) and Light Industrial (M-1)</td>
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<tr>
<td>East</td>
<td>office, entertainment, light industrial</td>
<td>Urban Mixed-Use North (MU-N)</td>
</tr>
<tr>
<td>South</td>
<td>retail, office</td>
<td>Manhattan Beach</td>
</tr>
<tr>
<td>West</td>
<td>oil refinery</td>
<td>Heavy Industrial (M-2)</td>
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</tbody>
</table>

II. Discussion

Site Description

The Point is Phase 1B of the Plaza El Segundo shopping center development project. The property is at the northeast corner of Sepulveda Boulevard and Rosecrans Avenue and it is separate from the existing Plaza El Segundo development to the north by the Burlington Northern Santa Fe Railroad (BNSF) and Union Pacific Railroad tracks and some vacant/undeveloped land. The Point property is approximately 13.05 gross acres in size and development on the site (in the final stages of construction) consists of four commercial retail and office buildings and three retail kiosks, totaling approximately 119,613 gross square feet. The location subject to the current request is the north property line of The Point and the fencing which separates The Point from the tracks.

Project Description

The proposed request involves the fencing along the north property line of The Point. The subject property line is approximately 1,690 feet long. Conditions of approval 5L and 5M in Resolution No. 4415 and Ordinance No. 1382 as amended by Resolution No. 4542 and Ordinance No. 1417 state:
Condition No. 5L
“A six-foot high solid wall must be constructed along the southern property line of Lot 15 of Vesting Tentative Tract Map No. 061630 for at least a length of 200 feet from the eastern edge of the Sepulveda Boulevard right-of-way and along the northern property line of Lot 19 of Vesting Tentative Tract Map No. 061630 for at least a length of 200 feet from the eastern edge of the Sepulveda Boulevard right-of-way. A six-foot high wall or a fence constructed of vinyl chain link or other material must be constructed along the remaining property lines of the Project Area abutting the Union Pacific Railroad right-of-way with screening of the right-of-way with the use of landscaping, including, without limitation, vines, hedges and/or trees to the satisfaction of the P.B.S. Director. A combination of a fence constructed of 6-foot high wrought iron or steel tubing and a six-foot high solid wall compatible with the fence and wall materials on the portion of the site north of the Union Pacific Railroad right-of-way must be constructed along the northern property line of Project Site Phase 1B for those portions east of the eastern edge of the Sepulveda Boulevard right-of-way with screening of the right-of-way with the use of landscaping, that includes without limitation, vines, hedges and/or trees to the satisfaction of the P.B.S. Director excepting those areas closest to Sepulveda Boulevard prohibited by Union Pacific Railroad for visibility and safety reasons.”

Condition No. 5M
“Chain-link fences are not permitted except as described above, and as temporary construction fencing.”

The applicant requests to amend condition No. 5L to read as follows:

Condition No. 5L
“A six-foot high solid wall must be constructed along the southern property line of Lot 15 of Vesting Tract Map No. 061630 for at least a length of 200 feet from the eastern edge of the Sepulveda Boulevard right-of-way and along the northern property line of Lot 19 of Vesting Tentative Tract Map No. 061630 for at least a length of 200 feet from the eastern edge of the Sepulveda Boulevard right-of-way. A six-foot high wall or a fence constructed of vinyl chain link or other material must be constructed along the remaining property lines of the Project Area abutting the Union Pacific Railroad right-of-way with screening of the right-of-way with the use of landscaping, including, without limitation, vines, hedges and/or trees to the satisfaction of the P.B.S. Director. A combination of a fence constructed of 6-foot high wrought iron or steel tubing and a six-foot high solid wall compatible with the fence and wall materials on the portion of the site north of the Union Pacific Railroad right-of-way must be constructed along the northern property line of Project Site Phase 1B for those portions east of the eastern edge of the Sepulveda Boulevard right-of-way with screening of the right-of-way with the use of landscaping, that includes without limitation, vines, hedges and/or trees to the satisfaction of the P.B.S. Director excepting those areas closest to Sepulveda Boulevard prohibited by Union Pacific Railroad for visibility and safety reasons. A six-foot high chain link fence or other material aesthetically compatible with
existing fencing or walls in the Project Area must be constructed along the northern property line of Project Site Phase 1B abutting the Burlington Northern Santa Fe Railroad right-of-way to the satisfaction of the P.B.S. Director. Additionally, screening of the right-of-way with the use of landscaping, including, without limitation, vines, hedges and/or trees is required to the satisfaction of the P.B.S. Director. An eighteen-inch high, three-strand barbed wire fence may be placed upon the top of the chain link fence for the entire length of this fence (approximately 1,690 feet).”

Justification

Safety. The applicant and the adjacent property owner (Chevron) suggest that the currently required solid wall would obscure the BNSF tracks, which would allow pedestrians to trespass without detection. In addition, the wall would reduce the visibility of approaching trains for cars and pedestrians traveling along Sepulveda Boulevard. Therefore, a chain link fence would improve public safety by increasing visibility of the train tracks.

Restrictions on construction. The required solid wall would require excavation to install foundations to support its weight and potential wind load. The area of this excavation is subject to a No Further Action Letter issued by the Los Angeles Regional Water Quality Control Board, and associated deed restrictions. New excavations would likely require notifications, environmental monitoring and possible additional remediation, mitigation and clean-up activities. As a result, construction of the required solid wall would impose a burden on the applicant in terms of cost and time.

Barbed wire. The applicant requests on behalf of the adjacent property owner (Chevron) to allow (not require) 1.5 feet of barbed wire on top of the chain link fence. The adjacent owner of the tracks, Chevron, believes that the six-foot high chain link fence on its own is not a sufficient deterrent to visitors at The Point who may attempt to climb the fence to trespass onto the BNSF railroad right-of-way where trains traverse past the site with Chevron products. Trespassers would be in danger from approaching trains and other conditions inhospitable to pedestrians. Chevron believes that the barbed wire is needed to act as a physical barrier and visual deterrent to visitors in The Point’s parking areas.

Visual and aesthetic impact. The north property line of The Point extends approximately 1,690 feet. In order to complete the construction on the site, the applicant completed grading and installed retaining walls that raised the grade level along and to the south of the subject property line by as much as 12 feet. As a result, the grade in the parking area along the north property line is higher than the grade at the property line for a substantial portion of the 1,690-foot length of the north property line. Therefore, the proposed seven-foot chain link fence will be less visible from the parking area at The Point.

The chain link fence will be more visible from the north and west. However, to the north, it faces the train tracks, undeveloped land, and the rear of commercial buildings at Plaza El Segundo. To the west, the proposed fence would be visible to passing vehicles and pedestrians along Sepulveda Boulevard, and to vehicles entering and exiting the subject site. To mitigate the visual impact of
this section of the proposed fence (approximately 200 feet), staff proposes to give the Planning and Building Safety Director flexibility to consider and approve alternative types of fencing/walls for that section of the fence. Alternative fencing/wall types can include, without limitation, steel tubing, wrought iron, and/or decorative masonry, which would be aesthetically compatible with existing fencing/walls and buildings at The Point and Plaza El Segundo, and would also address the security concerns of the two property owners. In addition, the existing condition as well as the proposed modified language also allow the Planning and Building Safety Director the same discretion for the remainder of the fencing along the northern boundary of The Point. In conclusion, with the added language that gives the Planning and Building Safety Director oversight of the fencing materials, staff believes the proposed modification would not have a substantial aesthetic impact on the surrounding properties and rights-of-way.

Zoning Conformance

The applicant’s request conforms to the Zoning Code. Although walls and fences in the Commercial Center (C-4) Zone must generally be a minimum six foot (6') high masonry wall for those yards abutting residential and industrial zones, The Point property does not abut residential or industrial zones (ESMC § 15-5G-6(H)). In addition, the heights of walls, fences and hedges in nonresidential zones are subject to the approval of the Planning and Building Safety Director (ESMC § 15-2-4). The proposed fence would be seven and a half feet (7.5'), which is consistent with the ESMC provisions regarding fence heights in nonresidential zones.

General Plan Consistency

The General Plan Land Use designation for the site is Commercial Center and is consistent with the current zoning designation which is Commercial Center (C-4). The project is consistent with the General Plan Goals, Policies, and Objectives as specified in draft Resolution No. 2783 (Exhibit A).

III. Inter-Departmental Comments

The application and plans were circulated to all City Departments for review. The comments received for the project have been incorporated in the conditions of approval for the project.

IV. Environmental Review

The proposed condition modification is consistent with the Program/Project Environmental Impact Report, entitled Sepulveda/Rosecrans Site Rezoning and Plaza El Segundo Development Final Environmental Impact Report (State Clearinghouse No. 2003121037), which the City prepared as the Lead Agency. The FEIR analyzed the environmental impacts of the development project, including, without limitation, aesthetic impacts. The FEIR was certified by the City Council on March 15, 2005 and the Statement of Overriding Considerations was adopted as Section V of City Council Resolution No. 4415. None of the elements set forth in Public Resources Code § 21166 or CEQA Guidelines § 15162 and 15168(c)(2) exists since the proposed changes the types of walls/fencing would not result in a new significant impact to the environment or require new mitigation measures. Accordingly, it is recommended that the Planning Commission, and
subsequently the City Council, find that no subsequent or supplemental Environmental Impact Report, Mitigated Negative Declaration or Addendum is required to be prepared before adopting the draft Ordinance approving the proposed amendment.

V. **Recommendation**

Planning staff recommends that the Planning Commission review the facts as contained within this report and adopt Resolution No. 2783 recommending City Council approval of Environmental Assessment No. EA-1122 to modify Condition No. 5L for the Plaza El Segundo and The Point development project as proposed by Planning staff.
RESOLUTION NO. 2783

A RESOLUTION RECOMMENDING APPROVAL OF A MODIFICATION TO CONDITION NO. 5L OF RESOLUTION NO. 4415 AND ORDINANCE NO. 1382 AS AMENDED BY RESOLUTION NO. 4542 AND ORDINANCE NO. 1417 REGARDING FENCING REQUIREMENTS FOR THE PLAZA EL SEGUNDO (AND “THE POINT”) DEVELOPMENT PROJECT

The Planning Commission of the City of El Segundo does resolve as follows:

SECTION 1: The Planning Commission finds and declares that:

A. On March 15, 2005, the City Council approved a development known as Plaza El Segundo. Approvals for that development were subsequently amended to allow for different types of uses including, among others, Health Clubs and Fitness Center (2007); Health/Skin Care and automobile sales uses (2008); fast food restaurants, banks, dance/music studios (2009); and medical and dental offices (2010);

B. On September 17, 2013, the City Council adopted Resolution No. 4838 and Ordinance No. 1481 approving a modification and expansion to Plaza El Segundo called “The Point” on Plaza El Segundo Project Site Phase 1B, which consists of 13.05 gross acres south of the Union Pacific Railroad tracks;

C. On July 22, 2015, Street Retail, Inc. filed an application for an Environmental Assessment (EA-1122) to modify condition No. 5L of Resolution No. 4415 and Ordinance No. 1382 as amended by Resolution No. 4542 and Ordinance No. 1417 regarding fencing requirements for the Plaza El Segundo (and “The Point”) development project;

D. The application from Street Retail, Inc. was reviewed by the City’s Planning and Building Safety Department for, in part, consistency with the General Plan and conformity with the El Segundo Municipal Code (“ESMC”);

E. In addition, the City reviewed the project’s environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, et seq., “CEQA”), the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, et seq., the “CEQA Guidelines”), and the City’s Environmental Guidelines (City Council Resolution No. 3805, adopted March 16, 1993);

F. The Planning and Building Safety Department completed its review and scheduled a public hearing regarding the project before the Planning Commission for September 24, 2015;
G. On September 24, 2015, the Commission opened a public hearing to receive public testimony and other evidence regarding the applications including, without limitation, information provided to the Commission by City Staff, public testimony, and representatives of Street Retail, Inc.;

H. This Resolution and its findings are made based upon the testimony and evidence presented to the Commission at its September 24, 2015 public hearing including, without limitation, the staff report submitted by the Planning and Building Safety Department.

SECTION 2: Factual Findings. The Commission finds that the following facts exist:

A. Condition No. 5L as currently adopted states that: “A combination of a fence constructed of 6-foot high wrought iron or steel tubing and a six-foot high solid wall compatible with the fence and wall materials on the portion of the site north of the Union Pacific Railroad right-of-way must be constructed along the northern property line of Project Site Phase 1B for those portions east of the eastern edge of the Sepulveda Boulevard right-of-way with screening of the right-of-way with the use of landscaping, that includes without limitation, vines, hedges and/or trees to the satisfaction of the P.B.S. Director excepting those areas closest to Sepulveda Boulevard prohibited by Union Pacific Railroad for visibility and safety reasons.”

B. The proposed modification would amend Condition No. 5L to allow a six-foot high chain link fence along the northern property line of Project Site Phase 1B with screening of right-of-way with the use of landscaping, including, without limitation, vines, hedges and/or trees. In addition, the modification would allow a 1.5-foot high three-strand barbed wire fence to be placed on top of the chain link fence.

C. The proposed chain link and barbed wire fence would discourage trespassing and improve visibility of approaching trains to pedestrian and vehicular traffic along Sepulveda Boulevard.

D. The required solid wall would require excavation to install foundations to support its weight and potential wind load. The area of this excavation is subject to a No Further Action Letter issued by the Los Angeles Regional Water Quality Control Board, and associated deed restrictions. New excavations would likely require notifications, environmental monitoring and possible additional remediation, mitigation and clean-up activities. As a result, construction of the required solid wall would impose a burden on the applicant in terms of cost and time.

E. The north property line of The Point extends approximately 1,690 feet and is located at a grade that varies, but is lower by as much as 12 feet than the
grade at the adjacent parking lot at The Point. Therefore, the proposed seven-foot fence will be less visible from the parking area at The Point.

SECTION 3: Environmental Assessment. The Planning Commission makes the following environmental findings:

A. The proposed condition modification is consistent with the Program/Project Environmental Impact Report, entitled Sepulveda/Rosecrans Site Rezoning and Plaza El Segundo Development Final Environmental Impact Report (State Clearinghouse No. 2003121037), which the City prepared as the Lead Agency. The FEIR analyzed the environmental impacts of the development project, including, without limitation, aesthetic impacts. The FEIR was certified by the City Council on March 15, 2005 and the Statement of Overriding Considerations was adopted as Section V of City Council Resolution No. 4415. None of the elements set forth in Public Resources Code § 21166 or CEQA Guidelines § 15162 and 15168(c)(2) exists since the proposed changes the types of walls/fencing would not result in a new significant impact to the environment or require new mitigation measures. Accordingly, it is recommended that the Planning Commission, and subsequently the City Council, find that no subsequent or supplemental Environmental Impact Report, Mitigated Negative Declaration or Addendum is required to be prepared before adopting the draft Ordinance approving the proposed amendment.

SECTION 4: General Plan. The proposed modification is a minor change to the approved Plaza El Segundo and The Point development project. Therefore, it conforms with the General Plan as discussed in adopted Resolution No. 4415 and Ordinance No. 1382, as amended by Resolution No. 4542 and Ordinance No. 1417, and subsequently amended by Resolution No. 4838 and Ordinance No. 1481.

SECTION 5: Recommendations. The Planning Commission recommends that the City Council approve a modification to Condition 5L of Resolution No. 4415 and Ordinance No. 1382 as amended by Resolution No. 4542 and Ordinance No. 1417 to read as follows:

“A six-foot high solid wall must be constructed along the southern property line of Lot 15 of Vesting Tract Map No. 061630 for at least a length of 200 feet from the eastern edge of the Sepulveda Boulevard right-of-way and along the northern property line of Lot 19 of Vesting Tentative Tract Map No. 061630 for at least a length of 200 feet from the eastern edge of the Sepulveda Boulevard right-of-way. A six-foot high wall or a fence constructed of vinyl chain link or other material must be constructed along the remaining property lines of the Project Area abutting the Union Pacific Railroad right-of-way with screening of the right-of-way with the use of landscaping, including, without limitation, vines, hedges and/or trees to the satisfaction of the P.B.S. Director. A combination of a fence constructed of 6-foot high wrought iron or steel tubing and a six-foot high solid wall
compatible with the fence and wall materials on the portion of the site north of the Union Pacific Railroad right-of-way must be constructed along the northern property line of Project Site Phase 1B for those portions east of the eastern edge of the Sepulveda Boulevard right-of-way with screening of the right-of-way with the use of landscaping, that includes without limitation, vines, hedges and/or trees to the satisfaction of the P.B.S. Director excepting those areas closest to Sepulveda Boulevard prohibited by Union Pacific Railroad for visibility and safety reasons. A six-foot high chain link fence or other material aesthetically compatible with existing fencing or walls in the Project Area must be constructed along the northern property line of Project Site Phase 1B abutting the Burlington Northern Santa Fe Railroad right-of-way to the satisfaction of the P.B.S. Director. Additionally, screening of the right-of-way with the use of landscaping, including, without limitation, vines, hedges and/or trees is required to the satisfaction of the P.B.S. Director. An eighteen-inch high, three-strand barbed wire fence may be placed upon the top of the chain link fence for the entire length of this fence (approximately 1,690 feet).”

SECTION 6: Reliance on Record. Each and every one of the findings and determinations in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the Planning Commission in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 7: Limitations. The Planning Commission’s analysis and evaluation of the project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the Planning Commission’s lack of knowledge of future events. In all instances, best efforts have been made to form accurate assumptions. Somewhat related to this are the limitations on the City’s ability to solve what are in effect regional, state, and national problems and issues. The City must work within the political framework within which it exists and with the limitations inherent in that framework.

SECTION 8: Summaries of Information. All summaries of information in the findings, which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

SECTION 9: This Resolution will remain effective until superseded by a subsequent resolution.

SECTION 10: According to the El Segundo Municipal Code, a copy of this Resolution shall be mailed to Street Retail, Inc. and PES Partners, LLC, and to any other person requesting a copy.
SECTION 11: This Resolution is the Planning Commission’s final decision and will become effective immediately upon adoption.

PASSED, APPROVED AND ADOPTED this 24th day of September 2015.

Ryan Baldino, Chairperson
City of El Segundo Planning Commission

ATTEST:

Sam Lee, Secretary

Baldino -
Newman -
Nicol -
Nisley -
Wingate -

APPROVED AS TO FORM:
Mark D. Hensley, City Attorney

By: __________________________
David King, Assistant City Attorney
RESOLUTION NO. ____

A RESOLUTION APPROVING ENVIRONMENTAL ASSESSMENT NO. EA-1122 AND MODIFICATIONS TO CONDITION OF APPROVAL NO. 5L FOR THE PLAZA EL SEGUNDO AND THE POINT DEVELOPMENT PROJECT.

The City Council of the City of El Segundo does resolve as follows:

SECTION 1: The City Council finds and declares that:

A. On March 15, 2005, the City Council approved a development known as Plaza El Segundo. Approvals for that development were subsequently amended to allow for different types of uses including, among others, Health Clubs and Fitness Center (2007); Health/Skin Care and automobile sale uses (2008); fast food restaurants, banks, dance/music studios (2009); and medical and dental offices (2010);

B. On September 17, 2013, the City Council adopted Resolution No. 4838 and Ordinance No. 1481 approving a modification and expansion to Plaza El Segundo called “The Point” on Plaza El Segundo Project Site Phase 1B, which consists of 13.05 gross acres south of the Union Pacific Railroad tracks;

C. On July 22, 2015, Street Retail, Inc. filed an application for an Environmental Assessment (EA-1122) to modify condition No. 5L of Resolution No. 4415 and Ordinance No. 1382 as amended by Resolution No. 4542 and Ordinance No. 1417 regarding fencing requirements for the Plaza El Segundo (and “The Point”) development project;

D. The application from Street Retail, Inc. was reviewed by the City’s Planning and Building Safety Department for, in part, consistency with the General Plan and conformity with the El Segundo Municipal Code (“ESMC”);

E. In addition, the City reviewed the project’s environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, et seq., “CEQA”), the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, et seq., the “CEQA Guidelines”), and the City’s Environmental Guidelines (City Council Resolution No. 3805, adopted March 16, 1993);

F. The Planning and Building Safety Department completed its review and scheduled a public hearing regarding the project before the Planning Commission for September 24, 2015;
G. On September 24, 2015, the Planning Commission opened a public hearing to receive public testimony and other evidence regarding the applications including, without limitation, information provided to the Commission by City Staff, public testimony, and representatives of Street Retail, Inc. Following the public hearing, the Planning Commission adopted Resolution No. 2783 recommending that the City Council approve the project;

H. On November 3, 2015, the City Council held a duly advertised public hearing in the Council Chamber of the El Segundo City Hall, 350 Main Street to receive public testimony and other evidence regarding the applications including, without limitation, information provided to the Council by City Staff, public testimony, and representatives of Street Retail, Inc.;

I. This Resolution and its findings are made based upon the testimony and evidence presented to the City Council at its November 3, 2015 public hearing including, without limitation, the staff report submitted by the Planning and Building Safety Department.

SECTION 2: Factual Findings and Conclusions. The City Council finds that the following facts exist and makes associated conclusions:

A. Condition No. 5L as currently adopted states that: “A combination of a fence constructed of 6-foot high wrought iron or steel tubing and a six-foot high solid wall compatible with the fence and wall materials on the portion of the site north of the Union Pacific Railroad right-of-way must be constructed along the northern property line of Project Site Phase 1B for those portions east of the eastern edge of the Sepulveda Boulevard right-of-way with screening of the right-of-way with the use of landscaping, that includes without limitation, vines, hedges and/or trees to the satisfaction of the P.B.S. Director excepting those areas closest to Sepulveda Boulevard prohibited by Union Pacific Railroad for visibility and safety reasons.”

B. The proposed modification would amend Condition No. 5L to allow a six-foot high chain link fence along the northern property line of Project Site Phase 1B with screening of right-of-way with the use of landscaping, including, without limitation, vines, hedges and/or trees to the satisfaction of the P.B.S. Director. In addition, the modification would allow a 1.5-foot high three-strand barbed wire fence to be placed on top of the chain link fence.

C. The proposed chain link and barbed wire fence would discourage trespassing and improve visibility of approaching trains to pedestrian and vehicular traffic along Sepulveda Boulevard.
D. The required solid wall would require excavation to install foundations to support its weight and potential wind load. The area of this excavation is subject to a No Further Action Letter issued by the Los Angeles Regional Water Quality Control Board, and associated deed restrictions. New excavations would likely require notifications, environmental monitoring and possible additional remediation, mitigation and clean-up activities. As a result, construction of the required solid wall would impose a burden on the applicant in terms of cost and time.

E. The north property line of The Point extends approximately 1,690 feet and is located at a grade that varies, but is lower by as much as 12 feet than the grade at the adjacent parking lot at The Point. Therefore, the proposed seven-foot fence will be less visible from the parking area at The Point.

SECTION 3: Environmental Assessment. The City Council makes the following environmental findings:

A. The City Council certified a Final EIR (FEIR) on March 1, 2005 for the Plaza El Segundo project.

B. The proposed condition modification is consistent with the Program/Project Environmental Impact Report, entitled Sepulveda/Rosecrans Site Rezoning and Plaza El Segundo Development Final Environmental Impact Report (State Clearinghouse No. 2003121037), which the City prepared as the Lead Agency. The FEIR analyzed the environmental impacts of the development project, including, without limitation, aesthetic impacts. The FEIR was certified by the City Council on March 15, 2005 and the Statement of Overriding Considerations was adopted as Section V of City Council Resolution No. 4415. None of the elements set forth in Public Resources Code § 21166 or CEQA Guidelines § 15162 and 15168(c)(2) exists since the proposed changes the types of walls/fencing would not result in a new significant impact to the environment or require new mitigation measures.

C. No subsequent or supplemental Environmental Impact Report, Mitigated Negative Declaration or Addendum is required to be prepared before adopting the draft Ordinance approving the proposed modification.

SECTION 4: General Plan. The proposed modification is a minor change to the approved Plaza El Segundo and The Point development project. Therefore, it conforms with the General Plan as discussed in adopted Resolution No. 4415 and Ordinance No. 1382, as amended by Resolution No. 4542 and Ordinance No. 1417, and subsequently amended by Resolution No. 4838 and Ordinance No. 1481.
SECTION 5: Approvals. The City Council hereby approves a modification to Condition of Approval No. 5L of Resolution No. 4415 and Ordinance No. 1382 as amended by Resolution No. 4542 and Ordinance No. 1417 regarding fencing requirements for the Plaza El Segundo (and "The Point") development project. Condition of Approval No. 5L is amended to read as follows:

"A six-foot high solid wall must be constructed along the southern property line of Lot 15 of Vesting Tract Map No. 061630 for at least a length of 200 feet from the eastern edge of the Sepulveda Boulevard right-of-way. A six-foot high wall or a fence constructed of vinyl chain link or other material must be constructed along the remaining property lines of the Project Area abutting the Union Pacific Railroad right-of-way with screening of the right-of-way with the use of landscaping, including, without limitation, vines, hedges and/or trees to the satisfaction of the P.B.S. Director. A six-foot high chain link fence or other material aesthetically compatible with existing fencing or walls in the Project Area must be constructed along the northern property line of Project Site Phase 1B abutting the Burlington Northern Santa Fe Railroad right-of-way to the satisfaction of the P.B.S. Director. Additionally, screening of the right-of-way with the use of landscaping, including, without limitation, vines, hedges and/or trees is required to the satisfaction of the P.B.S. Director. An eighteen-inch high, three-strand barbed wire fence may be placed upon the top of the chain link fence for the entire length of this fence (approximately 1,690 feet)."

SECTION 6: Reliance on Record. Each and every one of the findings and determinations in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 7: Limitations. The City Council's analysis and evaluation of the project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the City Council's lack of knowledge of future events. In all instances, best efforts have been made to form accurate assumptions. Somewhat related to this are the limitations on the City's ability to solve what are in effect regional, state, and national problems and issues. The City must work within the political framework within which it exists and with the limitations inherent in that framework.

SECTION 8: Summaries of Information. All summaries of information in the findings, which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.
SECTION 9: This Resolution will remain effective until superseded by a subsequent resolution.

SECTION 10: According to the El Segundo Municipal Code, a copy of this Resolution shall be mailed to Street Retail, Inc., and to any other person requesting a copy.

SECTION 11: This Resolution is the City Council’s final decision and will become effective immediately upon adoption.

PASSED, APPROVED AND ADOPTED this ___ day of ____________ 2015.

________________________________________
Suzanne Fuentes, Mayor

ATTEST:

STATE OF CALIFORNIA  )
COUNTY OF LOS ANGELES  ) SS
CITY OF EL SEGUNDO  )

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. ___ was duly passed, approved and adopted by said City Council at a regular meeting held on the ___ day of ____________, 2015, approved and signed by the Mayor, and attested to by the City Clerk, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

________________________________________
Tracy Weaver, City Clerk

APPROVED AS TO FORM:
MARK D. HENSLEY, City Attorney

________________________________________
David King, Assistant City Attorney
ORDINANCE NO. ____

AN ORDINANCE APPROVING ENVIRONMENTAL ASSESSMENT NO. EA-1122 AND MODIFICATIONS TO CONDITION OF APPROVAL NO. 5L FOR THE PLAZA EL SEGUNDO AND THE POINT DEVELOPMENT PROJECT.

The City Council of the City of El Segundo does ordain as follows;

SECTION 1: The City Council finds and declares that:

A. On March 15, 2005, the City Council approved a development known as Plaza El Segundo. Approvals for that development were subsequently amended to allow for different types of uses including, among others, Health Clubs and Fitness Center (2007); Health/Skin Care and automobile sale uses (2008); fast food restaurants, banks, dance/music studios (2009); and medical and dental offices (2010);

B. On September 17, 2013, the City Council adopted Resolution No. 4838 and Ordinance No. 1481 approving a modification and expansion to Plaza El Segundo called “The Point” on Plaza El Segundo Project Site Phase 1B, which consists of 13.05 gross acres south of the Union Pacific Railroad tracks;

C. On July 22, 2015, Street Retail, Inc. filed an application for an Environmental Assessment (EA-1122) to modify condition No. 5L of Resolution No. 4415 and Ordinance No. 1382 as amended by Resolution No. 4542 and Ordinance No. 1417 regarding fencing requirements for the Plaza El Segundo (and “The Point”) development project;

D. The application from Street Retail, Inc. was reviewed by the City’s Planning and Building Safety Department for, in part, consistency with the General Plan and conformity with the El Segundo Municipal Code (“ESMC”);

E. In addition, the City reviewed the project’s environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, et seq., “CEQA”), the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, et seq., the “CEQA Guidelines”), and the City’s Environmental Guidelines (City Council Resolution No. 3805, adopted March 16, 1993);

F. The Planning and Building Safety Department completed its review and scheduled a public hearing regarding the project before the Planning Commission for September 24, 2015;
G. On September 24, 2015, the Planning Commission opened a public hearing to receive public testimony and other evidence regarding the applications including, without limitation, information provided to the Commission by City Staff, public testimony, and representatives of Street Retail, Inc. Following the public hearing, the Planning Commission adopted Resolution No. 2783 recommending that the City Council approve the project;

H. On November 3, 2015, the City Council held a duly advertised public hearing in the Council Chamber of the El Segundo City Hall, 350 Main Street to receive public testimony and other evidence regarding the applications including, without limitation, information provided to the Council by City Staff, public testimony, and representatives of Street Retail, Inc.;

I. This Ordinance and its findings are made based upon the testimony and evidence presented to the City Council at its November 3, 2015 public hearing including, without limitation, the staff report submitted by the Planning and Building Safety Department.

SECTION 2: Environmental Assessment. The City Council makes the following environmental findings:

A. The City Council certified a Final EIR (FEIR) on March 1, 2005 for the Plaza El Segundo project.

B. The proposed condition modification is consistent with the Program/Project Environmental Impact Report, entitled Sepulveda/Rosecrans Site Rezoning and Plaza El Segundo Development Final Environmental Impact Report (State Clearinghouse No. 2003121037), which the City prepared as the Lead Agency. The FEIR analyzed the environmental impacts of the development project, including, without limitation, aesthetic impacts. The FEIR was certified by the City Council on March 15, 2005 and the Statement of Overriding Considerations was adopted as Section V of City Council Resolution No. 4415. None of the elements set forth in Public Resources Code § 21166 or CEQA Guidelines § 15162 and 15168(c)(2) exists since the proposed changes the types of walls/fencing would not result in a new significant impact to the environment or require new mitigation measures.

C. No subsequent or supplemental Environmental Impact Report, Mitigated Negative Declaration or Addendum is required to be prepared before adopting the draft Ordinance approving the proposed modification.
SECTION 3: Factual Findings and Conclusions. The City Council finds and declares that the factual findings and conclusions set forth in Resolution No______, adopted on __________, 2015, are incorporated as if fully set forth.

SECTION 4: Approvals. The City Council hereby approves a modification to Condition of Approval No. 5L of Resolution No. 4415 and Ordinance No. 1382 as amended by Resolution No. 4542 and Ordinance No. 1417 regarding fencing requirements for the Plaza El Segundo (and “The Point”) development project. Condition of Approval No. 5L is amended to read as follows:

“A six-foot high solid wall must be constructed along the southern property line of Lot 15 of Vesting Tract Map No. 061630 for at least a length of 200 feet from the eastern edge of the Sepulveda Boulevard right-of-way. A six-foot high wall or a fence constructed of vinyl chain link or other material must be constructed along the remaining property lines of the Project Area abutting the Union Pacific Railroad right-of-way with screening of the right-of-way with the use of landscaping, including, without limitation, vines, hedges and/or trees to the satisfaction of the P.B.S. Director. A six-foot high chain link fence or other material aesthetically compatible with existing fencing or walls in the Project Area must be constructed along the northern property line of Project Site Phase 1B abutting the Burlington Northern Santa Fe Railroad right-of-way to the satisfaction of the P.B.S. Director. Additionally, screening of the right-of-way with the use of landscaping, including, without limitation, vines, hedges and/or trees is required to the satisfaction of the P.B.S. Director. An eighteen-inch high, three-strand barbed wire fence may be placed upon the top of the chain link fence for the entire length of this fence (approximately 1,690 feet).”

SECTION 5: Reliance on Record. Each and every one of the findings and determinations in this Ordinance are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 6: Limitations. The City Council’s analysis and evaluation of the Project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the City Council’s knowledge of future events. In all instances, best efforts have been made to form accurate assumptions. Somewhat related to this are the limitations on the City’s ability to solve what are in effect regional, state, and
national problems and issues. The City must work within the political framework within which it exists and with the limitations inherent in that framework.

SECTION 7: Summaries of Information. All summaries of information in the findings which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding, is not based in part on that fact.

SECTION 8: Effectiveness of ESMC. Repeal or amendment of any provision of the ESMC will not affect any penalty, forfeiture, or liability incurred before or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 9: Memorialization. The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of El Segundo's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 10: Severability. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the city council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.
SECTION 11: Effective Date. This Ordinance will become effective on the thirty-first (31st) day following its passage and adoption.

PASSED, APPROVED AND ADOPTED this ___ day of __________ 2015.

Suzanne Fuentes, Mayor

ATTEST:

STATE OF CALIFORNIA   )
COUNTY OF LOS ANGELES )    SS
CITY OF EL SEGUNDO    )

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. ___ was duly introduced by said City Council at a regular meeting held on the ___ day of __________ 2015, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ___ day of __________ 2015, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:
Mark D. Hensley, City Attorney

By:

David King, Assistant City Attorney
AGENDA DESCRIPTION:

Consideration and possible action regarding the results of the Information Technology Strategic Plan ("ITSP") completed by Nexlevel Information Technology, Inc. (Fiscal Impact: $0)

RECOMMENDED COUNCIL ACTION:

(1) Review and adopt the Information Technology Strategic Plan;
(2) Direct staff to follow the identified recommendations and staff proposals;
(3) Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

NexLevel ITSP

FISCAL IMPACT: None

Amount Budgeted: $0
Additional Appropriation: N/A $0
Account Number(s):  

ORIGINATED BY: Larry Klingaman, Information Systems Manager
REVIEWED BY: Mitch Tavera, Chief of Police
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

At the February 17, 2015 City Council meeting, staff received approval to obtain the services of NexLevel Information Technology, Inc. to perform a review of the Information Systems functions for the City.

Staff tasked Nexlevel with the following objectives:

1. Summarize the current organizational capabilities
2. Determine the current and future technology needs to fulfill City objectives
3. Recommend a road map to reach the desired state

To accomplish the tasks, NexLevel performed the following activities:

1. Interviewed the relevant stakeholders from each department
2. Compiled the Information Systems Assessment report
3. Created a recommended project portfolio listing
4. Facilitated a city-wide project prioritization workshop
NexLevel incorporated the work products from these activities as the foundation for the development of the 3-Year IT Strategic Plan. The recommendations in the IT Strategic Plan and the accompanying project listing will serve as the compass for the City to follow in the upcoming years. The plan is intended to be a living document, updated and adjusted continually as the needs of the City change.

A summary of the challenges and recommendations of the plan follow below.

NexLevel ITSP identified challenges:

- Siloed organizations, separate information systems, and separate repositories of information inhibit the City’s ability to respond to public expectations for expanded access to information and services.

- The lack of expertise in high-value areas such as project and vendor management will continue to be a limiting factor in the future.

- The location of the IS Division within a user department is not an ideal arrangement for making IS services widely available to the City or for holding the IS Division accountable to the City-wide user base.

NexLevel ITSP recommendations (Pages 14-16):

- The City should implement a formal approach to information technology governance to ensure that IT priorities stay aligned with the City’s business goals and priorities. Due to the individual nature of each organization, NexLevel does not specify a specific structure.

- The City should reconsider its approach to the management and delivery of information technology services by outsourcing services such as network and infrastructure support to allow staff to focus on business process analysis and project management.

- The City should develop and adopt a plan for community engagement and eGovernment to address implementation of websites, mobile services, and social media. Due to the individual nature of each organization, NexLevel does not specify a specific structure.

- City IS should plan for the further adoption of IT Best Practices in areas such as change and configuration management, creation and maintenance of a knowledgebase, and greater transparency and collaboration with user groups.

- The City should develop, adopt, and implement an industry standard NIST-conformant cyber security framework to secure the city against both internal and external threats such as viruses, malware, and disgruntled employees.

- The City should consider an alternative reporting relationship in the long-term. If feasible, having the IS Division report to an Assistant City Manager is preferable to hold the IS Division accountable to the City-wide user base.
In order to accomplish the recommendations of the NexLevel ITSP, staff proposes the following changes:

- Re-convene the Executive Technology Review Committee bi-annually to establish priorities, policies, and procedures and form ad-hoc inter-departmental workgroups to manage enterprise applications.

- Outsource some utility functions to contractors to allow staff to focus on value providing services such as business process analysis and project management.

- Work with HR to re-class existing positions to better represent the needs of the organization by aligning the IT Division with the value and utility functions.

- Discuss options for future organizational change related to the optimal location and management responsibility for the Citywide Information Division.

Staff recommends that Council review and adopt the ITSP completed by NexLevel Information Technology, Inc., and direct staff to follow the identified NexLevel recommendations and staff’s proposed changes.
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This Information Systems Strategic Plan was developed for the City of El Segundo by NexLevel Information Technology, Inc.
1 - Introduction

1.1 - Scope and Objectives

This document, entitled Information Systems Strategic Plan (ISSP), was prepared for the City of El Segundo (City) by NexLevel Information Technology, Inc. (NexLevel), to document the findings and recommendations developed for the City including a technology project roadmap for the next three years. The strategic plan will enable the City to better allocate its information technology resources and to obtain greater benefits for its investments in information technology. The plan does not attempt to predict the future; but rather, to enable the City to more effectively respond to new and/or changed requirements.

Strategic planning provides the basis for organizations to proactively change their information technology environment (including processes, organization, people, and infrastructure) to remediate service delivery issues, to obtain greater benefits for the investments being made in information technology, and to improve an organization’s ability to more effectively respond to future requirements. All of these apply to the City of El Segundo.

The question then, is not whether the City needs to change how it governs, manages, delivers, and uses information technology services, but rather, how this change should be implemented. The Information Systems Strategic Plan answers this question by providing:

- A collaborative framework for the identification, definition, and prioritization of information technology projects that ensures that the resulting Information Systems Strategic Plan reflects the City’s needs, priorities, and resources, and that it is the City’s plan, not the consultant’s
- A baseline roadmap for the implementation of the information technology projects that can be maintained and modified by the City as priorities and resources change

Key supporting activities (that have been addressed in the IT Assessment Report previously delivered to the City) include:

- The implementation of an approach to information technology governance that enables the City to align the use of information technology resources with the City’s business needs and priorities
- The implementation of an approach to organization change management to enable the City to overcome resistance to change, particularly with regard to changing existing business processes to take advantage of the capabilities of information technology.

The latter is particularly important. Resistance to change is a critical inhibitor that prevents organizations from obtaining the fullest possible benefits of information technology and that contributes to the failure of information technology projects.
Michael Hammer, a noted authority on business change and information technology, noted that:

The old rules of work design are based on assumptions about technology, people, and organizations that are no longer valid... This has resulted in fragmented processes that lack the integration required to maintain quality and service. Instead they promote tunnel vision oriented towards the narrow goals of individual functions or departments, rather than the goals of the process as a whole.¹

Terminology
To avoid confusion, concepts and observations in this report regarding the use of information technology in general are spelled out ("information technology") or abbreviated as "IT", while "City IS" is used for references to the City's Information Systems Division. Please note that the terms "information systems" and "information technology" are used interchangeably in this document.


1.2 - Document Organization and Contents
The document is organized as follows:

- **Introduction (this section):** Which provides information regarding the scope and objectives of the project, the organization and contents of this report, the methodology used to develop the Information Systems Strategic Plan, and an Executive Summary.

- **City's Current IS Environment:** Which provides information that was developed in the course of the assessment phase of the project (please see below) regarding how the City presently governs, funds, manages, and delivers information technology services.

- **Information Systems Strategic Plan:** Which provides a detailed description of the three-year project roadmap developed for the City including the sequence and scheduling of the projects and information regarding the relative business value, level of effort, level of risk, and cost for each of the projects.
1.3 - Project Methodology

The resulting IT Assessment Report provided realistic and achievable recommendations for the City with the objectives of enabling it to obtain greater value for its investment in information technology and/or realize improvements in the governance of information technology and the delivery of information technology services.

- **Strategize** – During which NexLevel worked with the City to develop a project “portfolio,” a prioritized list of information technology projects that was reviewed by key City decision-makers and stakeholders in the Project Prioritization Workshop. The results of the workshop provided the basis for the development of this Information Systems Strategic Plan.

Figure 1 – “Listen, Plan, Deliver Methodology”

Figure 1 depicts the methodology used by NexLevel to develop the Information Systems Strategic Plan for the City. NexLevel’s “Listen, Plan, Deliver” methodology is composed of three phases:

- **Initiate Phase** – During which NexLevel met with the City’s Project Sponsor and Project Manager to review and confirm the project schedule and to identify relevant documents that were reviewed in the course of the project.

- **Analyze Phase** – During which NexLevel performed an analysis of how the City governs and manages information technology, how information technology services are delivered, and how they are used, including an assessment of the degree to which the City conforms to information technology best practices. The assessment included an analysis of the gap between the City’s current conformance with information technology best practices, average results for prior assessments, and the recommended target for conformance.
1.4 - Executive Summary

- The specific information technology projects (the “Project List”) that the City needs to undertake to remediate the weaknesses in its information technology environment (including processes, people, systems, and infrastructure), to respond to key operational needs, to improve the delivery of information technology services, and to meet community needs.

Key products of the information systems strategic planning process include:

- A collaborative framework for the identification, definition, and prioritization of information technology projects that ensures that the resulting Information Systems Strategic Plan reflects the City’s needs, priorities, and resources and is thus realistic and achievable. Moreover, it is the City’s plan, not the consultant’s.

- A baseline roadmap for the implementation of the information technology projects that can be maintained and modified by the City as priorities and resources change.

- A recommended structure for the continued governance of information technology to ensure that the information technology directions and priorities are aligned with the City’s business needs and priorities, and that the City continues to obtain the highest possible return for its investments in information technology.

The City’s Current Information Systems Environment

The IT Assessment Report found that although the City is reasonably conformant to information technology best practices, it is experiencing significant challenges in the consistent delivery of information services to the user community. These challenges are largely related to the impact of the funding and staffing reductions.
that were necessitated by the economic recession; however, other factors include:

- The absence of a formal approach to information technology governance and a vision for the City-wide use of information technology. This has resulted in some key projects, such as the Laserfiche enterprise document management system, not receiving needed priorities and resources

- The age of the information technology infrastructure including the City’s core business applications, hardware, and system software

- Shortfalls in information technology staffing and skills as well as a dated approach to the sourcing of information technology services

- An inconsistent approach to providing training and documentation for the user community which has made it difficult for the users to maintain competencies in using technology including the City’s core business applications. This particularly impacts the City’s financial application

**Technology Trends**

There are a number of technology trends in play that impacted the development of the information systems strategic plan, the most visible of them being the move to using web-based (“cloud”) services in place of locally-hosted applications and infrastructure, as well as the growing use of mobile computing and the expectation of the public that they can obtain access to government information and services from “any device, anywhere, anytime.”

Additionally, the shift in the use of information technology from being a back-office productivity tool that was largely unseen by the public, to a mission-critical, public-facing, channel for the delivery of information and services, has necessitated changes in how information technology services are governed, managed, and delivered, and how information technology organizations are staffed. Whereas systems and network administrators were the core of IT organizations in the past, project managers and business analysts are needed to support the IT organization’s new role as a service broker as well as service provider. This transition has been a challenge for local, as well as State and Federal, government agencies.

Other technology trends that influenced the development of information systems strategic plan included:

- The need to align information technology directions and priorities with City-wide directions and priorities through the integration of business and technology planning

- The growing adoption of technology for the organization and management of documents and other content as a result of the costs related to the management of unstructured repositories of documents

- The recognition of the need for organizational change management to help ensure that cities obtain the fullest possible return on their investment in expensive technologies such as document management and enterprise resource planning (ERP) systems

**Strategic Planning Framework**

Information technology strategic planning is not an event or a report, but rather is a continuing process. Through the development of this Information Systems Strategic Plan, NexLevel has provided the City with a simple, but effective and agile framework that it can continue to use to update and maintain the plan.
The Information Technology Project Roadmap

Finally, the completed roadmap provides the baseline for the Information Systems Strategic Plan. The full schedule is provided in Section 3, Information Systems Strategic Plan, below. The City has identified six (6) projects that are presently in progress and fifty-five (55) planned projects to be completed by the end of FY 2017/18. Some of the planned projects are closely related; for example, there are nine separate sub-projects associated with the City's financial system.

Assuming that all of the planned projects (costs for projects in progress are not included in the totals since these are already budgeted) were to be funded this would result in the expenditure of approximately $953,000 in FY 2015/16, $420,000 in FY 2016/17, and $568,000 in FY 2017/18 (estimated mid-range cost, rounded up). Please note that for planning purposes, NexLevel has assumed that the full cost for any project would be incurred in the FY that the project begins even if the projects spans multiple FYs.

This baseline will be continually updated and refined by the City.
2 - City’s Current IS Environment

2.1 - Summary of Assessment

As depicted in Figure 3, Scope of Information Technology Assessment, NexLevel performed a comprehensive review of how the City presently governs, manages, delivers, and uses information technology services. The key findings of the Information Technology Assessment Report are provided below.

2.2 - User Stakeholder Interviews

In the course of the information technology assessment, NexLevel interviewed a wide range of city executives and user stakeholders including the City Manager’s Office, Building and Safety, City Clerk, City Treasurer, Police, Finance, Fire, Human Resources, Library Services, Public Works, and Recreation & Parks.

The interviews focused on four key themes:

- What technologies are you using today?
- What obstacles or issues are you encountering in your use of this technology?
- Do you have any technology projects that are planned or already in progress?
- Do you see any emerging needs for technology?

The interviews indicated that generally the City’s user community:

- Is unclear as to the City’s information technology directions and priorities, particularly with regard to key business applications such as the City’s financial system
- Appreciates the efforts of City IS staff to support them and recognizes that City IS can only do so much with limited staffing, but is nonetheless frustrated that they cannot obtain the support needed for the maintenance, enhancement, and/or replacement of the City’s aging business technology applications
- Does not view City IS as a resource that they can use to obtain advice regarding potential technology solutions for business problems
The City of El Segundo

- Is frustrated at the inability of the City to leverage existing technologies (such as Laserfiche) as well as the inability of City IS to quickly resolve the performance problems being experienced by users who have received new virtual desktops computers to replace their aging Windows XP desktops

2.3 - IS Interviews

Interviews were conducted with the City’s IS Manager and staff, including:

- Larry Klingaman, IS Manager
- Dave Gray, Technical Services Analyst (Police)
- Scott Kim, Information Systems Specialist (Help Desk Manager)
- Mike McDaniel, GIS Analyst
- Nahid Sarrafieh, Network Assistant (Desktop and Application Support)

The interviews were focused around the following themes:

- What is the scope of your responsibilities?
- How are projects or user requests assigned to you?
- What obstacles or difficulties have you experienced in performing your responsibilities?
- What works well?
- What should be changed?

Key findings from the interviews with the IS staff included:

- City IS has three primary service functions: Support and Training, Infrastructure, and Applications; however, it is also responsible for the City’s VoIP telephone system
- Due to the lack of a City-wide process for technology governance, departments individually submit project requests to City IS, some with more lead-time than others, and City IS has to work with the departments to sort out relative priorities. This is problematic since City IS is working to resolve infrastructure issues (such as the replacement of the City’s outdated desktop PCs) and does not have sufficient staff to handle these projects. Additionally, City IS staff does not have significant project management or business analysis expertise, and this also limits its ability to respond to these requests
- Despite limited staffing, City IS is relatively siloed with two of the most experienced staff members, the GIS Analyst and the Technical Services Analyst, committed full-time to GIS and Police. The Technical Services Analyst is located separately from the rest of the IS staff. This segregation of assignments limits the support provided for GIS and the Police and limits internal collaboration within City IS
2.4 - IS Staffing

NextLevel performed a staffing analysis to determine whether City IS is sufficiently staffed to meet its assigned responsibilities considering both the organization of City IS and information technology staffing in other cities in Southern and Northern California. Based on a study conducted by NextLevel in 2013, the average percentage of full-time employees (FTEs) supporting information technology is 2.6%, with a range of 1.9% to 3.4%.

Using the City’s budgeted number of 259 full-time employees as the base, it should have between five and nine IT FTEs, with an average of seven. The City presently has a staff of five employees supporting information technology with two vacant positions that are being recruited. Of the five current staff members, only three of them are normally available to support City-wide information technology needs since one position is dedicated to GIS and one is dedicated to public safety. This supports the general opinion in the City that its IS organization has been understaffed for some time.

The consequences of a shortfall in the staff resources supporting a city’s information technology environment are often significant and it can take time, additional resources, and new investments in information technology to remediate the effects. The consequences of not having sufficient IT resources typically include:

- Degradation of the information technology infrastructure due to delays in applying updates and patches as well as deferred maintenance and replacement of hardware
- Degradation of IT support, as the IT staff does not have sufficient time to follow best practices such as the development and maintenance of documentation. This, in turn, leads to reduced productivity and reduced quality as the IT staff struggles to keep up with the demand for services

2.5 - Core Business Applications

The City has a varied portfolio of core business applications. A business application is considered to be “core” if it would be very difficult, if not impossible, for the users to perform their work without them. These are listed below in Table 1, Core Business Applications, along with the business functions that each performs, and a recommended disposition for each.

<table>
<thead>
<tr>
<th>Application</th>
<th>Business Functions</th>
<th>ISSP Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eden</td>
<td>G/L, A/R, A/P, Payroll, Utility Billing</td>
<td>Evaluate</td>
</tr>
<tr>
<td>Business Performance Management (BPM)</td>
<td>Budget Forecasting, Planning, Reporting, and Analysis</td>
<td>Evaluate</td>
</tr>
<tr>
<td>Laserfiche</td>
<td>Document Management</td>
<td>Retain, Expand</td>
</tr>
<tr>
<td>GIS</td>
<td>Geographic Information System</td>
<td>Retain, Expand</td>
</tr>
<tr>
<td>City Web-Site</td>
<td>Public Access</td>
<td>Evaluate</td>
</tr>
<tr>
<td>AVL</td>
<td>Vehicle Location</td>
<td>Retain</td>
</tr>
<tr>
<td>AutoCad</td>
<td>Engineering Designs</td>
<td>Retain</td>
</tr>
<tr>
<td>Class</td>
<td>Class Registration</td>
<td>Replace</td>
</tr>
<tr>
<td>Granicus</td>
<td>City Council Video Streaming and Playback</td>
<td>Retain</td>
</tr>
<tr>
<td>MuniPermits</td>
<td>Online Permit Application and Information</td>
<td>Replace</td>
</tr>
<tr>
<td>LicenseTrack</td>
<td>Business License Renewals</td>
<td>Retain</td>
</tr>
<tr>
<td>QuickBooks</td>
<td>Billing for paramedic transport and CUPA inspections</td>
<td>Evaluate</td>
</tr>
<tr>
<td>Records Management</td>
<td>Public Safety Records Management</td>
<td>Evaluate</td>
</tr>
<tr>
<td>Firehouse</td>
<td>Fire Records Management</td>
<td>Retain</td>
</tr>
<tr>
<td>Millenium Integrated Library System</td>
<td>Library Management Information System</td>
<td>Retain</td>
</tr>
<tr>
<td>NeoGov</td>
<td>Recruitment</td>
<td>Retain</td>
</tr>
<tr>
<td>Faster</td>
<td>Fleet Management</td>
<td>Evaluate</td>
</tr>
<tr>
<td>Hdl</td>
<td>Sales and Use Tax Auditing</td>
<td>Retain</td>
</tr>
</tbody>
</table>
Of the eighteen core business applications, NexLevel has recommended that:

- Ten of the applications should be retained in use and some of them expanded by either augmenting the business functionality provided by the application or by updating the technology supporting the application.
- Six of the applications should be evaluated to determine whether continued use of the application is consistent with the City’s business needs and priorities, including the City’s financial system (Eden).
- Two of the applications should be replaced since the application is either at the end of its life and will no longer be supported by the vendor (Class), or the availability of future support for the application is problematic (MuniPermits).

City IS also makes use of some applications and these are listed in Table 2, IS Applications. NexLevel has recommended that the City consider the replacement of the Help Desk Ticketing System.

### Table 2 – IS Applications

<table>
<thead>
<tr>
<th>Application</th>
<th>Business Functions</th>
<th>ISSP Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Center Service</td>
<td>Help Desk Ticketing</td>
<td>Replace</td>
</tr>
<tr>
<td>Manager 2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SolarWinds</td>
<td>Network Monitoring</td>
<td>Expand</td>
</tr>
<tr>
<td>VMWare</td>
<td>Server and desktop virtualization</td>
<td>Retain</td>
</tr>
</tbody>
</table>

### 2.6 - Best Practices Assessment and Gap Analysis

NexLevel uses a comprehensive list of best practices that are categorized into six separate dimensions to evaluate the organization’s compliance with best practices. The dimensions are separated into two categories and include:

- **Shared Ownership:** Those dimensions where the IT organization shares ownership for IT best practices conformance with City management and the user community, including:
  - Technology Governance – Practices related to the City-wide direction regarding the use of information technology, the leadership and reporting structure of the IT organization, degree of management overview, and the consistent tracking of the delivery of technology services.
  - Service Delivery – Practices related to coordinating the processes involved in providing customer support including training, help desk, and service delivery management, and the establishment of service level agreements (SLAs) and tracking of conformance with them.
  - Business Technology Applications – Practices related to the management and support of the application information systems supporting business operations.

- **IT Ownership:** Those dimensions where the IT organization is primarily responsible for best practices conformance, including:
  - Infrastructure – Practices related to the acquisition, utilization, and maintenance of equipment (such as servers and storage devices), operating systems, support software, and network services.
The City of El Segundo

- Security — Practices related to the effective use of policies and standards, user conduct, software tools (filtering, monitoring, etc.), and audits to validate that material and software resources are used only for their intended purposes
- Administration — Practices related to the management of technology in terms of budgets, maintenance agreements, software licenses, and the development and maintenance of current and accurate documentation on all technology activities

NexLevel developed an assessment of the degree to which the City conforms to the best practices in each of these dimensions based on the information developed in the course of the user and IS interviews and based on a best practices self-assessment completed by City IS.

Table 3, Comparative Conformance to IT Best Practices, provides an analysis of the City’s conformance to information technology best practices compared to other California cities for which NexLevel has recently delivered information technology strategic plans.

<table>
<thead>
<tr>
<th>IT Best Practice Dimension</th>
<th>Five City Average</th>
<th>El Segundo</th>
</tr>
</thead>
<tbody>
<tr>
<td>City-wide Ownership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology Governance</td>
<td>40%</td>
<td>10%</td>
</tr>
<tr>
<td>Service Delivery</td>
<td>38%</td>
<td>53%</td>
</tr>
<tr>
<td>Business Technology Applications</td>
<td>39%</td>
<td>37%</td>
</tr>
<tr>
<td>IT Ownership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>54%</td>
<td>50%</td>
</tr>
<tr>
<td>Security</td>
<td>54%</td>
<td>53%</td>
</tr>
<tr>
<td>Administration</td>
<td>43%</td>
<td>37%</td>
</tr>
<tr>
<td>*** TOTAL:</td>
<td>45%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Overall, the City is approximately as conformant with information technology best practices as are other cities assessed by NexLevel (40% for the City vs. 45% average).

The results are somewhat mixed for the City-wide best practice dimensions. While the City scored above average for service delivery and within the range for business technology applications, it did not score as highly in the area of technology governance. The absence of a formal process for information technology governance should be addressed by the City.

For those information technology best practices that are primarily owned by City IS, the City’s scores are generally comparable to, but less than, the average in each of the three dimensions.

These results are then plotted by dimension and level of organization maturity in Figure 4, IT Best Practices Conformance. Each of the rings in Figure 4 represents a level of best practice conformance with:
- The outer most (red) ring representing the lowest level of conformity to IT best practices (less than 20%)
- The orange ring representing a level of conformance to IT best practices that is typical of reactive organizations (21% to 50%)
- The tan ring representing a level of conformance to IT best practices that is typical of proactive organizations (51% to 80%)
- The green rings at the core of the diagram representing the highest degree of conformance to IT best practices (greater than 80%)

The width of the bands is proportional, with the bands representing the Reactive and Proactive levels being the widest since they cumulatively represent a range of 60% conformance to IT best practices. Most public sector organizations fall somewhere within this range of conformance to IT best practices.

NexLevel has segmented the hexagon into two halves. The upper half of the hexagon is composed of the best practice dimensions where there is shared ownership for IT best practice conformance; while the lower half of the hexagon is composed of the best practice dimensions where the IT organization is typically responsible for conformance to best practices (assuming that sufficient resources are allocated).

NexLevel has plotted the results of the assessment for each of the best practice dimensions within the rings (the target points) and then connected them together to depict where the City is from an overall perspective.

For five of the six dimensions, the City has a reasonably high degree of conformance to IT best practices that is either in, or bordering on, the proactive ring. The assessment of the level of conformance to IT best practices for technology governance is much lower and reflects the City's ad-hoc approach to technology governance.

Conformance with IT best practices does not guarantee the effective delivery of IT services; nonetheless, the results of the assessment suggest that, given additional staffing, expertise, and funding, City IS could meet the City's immediate needs. The ability of City IS to effectively meet the City's long-term needs; however, will be largely dependent on the implementation of the recommendations provided in the IT Assessment Report.
Figure 5, Gap Analysis, depicts the gaps between:

(a) NexLevel’s assessment of the City’s present level of IT best practices conformance (40%);
(b) The typical level of IT best practices conformance, which is generally around 50%; and
(c) A target level of IT best practices conformance (approximately 65%) that represents a reasonable level of return on investment (ROI) for the City’s expenditures for information technology.

![Gap Analysis Diagram]

Figure 5 – Gap Analysis

The recommendations provided in the IT Assessment Report and the overall IS Strategic Plan will provide the City with a roadmap for progressively closing the gap in IT best practices conformance and for improving the delivery of technology services to the City’s user community.

2.7 - SWOT Analysis

“Today’s world, business touches the world through IT. The IT organization, and particularly the groups that run, support, manage, and maintain the technology that supports business processes and business services, are critical to the successes and competitiveness of the business.” – Exploring Business and IT Friction: Myths and Realities, Forrester Consulting, 2012

The changes in information technology and how information technology is used in both government and business have been profound. Within a relatively short timeframe, developments including reliance on the Internet, mobile computing, mobile applications, etc., have transformed information technology from a back-office productivity tool to a strategic enabler for the delivery of City information and services to the public. Whereas the public might not have noticed in the past if an information system was unavailable or slow during part, or all, of a work day, it is now immediately evident to users within the City and the public.

This significant shift in the use of information technology and user and public expectations influences the assessment of the strengths, weaknesses, opportunities, and threats facing the City. Figure 6, SWOT Analysis, depicts the results of the IT Assessment. In this model, the upper sections of the chart are tactical and look at the strengths and weaknesses of the City’s IS organization; while the lower section of the chart identify the opportunities and threats facing the City today, as well as in the future, regarding its use of information technology.
The City of El Segundo

Information Systems Strategic Plan

Tactical: Factors that primarily impact the IT Organization

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engaged, committed IT staff</td>
<td>Inconsistent adoption of standards and procedures</td>
</tr>
<tr>
<td>Good approach to network security</td>
<td>Organizational reporting</td>
</tr>
<tr>
<td>Reliable infrastructure [Servers, etc.]</td>
<td>Lack of planning for IS staff performance, accountability, continuity, and development</td>
</tr>
</tbody>
</table>

Strategic: Factors that primarily impact the City as a whole

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve ROI for IT expenditures through the implementation of IT governance and other IT best practices</td>
<td>Ad-hoc approach to Technology Governance</td>
</tr>
<tr>
<td>Align IT priorities and resources with City-wide priorities and objectives</td>
<td>Tradition of operating autonomously</td>
</tr>
<tr>
<td>Improve communication and collaboration to better manage end-user expectations for technology services</td>
<td>Increased cost of ownership for IT as a result of a diverse application portfolio</td>
</tr>
<tr>
<td></td>
<td>Potential cybersecurity threats</td>
</tr>
</tbody>
</table>

Figure 6 – SWOT Analysis

Looking at the City in this framework, NexLevel found that on balance the City has both significant strengths and opportunities; however, it must act to remediate the weaknesses in City IS and the City-wide threats:

- City IS's strengths include a staff that appears to be engaged and committed, a good approach to network security, and an enterprise infrastructure that is reasonably reliable (other than the virtual desktop computers). On the other hand, City IS has been challenged to effectively deliver services to the user community. While some of these challenges are attributable to the absence of technology governance and limited staffing and budget, some of them are related to the failure of City IS to collaborate with users, to hold IS staff members accountable for their performance, and to City IS' lack of skills in critical areas such as project management and risk management.

The latter is the most problematic for City IS. While the organization is well-gear to handling the traditional services provided by IT organizations, the lack of expertise in high-value areas such as project and vendor management will continue to be a limiting factor in the future unless it is resolved. There is much to be said for City IS' practice of leveraging work products and plans from other cities; however, "one size does not fit all," and City IS should not undertake projects, such as the virtual desktop infrastructure project without having a full understanding of the risks and technical requirements involved.

- From an organizational perspective, the largest concern is that the City has limited experience in using information technology as a strategic asset to facilitate the delivery of services. Siloed organizations, separate information systems, and separate repositories of information inhibit the City's ability to respond to public expectations for expanded access to information and services. Technology governance is needed to enable the City to obtain greater value for its investments in information technology.

- Lastly, the location of the IS Division within a user department (in this case the Police Department) is not an ideal arrangement for making IS services widely available to the City or for holding the IS Division accountable to the City-wide user base. While the present arrangement is workable in the short-term, the City should consider an alternative reporting relationship in the long-term. If
feasible, having the IS Division report to an Assistant City Manager is preferable.

2.8 - IT Assessment Recommendations

The IT Assessment Report provided a series of recommendations for the City to enable it to better govern, manage, and deliver information technology services. These are briefly described below:

- **The City should implement a formal approach to information technology governance**: NexLevel recommended that the City adopt a formal, but minimalist and agile, approach to information technology governance to ensure that information technology priorities are aligned with the City's business goals and priorities and that information technology resources are allocated consistently with City-wide business directions and priorities.

- **The City should reconsider its approach to the management and delivery of information technology services**: NexLevel recommended that the City reconsider its approach to the staffing and delivery of information technology services to reflect the changing role of information technology in the public sector. Whereas IT organizations were previously responsible for implementing and maintaining the City's IT infrastructure and centralized applications, IT organizations need to be service managers and service brokers rather than direct service providers. Therefore the City should consider the sourcing of services such as network and infrastructure support and have City IS focus on services such as business process analysis and project management.

- **The City should develop and adopt a plan for community engagement and eGovernment**: Web-sites, mobile services, and social media are all playing a large role in how governments interact with the community (and vice-versa). Without a well-defined City-wide plan for community engagement the City could expend resources in the development and support of one-off solutions that are not
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scalable, replicable, or sufficiently agile to respond to the continuing changes in information technology and public expectations. As the United States Office of Management and Budget noted: “Apps are easy... enterprise strategy, not so much.”

- **The City should take additional steps before proceeding with the replacement of its ERP system:** NexLevel recommended, and the City has agreed, that it should perform a post-implementation review of its financial management system (Eden) to determine if this system, which is still supported and being enhanced by Tyler Technologies, could be better adapted to meet the City’s needs before procuring a new financial solution.

- **City IS should plan for the further adoption of IT Best Practices:** Irrespective of the long-term direction that the City takes with regard to the sourcing of information technology services, NexLevel recommend that the further adoption of best practices by City IS would benefit the City by improving the ability of City IS to support the City’s user community and to enable it to focus on higher-value activities. NexLevel recommended that City IS should focus on improving its level of conformance to IT best practices with regard to:
  - Internal and external communication and collaboration
  - Change and configuration management
  - Management and refreshment of desktop technology
  - Help Desk management including transparency with the user community regarding the status of their requests and the performance of City IS in resolving them

- **Creation and maintenance of a knowledge base that would be available to IS staff as well as users and that would enable users to trouble-shoot and solve common problems**

- **The City should develop and adopt a NIST-conformant cybersecurity framework:** NexLevel recommended that the City develop and adopt a cybersecurity plan based on the framework developed by the National Institute of Standards and Technology (NIST). Cybersecurity plans include provisions to protect City information from unauthorized access, modification, and destruction by:
  - Securing the City (to the extent possible) against external threats including hacking attempts, malware, and viruses
  - Securing the City against internal threats (such as disgruntled employees)
  - Educating users regarding the protection of City information, particularly when using either City-issued or personal mobile devices

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2 US Office of Management & Budget, National Dialogue on the Federal Mobility Strategy

3 – Information Systems Strategic Plan

3.1 – Introduction

Change is a constant concern for public sector executives who must often respond to increased public expectations and new mandates with limited resources and information technology environments that are not agile. Without a strategic plan to manage and respond to change, organizations tend to become reactive rather than proactive and, as a result, obtain reduced benefits for their investments in information technology. Strategic planning enables organizations to find a balance between immediate and long-term needs. It follows that the process for the development of a strategic plan needs to take the same considerations into account.

3.2 - Plan Development

NextLevel is committed to the concept that information technology needs and priorities should be aligned with business needs and priorities. While there are a number of means to accomplishing this alignment, the most effective is to integrate business planning and technology planning within a common framework, and this is the basis for the project prioritization workshop where technology priorities are set by the organization’s business stakeholders.

Figure 7, Planning and Prioritization Process, depicts the methodology that was used in the development of the project schedule that is the core of the Information Systems Strategic Plan.

The inputs to the prioritization process included:

- The organization’s vision (business direction and priorities) and public expectations
The City of El Segundo

Information Systems Strategic Plan

- The operational and technology needs and priorities that were identified by the City’s stakeholders and the recommendations presented in this document. Detailed descriptions are provided for each of these projects in the Appendix.

- Available resources. Although staff resources most commonly come to mind (and indeed, staff resource availability is often a critical limiting component in planning technology projects); project funding, particularly the ability to provide stable funding for information technology over the course of the ISSP, is similarly critical.

- Enabling Technology Trends such as the Integration of Operational and Technology Planning, Resource Management, Electronic Document/Content Management, User-Centric Service Delivery, and Strategic Sourcing, that can facilitate the achievement of the City’s priorities, are discussed below in Section 3.3, Information Technology Trends.

The project schedule that was developed in the prioritization workshop is provided in Section 3.4, Development of the Project Roadmap. The project schedule was developed in an open and collaborative manner with City’s stakeholders and identifies:

- High-priority, City-wide and departmental IT initiatives that were identified by the City’s stakeholders.

- IT tasks and activities that are based on the recommendations provided in the IT Assessment Report and that provide the foundation for improving the City’s ability to govern, manage, deliver, and use information technology services.

3.3 - Information Technology Trends

It can be insightful to examine information technology trends to establish a framework for strategic planning. Assessing the successful application of emerging technologies by other governmental entities to meet their business needs and provide services efficiently to their constituents can be helpful to the City in its planning efforts. Technology developments, when applied to business needs, will assist the City in meeting the demands of its constituents, while operating in a fiscally sound and cost-effective manner.

These trends should be at the forefront throughout the planning process and can enable the City to continually improve its ability to deliver IT services more effectively and get more value (i.e., quality and productivity) from existing staff resources and external service providers. They include:

- Integration of Operational and Technology Planning

  Planning documents often speak to the need to align technology plans and directions with business or operational needs and priorities – generally this implies a two-step process in which operational plans are developed and then technology plans are crafted to support them. Nexlevel believes that this process is not as effective as it could be since the transformative impact of technology should be considered in the course of developing business plans, not afterwards. Industry best practices and research confirm that organizations that integrate business and technology planning in a common framework achieve better results than those that do not.

- Resource Management

  The governance of the use of technology has multiple levels. At the simplest level, governance is generally concerned with promoting the coordination of information technology priorities, directions,
and objectives across the organization to prevent siloed projects that are undertaken without full consideration of organization-wide processes or existing investments. At more complex levels, governance becomes concerned with the long-term allocation of City IT and departmental resources (budget, staff resources, and technology resources) to obtain higher returns on the organization's investment in technology and in ensuring that the organization has a sustainable funding model for information technology.

One of the paradigm shifts related to the adoption of higher levels of governance is related to viewing technology costs in terms of programs (i.e., looking at all costs related to the use of a technology including initial capital / acquisition costs, support costs, enhancement costs and replacement costs) over its lifespan rather than in terms of individual projects. The development and maintenance of program costs for technology is a key component in the development of sustainable funding plans.

Electronic Document / Content Management

Electronic Document / Content Management Systems are enabling technologies that make workers more effective by reducing their need to perform non-value added document-related tasks and minimizing their dependence on paper documents.

User-Centric Service Delivery

Technology organizations need to look at service delivery from a user / customer-centric perspective rather than by functional and/or organizational silos. User-centric organizations are based on cross-functional teams that include a variety of team members with different skill sets working together to deliver services. These teams are generally led by "Customer Service Team Leaders" and supported by a Customer Service Manager and senior IT managers who allocate IT staff members to the cross-functional teams.

Strategic Sourcing / "Cloud" Services

Strategic sourcing is based on the concept of obtaining and using the most effective service provider to respond to user needs and enabling permanent IT staff members to focus on high-priority, high-value tasks and technologies while allocating non-mission critical "utility" functions that require less organization-specific knowledge to lower-cost service providers. For many organizations in both the public and private sector, so-called "cloud" based services including infrastructure as a service (IaaS), desktop as a service (DaaS), and software as a service (SaaS) offer an alternative to initial capital expenditures, the recruitment of additional staff members or the procurement of traditional staff-supplementation services (contractors).

Organizations tend to keep mission-critical applications or applications that contain highly-confidential information in-house while sourcing utility functions to reduce costs and to achieve a higher degree of consistency in service delivery. Key benefits of sourcing include:

- The ability to obtain services under the terms of a service level agreement
- The ability to obtain service coverage for extended hours of operation including 24x7

Mobile Computing and the "Consumerization" of IT

Collectively, these trends represent a significant opportunity to improve the effectiveness and timeliness of service to the public; however, they are also vexing for enterprise IT planners since users need access to enterprise information and services from portable devices that are subject to loss and damage using public networks that are not secure, and they are increasingly doing so with devices of their own choosing, adding complexity (and thus cost) to the
process of mobile device management and potentially exposing the enterprise to cyber-attacks.

Nonetheless, mobile computing is a “game changer” in the public sector, enabling information to be entered or updated on a real-time basis and eliminating the need to capture information on paper or offline and then enter or upload the information in the office, and providing real-time information when it is most needed (i.e., in responding to incidents and emergencies).

Organizational Change Management
Increasingly, organizations find that organizational change management (OCM) is a critical component in obtaining long-term benefits from projects intended to improve operations and in minimizing their impact on operations. OCM provides a methodological framework for managing the effects of the implementation of new business processes, changes in organizational structure, or changes in culture (including changes in focus and change in performance metrics).

Although OCM has its roots in the private sector, it has become more visible in the public sector as City executives have fewer tools (such as bonuses and other incentives) to get line managers and staff to buy into change and remain committed to the change despite any challenges / obstacles that may be experienced during the implementation process. OCM places a focus on improving communication, setting expectations, and working to minimize the impact of misinformation. This has proven to be particularly critical in dealing with represented classes of employees. The implementation of effective OCM capabilities is a critical factor in enabling organizations to maximize the value that they receive from the implementation of enterprise systems.

Project Management Office (PMO)
Project Management is generally regarded as a tactical activity whose primary function is to record project progress and to generate status reports. While this is an important component of project management, the overall scope of project management has greatly expanded with the need to implement enterprise-level and mission-critical information technology projects.

Whereas the focus of project management in the past was on milestones and deliverables, enterprise projects require additional focus on communication and collaboration and require a more strategic form of project management that includes:

- Collaborative project planning
- Change and issue management
- Risk management
- Resource management
- Contract and vendor management
- Communication management

While a person who has limited, but suitable, experience and/or a professional certification in project management can capably perform the tactical aspects of project management, they could be greatly challenged to perform the strategic aspects of project management which require significant experience (including both management and technical knowledge), strong interpersonal and communication skills, as well as functional experience. As a result, these individuals ("senior project managers") tend to be highly paid and highly sought after.

Since few cities or agencies can afford to have a senior project manager for every enterprise or mission-critical project, they tend
instead to form a “Project Management Office” or PMO where a senior project manager can provide guidance, assistance, and oversight for less experienced project managers as well as to serve as a trusted resource for senior management.

There a number of approaches to the implementation of a PMO or to providing similar services for an organization including:

- Having the organization’s Chief Information Officer or IS Manager perform the PMO function with the assistance of staff
- Having a dedicated PMO staff within the information technology organization
- Obtaining PMO services from an external service as needed

3.4 - Development of the Project Roadmap

Figure 8, Development of Project Roadmap

Figure 8, Development of Project Roadmap, depicts the steps involved in the planning process, each of which is discussed below.

Project Descriptions

In the course of the assessment phase of the project, City-wide, departmental, and information systems projects were identified and documented by City IS and NexLevel. A list of the proposed information technology projects, identifying each project’s sponsor, its scope, objectives, and intended benefits, and the other departments that might be impacted, is provided in the Appendix.

Project Assessment

NexLevel developed an assessment of the relative level of effort, level of risk, cost, and business value for each of the projects in the project list. Table 4, Estimated Cost, Risk, Level of Effort, and Business Value (below in ISSP Tables and Figures), provides a summary of each project’s potential cost, level of effort, level of risk, and business value, as well as an assessment of project weighting based on the level of effort, risk, and business value.

Table 4 provides detailed information for 55 projects identified by the City’s stakeholders including 10 projects that are either currently in progress or that have been budgeted in FY 2014/15, 30 proposed user projects, and 15 proposed information systems projects. For each of these the table provides:

- The project title and sponsor
- The estimated level of effort (5=Low, 3=Medium, 1=High, since a lower level of effort is desirable and should receive a higher score)
- The estimated level of risk (5=Low, 3=Medium, 1=High, since a lower level of risk is desirable and should receive a higher score)
- The estimated cost, low to high, in $000’s
- The estimated business value of the project based on the degree to which the project contributes to:
  - Improved staff productivity
  - Improved service delivery
  - Improved IT resilience / security
  - Reduction in the City’s total cost of ownership (TCO) for information technology
The City of El Segundo

- Improvement of the City’s return on investment (ROI) for its information technology expenditures

Each of these has been rated (5 = high, 3 = medium, 1 = low, since increased business value is desired) and a total score has been derived based on the average of the five factors

- A project weighting based on the level of effort, level of risk, and business value, on a scale of 1 to 10, with 10 representing a project with the maximum combination of level of effort, risk, and business value

Prioritization Workshop (“Blue Wall”)
The City’s Project Prioritization Workshop was conducted on July 9, 2015, with the main objective of enabling the City’s stakeholders to schedule the proposed information technology projects over the three years of the Information Systems Strategic Plan based on the City’s priorities and the available resources.

The agenda for the Project Prioritization Workshop included:

- Briefing the participants on the methodology to be used and the “ground rules” for the workshop including:
  - That the participants were all working from a common framework
  - That each participant would have the opportunity to voice their opinions, and that the group would openly consider each other’s concerns and suggestions
  - That the participants would actively support the group’s decisions as the best possible at this time
  - That the participants were prepared and committed to working together

- Reviewing and prioritizing the projects identified in the project list and any new projects identified in the course of the workshop. The prioritization process was guided by a number of key factors including: need / business value, dependencies on other projects, and the availability of the resources needed to complete the project

- Establishing the high-level timeline that is the basis for the IT Roadmap, using NexLevel’s “Blue Wall,” methodology which facilitates the collaborative development of the project timeline on a project by project basis

- Reviewing the next steps

Figure 9, “Blue Wall” Following July 9 Workshop, depicts the results of the initial prioritization workshop. As shown, projects were plotted by the participants along a timeline that began in FY 2015/2016 and continued through FY 2017/2018.

Project Roadmap
Following the Prioritization Workshop, the City’s key stakeholders met subsequently to “smooth out” the resulting project roadmap by spreading projects out over the full duration of the three-year plan to reduce the number of projects scheduled in the front-end of the project roadmap. The results of this effort are depicted in Table 5, Revised Project Schedule and Estimated Mid-Range Cost by Fiscal Year (below in ISSP Tables and Figures).

This table provides a detailed view of the project roadmap following the City’s work to “smooth” the roadmap by better spreading the projects over time. Please note that some projects on the “Blue Wall” were consolidated and some were removed from the Information Systems Strategic Plan by the City.
For each project, Table 5 provides:

- The name of the project, please note that there is some variation in projects names between Table 4 and Table 5 as a result of the project prioritization workshop and the City's subsequent "project timeline smoothing" workshop

- The project sponsor(s)

- The status of the project (in progress or proposed)

- The estimated duration of the project in quarters

- The estimated mid-range cost for the project (the average of the low and high costs provided in Table 4. Please note that the estimated mid-range cost is rounded up)

- The proposed project timeline. The timeline includes the remainder of FY 2014/15 (for projects already in progress or budgeted in FY 2014/15), and then 2015/16, FY 2016/2017, and FY 2017/2018

- The number of concurrent project activities that are planned to be in progress per quarter and the average number of concurrent projects per fiscal year. This provides a relative indication of the planned level of effort and is intended to assist the City in allocating resources

- The total estimated spending for each Fiscal Year. Please note that for planning purposes it is assumed that the total cost for any project is incurred in the FY that the project begins even if the project extends over multiple fiscal years. Further, no delineation is provided for budgeted vs. non-budgeted projects since that information is not known at this time
## ISSP Tables and Figures

### Table 4 – Estimated Cost, Risk, Level of Effort, and Business Value

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Project Sponsor</th>
<th>Project Status</th>
<th>Impacted Departments</th>
<th>Total Cost to Implement ($000's)</th>
<th>Level of Effort (1=Low, 3=Med, 5=High)</th>
<th>Potential Benefits (1-Low, 3=Med, 5=High)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiber Installation and Implementation</td>
<td>IS</td>
<td>In progress</td>
<td>IS</td>
<td>$375</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Fire Prevention Inspector Mobile Software</td>
<td>Fire</td>
<td>In progress</td>
<td>Fire</td>
<td>$10</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Firewall Replacement</td>
<td>IS</td>
<td>In progress</td>
<td>Citywide</td>
<td>$100</td>
<td>1</td>
<td>5</td>
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<tr>
<td>Hazardous Materials Reporting</td>
<td>Fire</td>
<td>In progress</td>
<td>Fire</td>
<td>$15</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Integrated Library System Upgrade</td>
<td>Library</td>
<td>In progress</td>
<td>Library, School District</td>
<td>$100</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Internet Upgrade - Library</td>
<td>Library</td>
<td>In progress</td>
<td>Library</td>
<td>$25</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Network Access - City Library and School District</td>
<td>Library</td>
<td>In progress</td>
<td>Library, School District</td>
<td>$20</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Class System Replacement</td>
<td>Recreation and Parks</td>
<td>In progress</td>
<td>Rec and Parks, Finance</td>
<td>$50</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Smart Classroom</td>
<td>Fire</td>
<td>In progress</td>
<td>Fire</td>
<td>$15</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Wi-Fi</td>
<td>Recreation and Parks</td>
<td>In progress</td>
<td>Recreation and Parks</td>
<td>$10</td>
<td>3</td>
<td>5</td>
</tr>
</tbody>
</table>

*** SUBTOTAL, IN PROGRESS PROJECTS: ***

| Public Works | Proposed | Public Works | $10 | 5 | 3 | - | - | 2 | 8 |
| Rec and Parks | Proposed | Recreation and Parks | $25 | 5 | 5 | 3 | 5 | - | - | 2 | 8 |
| Public Works, Finance | Proposed | Public Works, Finance | $25 | 5 | 5 | 3 | 5 | 3 | - | - | 2 | 8 |
| Fire and Police | Proposed | Fire and Police | - | - | - | - | - | - | - | - | - | - |
| City Manager | Proposed | City Manager | $5 | 5 | 3 | 5 | - | - | 3 | 3 |
| City Manager | Proposed | City Manager | $200 | 5 | 3 | 5 | 5 | 5 | 1 | 5 | 4 | 9 |
| Public Works | Proposed | Public Works | $50 | 5 | 5 | 3 | 5 | 5 | - | 1 | 5 | 7 |
| Finance | Proposed | Finance | - | 5 | 5 | 3 | 5 | - | - | - | - | 1 | 7 |
| Library | Proposed | Library | $10 | 5 | 5 | 5 | - | - | 3 | - | 2 | 8 |
| City Clerk | Proposed | City Clerk | $10 | 5 | 5 | 5 | - | - | - | - | - | - | 2 | 8 |
| Fire | Proposed | Fire | $15 | 5 | 5 | 3 | 5 | - | - | 3 | - | 3 | 6 |
| Treasury | Proposed | Treasury | $25 | 5 | 5 | 5 | - | - | - | - | - | - | 2 | 8 |
| Police, Fire, etc. | Proposed | Police, Fire, etc. | $25 | 5 | 5 | 3 | 5 | - | - | 3 | - | 3 | 8 |
| Fire | Proposed | Fire | $10 | 5 | 5 | 3 | 5 | - | - | 3 | - | 3 | 8 |
| Public Works | Proposed | Public Works | $75 | 5 | 5 | 3 | 5 | - | - | 3 | - | 3 | 4 |
| Fire | Proposed | Fire | $25 | 5 | 5 | 3 | 5 | - | - | 3 | - | 3 | 6 |
| Fire | Proposed | Fire | $50 | 5 | 5 | 3 | 5 | - | - | 3 | - | 3 | 6 |
| Library | Proposed | Library | $25 | 5 | 5 | 3 | 5 | - | - | - | - | - | 2 | 7 |
### Table 4 – Estimated Cost, Risk, Level of Effort, and Business Value, Continued

<table>
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<th>Project Title</th>
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<th>Project Status</th>
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<th>Total Cost to Implement (5000)</th>
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<th>Level of Risk</th>
<th>Potential Benefits</th>
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**Total SUBTOTAL, PROPOSED USER PROJECTS:** $1,525,000

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**Total SUBTOTAL, IS PROJECTS:** $415,000

**TOTAL ALL NEW PROJECTS:** $1,940,000

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September 30, 2015

Page 25
### Table 5 – Revised Project Schedule and Estimated Mid-Range Cost by Fiscal Year

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<th>Project / Sub-Project</th>
<th>Project Sponsor</th>
<th>Project Status</th>
<th>Planned Duration (Quarters)</th>
<th>Mid-Range Cost ($1000's)</th>
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<th>FY 2015/16</th>
<th>FY 2016/17</th>
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### Table 5 – Revised Project Schedule and Estimated Mid-Range Cost by Fiscal Year, Continued

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<th>Mid-Range Cost (5000's)</th>
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<th>FY 2015/16 Q1 Q2 Q3 Q4</th>
<th>FY 2016/17 Q1 Q2 Q3 Q4</th>
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<td>Project Management</td>
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<td>Library - City-wide</td>
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<td>A/V Upgrade</td>
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<td>RCC CAD to Fire RMS</td>
<td>FIRE</td>
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<td>Electronic Billboards</td>
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<td>Core Network Switch</td>
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<td>Equipment Inventory</td>
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<td>AVL App for Parks</td>
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<td>Firehouse RMS Upgrade</td>
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<td>Carp-key Access</td>
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<td>Civic Center</td>
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<tr>
<td>Self Check-Out</td>
<td>Library</td>
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<td>4</td>
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**Concurrent Projects by Quarter:**
- **Q1:** 1,940
- **Q2:** 646
- **Q3:** 6
- **Q4:** 6
- **Average Projects Per Quarter in FY:** $1,940
- **Total Estimated Spending by Fiscal Year:** $953
- **Total Estimated Spending for ISSP:** $1,940

**Notes:**

1. These projects were identified by the City’s IS Division as being in progress at the time of the Project Prioritization Workshop.
2. These projects were previously shown as in progress and were re-scheduled by the City as part of the “project timeline smoothing” process.
3. The estimated cost shown is for the Eden Post-implementation Review only; costs for the sub-projects will be developed in the course of the review. The timeline, however, indicates that this project and various sub-projects will take place over the three years of the Information Systems Strategic Plan.
4. The estimated cost for the implementation of the new CAD/RMS cannot be developed until RCC completes its software evaluation and procurement.
5. The estimated cost for the City-wide implementation of automated vehicle location cannot be established until the City defines the scope of this project (number of vehicles, etc.).
6. The scope of this project is yet to be completely defined, but it will involve departments other than the library.
7. The cost for the Library’s Self-Check Out system includes significant infrastructure costs in addition to hardware and software.
4 - Conclusion

In closing, NexLevel would like to emphasize three thoughts that have emerged in the course of developing the Information Systems Strategic Plan for the City of El Segundo, including the need for information technology governance, the need for a well-balanced and robust technology infrastructure as a foundation for obtaining greater value from information technology, and the need to look at strategic planning as a process rather than as a one-time activity.

Information Technology Governance

The first thought concerns governance. Technology strategic plans are often likened to roadmaps in that they chart the optimal route for an organization from where they are today ("the current state") to where they need to be ("the target state"); however, there are other similarities as well. Just like any trip, the destination may change, as may the stops along the way, as well as the timeline.

As anyone who has travelled with family knows, there are often those who ask questions:

- "Do we really have to go?"
- "Are we there yet?"
- "Can we get there faster?"

These questions are all too familiar to organizations that are working to transition their technology environments to a target state, and underscore the critical role that technology governance, coupled with well-defined and measurable objectives, plays in the transformation of technology environments.

Governance comes into play in the definition of the target state and the interim objectives as well as in the prioritization of the individual projects that comprise the roadmap and in the assignment of resources to the projects.

Governance needs to play a larger role as the information systems strategic plan progresses, and this is why having a strong commitment to the continuing governance of technology is so critical to success. Just as in any trip, priorities may change and obstacles may be encountered, and technology governance is needed to make informed decisions as to how best to allocate resources and to overcome obstacles. Critics often complain that technology governance stifles organizational agility; however, the reality is that the converse is true: it enables organizational agility by allowing organizations to allocate their technology resources to the most critical projects and to keep technology objectives aligned with business objectives and priorities.

Yet, despite the vital nature of technology governance, organizations often struggle to establish and maintain it. Part of the problem is that technology is still relatively new compared to the traditional functions of organizations and the need for technology governance is not engrained in organizational culture in the same way as budgeting, for example. Just as it is not possible to run an organization without having well-defined procedures for budgeting, technology governance is vital for organizations that need to obtain the highest possible return for their investment in information technology. Governance is the key factor that transforms a technology strategic plan from being "shelf ware" to being a tool to drive organizational effectiveness.

Information Technology Building Blocks

The second thought relates to the nature of information technology and the establishment of the foundation for the effective use of business application systems. Figure 10, Information Technology Expenditures and Return on Investment, depicts the relationships...
between the components of an organization’s information technology infrastructure, the organization’s cumulative total cost of ownership for information technology, and its return on investment for those expenditures.

The implementation of any end user business application (and the ability for an organization to realize its benefits) is dependent on the successful implementation and support of all of the supporting components of the information technology infrastructure including the shared infrastructure (including servers and storage devices), user infrastructure such as desktop PCs, and enabling technologies.

Weaknesses in any of these supporting components can significantly impede the effectiveness of a business application by reducing availability, performance, and reliability. Faced with an application that is slow or not available when needed due to infrastructure issues, users often resort to the use of ad-hoc databases and spreadsheets. These “shadow IT” applications defeat the basic reasons for implementing an integrated business suite in the first place and further reduce the organization’s ROI while introducing significant security and data consistency issues. It is thus important for the City to look at its overall technology environment at a high level and ensure that the foundation for all applications remains solid.

The ISSP is a valuable tool to ensure technology is procured, implemented, and managed in a cost-effective approach that maximizes the benefits to the City and its customers.

Information Technology Strategic Planning as a Process

The information systems strategic plan is a result of a comprehensive, City-wide planning effort that provided the opportunity for management and staff to review, discuss, and integrate their technology needs into a common framework. Hopefully it provides a common understanding of the City’s technology priorities and serves as a tool to provide an overall picture of what is to be accomplished and why.

While the creation of the information systems strategic plan represents the culmination of only one step in the planning process, it also marks the beginning of another step — one through which City leaders must work together to create an environment that supports the strategic plan. City IS must now work closely with City management, leaders, and staff as they begin a journey to create an organizational sense of purpose that goes much deeper than any vision statement, mission statement, or plan can communicate.

Support for the information systems strategic plan will need to come in terms of priorities, dollars, policies and practices. Successful implementation may mean making compromises, and it will mean exercising patience, taking an organization-wide perspective, and maintaining a continued focus on revising the plan as events take
place. And finally, it will take cooperation, communication and flexibility to adapt to changing needs, technologies and resources.
Appendices

Appendix 1, Project Descriptions

Appendix 1, Project Descriptions provides the initial list of projects that were identified by the City during the Assessment phase of the project. Please note that as the project roadmap was refined, some of these projects were:

- Completed and removed from the list
- Combined with other projects
- Deleted by the participants in the Project Prioritization Workshop or in the subsequent “Project Timeline Smoothing” workshop

For each project the appendix provides:

- The name of the project
- The project’s sponsor(s)
- The status of the project (either in-progress or proposed)
- A description of the project and the expected benefits
## Appendix 1: Project Descriptions

<table>
<thead>
<tr>
<th>Project</th>
<th>Sponsor(s)</th>
<th>Status</th>
<th>Description</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desktop Virtualization</td>
<td>IS</td>
<td>In Progress</td>
<td>Description: Virtual desktop infrastructure (VDI) is a newer technology. Instead of each computer being separate, administrators create templates on the file server for different user roles in the organization and users access the file server for processing. Desktop virtualization allows administrators to centralize management of employee computers and increases security. However, with the desktop virtualization implementation, users report on-going issues with slow performance, the need to reboot multiple times each day, printing issues, inability to open multiple applications or use audio/visual features. The issues are apparent to the public in City Hall and while on telephone calls with staff. The scope of this project is to correct the VDI performance issues.</td>
<td>Benefits: Increased staff job performance and service to the community with reliable computers.</td>
</tr>
<tr>
<td>ERP System</td>
<td>Finance and HR</td>
<td>In Progress</td>
<td>Description: This project is to procure a new financial and payroll system to replace Eden. The RFP is being drafted. The scope of the project will include payroll time entry and an integrated budget module. The project scope should also include a Human Resources module.</td>
<td>Benefits: Better management reporting tools.</td>
</tr>
<tr>
<td>Fiber Installation and Implementation</td>
<td>IS</td>
<td>In Progress</td>
<td>Description: Fiber optic cable is being installed connecting the east and west sides of the City.</td>
<td>Benefits: The fiber will support a data center located at Fire Station 2.</td>
</tr>
<tr>
<td>Fire Prevention Inspector Mobile Software</td>
<td>Fire</td>
<td>In Progress</td>
<td>Description: This project will allow fire prevention inspections to be completed using iPads. The application will connect directly to the Firehouse Records Management System. A third-party billing service will process fire inspection and permit fees and will replace the QuickBooks manual billing.</td>
<td>Benefits: Inspection efficiency for the Fire Department and the community through the elimination of paper; integrated billing to replace manual efforts.</td>
</tr>
<tr>
<td>Firewall Replacement</td>
<td>IS</td>
<td>In Progress</td>
<td>Description: This project is to replace the firewall on the City's network.</td>
<td>Benefits: Enhanced network security.</td>
</tr>
<tr>
<td>Hazardous Materials Reporting</td>
<td>Fire</td>
<td>In Progress</td>
<td>Description: The California Environmental Reporting System (CERS) requires California Unified Program Agencies (CUPAs) to electronically submit hazardous materials data (Assembly Bill 2286). The Fire Department is transitioning to the Digital Health Department software to comply with the mandate. The new system allows electronic</td>
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<td>Project</td>
<td>Sponsor(s)</td>
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<td>Description and Benefits</td>
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<tr>
<td>Integrated Library System Upgrade</td>
<td>Library</td>
<td>In Progress</td>
<td><strong>Description:</strong> The Millennium Integrated Library system (ILS) was installed in 2000. The ILS is being upgraded to the vendor's current product, Sierra. The Sierra system is scheduled to go live at the end of June. The scope of the project includes relocating the server from the Library to the City's central IS data center. <strong>Benefits:</strong> Upgraded technologies for checking out eBooks, mobile apps, and database integration with the catalog. Hardware upgrades for the public and staff.</td>
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</tr>
<tr>
<td>Internet Upgrade</td>
<td>Library</td>
<td>In Progress</td>
<td><strong>Description:</strong> The Library obtained a grant through the state to provide upgraded internet bandwidth at a 70% discount over 5 years. Implementation is underway. <strong>Benefits:</strong> Increased internet bandwidth to support patrons and library staff.</td>
<td></td>
</tr>
<tr>
<td>Network Access - City Library and School District</td>
<td>Library</td>
<td>In Progress</td>
<td><strong>Description:</strong> Through a partnership between the City and the School District, City Library resources are available at the schools. Middle school and high school students have iPads to study and complete homework and the District is moving to replace textbooks with the iPads. There are connectivity issues between the City and District networks that frequently result in the iPads being unable to connect at the City Library and the City's catalog is unavailable at the school libraries. This project would determine how the City and District networks can connect to support students. The City and the School District are contracting to include a fiber optic connection between the two organizations to resolve these issues. <strong>Benefits:</strong> Improve student Library access.</td>
<td></td>
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<tr>
<td>Recreation Software</td>
<td>Recreation and Parks</td>
<td>In Progress</td>
<td><strong>Description:</strong> The Class recreation software application is obsolete and the vendor's maintenance support ends in December 2015. A facility reservations module is desired. (In addition to recreation, the Class system is used for point-of-sale throughout the City. Point-of-sale is identified as a new project in this report.) <strong>Benefits:</strong> Vendor support for the recreation system; a new facility reservations module.</td>
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<tr>
<td>Smart Classroom</td>
<td>Fire</td>
<td>In Progress</td>
<td><strong>Description:</strong> The Fire Department received a regional grant to install smart classroom technology at Fire Station 2. The installation includes software, hardware and wireless internet access. <strong>Benefits:</strong> Allow El Segundo Fire to connect to other Los Angeles County fire agencies for meetings and training.</td>
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<td>Project</td>
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<td>Description and Benefits</td>
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</table>
| Wi-Fi                        | Recreation and Parks    | In Progress | **Description:** Wi-Fi access is being installed at the pool and teen center.  
**Benefits:** Enhanced service for the community. |
| AutoCAD Licenses             | Public Works            | Proposed | **Description:** Acquire additional AutoCAD licenses.  
**Benefits:** Increase staff productivity. |
| AVL for Transportation Shuttles | Recreation and Parks    | Proposed | **Description:** The City provides shuttle services for the community. This project would provide riders with the ability to view the locations of the vehicles within the City using AVL (automated vehicle locator) technology.  
**Benefits:** Enhance services to the public by displaying real-time locations of the vehicles on the City's web site. |
| Backup Solution              | IS                      | Proposed | **Description:** Replace the current data backup solution that is unreliable.  
**Benefits:** Increased reliability, data protection and recovery. |
| Bank Reports - Automated Scheduling | Treasury              | Proposed | **Description:** The City's bank provides reports to the City. Staff downloads files from the bank to generate the reports. This project would allow the bank to automatically send the files to create the reports on a predetermined schedule.  
**Benefits:** Convenience; timely information. |
| Bid Management                | Public Works, Finance   | Proposed | **Description:** Support procurement processes using a hosted procurement management service solution. Procurement management system services include issuing, monitoring and awarding bids.  
**Benefits:** Bid document distribution for greater outreach; online Q&A management. |
| Business License - Online Issuance | Finance               | Proposed | **Description:** Support online business license applications, payments and issuance. An interface to the Eden finance system is desired to eliminate duplicate payment entry into the Class point of sale system.  
**Benefits:** Convenience for out-of-City contractors; staff efficiency. |
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<tr>
<th>Project</th>
<th>Sponsor(s)</th>
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<th>Description</th>
<th>Benefits</th>
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<tr>
<td>CAD/RMS</td>
<td>Police and Fire</td>
<td>Proposed</td>
<td>The City’s computer aided dispatch (CAD), Police records management system (RMS) and Fire and Police mobile data computers (MDCs) are supported by the Regional Communication Center (RCC). The applications are dated and the RCC has issued an RFP for a new system. Providing the Police officers with an easy to use mobile solution is an important priority because it will eliminate the need to return to the Police Department to complete reports. While the project will be managed by the RCC, staff will require training. An interface from CAD to the Fire Department’s Firehouse RMS system is required.</td>
<td>Participation in the RCC; upgrade to newer technology.</td>
</tr>
<tr>
<td>Card Key Access - Civic Center</td>
<td>IS</td>
<td>Proposed</td>
<td>Update the Civic Center (City Hall, Fire and Police) card key access system that is no longer supported by the vendor. Additional doors at the Civic Center will be added to the system. Future project phases will expand the system to additional City facilities.</td>
<td>Vendor support for the system; security; documented facility access.</td>
</tr>
<tr>
<td>Change Management System</td>
<td>IS</td>
<td>Proposed</td>
<td>Obtain a change management system to monitor network hardware changes.</td>
<td>Simplify managing network and configuration changes.</td>
</tr>
<tr>
<td>City Council Chambers Audio/Visual Upgrade</td>
<td>City-wide</td>
<td>Proposed</td>
<td>The audio/visual equipment in Council Chambers is dated and unable to support professional presentations by members of the public. This project would acquire a new projector and laptop for Council Chambers.</td>
<td>Enhanced ability for the public to make professional presentations to City Council.</td>
</tr>
<tr>
<td>City Council Chambers Audio/Visual Redesign</td>
<td>City-wide</td>
<td>Proposed</td>
<td>Redesign the audio/visual technology in City Council chambers including new high-definition cameras.</td>
<td>Improved audiovisual quality during live meetings and public broadcasts.</td>
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<tr>
<td>Core Network Switch</td>
<td>IS</td>
<td>Proposed</td>
<td>Replace the existing core network switch before it is at end-of-life for vendor support.</td>
<td>Core network reliability and vendor support.</td>
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<td>Project</td>
<td>Sponsor(s)</td>
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<td>Benefits</td>
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<tr>
<td>Data Center UPS</td>
<td>Public Works</td>
<td>Proposed</td>
<td><strong>Description:</strong> The Public Works Yard has a generator, but the file servers are not protected with a UPS (uninterruptable power supply). When there is a power outage, power to the servers fluctuates, resulting in the servers going down. This causes fueling to be disabled and requires resetting configurations in the fleet maintenance application. The server room is wired for a UPS, but a UPS has not been installed.</td>
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<td><strong>Benefits:</strong> Protection from outage due to a power failure.</td>
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<tr>
<td>Disaster Recovery</td>
<td>IS</td>
<td>Proposed</td>
<td><strong>Description:</strong> Create an IT Disaster Recovery Plan to provide access to City systems in the event of a disaster or unexpected event. The project includes periodic tests to validate procedures for successful recovery.</td>
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<td><strong>Benefits:</strong> Ensure timely recovery of core applications in the event of an unplanned event or outage based on business and operational imperatives.</td>
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<tr>
<td>Electronic Billboards</td>
<td>Library</td>
<td>Proposed</td>
<td><strong>Description:</strong> Install electronic billboards within the Library to promote various Library and activities as well as City events.</td>
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<td><strong>Benefits:</strong> Raise awareness of services and events.</td>
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<tr>
<td>Electronic Filing for Statement of Economic Interests</td>
<td>City Clerk</td>
<td>Proposed</td>
<td><strong>Description:</strong> Implement a system to allow electronic filing and administration of Statements of Economic Interests (FPPC Form 700) and Campaign Statements. When the filer inputs their filing on-line, the system validates each required area to ensure the required information is provided.</td>
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<td><strong>Benefits:</strong> Reduces the amount of time spent to track the filing of Statements of Economic Interest and increases accuracy through on-line validation.</td>
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<tr>
<td>Electronic Patient Care Reporting (ePCR)</td>
<td>Fire</td>
<td>Proposed</td>
<td><strong>Description:</strong> The Los Angeles County Department of Health is requiring paramedic pre-hospital care documentation to be submitted electronically by January 2016. The system will allow paramedics to collect patient information and care details using a mobile device.</td>
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<td><strong>Benefits:</strong> Support efficient capture of required information.</td>
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<td>EMV Adoption (Mandatory, October 2015)</td>
<td>Treasury</td>
<td>Proposed</td>
<td>Adoption of EMV (Euro pay, MasterCard, and Visa) establishes guidelines that ensure global payment interoperability, management of fraud security, and maintenance of the worldwide card networks into the future. The City will need to adopt this payment (chip technology) method and is waiting for Tyler Technologies to provide the necessary software updates. The main driver behind the EMV migration is credit card-related financial fraud and the liability shift will be effective in October 2015. Benefits: Compliance with the payment networks' liability shift due to take effect in the United States in October 2015.</td>
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<tr>
<td>EOC Management Software</td>
<td>City-wide</td>
<td>Proposed</td>
<td>The City has an older version of WebEOC, which is a web-based application that provides a single access point for collection and dissemination of emergency information as provided by the users during an activation of the Emergency Operations Center. Configuration for City specific information (i.e. EOC command structure, positions, mapping) was not completed. This project would review the status of the WebEOC installation and identify how the application could more effectively support the in the event of a declared emergency. The project scope may include evaluation of other available systems to support emergency management. Benefits: In-place system for use in the event of an activation of the emergency operations center.</td>
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<tr>
<td>Equipment Inventory/Grants</td>
<td>Fire</td>
<td>Proposed</td>
<td>The Fire Department obtains grants that are used to purchase equipment. The grant requires all items be tracked from procurement through retirement. An inventory tracking system is needed. (The City's fixed asset policy tracks items over $5,000 in value; however, some items obtained through grants are below this amount.) Benefits: Compliance with grant requirements.</td>
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<tr>
<td>Facilities Work Order System Upgrade</td>
<td>Public Works</td>
<td>Proposed</td>
<td>The FM Connection work order management system supports work orders for facilities. The application is no longer supported and reporting is limited. This project would update the application version and obtain maintenance support from the vendor. Additional reports are required. Mobile access to the system is desired. Benefits: Obtain vendor support for the system; improve reporting; increase productivity with mobile access.</td>
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<tr>
<td>Project</td>
<td>Sponsor(s)</td>
<td>Status</td>
<td>Description and Benefits</td>
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<tr>
<td>Field Fingerprint ID</td>
<td>Police</td>
<td>Proposed</td>
<td><strong>Description:</strong> The Police Department's handheld fingerprint identification system is not reliable. This project will review the installation to determine what is required to make the system available to officers. <strong>Benefits:</strong> Increase efficiency in the field through the ability to identify suspects.</td>
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<tr>
<td>Fire CAD to RMS Interface</td>
<td>Fire</td>
<td>Proposed</td>
<td><strong>Description:</strong> The RCC computer aided dispatch (CAD) system passes information to the Firehouse records management system (RMS) using a custom interface. The information is not consistent, which results in errors in the NFIRS (National Fire Incident Report System). This project would correct the issues with the interface. <strong>Benefits:</strong> Accurate reporting without manual research to resolve discrepancies.</td>
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<tr>
<td>Fire Staff Scheduling Application</td>
<td>Fire</td>
<td>Proposed</td>
<td><strong>Description:</strong> Staff schedules are completed using Excel spreadsheets. This project would procure automated scheduling software. Integration with the payroll application would further streamline manual processes. <strong>Benefits:</strong> Provide an automated system to schedule fire coverage, along with automated calling for shift coverage in the event of employee absence or to call in additional staff to support an incident.</td>
<td></td>
</tr>
<tr>
<td>Firehouse Records Management System Upgrade</td>
<td>Fire</td>
<td>Proposed</td>
<td><strong>Description:</strong> The Firehouse records management system (RMS) version is at end-of-life. This project will upgrade to the current version of the application. The upgrade will require conversion of historical data. The project scope should consider analytics software to improve the ability to generate management reports. <strong>Benefits:</strong> On-going vendor support.</td>
<td></td>
</tr>
<tr>
<td>GIS - Public Access</td>
<td>IS</td>
<td>Proposed</td>
<td><strong>Description:</strong> Provide public access to the GIS system through the City's web site. <strong>Benefits:</strong> Expanded services to the community; access to information without calling or visiting City Hall.</td>
<td></td>
</tr>
<tr>
<td>Help Desk Software</td>
<td>IS</td>
<td>Proposed</td>
<td><strong>Description:</strong> Replace the current Help Desk application with a user-friendly application with enhanced features. <strong>Benefits:</strong> Provide users with the ability to track the status of open work requests; provide open and closed request reports to measure activity; ability to analyze activity for root cause analysis.</td>
<td></td>
</tr>
<tr>
<td>Project</td>
<td>Sponsor(s)</td>
<td>Status</td>
<td>Description and Benefits</td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
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<td>----------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>HR Application</td>
<td>Human Resources</td>
<td>Proposed</td>
<td><strong>Description:</strong> Acquire an HR module to support Human Resources activity. The HR Department does not have a system to track and manage personnel records, skills, accomplishments, position control, training, evaluations and reporting. Excel spreadsheets are used to track longevity, benefits, step increase, FMLA, ACA, etc. The HR application is typically included in ERP systems, which allows coordination between payroll duties and HR. <strong>Benefits:</strong> Reduces the staff time spent using Excel and other manual processes to maintain information.</td>
<td></td>
</tr>
<tr>
<td>Intranet</td>
<td>City-wide</td>
<td>Proposed</td>
<td><strong>Description:</strong> Currently the City does not have an Intranet in place to share data, forms and other standard information between Departments. This project would implement an Intranet to promote department communication, provide electronic access to citywide forms, and for other commonly shared information. <strong>Benefits:</strong> Improve internal communication.</td>
<td></td>
</tr>
<tr>
<td>Laserfiche Expansion</td>
<td>City-wide</td>
<td>Proposed</td>
<td><strong>Description:</strong> Laserfiche document management is used by the City Clerk for agendas, minutes, resolutions and contracts. The City Clerk would like to include workflow to manage contract approvals and the expiration of Certificates of Insurance and contracts. The Building and Safety, Police, Recreation and Parks and Finance Departments want to use Laserfiche. <strong>Benefits:</strong> Leverage existing technology to promote staff efficiency; reduce the amount of paper; paper management and improved ability to research documents.</td>
<td></td>
</tr>
<tr>
<td>Library Audio/Visual Upgrade</td>
<td>Library</td>
<td>Proposed</td>
<td><strong>Description:</strong> Two community rooms are available to the public for rent at the Library. This project would upgrade the audio/visual equipment in the community rooms. <strong>Benefits:</strong> Enhanced/improved services to the community.</td>
<td></td>
</tr>
<tr>
<td>Library Patron Computers</td>
<td>IS</td>
<td>Proposed</td>
<td><strong>Description:</strong> Upgrade the Library patron computers. <strong>Benefits:</strong> Improved services for Library patrons.</td>
<td></td>
</tr>
<tr>
<td>Library Printing</td>
<td>Library</td>
<td>Proposed</td>
<td><strong>Description:</strong> The Library has two staff printers, one on each floor. When there is a printer jam, jobs back up. The public printers are frequently unavailable because the printer driver drops. This project will identify how the Library's staff and patron printing needs can be met. <strong>Benefits:</strong> Reliable printing ability for staff and the public.</td>
<td></td>
</tr>
<tr>
<td>Project</td>
<td>Sponsor(s)</td>
<td>Status</td>
<td>Description and Benefits</td>
<td></td>
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<tr>
<td>----------------------------------------------</td>
<td>------------------</td>
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<td>------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Media Management</td>
<td>Recreation and Parks</td>
<td>Proposed</td>
<td><strong>Description:</strong> Enhance the web site by providing on-demand access to the City's library of streaming and other videos. <strong>Benefits:</strong> Centralize and manage streaming video and other City videos for better public access.</td>
<td></td>
</tr>
<tr>
<td>Network Penetration Test</td>
<td>IS</td>
<td>Proposed</td>
<td><strong>Description:</strong> A network penetration test evaluates the security of an IT infrastructure and identifies potential security vulnerabilities. This project would entail the procurement of services from a security expert to perform a network penetration test and remediate any identified vulnerabilities. <strong>Benefits:</strong> Identify potential risks that may affect the security of the network.</td>
<td></td>
</tr>
<tr>
<td>OnSSI Video PIER</td>
<td>Police</td>
<td>Proposed</td>
<td><strong>Description:</strong> The OnSSI video surveillance system is managed by the Police Department. Staff reports the system is difficult to operate. A Post Implementation Evaluation Review (PIER) is recommended to assess the installation, recommend improvements and identify staff training needs. Expanding the system to have video at City parks and key entry locations to the city is desired. <strong>Benefits:</strong> Obtain maximum benefit from the system; streamline processes.</td>
<td></td>
</tr>
<tr>
<td>Payroll Reporting</td>
<td>Finance</td>
<td>Proposed</td>
<td><strong>Description:</strong> Payroll reports are needed by the departments to support personnel management. Currently, departments create Excel spreadsheets to track hours worked for step increases and to track employee hours worked in the CalPERS fiscal year to identify part time employees that could become eligible for CalPERS. <strong>Benefits:</strong> Provide reports to assist the departments with managing staff benefits.</td>
<td></td>
</tr>
<tr>
<td>PCI (Payment Card Industry) Compliance</td>
<td>IS</td>
<td>Proposed</td>
<td><strong>Description:</strong> PCI Data Security Standards define requirements to protect customer credit card data. The standards apply to all organizations that store, process or transmit cardholder data. This project will audit the City to ensure compliance with established standards and includes a review of security controls such as access, separation of duties, configuration settings and log reviews. <strong>Benefits:</strong> Ensure mandatory compliance requirements are met.</td>
<td></td>
</tr>
<tr>
<td>Project</td>
<td>Sponsor(s)</td>
<td>Status</td>
<td>Description and Benefits</td>
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<tr>
<td>Permitting System</td>
<td>Building and Safety, Public Works, Fire</td>
<td>Proposed</td>
<td><strong>Description:</strong> The permitting system was developed by a contractor who has limited staff resources. The application is effective, but enhancements are desired and there is concern about the vendor’s availability to provide long-term support. The application does not support discretionary projects activity (projects requiring Planning Commission and/or City Council approval) which are the majority of the workload. Excel is used extensively to track active cases, zoning letters, staff time, and state landscape mandates. This project would procure a COTS (commercial off the shelf) solution that would support developer deposits (currently a manual process), integrate document imaging, support electronic plan submission and review, automate required reporting (i.e. AQMD, SMIP, SCAG) and support workflow to track activity. In addition, mobile access for field inspectors and code enforcement officers is desired. Additional enhancements for the public include the ability to view project status, request inspections and view inspections results, and the ability to search permit history by location. Integration with the finance system would eliminate the current process which requires duplication of effort to enter permit information into the Class point of sale system to post cash receipts. <strong>Benefits:</strong> New features and functionality to support the public; on-going vendor support; replace numerous Excel spreadsheets used to track information that is not available in the permitting system.</td>
<td></td>
</tr>
<tr>
<td>Photo Management</td>
<td>Recreation and Parks</td>
<td>Proposed</td>
<td><strong>Description:</strong> Implement a commercial-off-the-shelf (COTS) photo management system. <strong>Benefits:</strong> Centralized photo management; provide a single solution to manage city photos and maintain a catalog of the pictures.</td>
<td></td>
</tr>
<tr>
<td>Point of Sale / Single Payment Gateway for Credit Card Processing</td>
<td>Treasury</td>
<td>Proposed</td>
<td><strong>Description:</strong> The City accepts credit card payments for various services and fees and several credit card processors support the City. This project would implement a single point of sale system for cash receipts and credit card processing. Currently the point-of-sale application in the Class recreation system is used Citywide; the Class recreation software is obsolete and is being replaced. <strong>Benefits:</strong> Streamline reconciliation; more timely processing; ability to establish a relationship with one provider; with integration to the finance system, reduce the amount of redundant entry required to post cash receipts.</td>
<td></td>
</tr>
<tr>
<td>Project</td>
<td>Sponsor(s)</td>
<td>Status</td>
<td>Description and Benefits</td>
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</tr>
</tbody>
</table>
| Police Video/Audio/Body Cams Upgrade | Police     | Proposed | **Description:** Upgrade the in-car video recording system. Integration with body-worn cameras is desired.  
**Benefits:** Enables police to capture a situation or incident. |
| Project Management Application | Public Works | Proposed | **Description:** Obtain a software application (i.e. Microsoft Project) to supplement the manual processes used to manage projects.  
**Benefits:** Software tool to assist with project management. |
| Property Ownership Identification | IS         | Proposed | **Description:** The Business License, GIS and Firehouse RMS systems contain the building owner(s) and responsible parties. The information may not agree, which requires research when owner notification is required to correct a property violation. This project would examine the methods used to collect the information to identify the best up-to-date source of required information.  
**Benefits:** Staff efficiency. |
| Purchasing Process        | Finance    | Proposed | **Description:** The City's purchasing policy requires the department to initiate a contract, finalize the contract, provide the meeting agenda and minutes and certificate of insurance; then approvals are required. A paper requisition is submitted to purchasing for purchase order issuance. This project is to review the purchasing process and identify how the process could be automated and supported by technology.  
**Benefits:** Allow departments to focus on their core responsibilities; improve efficiency. |
| Self-Checkout              | Library    | Proposed | **Description:** Enable patrons to self-checkout materials to eliminate bottlenecks and free staff to take on other Library responsibilities.  
**Benefits:** Enhanced patron services and staff efficiency. |
| System Logging             | IS         | Proposed | **Description:** Obtain a solution to receive, manage and view real-time system log messages.  
**Benefits:** Diagnostic data and analysis to proactively identify unusual activity. |
| System Monitoring          | IS         | Proposed | **Description:** Expand the implementation of the network monitoring and management system. This will increase the ability to proactively detect, diagnose and resolve network performance issues.  
**Benefits:** Improve operational efficiency. |
<table>
<thead>
<tr>
<th>Project</th>
<th>Sponsor(s)</th>
<th>Status</th>
<th>Description and Benefits</th>
</tr>
</thead>
</table>
| Telephone Review       | IS          | Proposed | *Description:* The current inventory of telephone lines and associated charges have not been audited or reviewed in years. This project would identify opportunities to reduce costs by potentially cancelling unneeded services or consolidating lines.  
*Benefits:* Potential to reduce costs. |
| Timesheet Enhancements | Finance     | Proposed | *Description:* The timesheet application used by employees to report hours worked is not available while payroll completes processing. Part time staff (estimated to be nearly 50% of the employees) submit paper timesheets. This project would allow full time employees to enter their hours worked every day and allow part time employees to submit their hours electronically.  
*Benefits:* Accuracy without manual tracking; efficiency through expanded use of automated timesheets. |
| Training Program       | IS          | Proposed | *Description:* Implement a formal training plan to ensure City staff is fully leveraging desktop productivity tools (i.e. Microsoft Office).  
*Benefits:* Better use of the current systems; increased staff efficiency. |
| Web Conferencing       | Planning and Building Safety | Proposed | *Description:* Procure a web conferencing service to allow staff and an applicant to review a document at the same time.  
*Benefits:* Time savings; better communication; may save applicants a trip to City Hall. |
| Web Server             | IS          | Proposed | *Description:* Refresh the web server and Internet Security and Acceleration (ISA) firewall. The operating system (Microsoft Windows Server 2003) is no longer supported by the vendor.  
*Benefits:* Improvements in ISA; supported operating system; refreshed hardware. |
| Web Site               | City-wide   | Proposed | *Description:* Staff indicates the current website structure is cumbersome to use and modify and it can be confusing for the public to find the content they are looking for. This project is to enhance or replace the City's current web site to improve its ease of use and increase information to the public.  
*Benefits:* Provides greater access to City information and enhance communication with the public. |
<table>
<thead>
<tr>
<th>Project</th>
<th>Sponsor(s)</th>
<th>Status</th>
<th>Description and Benefits</th>
</tr>
</thead>
</table>
| Wi-Fi Redundancy | IS         | Proposed | **Description:** Expand the Wi-Fi network and include additional equipment to provide redundancy.  
**Benefits:** Additional Wi-Fi access and redundancy. |
AGENDA DESCRIPTION:

Consideration and possible action to: 1) review the proposed lighting designs for the Richmond St. Rehabilitation Arterial Improvement Project between El Segundo Blvd. and Holly St., 2) provide direction to staff on possible revisions and 3) direct staff to proceed with preparation of construction plans and specifications. (Fiscal Impact: $800,000)

RECOMMENDED COUNCIL ACTION:

1. Review the proposed lighting designs for the Richmond St. Rehabilitation Arterial Improvement Project;
2. Provide direction to staff on possible revisions to the proposed design;
3. Direct staff to proceed with the preparation of construction plans and specifications inclusive of any design changes; or
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Draft Landscaping and Lighting Design Plans

FISCAL IMPACT: Included in Adopted Budget

Amount Budgeted: $800,000
Additional Appropriation: No
Account Number(s): 301-400-8203-8703 (Capital Improvement Program)

ORIGINATED BY: Stephanie Katsouleas, Public Works Director
REVIEWED BY: Greg Carpenter, City Manager
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

On October 6, staff presented a draft landscape and lighting plan for the 100, 200 and 300 blocks of Richmond Street. The tree palate selection, which included planting Strawberry Trees and Palm Trees in alternating arrangements, was approved by City Council that evening. However, approval of the lighting plan was deferred pending review and testing of a proposed solar light fixture. As you may recall, four lighting configurations were presented on October 6, 2015, which included:

- Replacing the existing eight (8) marbelite street lights,
- Adding four (4) additional marbelite street lights for a total of twelve (12)
- Installing twenty-four (24) solar pedestrian lighting as stand-alone fixtures
- Installing fifteen (15) combination pedestrian/street lights (ruled out due to cost)
All options include using LED technology. Staff also reported that those in attendance at the community meeting held on September 22, 2015 overwhelmingly preferred the pedestrian lights over traditional street lights, although the subcommittee had concerns about which lighting option to choose and the associated cost for each option. Since October 6th, several actions have taken place:

- The solar light fixture provided by the manufacturer and present at the Council meeting was subsequently installed adjacent to the Old Town Music Theater. Multiple evening evaluations confirm that it adequately illuminates at dusk and remains on until dawn, or approximately 6:30 am. The light is very white in hue and appears to maintain its brightness throughout the night given the testing performed to date. Degradation in light brightness does not appear to be significant, if any, by the early morning hours.
- The manufacturer shipped a second light fixture that included a new type of LED light with a warmer hue. The fixture arrived on Monday, October 26th and has been installed near the existing light on Richmond St. for comparison between the two lumen outputs and hue.
- The performance and quality of the two solar lights is still in review due to the recent release of the alternative light bulb made by the manufacturer. Results will be presented to City Council at the November 3, 2015 meeting.
- The subcommittee is continuing to explore other wired (non-solar) pedestrian light fixtures that could represent the uniqueness of Richmond Street, with emphasis on style, cost and long term durability. Additional details will be presented to City Council at the meeting.

To adequately plan for all possible lighting options both now and in the future, staff recommended that the consultant include installation of electrical conduit as part of the plans and specifications for all three blocks. Should City Council ultimately approve the solar lighting option, then the line item bid for energizing the conduit can be eliminated.

Staff is seeking guidance from City Council on how to proceed with the lighting selection phase. Options are as follows:

<table>
<thead>
<tr>
<th>Select Fixture Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marbelite Street Lights</td>
</tr>
<tr>
<td>28 Pedestrian Lights; and 3 Marbelites</td>
</tr>
<tr>
<td>Solar</td>
</tr>
<tr>
<td>Victorian</td>
</tr>
<tr>
<td>Imperial II</td>
</tr>
<tr>
<td>Wired</td>
</tr>
<tr>
<td>Style to be Determined</td>
</tr>
</tbody>
</table>
If City Council chooses to install eight (8) or twelve (12) marbelite poles, then staff has all the information it needs to finalize the design and locations for installation, and prepare documents for construction bidding accordingly.

However, if City Council chooses to install 28 pedestrian light fixtures throughout the three blocks of Richmond St., then staff is seeking direction on whether to move forward with the solar lights or whether to continue to explore other wired pedestrian street light options. Because the conduit design is proceeding, City Council has more time to explore all pedestrian and street lighting options without delaying the bid timing and construction schedule. The following summary provides an overview of the identified pros and cons of the two pedestrian light options.

<table>
<thead>
<tr>
<th></th>
<th>Gamasonic Solar Light</th>
<th>Wired Light</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pro</strong></td>
<td>Lights are off the grid, saving on electrical cost over the duration of installation.</td>
<td>The performance of the fixture is not weather dependent and</td>
</tr>
<tr>
<td></td>
<td>Technology is rapidly evolving and is expected to continue improving over the</td>
<td>thus will maintain the same level of brightness throughout</td>
</tr>
<tr>
<td></td>
<td>expected life of the product. If damaged, individual components (e.g., a single head)</td>
<td>the night. There are a large variety of choices/styles available</td>
</tr>
<tr>
<td></td>
<td>can be replaced without having to replace the entire fixture. Poles can be purchased</td>
<td>at many price points. A larger variety of LED light hues is</td>
</tr>
<tr>
<td></td>
<td>separately. Fixtures have dusk to dawn settings. It’s easy to make field adjustments</td>
<td>available. Electrical power can support brighter light bulbs</td>
</tr>
<tr>
<td></td>
<td>without affecting other infrastructure.</td>
<td>than solar lights. Fixtures may have dusk to dawn settings.</td>
</tr>
</tbody>
</table>

| **Con**                | Long term durability of the lights and future light degradation are unknown due to the   | Electrical bills add to monthly cost. Depending on the fixture |
|                        | newness of this type of light. Lithium ion batteries will have to be changed             | type, damage may require replacing the entire unit rather     |
|                        | periodically as they lose their ability to hold a charge over time. Multiple days of   | than a single component. Field adjustments are not as easy    |
|                        | cloudy weather will affect the longevity of night light output. Limited choice in styles | once the light has been installed. Lights will not be           |
|                        | for the price point and desired brightness. Overall brightness is limited to what can be | Edison-owned and thus maintenance and replacement costs are     |
|                        | powered by the battery. Lights will not be Edison-owned and thus maintenance and        | city obligations.                                             |
|                        | replacement costs are city obligations.                                                |                                                             |

The table on the following page recaps the general estimated cost of replacing the existing marbelite poles as well as the cost of the solar lights under consideration. For easy comparison of the products themselves, the cost for conduit has been eliminated from the estimates provided. Staff is recommending that conduit be installed regardless of the option chosen to preserve the right to use it at some future date.
<table>
<thead>
<tr>
<th>Street Light Option</th>
<th>Estimated Product Cost</th>
<th>Support Costs*</th>
<th>Pros</th>
<th>Cons</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replace eight (8) existing marbelite poles on the west side only</td>
<td>$20,800</td>
<td>Minimum $18,000</td>
<td>One of the least expensive options; Matches existing lighting in the downtown area.</td>
<td>Remains on SCE network; Provides minimal lighting for street and sidewalks.</td>
<td>Annual SCE cost is about $110 per year per light. Poles are approximately 150' - 200' apart.</td>
</tr>
<tr>
<td>Replace existing and add four (4) additional marbelite poles (12 total) on the west side only</td>
<td>$31,200</td>
<td>Minimum $18,000</td>
<td>Provides additional lighting over existing conditions; Matches existing lighting in the downtown area.</td>
<td>Remains on SCE network; improved but minimal sidewalk lighting</td>
<td>Annual SCE cost is about $110 per year per light; Pole spacing would be approximately 125' apart.</td>
</tr>
<tr>
<td>NON-SOLAR: Install 24 pedestrian lights on the east and west side, and three (3) marbelite poles at intersections only*</td>
<td>PENDING SELECTION; Council can set a cap.</td>
<td>Minimum $18,000</td>
<td>Provides largest variety of pedestrian lighting options. Commonly used in commercial applications. Lighting provided on both sides of the street.</td>
<td>Solar not an option for these lights. Costs vary widely depending on the model chosen. Maintenance and replacement is the City's responsibility.</td>
<td>Cost comparison will depend on the fixture ultimately chosen.</td>
</tr>
<tr>
<td>SOLAR: Install 28 pedestrian lights on the east and west side, and three (3) marbelite poles at intersections only</td>
<td>$38,600</td>
<td>$2000 for foundation support</td>
<td>Lights are solar; Removed from SCE network; Relatively inexpensive to install; Field adjustments possible. Provides better sidewalk lighting than marbelite options; Lighting provided on both sides of the streets.</td>
<td>Poles and lights belong to the City; Maintenance and replacement is the City's responsibility.</td>
<td>No annual electrical costs savings could be allocated to the equipment replacement fund for future light replacement; Lighting spacing to be determined, and may range from 70-100' depending on the proposed east side and west side alignment.</td>
</tr>
</tbody>
</table>

*Variation in labor cost to install the light fixtures themselves is not significant. However, additional support costs for the wired light options include cabling the conduit and installation of pull boxes, conductors, foundations, and a service cabinet.
Next Steps
Pending direction and approval from City Council, staff anticipates the following timeline to complete the project:

2015

**November:**  
Approved landscaping and lighting selection and design  
Finalize construction documents

**November:**  
Submit final draft plans to the city

**November-December:**  
Plan review and corrections provided; final plans approved by City

**December**  
Release bids

2016

**January**  
Bids Due

**February**  
Award Project; Execute Contracts  
Conduct outreach regarding construction timing and impacts

**March – May**  
Active Construction (after the rainy season)

**June**  
Punch list and Completion
EL SEGUNDO CITY COUNCIL
AGENDA STATEMENT

AGENDA DESCRIPTION:
Environmental Committee Status Report
(Fiscal Impact: $0)

RECOMMENDED COUNCIL ACTION:
1) Receive and file;
2) Alternatively discuss and take other action related to this item

ATTACHED SUPPORTING DOCUMENTS:
Positioning Statement of the Environmental Committee

FISCAL IMPACT:

<table>
<thead>
<tr>
<th>Description</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Budgeted</td>
<td>N/A</td>
</tr>
<tr>
<td>Additional Appropriation</td>
<td>N/A</td>
</tr>
<tr>
<td>Account Number(s)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

ORIGINATED BY: Tracey Miller-Zarneke, Environmental Committee Co-Chair
REVIEWED BY: Larry Klingaman, Environmental Committee Chair
APPROVED BY:

BACKGROUND AND DISCUSSION:

After a two-year hiatus, the Environmental Committee was relaunched in April 2015. The newly reestablished committee would like to introduce its members, present its positioning statement, and invite partnership from City Council, businesses and residents in the effort to make El Segundo a more sustainable community.

Recent accomplishments include review and expansion of water conservation notices for the public; review of SBCCOG Climate Action Plan Overview and Green Building Challenge; outreach for potential SEED Award candidates (two entities were awarded in El Segundo); meetings with Surfrider Foundation and West Basin Municipal Water District.

A detailed Environmental Committee work plan is in progress, delineating specific action items to implement the mission and vision of the committee. Simultaneously, revisions to “ES Green” webpage are also in progress.
CITY OF EL SEGUNDO ENVIRONMENTAL COMMITTEE
VISION, MISSION AND SCOPE OF WORK

Vision:
To create and maintain a sustainable community.

Mission:
To improve social, economic and environmental well-being by fostering partnerships through education, guidance and outreach.

Current Points of Sustainability to Address
• Urban Planning and Development

• Transportation

• Air Quality

• Water Conservation

• Energy Conservation

• Hazardous Waste

• Solid Waste

Perspectives to Consider for All Points of Sustainability
• Civic Responsibility

• Business Responsibility

• Resident Responsibility

Courses of Action for Committee
• Provide guidance to City Council, city departments (develop procurement policy, resolutions)

• Provide education and outreach to public (develop sense of ownership, investment by individuals doing their part; create sharing economy opportunities)

• Seek balance among three points of civic values:

Committee Members (as of October 2015)
Larry Klingaman, Chair
Tracey Miller-Zarneke, Co-Chair
Lesli Kendall
Corrie Chitlik
[Open seat]
<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>001</td>
<td>GENERAL FUND</td>
<td>639,866.58</td>
</tr>
<tr>
<td>104</td>
<td>TRAFFIC SAFETY FUND</td>
<td>-</td>
</tr>
<tr>
<td>105</td>
<td>STATE GAS TAX FUND</td>
<td>32,611.56</td>
</tr>
<tr>
<td>108</td>
<td>ASSOCIATED RECREATION ACTIVITIES FUND</td>
<td>-</td>
</tr>
<tr>
<td>109</td>
<td>ASSET FORFEITURE FUND</td>
<td>785.49</td>
</tr>
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<td>HOME SOUND INSTALLATION FUND</td>
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**TOTAL WARNTS** $1,020,805.58

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
Information on actual expenditures is available in the Director of Finance's office in the City of El Segundo.

I certify to the accuracy of the Demand and the availability of fund for payment thereof.

For Approval: Regular checks held for City council authorization to release.

**CODES:**

- **R** = Computer generated checks for all non-emergency/urgence payments for materials, supplies and services in support of City Operations

For Ratification:

- **A** = Payroll and Employee Benefit checks

- **B - F** = Computer generated Early Release disbursements and/or adjustments approved by the City Manager. Such as: payments for utility services, petty cash and employee travel expense reimbursements, various refunds, contract employee services consistent with current contractual agreements, instances where prompt payment discounts can be obtained or late payment penalties can be avoided or when a situation arises that the City Manager approves.

- **H** = Handwritten Early Release disbursements and/or adjustments approved by the City Manager.

**FINANCE DIRECTOR**

**DATE:** 10-24-15

**CITY MANAGER**

**DATE:** 10-26-15
# CITY OF EL SEGUNDO
## PAYMENTS BY WIRE TRANSFER
### 10/5/15 THROUGH 10/18/15

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**DATE OF RATIFICATION: 10/19/15**

**TOTAL PAYMENTS BY WIRE:**

3,081,097.21

Certified as to the accuracy of the wire transfers by:

[Signatures and dates]

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.
SPECIAL MEETING OF THE EL SEGUNDO CITY COUNCIL
MONDAY, OCTOBER 5, 2015 – 6:00 PM

CALL TO ORDER – Mayor Fuentes at 6:00 PM

ROLL CALL

Mayor Fuentes - Present
Mayor Pro Tem Jacobson - Present
Council Member Atkinson - Present
Council Member Fellhauer - Present
Council Member Dugan - Present

PUBLIC COMMUNICATION – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) None

CLOSED SESSION:

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for the purposes of conferring with the City’s Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City’s Labor Negotiators; as follows:

CONFERENCE WITH CITY’S LABOR NEGOTIATOR (Gov’t Code §54957.6): -8-
matters

1. Employee Organizations: Police Management Association; Police Officers Association; Police Support Services Employees Association; Fire Fighters Association; Supervisory and Professional Employees Association; City Employees Association; Executive Management Group (Unrepresented Group); Management/Confidential Group (Unrepresented Group)

Agency Designated Representative: Steve Filarsky and City Manager

Adjourned at 7:20 PM

Tracy Weaver, City Clerk
EL SEGUNDO CITY COUNCIL
AGENDA STATEMENT

AGENDA DESCRIPTION:

Consideration and possible action to receive and file this report regarding emergency work to repair dwelling units at the Park Vista Senior Housing Facility due to water intrusion without the need for bidding in accordance with Public Contracts Code §§ 20168 and 22050 and El Segundo Municipal Code ("ESMC")§ 1-7-12 and 1-7A-4. (Fiscal Impact: $50,000.00)

RECOMMENDED COUNCIL ACTION:

1. Receive and file this report regarding emergency work to repair dwelling units at the Park Vista Senior Housing Facility due to water intrusion without the need for bidding in accordance with Public Contracts Code §§ 20168 and 22050 and El Segundo Municipal Code ("ESMC")§ 1-7-12 and 1-7A-4.

2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

None

FISCAL IMPACT: Included in Adopted Budget

Amount Budgeted: $50,000.00
Additional Appropriation: No
Account Number(s): 405-400-0000-6215 (Facilities Maintenance: Repairs and Maintenance)

ORIGINATED BY: Stephanie Katsouleas, Director of Public Works

REVIEWED BY: Gregg Kovacevich, Assistant City Attorney

APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

After reaching out to more than eight (8) deck repair and construction companies, staff has been unable to secure a contractor to complete the drain and deck repairs due to various insurance issues. Therefore, staff has moved forward with selecting the alternative option of raising the headers and reinstalling the sliding glass doors in the three northern units. This approach will create a larger elevation threshold between the sliding glass doors and adjacent balcony, which should prevent water from seeping into the unit during rain events. We are in the process of getting quotes for the work and estimate that we can quickly implement this plan without encountering the insurance issues associated with the drain installation and waterproofing.

Public Contracts Code § 22050 (c) requires that the City Council receive updates at every regularly scheduled meeting until the emergency repair is completed. Therefore, staff recommends that City Council receive and file this report on the status of the emergency repair to address the water intrusion issues at Park Vista Senior Housing Facility.
AGENDA DESCRIPTION:

Consideration and possible action to authorize the City Manager to execute a professional services agreement with Prosum Technology Services in the amount not-to-exceed $50,000 to provide helpdesk and technical support for the Information Systems division. (Fiscal Impact: $50,000)

RECOMMENDED COUNCIL ACTION:

(1) Authorize the City Manager to execute a professional services agreement with Prosum Technology Services in the amount not-to-exceed $50,000 to provide helpdesk and technical support for the Information Systems division.

(2) Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Scope of Work

FISCAL IMPACT: Included in Adopted Budget

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>$50,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Appropriation:</td>
<td>No</td>
</tr>
</tbody>
</table>

Account Number(s): 001-400-2505-4XXX Salary Savings

ORIGINATED BY: Larry Klingaman, Information Systems Manager

REVIEWED BY: Mitch Tavera, Chief of Police

APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

Information Systems staff currently has two unfilled positions. With these vacancies, the existing Network Assistant is receiving more work than she can accomplish. Staff would like to use the salary savings from these unfilled positions to hire a contractor to augment our workforce on a temporary basis.

Staff already has a working relationship with Prosum Technology Services, a local El Segundo company that we would like to continue. Prosum Technology Services has been providing a contractor for a short period of time, and the individual has been working out very well. Staff would like to enter into a longer agreement with Prosum Technology Services for 1,000 additional hours at $50.00 per hour.

Staff recommends authorizing the City Manager to execute a professional services agreement with Prosum Technology Services in the amount not-to-exceed $50,000 to provide additional helpdesk and technical support for the Information Systems Division.
City of El Segundo

Technical Support

Statement of Work

10/20/15

This addendum is incorporated into the Master Services Agreement dated June 25, 2013 between City of El Segundo and Prosum, Inc.

Prosum Technology Services
2201 Park Place, Suite 102
El Segundo, CA 90245

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## Contents

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6. SCHEDULE AND COST ...................................................................................... 5
7. Change Order .................................................................................................. 5
8. ACCEPTANCE .................................................................................................... 6
1. OVERVIEW

City of El Segundo has requested Prosum’s assistance in providing a Technical Support resource on a Time & Material basis for a 180 day (26 weeks) consulting engagement under the fully executed IT Services Agreement executed between City of El Segundo and Prosum, with the effective date of agreement 11/5/15.

This following Statement of Work, made in accordance with the terms of the IT Services Agreement, outlines the scope and estimated costs associated with this resource.

2. PROSUM PROFILE

Prosum, Inc. (Prosum) is a technology services company that builds lasting partnerships by giving our clients a competitive advantage in their marketplace through a unique combination of Business Consulting, Technology Solutions, Outsourcing and Resource Staffing. Prosum brings years of experience in providing enterprise infrastructure and managed support services utilizing proven and emerging Microsoft technologies as well as proven experience in delivering project based solutions on time and on budget.

Prosum’s consulting approach is based on the realization that business processes and their supporting applications and systems can only be fully understood, implemented, supported and improved by understanding their interdependencies. Our holistic approach is driven by understanding and aligning our clients’:

- Business Vision and Strategy
- IT Vision and Strategy
- Technical, Enterprise, and Business Architectures
- Service Orientated Operations

At a high-level, the approach is driven by an understanding of how the technical architecture supports the IT services provided to the business. This ensures that all IT service requirements are addressed in a comprehensive and well-planned manner allowing for efficient tactical day-to-day support along with long-term strategic direction for Information Technology as a whole.

October 10, 2015
3. APPROACH AND SCOPE

Prosum will provide a Technical Support Resource who will work in collaboration with City of El Segundo’s team. City of El Segundo will provide the resource with direction on an ongoing basis and will clearly define for him/his role relative to the other members of the City of El Segundo IT team.

It is anticipated that the Prosum resources will be engaged in, but not limited to, the following activities:

- Provide customer support and technical issue resolution via e-mail, phone and other electronic medium
- Provide customer support and technical issue resolution in person as needed
- Identify and correct or advise on product issues in client computer systems.
- Perform timely escalation of support related issues to various departments for further analysis and resolution
- Perform other duties as requested and within areas of expertise

4. ASSUMPTIONS

This statement of work was based on the following assumptions.

- The content of this document is based on a description of desired duties and responsibilities provided by City of El Segundo, as well as discussions between Prosum and City of El Segundo in August 2015.
- City of El Segundo will assign a Manager to provide direction to the Prosum resource regarding prioritization and scheduling of duties.
- City of El Segundo I will provide workspace for Prosum project staff, and access to internet, telephones, copier, fax, conference rooms, and printing facilities.
- Prosum resource will have access to client documentation. This documentation may include organization, planning, and technical architecture material, and any other existing documentation deemed appropriate for the support.
- City of El Segundo will provide Prosum project personnel with access to relevant external and internal systems, as Prosum may require. This includes system access information such as login information, Internet accessibility, and other interfacing systems.
- The Prosum resources will be working in the City of El Segundo offices in El Segundo, California.

October 10, 2015

Prosum
5. TEAM MEMBER

The following roles will be provided by Prosum and required for this engagement.
- Technical Support Consultant

6. SCHEDULE AND COST

It is expected that the resource will be engaged for the following period:

<table>
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<th>Position</th>
<th>T&amp;M Rate</th>
<th>No. of Hours</th>
<th>Start Date</th>
<th>Estimated End Date</th>
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<td>11/5/15</td>
<td>5/5/16</td>
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<td>NTE TOTAL:</td>
<td>$50,000.00</td>
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</table>

Prosum bills on a Time & Material basis, and the Not-To-Exceed (NTE) value above is based on information gathered to date. It is expected that this resource will work an average of 40 hours per week during this period at an hourly rate of $50 per hour. Actual hours worked will be determined by requests and direction from the primary City of El Segundo contact. The duration of this SOW is expected for 26 weeks and based on 40 hour weeks for a total cost of $50,000. Prosum will only invoice for the actual number of hours worked.

City of El Segundo may terminate this agreement for convenience or cause with 1 day advanced notice.

City of El Segundo also has the ability to extend this resource beyond NTE Total of $50,000 and 1,000 hours with 1 day advanced notice.

7. Change Order

Once the Statement of Work has been signed, any modifications to the scope described herein will require a change order. A change order will define new requirements and may impact on delivery time and cost; however, Prosum will be diligent to minimize such delivery and cost impact to City of El Segundo as a result of such new requirements.
8. ACCEPTANCE

This document will be deemed accepted upon receipt of a signed copy thereof. Contents of this document supersede all other documents related to the services described herein. If this document correctly states our agreement, please sign below and return to Prosum.

Agreed and accepted,

City of El Segundo Authorized Officer

Name: ____________________________

Signature: _________________________

Title: ____________________________

Date: ____________________________

Prosum Authorized Officer

Name: ____________________________

Signature: _________________________

Title: ____________________________

Date: ____________________________

October 10, 2015
AGENDA DESCRIPTION:

Consideration and possible action regarding freezing the Public Agency Retirement System (PARS) Supplemental Retirement Plan for eligible members of the El Segundo Supervisory and Professional Employees Bargaining Unit. Fiscal Impact FY 2015-16: $118,000

RECOMMENDED COUNCIL ACTION:

1. Approve the amended PARS Plan Document
2. Adopt the Resolution freezing the Public Agency Retirement System (PARS)
3. Approve the Side Letter between the City of El Segundo and the El Segundo Supervisory and Professional Employees’ Association
4. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

1. PARS Supplemental Retirement Plan Document (Redline)
2. Resolution
3. Side Letter between the City of El Segundo and the El Segundo Supervisory and Professional Employees Association

FISCAL IMPACT: $118,000 (FY 2015-16)

Amount Budgeted: $118,000
Additional Appropriation: N/A
Account Number(s): 

PREPARED BY: Martha A. Dijksma, Human Resources Director
REVIEWED BY: Greg Carpenter, City Manager
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:

At its meeting on September 19, 2006, Council approved a three year Memorandum of Understanding (MOU) between the City of El Segundo and the California Teamsters Public, Professional and Medical Employees Union, Local 911, Supervisory and Professional Employees’ Bargaining Unit (SPEA). Part of the Agreement included contracting with the Public Agency Retirement System (PARS) during Year 3 of the contract to provide the .5 @55 retirement enhancement formula as a supplement to the City’s 2%/@55 PERS formula. Eligible SPEA members included those who met the following criteria: 1) were at least 55 years of age, 2) completed 15 years of continuous service with the City of El Segundo and 3) retired from the City of El Segundo.

The Plan was established through Council action on August 5, 2008. Since this is a defined benefit plan, an actuarial valuation must be conducted every two years to determine the future annual costs. At the time the Plan was implemented, the cost of the Supplemental Retirement Program was shared between the City, as the employer, and the covered employees. The MOU agreement required
employees to contribute one percent (1%) of their total annual pay via payroll deduction and the City would provide for the remaining funds necessary to meet the actuary’s recommended funding level.

During negotiations for a successor MOU in 2012, the City negotiated that 100% of the Plan costs, including future increases, would be borne by employees participating in the Plan. Consequently, employee contributions rose from 1% to 5.2% effective November 26, 2012, and from 5.2% to 7.2% on January 22, 2014. Furthermore, as part of the 2012 negotiations, the City closed this Plan effective October 1, 2012 meaning no new employees would receive this benefit. Effective January 1, 2013, the California Public Employees’ Pension Reform Act of 2013 (PEPRA) prohibited offering supplemental defined benefit plans, such as the one offered through PARS, to any employees. As a result, the participant pool has dwindled and will continue to do so as employees leave the unit due to separation from the City or appointment to a classification in another employee group. Over time, this will result in fewer employees shouldering the cost of this benefit, which is expected to rise based on the actuarial reports.

During the January 21, 2014 Council meeting, several SPEA representatives spoke before Council to express their concern about the rising costs of this Plan and the fact that these costs would be the sole responsibility of the remaining Plan participants. After some discussion, Council directed City staff to work with SPEA and explore the various options related to terminating the Plan. Since then, City staff and SPEA representatives have diligently worked together to come up with a solution that is agreeable to the employees as well as the City. Due to the legal and financial complexities associated with this type of supplemental plan, City staff consulted with a number of subject matter experts including PARS Administrators, our Actuary John Bartel, and special ERISA legal counsel.1

After an extensive amount of research and discussion, the City and SPEA have reached mutual agreement to freeze the PARS Plan. City staff, SPEA, and legal counsel believe that freezing is the best approach to ceasing the Plan. Freezing the Plan means that all employees in the Plan are frozen with respect to 1) the number of years of service and 2) the highest level of compensation. The employees will no longer accrue any further service credit even if they continue working after the Plan is frozen. Additionally, salary increases after the freeze date will not increase their retirement benefit calculation. Once the employee becomes eligible for retirement at the age of 55, their benefit will be calculated based on the years of service with the City and their salary at the time of the freeze. Freezing the Plan benefits the City; future liability is limited since service credit and salaries have been capped; employees benefit because they will no longer be responsible for funding the Plan.

The City has obtained signed Release Agreements from each individual participant, so there is 100% agreement to move forward with the Plan Freeze. The Releases identify today’s date, November 3, 2015, as the effective date of the freeze and October 31, 2015, as the start of the pay period in which participants will no longer have any obligations to fund the Plan.

The latest actuarial valuation report as of June 30, 2014 shows that the actuarially determined contribution for Fiscal Year 2015-2016 is $118,000, an amount which has been budgeted. Although the City will now be responsible for paying and funding the Plan, it will be at a much lower rate given the limits placed on the service credit and compensation. The City is still required to conduct actuarial valuations on the Plan every two years, so the next report will reflect the City’s obligation for Fiscal

1  The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that sets minimum standards for most voluntarily established pension and health plans.
Years 2017-18 and 2018-19.

Attached to this Report is a redlined PARS Plan Document prepared by special ERISA legal counsel. If approved by Council, the Document will be executed by the Director of Finance who is the designated City PARS Plan Administrator (Resolution No. 4562). Also attached is the signed Side Letter of Agreement between the City and SPEA, with a copy of the Release Agreement signed by Plan participants, and a Resolution authorizing the amendment and restatement of the City’s PARS Plan.
THE CITY OF EL SEGUNDO
PUBLIC AGENCY RETIREMENT SYSTEM (PARS)
RETIREMENT ENHANCEMENT PLAN

EFFECTIVE OCTOBER 1, 2008

(As Amended and Restated Effective [______, 2015])

DEFINED BENEFIT
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INTRODUCTION

WHEREAS, the City of El Segundo (the "Employer") has previously adopted the tax-qualified governmental defined benefit plan, the City of El Segundo Public Agency Retirement System Retirement Enhancement Plan (the "Plan") for the benefit of its eligible employees to provide supplemental retirement benefits to eligible employees of the Employer in addition to the benefits employees will receive from the California Public Employees' Retirement System ("CalPERS");

WHEREAS, the City is an employer authorized under California Government Code Article 1.5, Sections 53215 through 53224 to establish a pension trust;

WHEREAS, it is intended that the Plan and the Trust established to hold the assets of the Plan (the "Trust") shall be qualified under Section 401(a) and tax-exempt under Section 501(a) of the Internal Revenue Code of 1986, together with any amendments thereto (as amended (the "Code");

WHEREAS, it is further intended that the Plan and the Trust established hereunder shall meet the requirements of a pension trust under California Government Code ("Civ Code") Sections 53215 - 53224, or their successor sections (the "Civ Code");

WHEREAS, the Plan is a governmental plan within the meaning of Section 414(d) of the Code and Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended;

WHEREAS, at any time prior to the satisfaction of all liabilities with respect to Members of the Plan and their Beneficiaries, the Trust created pursuant to the Plan, the trust assets shall not be used for, or diverted to, purposes other than the exclusive benefit of Members or their Beneficiaries, as prescribed in Section 401(a)(2) of the Code;
It is intended that the Plan satisfy the requirement of the applicable provisions of the Economic Growth and Tax Relief Reconciliation Act (commonly known as "EGTRRA") and the Pension Protection Act of 2006 (commonly known as the "PPA"), and that the provisions of this Plan reflecting the EGTRRA and PPA amendments are hereby made effective as of the dates required by the legislation referred to in this sentence.

WHEREAS, the City and the California Teamsters, Public, Professional and Medical Employees Union, 911 desire to amend the Plan to cease further accruals under the Plan and to cease Plan members' obligations to make picked up contributions under the Plan; and

WHEREAS, the City will continue to make contributions to the Plan to fund benefits accrued under the Plan;

NOW THEREFORE, the Plan is hereby amended and restated effective as of [___________], 2015 to provide as follows:
ARTICLE I
PARTICIPATION

1.1 Eligibility for Participation

An Employee was eligible to participate in the Plan if he or she (1) a full-time miscellaneous Employee of the Employer, represented by the Supervisory and Professional Employees Association of the City of El Segundo, on or after August 5, 2008, (2) included in a supervisory and professional employees' unit of employees covered by the collective bargaining agreement between the Employer and the Union on or after August 5, 2008, and (3) hired by the Employer and/or appointed by the Employer to a position included in a supervisory and professional employees' unit of employees covered by the collective bargaining agreement between the Employer and the Union prior to October 1, 2012. No Employee was eligible to participate in the Plan prior to the original effective date of the Plan, October 1, 2008.

1.2 Eligibility for Benefits, Cessation of Participation

An Employee shall be eligible to receive Retirement Benefits under this Plan if he or she:

(a) is a full-time miscellaneous Employee of the Employer, represented by the Supervisory and Professional Employees Association, on or after August 5, 2008;

(b) is at least fifty-five (55) years of age;

(c) has completed at least fifteen (15) years of full-time continuous service with the Employer as of the last day of employment with the Employer;

(d) has terminated employment with the Employer while represented by the Supervisory and Professional Employees Association on or after September 30, 2008, and concurrently retires under CalPERS; and
(e) has applied for benefits under this Plan.

1.3 Commencement of Benefits.

Benefits shall commence as of the first day of the month after an Employee meets the eligibility requirements of Section 1.2.

1.4 Participation.

An Employee will be credited with one (1) Year of Participation for any year during which the Employee is employed by the Employer.

No Employee will be eligible to participate in the Plan commencing on or after the Freeze Date, and, effective as of the Freeze Date, no Employee shall accrue any further benefits under the Plan.
ARTICLE II
CONTRIBUTIONS

2.1 Amount of Employee Contribution

Commencing October 1, 2008, Employees shall, 2008 until November 3, 2012, an Employee was required to contribute a percentage equal to one percent (1%) of his\ or her Compensation to the Plan each year at such times and in the manner established by the Employer.

Commencing November 3, 2012 until the first payroll period beginning after January 1, 2014, an Employee was required to contribute a percentage equal to five and two tenths (5.20%) of his or her Compensation to the Plan each year at such times and in the manner established by the Employer and as further agreed to between the Employer and the Supervisory and Professional Employees’ Association of the City of El Segundo.

Commencing with the first payroll period beginning after January 1, 2014, until the first payroll period beginning after the Freeze Date, 2015, an Employee shall contribute a percentage equal to seven and two tenths percent (7.20%) of his or her Compensation to the Plan each year at such times and in the manner established by the Employer and as further agreed to between the Employer and the Supervisory Professional Employees’ Association of the City of El Segundo.

Effective commencing with the first payroll period beginning after the Freeze Date, 2015, an Employee shall no longer be required to contribute any portion of his or her Compensation to the Plan.

2.2 Pick Up of Mandatory Contributions

In accordance with Section 414(h) of the Code, the mandatory Employee contributions required under Section 2.1 shall be picked up by the Employer.
2.3 Administrative Expenses

In accordance with Section 53217 of the Act, the Employer may make contributions to the Trust sufficient to defray all or part of the expenses of administering the Plan or may pay such expenses directly.

2.4 Amount of Employer Contributions

The Employer Contribution amounts shall be determined by an actuarial study performed at least every two (2) years as long as the Plan exists. Effective commencing with the first payroll period beginning after the Freeze Date, the Employer will be exclusively liable for funding the Plan.
ARTICLE III

BENEFITS

3.1 Retirement Benefits.

The benefit shall be paid in the Normal Form of Benefit and subject to Sections 3.7 and 6.5, a Member who has a Nonforfeitable Interest in his or her Retirement Benefit pursuant to Article IV shall be entitled to a Retirement Benefit that shall commence effective as of the Member’s Annuity Starting Date. The monthly amount of the Retirement Benefit payable as a single life annuity for the life of the Member (the normal form of payment under the Plan) shall be an amount equal to one-twelfth (1/12) of the difference between (1) and (2) described below:

(1) The Member’s Benefit Service, times the Member’s Final Pay, times 2.500%.

(2) The Member’s Benefit Service, times the Member’s Final Pay, times the CalPERS Benefit Age Factor.

3.2 Commencement of Retirement Benefits.

Subject to Section 5.3, in any case, a Member’s Nonforfeitable Interest in his or her Retirement Benefits payable under the Plan shall commence as of the Employee’s Annuity Starting Date.

3.3 3.2 Survivor Continuance Benefit.

No Survivor Continuance Benefit shall be provided unless the Member elects to have the benefit paid in an Optional Form of Benefit.

3.4 3.3 Pre-Retirement Disability Benefit.

No Pre-Retirement Disability Benefits shall be provided under this the Plan.
3.5 **3.4 Pre-Retirement Death Benefit.**

Subject to Sections 3.7 and 6.5, Pre-Retirement Death Benefits shall be provided for those Employees who die while actively employed with the Employer after attaining age fifty-five (55) and completing at least fifteen (15) years of full-time continuous service with the Employer. The Retirement Benefit shall be paid to an eligible *spouse* or registered domestic partner assuming that the *participant* Member’s retirement occurred on the date of death and that the *participant* Member had elected the Joint and 100% Survivor Continuous Benefit.

3.6 **3.5 Deferred Retirement Benefit.**

No Deferred Retirement Benefits shall be provided under the Plan.

3.7 **Certain Returns of Mandatory Employee Contributions Picked Up by the Employer.**

3.6 **Withdrawal** In lieu of a Retirement Benefit, Participants who terminate employment or are terminated under Section 3.1, a Member who incurs a Termination of Employment, whether voluntarily, involuntarily, by death, disability or in any other manner, and do not meet the requirements of Section 1.2, and are ineligible to receive the Retirement Benefit, at a time when the Actuarial Equivalent of his or her Employee contributions made to the Plan pursuant to Section 2.1 (as adjusted for interest as provided hereunder) is greater than the Actuarial Equivalent of his or her Nonforfeitable Interest in his or her Retirement Benefit payable under Section 3.1, will receive one hundred percent (100%) of his or her Employee contributions made to the Plan pursuant to Section 2.1 plus four and one-quarter percent (4.25%) interest per year. Subject to Section 5.7, the distribution of mandatory employee contributions shall be made as soon as reasonably practicable after the Member has incurred a Termination of Employment.
3.8 **Designation of Beneficiary.**

(a) Each Member shall have the right to designate a Beneficiary to receive the death benefits, if any, that are payable to a Beneficiary from this the Plan. Such designation does not permit the Member to change a person identified under another provision of the Plan as being eligible to receive a benefit. Such designation must be evidenced by a written instrument filed with the Employer, on a form prescribed by the Employer, and signed by the Member.

(b) The Beneficiary for a married Member shall be the Member's *spouse*Spouse at the date of death, unless the written consent of such *spouse*Spouse is provided upon a form acceptable to the Employer. Each such designation for death benefits must be evidenced by a written instrument filed with the Employer, on a form prescribed by the Employer, and signed by the Member. If no such designation is on file with the Employer at the time of the death of the Member, or if for any reason at the sole discretion of the Employer, such designation is defective, then the *spouse*Spouse of such Member shall be conclusively deemed to be the Beneficiary designated to receive such benefit.

(c) The signature of the Member's *spouse*Spouse shall be required on a designation of beneficiary form or an application for a benefit under the Plan if the *spouse*Spouse is not the beneficiary, unless the Member declares in writing that one of the following conditions exists:

1. The Member is not married;
2. The Member does not know, and has taken all reasonable steps to determine the whereabouts of the *spouse*Spouse;
3. The *spouse*Spouse is incapable of executing the acknowledgment because of an incapacitating mental or physical condition;
4. The Member and *spouse*Spouse have executed a marriage settlement agreement that makes the community property laws inapplicable to the marriage; or
(5) The current *spouse* has no identifiable community property interest in the benefits.

(d) For purposes of this Section 3.73.8 only, all references in this Section 3.73.8 to the term "marriage" shall also include the term "registered domestic partnership". All references to the term "married" shall also include "registered domestic partnership" and all references in this Section 3.73.8 to the term "spouse" shall also include "registered domestic partner." The inclusion of "registered domestic partner" in the definition of "spouse" shall not apply for the purposes of Sections 5.3, 5.65, 5.7 and 7.2 of the Plan.

(e)
ARTICLE IV
VESSTING

4.1 Full Vesting. Upon the Freeze Date.

Notwithstanding any other provision of the Plan, effective as of the Freeze Date, each Member's Nonforfeitable Interest in his or her Retirement Benefit accrued as of the Freeze Date, to the extent not theretofore forfeited or paid, shall be one hundred percent (100%).

4.2 Normal Vesting Schedule.

A Member will be fully vested have a one hundred percent (100%) Nonforfeitable Interest in his or her Retirement Benefit upon meeting the requirements of Section 1.2, the date on which the Member has completed at least fifteen (15) Years of Participation Service.

4.3 4.2 Full or Partial Vesting Upon Termination of the Plan or Complete Discontinuance of Employer Contributions.

Notwithstanding the vesting schedule, upon the complete discontinuance of Employer contributions to the Plan or upon any partial completion termination of the Plan, the Member's Nonforfeitable Interest in his or her Retirement Benefit shall become accrued to the date of such complete discontinuance or complete termination of the Plan, shall be one hundred percent (100%) Vested.

4.4 4.3 Attainment of Normal Retirement Age Eligibility.

A Member shall be fully vested have a one hundred percent (100%) Nonforfeitable Interest in his or her Retirement Benefit upon his or her attainment of Normal Retirement Age and fulfilling all requirements established in Section 1.2 Eligibility.
4.5 **4.4 Effect of Vesting.**

Vesting shall entitle a Member to payment during his or her lifetime of the Retirement Benefit at the times and upon the conditions specified herein, and shall entitle the Member’s survivor or Beneficiary to any death benefits provided herein. Any unpaid Retirement Benefits are forfeited upon the Member’s death under the Normal Form of Benefit. Upon a Member’s Termination of Employment for any reason, his or her Forfeitable Interest in his or her Retirement Benefit shall be forfeited. A Member shall at all times have a fully nonforfeitable interest in his or her Employee contributions made pursuant to Section 2.1 and picked up by the Employer pursuant to Section 2.2.
ARTICLE V
DISTRIBUTIONS

5.1 Normal Form of Benefit.

Unless the Member elects an Optional Form of Benefit under Section 5.2, and subject to Sections 5.3 and 5.6, payments to a Member of a Retirement Benefit shall be made in the form of monthly payments commencing pursuant to Section 1.3 as of the Member's Annuity Starting Date and ending on the first day of the month in which the Member’s death occurs, in the amount specified in Section 3.1. The Retirement Benefit shall be subject to an annual compounding cost-of-living adjustment effective on the anniversary date of commencement of the Retirement Benefit. The amount of such cost of living adjustment shall be two percent (2%) per year, provided that the payment for any year shall not exceed the payment that would have resulted from the cumulative application since the date of benefit commencement (on an annually-compounded basis) of the lesser of (i) a two percent (2%) annual increase, or (ii) an annual increase equal to the increase in the Consumer Price Index for All Urban Consumers issued by the Bureau of Labor Statistics. For avoidance of doubt, if the application of the foregoing proviso causes the increase to the payment in any year to be less than two percent (2%), then the increase to the payment in any subsequent year may be greater than two percent (2%). Furthermore, in no circumstances shall the amount of the payment be decreased. This form of payment shall be the “Normal Form of Benefit.”

5.2 Optional Forms of Benefit.

In lieu of the Normal Form of Benefit, a Member may elect an optional form of benefit payment specified in this Section 5.2 that is the Actuarial Equivalence Equivalent of the Normal Form of Benefit as follows:

(a) **Joint and 100% Survivor Continuance.** Under this form of payment:
(1) The Member receives a reduced monthly benefit, and if the Member predeceases the Beneficiary, the Beneficiary will receive a monthly payment for the life of the Beneficiary equal to one hundred percent (100%) of such reduced monthly benefit; provided, however, that if the Beneficiary is not the spouse of the Participant Member, this form of payment shall be available only to the extent permitted pursuant to Section 5.3(b)(4)(A).5.5.

(2) If the Beneficiary predeceases the Member, the Member’s reduced monthly payment will not increase.

(3) The Member’s designation of a Beneficiary shall become irrevocable upon the Member’s retirement if electing this form of payment.

(b) Joint and 100% Survivor with Pop-Up Provision. Under this form of payment:

(1) The Member receives a reduced monthly benefit, and if the Member predeceases the Beneficiary, the Beneficiary will receive a monthly payment for the life of the Beneficiary equal to one hundred percent (100%) of such reduced monthly benefit; provided, however, that if the Beneficiary is not the spouse of the Participant Member, this form of payment shall be available only to the extent permitted pursuant to Section 5.3(b)(4)(A).5.5. The benefit shall terminate as of the first day following the Beneficiary’s death.

(2) If the Beneficiary predeceases the Member, the Member’s reduced monthly payment shall increase to the amount of the Normal Form of Benefit.

(3) The Member’s designation of a Beneficiary shall become irrevocable upon the Member’s retirement if electing the Member elects this form of payment.

(4)
5.3 **Limitations. Election of Lump Sum Return of Mandatory Member Contributions.**

In lieu of the Normal Form of Benefit, a Member may elect to receive one hundred percent (100%) of his or her Employee contributions made to the Plan pursuant to Section 2.1 plus four and one-quarter percent (4.25%) interest per year. Subject to Section 5.7, the distribution of mandatory employee contributions shall be made as soon as reasonably practicable after the Member has incurred a Termination of Employment. To the extent that a Member receives a lump sum payment pursuant to this Section 5.3, such lump sum payment shall be conclusively deemed to be equal to the actuarial equivalent of the Member's Normal Form of Benefit.

5.4 **Time of Payment of Distributions.**

Subject to Sections 5.5 and 5.6, Retirement Benefits payable under Section 5.1 or Section 5.2 shall commence as of the Employee’s Annuity Starting Date.

5.5 **Required Distributions and Distribution Deadlines.**

(a) In the case of a Member who attains age 70 1/2, distribution of such Member’s entire interest must commence not later than the first day of April following the later of the calendar year in which such Member attains age 70 1/2 or the calendar year in which the Member retires (the "Required Beginning Date"). In all cases, distributions shall be made in at least the amounts determined in accordance with Code Section 401(a)(9) and the regulations thereunder, as described in Section 5.3(b) below. **Compliance with Section 401(a)(9).** All distributions under the Plan will be made in accordance with the requirements of section 401(a)(9) of the Code and the Final Section 401(a)(9) Regulations with respect to governmental plans (within the meaning of section 414(d) of the Code). The provisions of the Plan reflecting section 401(a)(9) of the Code override any distribution options in the Plan inconsistent with section 401(a)(9) of the Code. Notwithstanding any other provision of the Plan, all benefits payable under the Plan
shall be distributed, or commence to be distributed, in compliance with the following provisions of this Section 5.5.

(b) **With respect to required minimum distributions under this Section 5.3 for calendar years beginning after December 31, 2002, the following rules shall apply:**

**Required Distributions for Certain Persons Who are 70 1/2 or Older.** A Member’s Nonforfeitable Interest in his or her Plan benefit must be distributed, beginning not later than the Member’s Required Beginning Date, over the life of the Member, or the joint lives of the Member and his or her Section 401(a)(9) Beneficiary, or over a period not extending beyond the life expectancy of the Member or the joint and last survivor expectancy of the Member and his or her Section 401(a)(9) Beneficiary. The distribution required to be made on or before the Member’s Required Beginning Date shall be the distribution required for his or her first Distribution Calendar Year. The minimum required distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Member’s Required Beginning Date occurs must be made on or before December 31 of that Distribution Calendar Year. In the case of a benefit payable in a form other than a single sum or an annuity purchased from an insurance company, the amount that must be distributed for a Distribution Calendar Year is an amount equal to the payment that is required for one payment interval as specified in paragraphs (b), (c) and (d) of this Section 5.5.

(c) **Amount Required to be Distributed by Required Beginning Date in the Case of Annuity Payments From the Plan.** The amount that must be distributed on or before the Member’s Required Beginning Date (or, if the Member dies before his or her Required Beginning Date, the date distributions are required to begin under Section 5.5(e)) is the payment that is required for one payment interval. The second payment need not be made until the end of
the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Member’s benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Member’s Required Beginning Date.

Any additional benefits accruing to the Member in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

(d) Requirements For Annuity Distributions That Commence During Member’s Lifetime.

(1) All distributions required under this Section 5.3 shall be determined and made in accordance with the Treasury Regulations under Section 401(a)(9) of the Code. The requirements of this Section 5.3 will take precedence over any inconsistent provisions of the Plan, provided that this Section 5.3 shall not be considered to allow a Member or Beneficiary to delay a distribution or elect an optional form of benefit not otherwise provided in the Plan.Joint Life Annuities Where the Section 401(a)(9) Beneficiary Is Not the Member’s Spouse. If the Member’s interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Member and a nonspouse Section 401(a)(9) Beneficiary, annuity payments to be made on or after the Member’s Required Beginning Date to the Section 401(a)(9) Beneficiary after the Member’s death must not exceed the “applicable percentage” of the annuity payment for such period that would have been payable to the Member determined by using the methodology and the table set forth in Q&A-2(c)(1) and (2) of Section 1.401(a)(9)-6 of.
the Regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Member and a nonspouse Beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the Section 401(a)(9) Beneficiary after the expiration of the period certain.

(2) **Time and Manner of Distribution** *Period Certain Annuities.* Unless the Member’s Spouse is the sole Section 401(a)(9) Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Member’s lifetime may not exceed the Applicable Distribution Period for the Member under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Regulations for the calendar year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Member reaches age 70, the Applicable Distribution Period for the Member is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations plus the excess of 70 over the age of the Member as of the Member’s birthday in the year that contains the Annuity Starting Date. If the Member’s Spouse is the Member’s sole Section 401(a)(9) Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Member’s Applicable Distribution Period, as determined hereunder, or the joint life and last survivor expectancy of the Member and the Member’s Spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Regulations, using the Member’s and Spouse’s attained ages as of the Member’s and Spouse’s birthdays in the calendar year that contains the Annuity Starting Date.
(e) **Requirements For Minimum Distributions Where Member Dies Before Date Distributions Begin.**

(1) **Member Survived by Section 401(a)(9) Beneficiary.** If the Member dies before the date distribution of his or her interest begins and there is a Section 401(a)(9) Beneficiary, the Member’s entire nonforfeitable interest will be distributed, beginning no later than the time described in Section 5.5(e), over the life of the Section 401(a)(9) Beneficiary or over a period certain not exceeding:

(A) **The Member’s entire interest will begin to be distributed to the Member no later than the Member’s Required Beginning Date as defined in Section 5.5(a); unless the Annuity Starting Date is before the first Distribution Calendar Year—**

(I) if the Section 401(a)(9) Beneficiary is not the Member’s Spouse, the life expectancy of the Section 401(a)(9) Beneficiary determined using the Section 401(a)(9) Beneficiary’s age as of the Section 401(a)(9) Beneficiary’s birthday in the calendar year immediately following the calendar year of the Member’s death. In subsequent calendar years, the distribution period is reduced by one for each calendar year that has elapsed after the calendar year immediately following the Member’s death.

(II) if the sole Section 401(a)(9) Beneficiary is the Member’s Spouse, such Spouse’s life expectancy using such Spouse’s birthday for each Distribution Calendar Year after the calendar year of the Member’s death up through the calendar year of such Spouse’s death. For calendar
years after the calendar year of such Spouse’s death, the Applicable Distribution Period is the life expectancy of such Spouse using the age of such Spouse as of such Spouse’s birthday in the calendar year of such Spouse’s death, reduced by one for each calendar year that has elapsed after the calendar year of such Spouse’s death.

(B) if the Annuity Starting Date is before the first Distribution Calendar Year, the life expectancy of the Section 401(a)(9) Beneficiary determined using the Section 401(a)(9) Beneficiary’s age as of the Section 401(a)(9) Beneficiary’s birthday in the calendar year that contains the Annuity Starting Date.

(2) No Section 401(a)(9) Beneficiary. If the Member dies before the date distributions begin and there is no Section 401(a)(9) Beneficiary as of September 30 of the year following the year of the Member’s death, distribution of the Member’s entire nonforfeitable interest in his or her Plan benefit will be completed by December 31 of the calendar year containing the fifth anniversary of the Member’s death.

(3) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. If the Member dies before the date distribution of his or her nonforfeitable interest in his or her Plan benefit begins, the Member’s surviving Spouse is the Member’s sole Section 401(a)(9) Beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this paragraph (d) will apply as if the surviving Spouse were the Member, except that the time by which distributions must begin will be determined without regard to Section 5.5(e)(1).
(f) **Distribution Deadline for Death Benefit When Member Dies Before His or Her Distributions Begin.** If a Member dies before the date of distribution when the Member’s nonforfeitable interest in his or her Plan benefit begins, the Member’s entire nonforfeitable interest in his or her Plan benefit will be distributed, or begin to be distributed, to the Member’s Section 401(a)(9) Beneficiary no later than as follows:

(1) **(i)** If the Member’s surviving Spouse is the Member’s sole designated Beneficiary under Section 401(a)(9) Beneficiary, then distributions to the surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Member attained age 70 1/2, or by December 31 of the calendar year in which the Member would have attained age 70 1/2, if later.

(2) **(ii)** If the Member’s surviving Spouse is not the Member’s sole designated Beneficiary and the payment of Plan death benefits to the Section 401(a)(9) Beneficiary will not be in the form of a single sum or a commercial annuity, then distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

(3) **(iii)** If the Member’s surviving Spouse is the Member’s sole Section 401(a)(9) Beneficiary, and the payment of a Plan death benefit to the Section 401(a)(9) Beneficiary will be in the form of a single sum, then the Member’s entire nonforfeitable interest in his or her Plan benefit will be distributed by December 31 of the calendar year containing the fifth anniversary of the Member’s death.

(4) **(iv)** If there is no designated Beneficiary as of September 30 of the calendar year following the calendar year of the Member’s death, then the
Member’s entire nonforfeitable interest in his or her Plan benefit will be distributed by December 31 of the calendar year containing the fifth anniversary of the Member’s death.

(5) (IV) If the Member’s surviving spouse is the Member’s sole designated Section 401(a)(9) Beneficiary and the surviving spouse dies after the Member but before distributions to the surviving spouse begin, this Section 5.3(b)(2)(B)(e), other than Section 5.3 5.5(be)(2)(B)(I), will apply as if the surviving spouse were the Member.

For purposes of this Section 5.3(b)(2)(B)(e) and Section 5.3(b)(5.5(d)), distributions are considered to begin on the Member’s Required Beginning Date (or, if Section 5.3 5.5(be)(2)(B)(I)) applies, the date distributions are required to begin to the surviving spouse under Section 5.3 5.5(be)(2)(B)(I)). If annuity payments irrevocably commence to the Member before the Member’s Required Beginning Date (or to the Member’s surviving spouse before the date distributions are required to begin to the surviving spouse under Section 5.3 5.5(be)(2)(B)(I)), the date distributions are considered to begin is the date distributions actually commence.

(g) (C) Unless the Member’s interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Distribution of Death Benefit When Member Dies On or After His or Her Required Beginning Date. If a Member dies on or after his or her Required Beginning Date, as of the first distribution calendar year, distributions will be made in accordance with Sections 5.3(b)(3), (4) and (5). If the Member’s interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury Regulations, the Member’s Plan benefit must be distributed to his or...
her Section 401(a)(9) Beneficiary at least as rapidly as the method of payment of minimum required distributions being used as of the date of the Member’s death.

(3) **Determination of Amount to be Distributed Each Year**

(h) **Limitations on Death Benefits.** Benefits payable under the Plan shall not be provided in any form that would cause a Member’s death benefit to be more than incidental. Any distribution required to satisfy the incidental benefit requirement shall be considered a required distribution for purposes of section 401(a)(9) of the Code.

(i) **(A) General Annuity Requirements.** If the Member’s nonforfeitable interest in his or her Plan benefit is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:

(1) (I) the annuity distributions will be paid in periodic payments made at uniform intervals not longer than one year;

(2) (II) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Sections 5.3(b)(4) Section 5.5(c) or 5.5(5d);

(3) (III) once payments have begun under a fixed-term payout under Section 5.2 (if such a benefit is available), the fixed-term payout period will not be changed even if the period certain is shorter than the maximum permitted; upon commencement of payments over a period, subsequent changes to the period must be in accordance with the requirements of section 401(a)(9) of the Code and the Regulations thereunder;

(4) (IV) payments will either be non-increasing or increase only as follows:

(A) (i) by an annual percentage increase that does not exceed the annual percentage increase in a *cost-of-living consumer price index* that is based on prices of all items (or all items excluding food and energy) and issued by the
Bureau of Labor Statistics for a 12-month period ending in the year during which the increase occurs or the prior year;

(B) by a percentage increase that occurs at specified times and does not exceed the cumulative total of annual percentage increases in an eligible cost-of-living index as defined in Q&A-14(b) of Regulation section 1.401(a)(4)-6 since the Annuity Starting Date, or if later, the date of the most recent percentage increase; (however, in cases providing such a cumulative increase, an actuarial increase may not be provided to reflect the fact that increases were not provided in the interim years);

(C) (ii) to the extent of the reduction in the amount of the Member’s payments to provide for a survivor benefit upon death, but only if the Section 401(a)(9) Beneficiary whose life was being used to determine the distribution period described in Section 5.3(b)(45.5(c) dies or is no longer the Member’s Beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p) of the Code; or Qualified Domestic Relations Order;

(D) (iii) to pay increased benefits that result from a Plan amendment;

(B) The amount that must be distributed on or before the Member’s Required Beginning Date (or, if the Member dies before distributions begin, the date distributions are required to begin under Sections 5.3(b)(2)(B)(I) or (II)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or-
annually. All of the Member's benefit accruals as of the last day of the first
distribution-calendar-year will be included in the calculation of the amount of the
annuity-payments for payment intervals ending on or after the Member's Required-
Beginning-Date:

(C) Any additional benefits accruing to the Member in a calendar year
after the first distribution-calendar-year will be distributed beginning with the first
payment interval ending in the calendar year immediately following the calendar
year in which such amount accrues;

(4) Requirements For Annuity Distributions That Commence During
Member's Lifetime

(A) If the Member's interest is being distributed in the form of a
benefit described in Section 5.2 for the joint lives of the Member and a nonspouse-
Beneficiary, annuity payments to be made on or after the Member's Required-
Beginning-Date to the designated Beneficiary after the Member's death must not
at any time exceed the applicable percentage of the annuity payment for such
period that would have been payable to the Member using the table set forth in
Q&A 2 of Section 1.401 (a)(9)-6 of the Treasury Regulations. If the form of
distribution combines a benefit described in Section 5.2 for the joint lives of the
Member and a nonspouse Beneficiary and a fixed-term payout annuity, the
requirement in the preceding sentence will apply to annuity payments to be made
to the designated Beneficiary after the expiration of the fixed-term payout period.

(B) Unless the Member's spouse is the sole designated Beneficiary and
the form of distribution is a fixed-term payout annuity, the fixed-term payout-
period for an annuity distribution commencing during the Member’s lifetime may not exceed the applicable distribution period for the Member under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations for the calendar year that contains the annuity starting date. If the benefit commencement date precedes the year in which the Member reaches age 70, the applicable distribution period for the Member is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations plus the excess of 70 over the age of the Member as of the Member’s birthday in the year that contains the benefit commencement date. If the Member’s spouse is the Member’s sole designated Beneficiary and the form of distribution is a fixed-term payout annuity, the fixed-term payout period may not exceed the longer of the Member’s applicable distribution period, as determined under this Section 5.3(b)(4), or the joint life and last survivor expectancy of the Member and the Member’s spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Member’s and spouse’s attained ages as of the Member’s and spouse’s birthdays in the calendar year that contains the benefit commencement date.

(5) Requirements For Minimum Distributions Where Member Dies Before Date Distributions Begin

(A) If the Member dies before the date distribution of his or her interest begins and there is a designated Beneficiary, the Member’s entire interest will be distributed, beginning no later than the time described in Sections 5.3(b)(2)(B)(I).
or (II), over the life of the designated Beneficiary or over a fixed-term payout period not exceeding:

(i) unless the benefit commencement date is before the first distribution calendar year, the life expectancy of the designated Beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year immediately following the calendar year of the Member's death; or

(II) if the benefit commencement date is before the first distribution calendar year, the life expectancy of the designated Beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year that contains the benefit commencement date.

(B) If the Member dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Member's death, distribution of the Member's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

(C) If the Member dies before the date distribution of his or her interest begins, the Member's surviving spouse is the Member's sole designated Beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this Section 5.3(b)(5) will apply as if the surviving spouse were the Member, except that the time by which distributions must begin will be determined without regard to Section 5.3(b)(2)(B)(I).
(6) Definitions

(A) Designated Beneficiary. The individual who is designated as the Beneficiary under Section 3.7 of the Plan and is the designated Beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-1, Q&A-4, of the Treasury Regulations.

(B) Distribution Calendar Year. A calendar year for which a minimum distribution is required. For distributions beginning before the Member’s death, the first distribution calendar year is the calendar year immediately preceding the calendar year that contains the Member’s Required Beginning Date. For distributions beginning after the Member’s death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 5.3(b)(2)(B).

(C) Life Expectancy. Life expectancy as computed by use of the Single-Life Table in Section 1.401(a)(9)-9 of the Treasury Regulations.

(D) Required Beginning Date. The date set forth in Section 5.3(a).

(E) to allow a Section 401(a)(9) Beneficiary to convert the survivor portion of a joint and survivor annuity into a single sum distribution upon the Member’s death; or

(F) to the extent increases are allowed for annuity payments under annuity contracts purchased from insurance companies or for annuity payments from a qualified trust in accordance with Q&As 14(c) and 14(d), respectively, of Regulation section 1.401(a)(9)-6.
(j) **Requirements in the Case of a Commercial Annuity.** If a Member's
Nonforfeitable Interest in his or her Plan benefit is distributed in the form of an annuity,
purchased from an insurance company, distributions under the annuity contract will be made in
accordance with the requirements of section 401(a)(9) of the Code and Regulations.

(k) **Compliance with Section 401(a)(9).** All distributions under the Plan will be
made in accordance with the requirements of section 401(a)(9) of the Code and the Final Section
401(a)(9) Regulations. The provisions of the Plan reflecting section 401(a)(9) of the Code
override any distribution options in the Plan inconsistent with section 401(a)(9) of the Code.

5.6 **5.4 Cash Out of Small Benefits.**

If the Subject to Sections 3.7 and 6.5, if upon a Member's Termination of Employment,
the present value of Actuarial **Equivalence** Equivalent of a Member's Nonforfeitable Interest in
his or her Normal Retirement Benefit is less than $5,000,5,000 (determined utilizing the actuarial
assumptions specified in the definition of Actuarial Equivalent), such benefit shall be paid as a
single cash lump sum in lieu of any other benefits hereunder.

5.5 **Actuarial Equivalence.**

Actuarial Equivalence shall be determined using the mortality assumption based on the
1983 Group Annuity Mortality (GAM) table and the interest assumption shall be 6% per annum.

5.7 **5.6 Direct Rollovers, Rollover Option.**

(a) This section applies to all distributions made on or after January 1, 1993.
Notwithstanding any provision of the Plan to the contrary that would otherwise limit a
distributee's election under this plan, a distributee may elect, at the time and in the manner
prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution paid
directly to an eligible retirement plan specified by the distributee in a direct rollover. A
distributee includes an Employee or former Employee. In addition, the Employee's or former-
Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse-who is the alternate payee under a qualified domestic-relations order, as defined in Section 414(p)-of the Code, are distributees with regard to the interest of the spouse or former spouse.

(b) A Beneficiary who is not the spouse of the Participant may elect a direct trustee-to-trustee transfer that qualifies as an eligible rollover distribution under this Section 5.6. Such transfer shall be made to an individual retirement plan described in Section 408(a) of the Code or an individual retirement account that is established for the purpose of receiving the distribution on behalf of such Beneficiary. Such individual retirement account shall be deemed an inherited IRA pursuant to the provisions of Section 402(c)(1) of the Code.

(1) Definitions

(A) Eligible Rollover Distribution

An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; (ii) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code, (iii) any hardship distribution, and (iv) the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities), unless such portion is transferred in a direct trustee-to-trustee transfer to a qualified trust which is part of a plan which is a defined contribution plan and which agrees to separately account for amounts so transferred, including-
separate accounting for the portion which is includible in gross income and the portion which is not so includible.

(B) Eligible Retirement Plan

An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, a qualified trust described in Section 401(a) of the Code that accepts the distributee’s eligible-rollover distribution, an annuity contract described in Section 403(b) of the Code, a Roth IRA described in Code Section 408A (but only if the distributee satisfies the requirements of Code Section 408A(c)(3)(B)), or an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in Section 414(p) of the Code.

(C) Direct Rollover

A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

A Distributee has the right to direct that any portion of his or her Eligible Rollover Distribution will be directly paid in a Direct Rollover to an Eligible Retirement Plan specified by him or her that will accept the Eligible Rollover Distribution.
ARTICLE VI
ADMINISTRATION AND AMENDMENT OF PLAN

6.1 Member’s Rights Not Subject To Execution.

The right of a Member to a benefit under this Plan is not assignable and is not subject to execution or any other process whatsoever, except to the extent permitted by the Code of Civil Procedure and the Family Code of the State of California. Any payment hereunder required under the California Family Code to a person other than the Member must not alter the form or amount of benefits hereunder, except that to the extent provided in a valid court order, any payment that is the Actuarial Equivalent payment of the Member’s Nonforfeitable Interest in the Member’s Retirement Benefit payable in the Normal Form may be made to the spouse or child of a Beneficiary pursuant to a qualified domestic relations order (as defined in Code Section 414(p)) Qualified Domestic Relations order prior to the Member’s retirement.

6.2 Rules and Regulations.

The Employer has full discretionary authority to supervise and control the operation of this Plan in accordance with its terms and may make rules and regulations for the administration of this Plan that are not inconsistent with the terms and provisions hereof. The Employer shall determine any questions arising in connection with the interpretation, application or administration of the Plan (including any question of fact relating to age, employment, compensation or eligibility of Employees) and its decisions or actions in respect thereof shall be conclusive and binding upon any and all persons and parties.

The Employer shall have all powers necessary to accomplish its purposes, including, but not by way of limitation, the following:

(a) To determine all questions relating to the eligibility of Employees to participate;

(b) To construe and interpret the terms and provisions of the Plan;
(c) To compute, certify to, and direct the Trustee with regard to the amount and kind of benefits payable to the Members and their Beneficiaries;

(d) To authorize all disbursements by the Trustee from the Trust;

(e) To maintain all records that may be necessary for the administration of the Plan other than those maintained by the Trustee; and

(f) To appoint a Plan Administrator or, any other agent, and to delegate to them or to the Trustee such powers and duties in connection with the administration of the Plan as it may from time to time prescribe, and to designate each such administrator or agent as a fiduciary with regard to matters delegated to him.

With respect to management and control of investments, the Employer shall have the power to direct the Trustee in writing with respect to the investment of the Trust assets or any part thereof. Where investment authority, management and control of Trust assets have been delegated to the Trustee by the Employer, the Trustee shall be a fiduciary with respect to the investment, management and control of the Trust assets contributed by the Employer and Members with full discretion in the exercise of such investment, management and control. Where investment authority, management and control of Trust assets is not specifically delegated to the Trustee, the Trustee shall be subject to the direction of the Employer.

Expenses and fees in connection with the administration of the Plan and the Trust shall be paid from the Trust assets to the fullest extent permitted by law, unless the Employer determines otherwise.

To the extent determined by the Employer or its delegate, elections and consents made by means of electronic media shall be permissible if made according to the relevant provisions of Treasury Regulation Section 1.401 (a)-21.
6.3 Amendment and Termination.

The Employer shall have the right to amend, modify or terminate this Plan at any time. An amendment to the Plan shall not apply to persons who have incurred Terminations of Employment unless the amendment expressly provides otherwise. For the avoidance of doubt, this amendment and restatement effective as of the Freeze Date shall not apply to persons who have theretofore incurred Terminations of Employment or whose benefits have theretofore been paid or forfeited. In the event of the complete discontinuance of this Plan, the entire interest of each Member affected thereby shall immediately become 100% vested. All benefits hereunder shall be payable solely from the assets of the Trust. After all liabilities of this Plan to Members and their Beneficiaries have been satisfied, any residual assets of this Plan shall be used for such purposes as determined by the Employer, including a distribution of the assets to the general funds of the Employer.

6.4 Military Service, Reemployed Veterans.

Effective December 12, 1994 and notwithstanding The requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994 will be complied with in the operation of the Plan in the manner permitted under Section 414(u) of the Code. Notwithstanding any provision of this Plan to the contrary, contributions, benefits, and service credits benefit accruals under the Plan and Benefit Service with respect to a person who has engaged in qualified military service will be credited or provided in accordance with Section 414(u) of the Code.
6.5 **No Duplication of Benefits.**

A Member will not be entitled to receive both a return of contributions under Section 3.7 and Retirement Benefits under the Plan. Accordingly, if a Member receives a return of contributions under Section 3.7 he or she will not be entitled to also receive Retirement Benefits under the Plan, and, likewise, if a Member receives Retirement Benefits under the Plan he or she will not also be entitled to receive a return of contributions under Section 3.7.
ARTICLE VII

ANNUAL BENEFIT LIMITATIONS

7.1 Definitions and Application.

As used in this Article VII, the following terms shall have the meanings specified below.

Unless otherwise stated below, the provisions of this Article VII shall apply to Limitation Years beginning on or after July 1, 2007.

"Affiliated Company" means a company required to be aggregated with the Employer for Purposes of Code Sections 414(b) and (c), provided, however, the determination under Section 414(b) and (c) of the Code shall be made as if the phrase "more than 50 percent" were substituted for the phrase "at least 80 percent" each place it is incorporated into Section 414(b) and (c) of the Code.

"Annual Benefit" means a benefit payable annually in the form of a straight life annuity (with no ancillary benefits) under a plan to which Employees do not contribute and under which no rollover contributions are made, or to which assets have been transferred from a qualified plan that was not maintained by the Employer. If the benefit is payable in a form other than a straight life annuity, such form must be adjusted actuarially to be the equivalent of a straight life annuity before applying the limitations of Section 7.2(a). The actuarial adjustment to the equivalent of a straight life annuity will apply to all Plan benefits except as set forth herein. The actuarial adjustment for benefits paid in a form to which Code Section 417(e)(3) does not apply shall be equal to the greater of (x) or (y), where (x) is an adjustment based on 5% and the mortality table specified in Section Treasury Regulation Section 1.417(e)-1(d)(2) for that annuity starting date, and (y) is the annual amount of the straight life annuity commencing on the same annuity starting date as the form of benefit payable to the Member, based on the factors specified in the Plan to adjust the applicable form of benefits. The actuarial adjustment for benefits paid in a form to
which Code Section 417(e)(3) applies shall be equal to the greatest of (xx), (yy) or (zz), where
(xx) is an adjustment based on 5.5% and the mortality table specified in Section Treasury
Regulation Section 1.417(e)-1 (d)(2) for that annuity starting date, (yy) is the annual amount of
the straight life annuity commencing on the same annuity starting date as the form of benefit
payable to the Member, based on the factors specified in the Plan to adjust the applicable form of
benefits, and (zz) is an adjustment based on the applicable interest rate for the distribution under
Regulation Section 1.417(e)-1(d)(3) and the mortality table specified in Section Treasury
Regulation Section 1.417(e)-1(d)(2) for that annuity starting date, divided by 1.05. No actuarial
adjustment is required for the following: qualified joint and survivor annuity benefits,
preretirement disability benefits, pre-retirement death benefits, post-retirement medical benefits,
and the value of an automatic benefit increase feature made in accordance with applicable
Treasury Regulations.

"Employer" means the Employer and any Affiliated Company that adopts this Plan.
"Limitation Year" means a twelve-consecutive month period ending on the Anniversary
Date. If the Limitation Year is amended to a different twelve-consecutive month period, the new
Limitation Year must begin on a date within the Limitation Year in which the amendment is
made.

"Related Plan" means any other defined benefit plan (as defined in Section 415(k) of the
Code) maintained by the Employer.

"Year of Participation" means the Employee shall be credited with a Year of
Participation for each year in which the Employee has met the requirements of Section 1.2(a). An
Employee who is permanently and totally disabled within the meaning of Section 415(c)(3)(C)(i)
of the Code for an accrual computation period shall receive a Year of Participation with respect
to that period. In addition, for an Employee to receive a Year of Participation for an accrual
computation period, the Plan must be established no later than the last day of such accrual computation period. In no event will more than one Year of Participation be credited for any 12-month period.

7.2 **Annual Limitation on Benefits.**

Notwithstanding any other provision of the Plan:

(a) No benefit shall be payable to a Member in excess of the benefit permitted to be paid under section 415 of the Code and Regulations issued thereunder with respect to governmental plans (within the meaning of section 414(d) of the Code), the terms of which are incorporated by reference and shall supersede any inconsistent provision of the Plan.

(b) (a) The Annual Benefit payable with respect to a Member under the Plan for any Limitation Year shall not exceed an amount equal to $160,000, or such other dollar limitation determined for the Limitation Year by automatically adjusting the $160,000 limitation by the cost of living adjustment factor prescribed by the Secretary of the Treasury under Section 415(d) of the Code in such manner as the Secretary shall prescribe. The new dollar limitation shall apply to Limitation Years ending within the calendar year of the date of the adjustment. Cost of living adjustments to the dollar limitation occurring after severance from employment are taken into account.

(c) (b) If the Member has less than ten Years of Participation with the Employer, the limitation in Section 7.2(ab) shall be reduced by multiplying it by a fraction, the numerator of which is the Member’s full and partial Years of Participation, and the denominator of which is ten. To the extent provided in Treasury Regulations or in other guidance issued by the Internal Revenue Service, the preceding sentence shall be applied separately with respect to each change in the benefit structure of the Plan. The reduction provided in this paragraph does not apply to payments made to the Member if his payments commence after he has become disabled (within
the meaning of Code Section 415(b)(2)(H)), and does not apply to payments made on account of the Member’s death.

(d) (e) If the Annual Benefit of a Member begins prior to age 62, the limitation under Section 7.2(a) applicable to the Member at such earlier age is an Annual Benefit payable in the form of a straight life annuity beginning at the earlier age that is the actuarial equivalent of the limitation applicable to the Member at age 62 (adjusted under subsection 7.2(bc) above, if required). The limitation applicable at an age prior to age 62 is determined as the lesser of (x) the actuarial equivalent (at such age) of the limitation computed using the interest rate and mortality table (or other tabular factor) specified in the Plan for early retirement calculations and (y) the actuarial equivalent (at such age) of the limitation computed using a five percent interest rate and the applicable mortality table specified in Section 415(b)(2)(E) of the Code. Any decrease in the limitation determined in accordance with this subsection 7.2(ed) shall not reflect a mortality decrement if benefits are not forfeited upon the death of the Member. If any benefits are forfeited upon death, the full mortality decrement is taken into account. The reduction in this Section 7.2(ed) shall not apply for a Member who is a “qualified participant,” as defined in Code Section 415(b)(2)(H).

(e) (d) If the Annual Benefit of a Member begins after age 65, the limitation under Section 7.2(a) applicable to the Member at such later age is an Annual Benefit payable in the form of a straight life annuity beginning at the later age that is the actuarial equivalent of the limitation applicable to the Member at age 65 (adjusted under subsection 7.2(bc) above, if required). The limitation applicable at an age after age 65 is determined as the lesser of (x) the actuarial equivalent (at such age) of the limitation computed using the interest rate and mortality table (or other tabular factor) specified in the Plan for early retirement calculations and (y) the
actuarial equivalent (at such age) of the limitation computed using a five percent interest rate and the applicable mortality table specified in Section 415(b)(2)(E) of the Code. For these purposes, mortality between age 65 and the age at which benefits commence shall be ignored.

(f) Pursuant to Treasury Regulation Section 1.415(b)-1(a)(7)(iii), the rate of a Member’s accrual shall not be limited by this Article VII (but at all times the annual benefit payable to the Member is subject to the limits set forth in this Article VII).

(g) The limitation in Section 7.2(ab) is deemed satisfied if the Annual Benefit payable to a Member is not more than $1,000 multiplied by the Member’s number of years of service or parts thereof (not to exceed ten) with the Employer, and the Employer (or a predecessor employer) has not at any time maintained a defined contribution plan in which such Member participated.

If the Employer maintains one or more defined benefit plans, in addition to this the Plan, covering an Employee who is also a Member in this the Plan, the sum of the Annual Benefits of all the plans will be treated as a single benefit for the purposes of applying the limitations of Section 7.2(a). For purposes of the preceding sentence, Annual Benefits under a “qualified governmental excess benefit arrangement,” as described in Section 415(m)(3) of the Code, shall be disregarded. If the Annual Benefits exceed, in the aggregate, the limitations of Section 7.2(ab), the Normal Retirement Benefits under this the Plan will be reduced (but not below zero) until the sum of the benefits of the Related Plan(s) satisfy the limitations. In the case of an individual who was a Member in one or more defined benefit plans of the Employer as of the first day of the first Limitation Year beginning after December 31, 1986, the application of the limitations of this Section 7.2 shall not cause the limitation under Section 7.2(a) for such individual under all such defined benefit plans to be less than the individual’s Current Accrued Benefit. The preceding-
sentence applies only if such defined benefit plans met the requirements of Section 415 of the Code, for all Limitation Years beginning before May 6, 1986. For purposes of this Section 7.2(f), an individual's Current Accrued Benefit means a Member's Accrued Benefit under the Plan, determined as if the Member had separated from service as of the close of the last Limitation Year beginning before January 1, 1987, when expressed as an annual benefit within the meaning of Section 415(b)(2) of the Code. In determining the amount of a Member's Current Accrued Benefit, the following shall be disregarded: (i) any change in the terms and conditions of the Plan after May 5, 1986; and (ii) any cost of living adjustments occurring after May 5, 1986.

(h) If a Member makes one or more contributions to the Plan to purchase “permissive service credit,” as defined in Code Section 415(n)(3) of the Code, then the limitations of this Article VII shall be treated as met only if either (i) the limitations provided in Code Section 415(b) of the Code are met, determined by treating the accrued benefit derived from such contributions as an annual benefit for purposes of Code Section 415(b) of the Code, or (ii) the requirements of Code Section 415(c) of the Code are met, determined by treating all such contributions as annual additions for purposes of Code Section 415(c) of the Code.
ARTICLE VIII
DEFINITIONS

8.1 Definitions.

Whenever the following terms are used in the Plan, with the first letter capitalized, they shall have the meanings specified below.


"Actuarial Equivalent" means equality in value of the aggregate amounts expected to be received under different forms of payment based upon the same mortality and interest rate assumptions.

The mortality and interest rate assumptions used in computing the values of benefits payable in annuity optional forms of payment shall be:

(a) the mortality assumption: 1983 Group Annuity Mortality (GAM) table

(b) the interest rate assumption: six percent (6%) per annum.

Any lump sum payment pursuant to Section 5.3 shall be conclusively deemed to be equal to the Actuarial Equivalent of the Member’s Normal Form of Benefit.

"Applicable Distribution Period" means as follows:

Distributions During the Member’s Life. For Distribution Calendar Years up to and including the Distribution Calendar Year that includes the Member’s death, the “Applicable Distribution Period” is the Member’s life expectancy determined using the Uniform Lifetime Table in Regulation section 1.401(a)(9)-9 for the Member’s age as of his or her birthday in the relevant Distribution Calendar Year. However, if the Member’s sole Section 401(a)(9) Beneficiary for the entire Distribution Calendar Year is his or her Spouse, for distributions during the Member’s lifetime, his or her “Applicable Distribution Period” shall not be less than the joint life expectancy of the Member and his or her Spouse using the Member and his or her Spouse’s
attained ages as of the Member and his or her Spouse’s birthdays in the Distribution Calendar Year.

Distributions after the Member’s Death. If a Member dies on or after his or her Required Beginning Date, the "Applicable Distribution Period" for Distribution Calendar Years after the Distribution Calendar Year containing the Member’s date of death is the longer of the remaining life expectancy of his or her Section 401(a)(9) Beneficiary (if any) determined in accordance with the Final Section 401(a)(9) Regulations (calculated by using the age of the Section 401(a)(9) Beneficiary in the year following the year of the Member’s death, reduced by one for each subsequent year) or the remaining life expectancy of the Member determined in accordance with the Final Section 401(a)(9) Regulations (calculated by using the age of the Member in the year of death, reduced by one for each subsequent year). However, if the Member’s surviving Spouse is the Member’s sole Section 401(a)(9) Beneficiary, the remaining life expectancy of the surviving Spouse is calculated for each Distribution Calendar Year after the year of the Member’s death using the surviving Spouse’s age as the surviving Spouse’s birthday in that year; and for Distribution Calendar Years after the year of the surviving Spouse’s death, the remaining life expectancy of the surviving Spouse is calculated using the age of the surviving Spouse as of the surviving Spouse’s birthday in the calendar year of the surviving Spouse’s death, reduced by one for each subsequent calendar year.

"Anniversary Date" means July 1.

"Annuity Starting Date" means the first day of the month after the Employee has (1) incurred a Termination of Employment, (2) filed a claim for Retirement Benefits under the Plan and (3) retired within the meaning of CalPERS. Notwithstanding the foregoing, a Member’s
Annuity Starting Date cannot be before the first day of the month coincident with or next following the date on which the Member has attained the age of 55.

"Beneficiary" means the person, persons, trust or trusts designated by a Member, or, in the absence of a designation, entitled by will or the laws of descent and distribution, to receive the benefit specified under the Plan if the Member dies and means the Member's executor or administrator if no other beneficiary is designated and able to act under the circumstances.

"Benefit Service" means all CalPERS credited service for actual years of service performed with the Employer as of the Member's separation of employment with the Employer, excluding any purchased service credit through CalPERS. No Employee will earn any Benefit Service for periods commencing on or after the Freeze Date.

"CalPERS" means the California Public Employees' Retirement System: qualified defined benefit plan established and maintained under the California Government Code.

"CalPERS Compensation" means compensation taken into account for purposes of CalPERS under the California Government Code.

"CalPERS Age Factor" means an age factor determined by the Member's age at retirement based on the following CalPERS "2% at 55 local miscellaneous" factors:

<table>
<thead>
<tr>
<th>AGE AT RETIREMENT</th>
<th>AGE FACTOR</th>
<th>AGE AT RETIREMENT</th>
<th>AGE FACTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>55</td>
<td>2.000%</td>
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<tr>
<td>59</td>
<td>2.210%</td>
<td>64+</td>
<td>2.418%</td>
</tr>
</tbody>
</table>

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Compensation" means, for Plan Years beginning after December 31, 2001 or 90 days after the opening of the final legislature session or after January 1, 2002, all compensation subject
to all CalPERS withholding Compensation for that portion of the Plan Year during which the Employee was a Member, paid in cash by the Employer to the Member for personal services. Compensation in excess of $220,000 (as adjusted through 2006) shall be disregarded. Such amount shall thereafter be adjusted for increases in the cost of living in accordance with Code Section 401(a)(17), except that the dollar increase in effect on January 1 of any calendar year shall be effective for the Plan Year beginning with or within such calendar year. For any short Plan Year the Compensation limit shall be an amount equal to the Compensation limit for the calendar year in which the Plan Year begins multiplied by a ratio obtained by dividing the number of full months in the short Plan Year by twelve (12).

"Effective Date" means, unless otherwise indicated herein, October 1, 2008.

"Eligible Class of Employees" means the eligible class of employees as provided herein and in the applicable governing board policies and regulations promulgated thereunder by the Employer.

"Eligible Employee" means an Employee who meets the requirements as described in Section 1.2.

"Direct Rollover" means a payment from the Plan to an Eligible Retirement Plan specified by the Distributee.

"Distributee" means a Member. In addition, the Member’s surviving Spouse and the Member’s Spouse or former Spouse who is the alternate payee under a Qualified Domestic Relations Order, are Distributees with regard to the interest of the Spouse or former Spouse. Further, effective January 1, 2009, a Section 401(a)(9) Beneficiary designated by the Member is a Distributee with regard to the interest of the Section 401(a)(9) Beneficiary.

"Distribution Calendar Year" means a calendar year for which a minimum distribution is required to be made to a Member under section 401(a)(9) of the Code and the Regulations
thereunder. If a Member's Required Beginning Date is April 1 of the calendar year following the calendar year in which he or she attains age 70½, the Member's first Distribution Calendar Year is the calendar year in which he or she attains age 70½. If a Member's Required Beginning Date is April 1 of the calendar year following the calendar year in which he or she incurs a Separation From Service, the Member's first Distribution Calendar Year is the calendar year in which he or she incurs a Termination of Employment.

"Eligible Retirement Plan" means in the case of a Member, the Member's surviving Spouse, or the Member's current or former Spouse who is an alternate payee under a Qualified Domestic Relations Order, (a) an individual retirement account described in section 408(a) of the Code, (b) an individual retirement annuity described in section 408(b) of the Code (other than an endowment contract), (c) an annuity plan described in section 403(a) of the Code, (d) a qualified plan described in section 401(a) of the Code that is a defined contribution plan that accepts the Distributee's Eligible Rollover Distribution, (e) an eligible deferred compensation plan described in section 457(b) of the Code that is maintained by an eligible employer described in section 457(e)(1)(A) of the Code (but only if the plan agrees to separately account for amounts rolled into such plan), (f) an annuity contract described in section 403(b) of the Code, or (g) effective January 1, 2008, a Roth IRA described in section 408A of the Code. "Eligible Retirement Plan" means, effective January 1, 2009, in the case of a Section 401(a)(9) Beneficiary designated by the Member (a) an individual retirement account described in section 408(a) of the Code, (b) an individual retirement annuity described in section 408(b) of the Code (other than an endowment contract) or (c) a Roth IRA described in section 408A of the Code that is established for the purposes of receiving the distribution on behalf of the Section 401(a)(9) Beneficiary.
"Eligible Rollover Distribution" means any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: (a) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee’s Beneficiary, or for a specified period of ten years or more; (b) any distribution to the extent the distribution is required under section 401(a)(9) of the Code; and (c) the portion of any distribution that is not includable in gross income unless the Eligible Retirement Plan to which the distribution is transferred (1) is a qualified trust described in section 401(a) of the Code which is exempt from tax under section 501(a) of the Code or an annuity contract described in section 403(b) of the Code and such trust or contract provides for separate accounting of the amounts so transferred, including separate accounting for the portion of such distribution which is not includable in gross income or (2) is an individual retirement account described in section 408(a) of the Code or an individual retirement annuity described in section 408(b) of the Code (other than an endowment contract).

"Employee" means an employee of the Employer.

"Employer" means the City of El Segundo that has adopted this Plan, California.

"Final Pay" means the highest annual compensation subject to CalPERS deductions paid to an Employee during any twelve consecutive months of employment with the Employer, including Employer-Paid Member Contributions (EPMC), if applicable; contributions made by the Employee pursuant to Section 2.1 and picked up by the Employer pursuant to Section 2.2, if applicable. "Final Pay" shall not include any CalPERS Compensation paid to the Member while he or she is not eligible to participate in the Plan under Article I. CalPERS Compensation paid after the Freeze Date will not be taken into account when
computing Final Pay. Final Pay in excess of $200,000.00 (as such amount is adjusted by the Secretary of the Treasury for increases in the cost of living pursuant to Section 401(a)(17) of the Code will be disregarded. The cost-of-living adjustment in effect for a calendar year applies to compensation for the Plan Year that begins within such calendar year. If the Plan Year is ever less than twelve (12) months, the $200,000.00 limitation (as such amount is adjusted by the Secretary of the Treasury for increases in the cost of living) will be prorated by multiplying the limitation by a fraction, the numerator of which is the number of months in the Plan Year, and the denominator of which is twelve (12).

"Ineligible Employee" means an ineligible employee as provided herein and in the applicable governing board policies and regulations promulgated thereunder by the Employer.

"Final Section 401(a)(9) Regulations" means the final Regulations issued under section 401(a)(9) of the Code.

"Forfeitable Interest" means a Member’s forfeitable interest in his or her Retirement Benefit determined in accordance with the applicable vesting provisions of the Plan. A Member has a Forfeitable Interest in his or her Retirement Benefit to the extent that he or she does not have a Nonforfeitable Interest in his or her Retirement Benefit determined in accordance with the applicable vesting provisions of the Plan.

"Freeze Date" means ____________, 2015.

"Member" means an Employee eligible to receive benefits under this current or former Employee who has an undistributed accrued benefit under the Plan.

"Nonforfeitable Interest" means a Member’s forfeitable interest in his or her Retirement Benefit determined in accordance with the applicable vesting provisions of the Plan. A Member has a Nonforfeitable Interest in his or her Retirement Benefit to the extent that he or she does not have a Nonforfeitable Interest in his or her Retirement Benefit determined in accordance with the applicable vesting provisions of the Plan.
“Normal Form of Benefit” is the form of benefit described in Section 5.1.

“Normal Retirement Age” means age sixty-two (62) and meeting the requirements of Section 1.2. Eligibility” means the date on which the Member has both attained the age of 55 and completed 15 years of full-time continuous service, in each case, prior to his or her Termination of Employment; provided that (a) immediately prior to his or her Termination of Employment the Member satisfied the conditions specified in Section 1.1, (b) the Member has applied for benefits under the Plan and (c) the Member concurrently retires under PARs.


“Plan Administrator” means the individual or position designated by the Employer to act on behalf of the Employer in matters relating to this Plan. If no designation is made, the Employer shall be the Plan Administrator. If a Plan Administrator has been appointed the word “Employer” as used in this Plan shall mean Plan Administrator unless the context indicates a different meaning is intended.

“Plan Year” means the consecutive twelve-month period beginning on July 1 and ending on June 30.

“Public Agency” means an employer authorized under California Government Code Article 1.5, Sections 53215 through 53224 to establish a pension trust. Qualified Domestic Relations Order” means an order which the Plan Administrator determines is a qualified domestic relations order within the meaning of section 414(p) of the Code.

“Regulations” means the regulations adopted or proposed by the Department of Treasury from time to time pursuant to the Code.

“Required Beginning Date” means April 1 following the later of the calendar year in which the Member’s Termination of Employment occurs or the calendar year in which the Member attains age 70½.

“Retirement Benefits” means the benefits (if any) payable to the Member following retirement, as described in Article 111 under Section 3.01.
“Section 401(a)(9) Beneficiary” means an individual who is a Member’s Beneficiary on the date of the Member’s death and (unless the Beneficiary dies after the date of the Member’s death and before September 30 of the following calendar year without disclaiming benefits under the Plan) who remains a Beneficiary as of September 30 of the calendar year following the calendar year of the Member’s death. If the Member’s Beneficiary is a trust, an individual beneficiary of the trust may be a Section 401(a)(9) Beneficiary of the Member if the requirements of Regulation Section 1.401(a)(9)-4 are satisfied.

“Spouse” means the person to whom the Member is married under applicable state or local law (but, effective on and after September 16, 2013, ignoring any limitations or restrictions that do not recognize a valid marriage performed in another jurisdiction based solely on the gender of the Member and/or the person to whom the Member is married, in accordance with guidance issued by the Internal Revenue Service in Revenue Ruling 2013-17 and subsequent applicable guidance).

“Termination of Employment” means the complete severance of the Member’s employment relationship with the Employer.

“Trust” means the trust established as part of the Public Agency Retirement Trust to hold the assets of the Plan.

“Trustee” means the trustee of the Trust.

“Vested” means the nonforfeitable portion of any account maintained on behalf of a Member.

“Union” means California Teamsters Public, Professional and Medical Employees Union, 911.
ADOPTION OF THE
CITY OF EL SEGUNDO
PARS RETIREMENT ENHANCEMENT PLAN
"Year of Participation Service" means the sum of (1) the Member's Benefit Service earned through the Freeze Date (which includes service prior to the establishment of the Plan) plus (2) for the period after the Freeze Date, the Benefit Service the Employee would have earned after the Freeze Date had the Plan not been frozen as of the Freeze Date.
IN WITNESS WHEREOF,

The City of El Segundo PARS hereby adopts this amendment and restatement of the City of El Segundo Public Agency Retirement System Retirement Enhancement Plan is hereby adopted effective October 1, 2008, effective [_______], 2015, except to the extent that an earlier effective date is required by law.

By: __________________________________________

Title: __________________________________________

Date: __________________________________________

Plan Submission to the IRS for a Letter of Determination

The decision to submit the foregoing Plan to the IRS shall be determined by the Plan Administrator pursuant to his/her initials below:

_____ Yes, please submit the Plan to the IRS for a Letter of Determination.

_____ No, do not submit this Plan to the IRS for a Letter of Determination.

If you answered Yes, please provide the following information:

Employer Tax ID# ________________ Tax Year-End ________________

List all qualified retirement plans offered by City of El Segundo. (e.g. CalPERS)

<table>
<thead>
<tr>
<th>Name of Qualified Plan</th>
<th>Defined Benefit or Defined Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>CalPERS</td>
<td>Defined Benefit</td>
</tr>
</tbody>
</table>


RESOLUTION NO.__________

A RESOLUTION AUTHORIZING AMENDMENT AND RESTATEMENT OF THE CITY OF EL SEGUNDO PUBLIC AGENCY RETIREMENT SYSTEM RETIREMENT ENHANCEMENT PLAN

The City Council of the City of El Segundo does resolve as follows:

Section 1: That effective November 3, 2015, the City of El Segundo (the “City”) hereby adopts the amendment and restatement of the City of El Segundo Public Agency Retirement System Retirement Enhancement Plan (the “Plan”) as set forth in that certain instrument entitled “City of El Segundo Public Agency Retirement System Retirement Enhancement Plan (As Amended and Restated Effective October 31, 2015)” (the “Amendment and Restatement”); and

Section 2: That the proper officials of the City are hereby authorized and directed to (i) execute the Amendment and Restatement, (ii) do all things as may be necessary or appropriate to make the Amendment and Restatement effective, (iii) execute any amendments as may be required by the Internal Revenue Service in order to obtain a favorable determination that the Amendment and Restatement does not adversely affect the qualified and exempt status of the Plan and its related trust under Sections 401(a) and 501(a) of the Internal Revenue Code of 1986, as amended, and (iv) to otherwise carry out the intents and purposes of these resolutions.

Section 3: The City Clerk is directed to certify the Passage and Adoption of this Resolution, enter same in the Book of Original Resolutions, and make a Minute of its adoption in the City’s records and in the Minutes of the meeting when it was adopted.

Section 4: The Resolution will become effective immediately upon adoption, and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 3rd day of November, 2015.

Suzanne Fuentes
Mayor
CERTIFICATION

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF EL SEGUNDO

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. _____ was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the 3rd day of November, 2015, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

NOT PARTICIPATING:

WITNESS MY HAND THE OFFICIAL SEAL OF SAID CITY this _____ day of __________, 2015.

Tracy Weaver, City Clerk
of the City of El Segundo,
California
(SEAL)

APPROVED AS TO FORM:
Mark D. Hensley, City Attorney

By: _______________________
Karl H. Berger
Assistant City Attorney
Side Letter of Agreement
Public Agency Retirement System
Retirement Enhancement Plan ("PARS")

The City and California Teamsters Public, Professional and Medical Employees Union, Local 911 ("Teamsters") agree that it is in the best interest of the City and the PARS participants to cease future accruals under the current PARS Plan and to relinquish PARS participants of their obligations to make future mandatory contributions to fund the current PARS Plan.

To effectuate the above changes, the City and Teamsters agree to the following:

1) To place on the November 3, 2015 City Council Agenda an item to adopt the attached “The City of El Segundo Public Agency Retirement System (PARS) Retirement Enhancement Plan (as Amended and Restated Effective October 31, 2015)” ("Plan Amendment") (Exhibit 1, attached and incorporated herein by reference, is a "redline" version of the Plan Amendment).

2) Each current PARS participant shall execute the attached "Release Agreement" (Exhibit 2, attached and incorporated herein by reference).

3) In the event Paragraph Nos. 1 and 2 are satisfied, the "Plan Freeze" shall take effect with the pay period beginning October 31, 2015.

[Signatures]
Greg Carpenter
City Manager

Musa Alkire, SPEA President
RELEASE AGREEMENT

I, ________________________, have participated in the City of El Segundo Public Agency Retirement System Retirement Enhancement Plan (the "Plan") and have been making collectively bargained mandatory contributions to fund the Plan.

The City of El Segundo (the "City"), the California Teamsters Public, Professional and Medical Employees Union, 911 and I agree that it is in the best interest of the City and the Plan members, including me, to cease future accruals under the Plan and to relinquish Plan members of their obligations to make future mandatory contributions to fund the Plan.

I understand and agree that the Plan will be amended effective __________, 2015 so that I will accrue no further benefits under the Plan (the "Plan Freeze"). I understand that this means that the amount of my Plan benefit will not grow after the date of the Plan Freeze. I understand that if a return of my mandatory employee contributions is more valuable than my retirement benefit under the Plan, the only benefit to which I would be entitled under the Plan would be a return of my mandatory contributions, plus interest at a rate of four and one-quarter percent (4.25%), payable in the form of a lump sum immediately upon my termination of employment with the City.

I also understand that effective with my first payroll period starting on or after __________, 2015, the City will amend the Plan so that Plan members (including me) will no longer have any obligations to make additional contributions to fund the Plan.

I agree and assert that the relinquishment of my obligation to make mandatory contributions to fund the Plan in the future is more valuable to me than any additional benefits that I may have earned in the future had there been no Plan Freeze.

I understand and agree that presently I have no vested interest in my retirement benefit under the Plan other than the right to return a refund of my mandatory employee contributions plus interest at a rate of four and one-quarter percent (4.25%) payable in a lump sum immediately upon my termination of employment with the City. I understand that effective at the date of the Plan Freeze the City will amend the Plan to provide that I will have a fully vested interest in my retirement benefit under the Plan.

I understand and agree that even if I do not automatically receive a refund of my mandatory employee contributions under the existing provisions of the Plan, then, under the terms of the Plan Freeze amendment I will have the right to voluntarily elect to receive a refund of my mandatory employee contributions, plus interest at a rate of four and one-quarter percent (4.25%), payable in the form of a lump sum immediately upon my termination of employment with the City if I prefer that payment option instead of an annuity. If I do elect a lump sum, I acknowledge that the value of the lump sum is at least as valuable as any annuity form of payment under the Plan and I understand that I will not be entitled to any further benefit under the Plan.

I understand and agree that even though the Plan will be amended to cease further benefit accruals under the Plan, the Plan is not being terminated at the date of the Plan Freeze so there is not a legally permitted immediate distribution event under the Plan. I agree and understand that under rules of the Internal Revenue Service it is not possible for me to receive a benefit from the Plan before my termination of employment with the City.

I understand and agree that if I elect to receive a benefit under the Plan in the form of an annuity, as with the current provisions of the Plan, I will not be able to receive the annuity until I have incurred a termination of employment with the City, attained the age of 55, elected commencement of benefits under the Plan and concurrently retired under the California Public Employees’ Retirement System qualified defined benefit plan.
I understand and agree that the City may not amend the Plan to effect the Plan Freeze unless all active Plan members voluntarily elect to sign this same form of release agreement. I understand and agree that if the City does not amend the Plan to effect the Plan Freeze due to a lack of consensus among active Plan members, then, in that event, my release agreement will become automatically void and will be returned to me.

For good and valuable consideration, the receipt and sufficiency of which I acknowledge, I hereby knowingly and voluntarily release and forever discharge, both jointly and severally, the City Council and each of its members, the City, its directors, employees, officials, representatives, agents, employees, independent contractors, attorneys, predecessors, successors, assigns, insurers and their respective directors, officers, shareholders, partners, representatives, agents, employees, independent contractors, attorneys, members, predecessors, successors, assigns, insurers, both past and present, known or unknown (each a "Released Party"), from any and all actions, causes of action, suits, proceedings, contracts, debts, dues, sums of money, accounts, damages, judgments, claims and/or demands whatsoever of every name and nature, in law or in equity, whether known or unknown to me, which I ever had, now have or may or might in the future have against any Released Party relating to the Plan Freeze. I agree and acknowledge that the consideration provided by the City is in addition to that which I would have been entitled otherwise under the Plan and is sufficient to cause me to enter into this Release Agreement (the "Release"). I further agree that I will not institute or permit to be instituted on my behalf any claim, proceeding or suit with respect to any matter released herein or with respect to any claim challenging the validity of the Plan Freeze.

I acknowledge that I have had an opportunity to consult with an attorney prior to executing this Release. I understand that anyone who succeeds to my rights and responsibilities, such as my heirs or the executor of my estate, shall also be bound by the terms of this Release.

This Release shall be interpreted and construed in accordance with and shall be governed by the laws of the State of California.

I acknowledge that (i) I have carefully read this Release, (ii) I fully understand the provisions and their final and binding effect, (iii) the only promises made to me to sign this Release are those stated herein and (iv) I am signing this Release knowingly and voluntarily.

After having the opportunity to consider this Release as stated above, I hereby accept the terms and conditions stated in it.

________________________________________

Date:____________________________________
AGENDA DESCRIPTION:
Consideration and possible action to authorize the City Manager to execute an agreement, in a form approved by the City Attorney, with MV Cheng & Associates to (1) continue to provide professional, technical, and consulting support as the City’s Interim Finance Director; and (2) provide support personnel/consultants at various levels as needed in the Finance Department, with the proposed term of the agreement to be from October 1, 2015 to September 30, 2016, with a total amount of the agreement not to exceed $450,000.

RECOMMENDED COUNCIL ACTION:
1. Authorize the City Manager to execute an agreement with MV Cheng & Associates in an amount not to exceed $450,000;
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

FISCAL IMPACT:

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>$450,000 to be from cost savings of vacant positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Appropriation:</td>
<td>None</td>
</tr>
<tr>
<td>Account Number(s):</td>
<td>various</td>
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</tbody>
</table>

PREPARED BY: City Manager’s Office & City Attorney’s Office
REVIEWED BY: Greg Carpenter, City Manager
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:
On May 28, 2015, the City’s Finance Director resigned from the position. Recognizing the immediate needs of a Finance Director to help guide the City through the budget processes, the City Manager reached out to MV Cheng & Associates to ask Misty Cheng to join the City Executive team as Interim Finance Director. Ms. Cheng has twenty years of experience in both private and public sector and has served as the Acting/Interim Finance Director in a number of cities.

The City Manager entered into the Professional Services Agreement with MV Cheng & Associates on May 26, 2015 in the amount not to exceed $25,000 until September 30, 2015. On July 7, 2015, the City Council approved an amendment to the agreement with MV Cheng & Associates increasing the amount, not to exceed by $100,000, to bring the total agreement amount to $125,000. The amendment also extended the term of the agreement to December 31, 2015.

In the past six months, the following employees in the Finance Department have either retired or resigned, leaving the department with very little staff:
- Fiscal Services Manager-resigned April 30, 2015
- Finance Director-resigned May 28, 2015
- Accounting Supervisor-retired July 25, 2015
- Acting Fiscal Services Manager-resigned August 27, 2015
- Purchasing Agent-retired September 9, 2015
- Revenue Manager-retired September 29, 2015
- Accounting Supervisor-resigned October 15, 2015

In light of the many vacant positions, the following contract personnel from MV Cheng & Associates have been brought in to assist with daily accounting operations:

- **Misty V. Cheng** has been brought in to serve as the Interim Finance Director to perform a variety of managerial level duties such as overseeing the budget process and council strategic planning sessions, provide review and supervision to finance staff, work in conjunction with human resources, city/labor attorneys, city manager on a variety of issues, oversee the annual audit, handle risk management claims. She has 20 years of government finance experience.

- **Ruby Carrillo Quincey** has been brought in to serve as the Interim Fiscal Services Manager to finalize the budget document, reconcile funds/accounts, prepare audit schedules for the annual audit, provide review and supervision to finance staff. She has 20 years of government finance experience.

- **Linda Golden** has been brought in to serve as the temporary Payroll Technician, assisting with payroll processes, cash receipt data entry and filing. She has 20 years of government finance experience.

- **Jessica Chung** has been brought in to serve as the temporary Senior Accountant to prepare the bank reconciliations which have not been done by City staff since February 2015. She has 15 years of government finance experience.

- **David Cunanan** has been brought in to serve as an Accounting Apprentice to assist the Interim Fiscal Services Manager with lower level accounting work.

The five contract personnel from MV Cheng & Associates, four of which currently work less than 40 hours per week, are working alongside the remaining City Finance Department employees, to help fill the void of the seven former employees who have retired or resigned in the past 6 months.

With the year-end audit preparations underway, it will be necessary to bring in more contract personnel to assist with the audit preparations and/or daily accounting functions while the recruitments for the vacant positions are underway. Currently, the following job openings are being advertised: Revenue Manager, Accounting Manager, Accounting Supervisor. The Purchasing Agent job opening is advertised internally within City Hall. The Finance Director job opening has closed. The City expects to fill these vacant positions with the most qualified candidates. Should the City not be able to fill any or all of the vacant positions, having an agreement in place with MV Cheng & Associates ensures that the accounting work will be completed.

With regard to the requested amount of the contract, the amount is estimated to cover the staffing needs of the Finance Department for the upcoming fiscal year, should the City not fill any of the critical accounting positions needed for daily accounting and year end audit preparation functions. If the positions are filled over the next few months, however, it is not expected that the contract amount will be used entirely. The amount of the contract will be covered by the salary and benefit savings from the departure of five city positions. There is no additional appropriation needed from fund balance.
As demonstrated by the following calculation, the estimated cost for the current contract staff who are working at the City for the next 12 months, based on the estimated number of hours needed for each position, would be $569,280:

Finance Director $110 x 4 weeks x 30 hours x 12 mths = $158,400  
Fiscal Services Mgr $95 x 4 weeks x 40 hours x 12 mths = $182,400  
Senior Accountant $75 x 4 weeks x 40 hours x 12 mths = $144,000  
Payroll Technician $35 x 4 weeks x 32 hours x 12mths = $53,760  
Accounting Apprentice $20 x 4 weeks x 32 hours x 12 mths = $30,720  
Total $569,280

Because staff expects that the City will fill its vacant positions and the contract staffing levels will not be needed for the entire fiscal year, staff are only requesting the total amount of $450,000. These rates are competitive with respect to other municipal staffing agencies. The hourly rates of MV Cheng & Associates are also comparable to the fully burdened hourly rate of an equivalent level of employee.

While professional service agreements typically go through a request for proposal process, given the immediate need to fill multiple positions in the Finance Department, staff recommends that the City Council waive the request for proposal process. If approved by the City Council, staff will prepare an agreement with MV Cheng & Associates, in a form approved by the City Attorney.
October 28, 2015

City of E Segundo
350 Main St.
El Segundo, CA 90245

Dear Sir:

Please accept this letter as MV Cheng & Associates Inc.'s proposal to your request for accounting services for the City of El Segundo.

My firm, MV Cheng & Associates Inc., operates as an incorporated business within the State of California, with my associates being sub-contractors of the firm. Having 20 years of experience in municipal auditing, accounting, and finance in several cities, large and small, has allowed me to be able to lend my expertise as a finance director to cities in need of financial help. I have served as Director of Finance and Director of Finance and Administrative Services for several cities. Currently, I serve as the Interim Finance Director for the City of El Segundo. In addition to the cities I serve personally, my sub-contractors have worked in several cities on short and long term assignments ranging from Account Clerk, Accountant, Senior Accountant, and Accounting Manager as well as serving on a long term basis as contract staff. Myself, as well as all of my sub-contractors are former employees of municipal government agencies. We bring a wealth of knowledge and expertise to our city clients, with a level of professionalism and understanding of the culture of the political and city office environments.

With respect to the accounting services requested, I will be presenting four candidates. Below is a brief synopsis of each and their rates. Please refer to the resumes attached for more details.

- Finance Director $110 per hour-Misty V. Cheng-20 years of municipal experience ranging from auditor, accountant, finance director
- Fiscal Services Manager $95 per hour-Ruby Carrillo Quincey-20 years of municipal experience ranging as auditor, accounting manager, assistant finance director
- Senior Accountant $75 per hour-Jessica Chung-15 years of municipal experience ranging from auditor, accountant
- Payroll Technician $35 per hour-Linda Golden-20 years of municipal experience ranging from payroll specialist, payroll technician
- Accounting Apprentice $20 per hour-David Cunanam-College graduate, majored in accounting
MV Cheng & Associates Inc., is a unique firm in that it employs predominantly only former city/special district employees to work as sub-contractors in various cities on either a temporary/interim basis to long term contract staff. We bring a wealth of municipal knowledge and expertise in financial accounting that only city employees possess, yet we are consultants that can fill a void or bring change and improvement to a city’s finance department. Some of the sub-contractors are retired, some are in between full time positions. Should a sub-contractor find a potential full-time position with the City, no additional fee would be charged to convert the sub-contractor to be an employee of the City after expiration of the contract between the City and MV Cheng & Associates Inc. The goal of MV Cheng & Associates Inc. is not to make a huge profit, but to help cities with their needs in the finance department at competitive rates. Thus, MV Cheng & Associates Inc. are Municipal Value Consultants!

Thank you for taking the time to consider my proposal for accounting assistance for your City. Should you have any further questions, please do not hesitate to contact me at (925) 963-9996 or email me at: mvcheng@att.net

Sincerely,

Misty V. Cheng
President & CEO
PROPOSED HOURLY RATES
FOR MV CHENG & ASSOCIATES

PROPOSED HOURLY RATES:

Finance Director $110
Fiscal Services/Accounting Manager $95
Revenue Manager $85
Purchasing Manager $85
Senior Accountant $75
Accountant $65
Junior Accountant $40
Account/Payroll Technician $35
Account Clerk/Specialist $30
Accounting Apprentice $20
LIST OF CLIENTS SERVED

All Temporary, Interim and Contract Staff Positions

City of Milbrae - Accounting Manager, Senior Accountant, Senior Accountant, September 2015 - Present

City of Lynwood - Senior Accountant, August 2015 - Present

City of El Segundo - Finance Director, Fiscal Services Manager, Senior Accountant, Payroll Technician, Accounting Apprentice, May 2015 – Present

Beach Cities Health District - Finance Director, February – May 2015

City of Perris - Accounting Supervisor, April 2015-Present
Finance Director, July 2011–January 2013

City of Sierra Madre - Finance Director, August 2014 - April 2015

City of South Gate - Finance Director, September 2014-January 2015

City of Rancho Palos Verdes - Accounting Manager, February – May 2015

City of Pasadena - Purchasing Manager, Accounts Payable Manager, Senior Budget Analyst, Deputy Controller, February 2015 – Present


City of Wildomar - Account Technician, July 2012-Present
Finance Director/Controller, September 2008-April 2014

City of Los Alamitos - Accountant, March 2014 – December 2014

City of Pico Rivera - Senior Accountant, March 2014- January 2015
Accountant, March-August 2014

City of Colton - Finance Director, November 2013 – March 2014

City of Glendora - Accounting Manager, October 2013 – September 2014

City of Redlands, Accountant, February 2013
City of San Gabriel, Accountant, Junior Accountant, December 2012–May 2014

City of La Puente, Accountant, November 2012–January 2013

City of West Hollywood, Accountant, April 2012–Jan 2013

City of Indian Wells, Budget Analyst, March-April 2012

Central Basin Municipal Water District, Accountant, January-July 2012

Wildomar Cemetery District, Controller, Mar. 2011 – April 2014

City of Inglewood, Special Advisor to City Administrator, October 2009–April 2010

City of Menifee, Finance Director, October 2008–September 2009
MISTY V. CHENG

Education: California State University, Northridge, CA
Master of Public Administration

Saint Mary's College of California, Moraga, CA
Bachelor of Science Degree
Major: Accounting, Minor: Business Administration

Experience:

September 2008 - Present
MV Cheng & Associates – Pasadena, CA
President & CEO

City of El Segundo, May 2015 - present
Interim Finance Director

- Oversee and manage day to day operations of the finance department including general accounting, accounts payable, accounts receivable, payroll, business license, filming, utility billing, risk management
- Responsible for preparation of annual budget

Beach Cities Health District, February – May 2015
Interim Finance Director

- Oversee and manage day to day operations of the finance department including general accounting, accounts payable, accounts receivable, payroll
- Responsible for preparation of annual budget

City of Sierra Madre, Aug. 2014 – April 2015
Interim Finance Director

- Oversee and manage day to day operations of the finance department including general accounting, accounts payable, payroll, preparation of ROPS
- Responsible for audit preparation and completion of CAFR

City of South Gate, Sept. 2014 – Jan. 2015
Interim Finance Director

- Oversee and manage day to day operations of the finance, purchasing, information technology divisions
- Responsible for completion of CAFR
- Member of the City’s negotiating team for bargaining unit contracts

City of Colton, Nov. 2013 – Mar. 2014
Interim Finance Director

- Oversee and manage day to day operations of the finance department
- Evaluate financial internal controls city wide
- Responsible for completion of CAFR

Controller

- Responsible for providing 3 subcontractors to City for part time account clerks and accountant
- Prepare monthly bank reconciliations, perform audit preparation, prepare
CAFR, prepare internal control policies, all general ledger functions, biennial budget
- Oversee and manage day to day operations of the finance department and mentor/develop staff
- Provide oversight of contract Information Technology staff
- Responsible for implementation to new accounting software package (EDEN)
- Responsible for restructuring health benefits plan, new employee orientation, benefits administration

*Controller*
- Prepare weekly cash receipts, accounts payable, journal entries, monthly bank reconciliations, all general ledger functions
- Perform audit preparation

**City of Perris**, July 2011 – January 2013
*Interim Finance Director*
- Oversee staff of 9 employees on day to day operations including accounts payable, accounts receivable/cash receipts, utility billing, payroll for approximately 70 employees, general accounting, internal controls, audit preparation, grants
- Prepared all necessary documents for RDA AB1x 26 and 27, oversight of due diligence reviews
- Prepare annual budget, CIP budget, annual audit
- Oversight of LMD and CFD annexations/ formations, bond issuance
- Responsible for investment of city funds
- Successfully launched the CSUN MPA cohort program in Perris

**City of Inglewood**, Oct. 2009 – April 2010
*Special Advisor to the City Administrator*
- Directed the preparation for 2 years of delinquent audits and oversaw and managed day to day operations of the finance dept
- Assisted in developing and mentoring staff

*Finance Director*
- Responsible for entire accounting system including accounts payable, cash receipts, payroll, developer accounts, preparation of treasurer’s reports, monthly bank reconciliation, budget, prepare internal policies, audit preparation
- Responsible for implementation to new accounting software package (EDEN)
- Responsible for human resources function such as new employee orientation, benefits administration, created personnel files, implemented PERS retirement program, 457 deferred compensation and health benefits

*Finance Director/City Treasurer*
- Responsible for entire accounting system including accounts payable, cash receipts, payroll, preparation of treasurer’s reports, monthly bank reconciliation, budget, preparation of internal policies, oversaw animal shelter JPA project
November 2004- August 2008

City of Bell Gardens
Director of Finance and Administrative Services

- Supervised and managed 3 divisions: Finance, Personnel/Risk Management and Information Systems
- Oversaw staff of 10 employees on day to day operations including accounts payable, accounts receivable/cash receipts, payroll for approximately 200 employees, general accounting, internal controls, CDBG financial reconciliation and reporting
- Prepared annual budget of $38 million (GF $24 million), annual financial audit preparation, financial compliance with regulatory agencies, participated in long term debt financing
- Directed the implementation of the upgrade to the new EDEN systems accounting software
- Oversaw staff of 2 employees in human resources, risk management and information technology
- Oversaw recruitment process, participate in union contract negotiations, disciplinary/grievance process,
- Performed department reorganization, union decertification
- Served as City Treasurer, Hearing Officer, Purchasing Officer

August 2003- November 2004

Self Employed – Brentwood, CA
Government Finance Consultant

City of Bell Gardens, Aug. 2004 - Nov. 2004

- Assisted in audit preparation and provided general accounting services
- Responsible for oversight and preparation of compliance reports (public safety MOE, SLESF report, Form C for MTA projects, state controller’s report, annual investment policy, monthly treasurer’s report)


- Supervised and managed finance department employees, responsible for tracking developer (engineering/planning) deposit accounts, CIP projects, prepared month end bank reconciliation, implemented and converted to a new accounting software package (EDEN)

City of Claremont, Mar.-April 2004

- Directed the implementation and conversion to a new accounting software system (EDEN), prepared month end bank reconciliations


- Provided accounting services, audit preparation, prepared special reports (appropriations limit, quarterly investment reports, public safety MOE, fuel tax returns, TDA claim reviews)

August 2002- July 2003

City of Rio Vista – Rio Vista, CA
Director of Finance

- Supervised and managed finance and transit staff on day to day operations including accounts payable, accounts receivable, developer receivable/payables, utility billing, payroll, all G/L functions
- Supervised and managed the implementation and conversion to a new accounting software package (EDEN)
• Responsible for audit preparation, implementation of internal controls, budget preparation
• Provided oversight for information technology systems

October 2000 - August 2002
City of Oakley – Oakley, CA
Accountant II
• Supervised and managed finance staff and reviewed all accounts payable, payroll, and developer receivable/payables
• Responsible for the entire accounting system, investing/banking transactions, pension contribution reporting, year end close, interim/final audit preparation, implementation and conversion to a new accounting software package (EDEN)
• Performed day to day operations including the month end bank reconciliation, monthly reconciliation and interfacing permits module to general ledger, preparation of all journal entries, quarterly investment reports, update of annual investment policy, preparation of financial status reports for COPS grant.

January 2000 - October 2000
City of Brentwood – Brentwood, CA
Accountant II
• Performed day to day operations including preparing journal entries, reconciling general ledger accounts to subsidiary ledgers, balancing daily cash, approving accounts payable disbursements, preparing monthly departmental revenue/expense reports, preparing a policy and procedures manual, performed internal audits of cash collection for various departments and implemented cash procedures for the new city pool site.

June 1998 - January 2000
Vavrinek, Trine, Day & Co., LLP - Pleasanton, CA
Senior Accountant
• Managed and provided oversight of municipal and special district audits.
• Performed a variety of audit procedures and preparation of annual financial reports for municipal, special district, school district and community college district clients.

June 1997 - Feb. 1998
Maze & Associates - Walnut Creek, CA
Associate
• Performed a variety of audit procedures for municipal and non-profit clients.

Professional Affiliations:
• City of Moreno Valley-Utility Commissioner Chair since July 2014
• Member of CSMFO, GFOA, CMTA
• Guest Lecturer for California State University, Northridge, Master of Public Administration courses
• Former Board Treasurer and Compliance Officer of Clinico/SNiP LA 2008-2013 (non-profit organization with 3 spay/neuter clinics in L.A. County)
• Member of City Club LA
PROFESSIONAL EXPERIENCE

Contract Work

City of Santa Barbara
Serve as Interim Accounting Manager. Perform the typical duties of the Accounting Manager position, including quarterly financial analysis and review of City funds and preparation of written reports to board and committees. Assist in updating payroll and fixed assets data related to the implementation of new financial software (Munis), including updating City policies and procedures.  

City of Bell (Seasonal- Interim and Year-end Audits)

City of Ventura
Served as Interim Assistant Finance Director/Accounting Manager. Supervised accounting staff and the typical functions of an accounting department. Participated extensively in the implementation of financial reporting software (Caseware), and the completion of the CAFR including the MD&A, financial statements and note disclosures.  

City of Santa Barbara (Seasonal- Year-end Audits)

Lance, Soll & Lunghard, LLP
Completed the year-end closing process for fiscal years 2010-11 and 2011-12 for the City of Bell. Responsibilities included preparing general ledger reconciliations, journal entries, audit schedules, and communicating with independent auditors. Recommended changes to policies and procedures to improve internal controls in accordance with the State Controller’s Office findings and recommendations.  

Accounting Manager

City of Santa Barbara
Researched current laws, accounting standards, and local regulations to determine the impact on the City’s budget and financial reporting. Planned, organized, and supervised professional and clerical staff that performed accounting, accounts payable and receivable, payroll, and utility billing. Prepared interim financial reports and other written reports regarding financial issues, and presented information to management, committees and boards. Participated extensively in the year-end
closing process in preparation of the annual audit. Prepared the City’s comprehensive annual financial report (CAFR) that included the MD&A, financial statements and note disclosures. Assisted departments during the budget process with financial analysis and multi-year forecasting. Participated extensively in the preparation of audit schedules and other documents related to the dissolution of the Redevelopment Agency, and establishment of the Successor Agency.

Assistant Finance Director
City of Upland

December 2001 – March 2011

Responsible for managing the typical functions of a finance department. Planned, organized, and supervised professional and clerical staff in accounting, accounts payable, accounts receivable, payroll, budget, and grant accounting. Planned and participated in the year-end closing process and preparation of the annual financial statements. Coordinated the preparation of the annual and mid-year budgets including; revenue forecasting and expenditure projections, and analyzing fund balance reserves. Managed the City's investment portfolio that included analyzing investment options and performing transactions with brokers and financial institutions. Assisted in the administration of debt financing including analysis of options and recommendation of debt issuance. Served as project leader in transitioning to new service providers for banking, auditing, and operational audits. Prepared written reports to management, committees, and boards.

Senior Auditor/Accounting Manager
Vavrinek, Trine, Day & Company

March 2000 – December 2001

Performed annual financial audits of cities and other governmental agencies. Applied auditing procedures, analyzed general ledgers, and prepared financial statements and other compliance reports. Provided recommendations to governmental agencies for the improvement of policies and procedures related to financial operations and internal controls. Supervised senior and staff auditors.

Finance Manager
City of La Puente

February 1998 – March 2000

Prepared bank reconciliations, journal entries, and audit schedules. Prepared various regulatory reports submitted to county, state, and federal agencies. Assisted in the administration, compliance and financial reporting of all City grants. Participated in the calculation, analysis, and preparation of the City’s cost allocation plan and user fees.

EDUCATION/CERTIFICATION

Certified Public Accountant – October 2002
California State Board of Accountancy

Master of Science in Accountancy – June 2007
California State University, Fullerton

Bachelor of Science in Accounting – June 1997
California State Polytechnic University, Pomona
David Cunan

Objective
• Employment that provides a firsthand look into the financial aspect of the various industries, utilizes the tact that I’ve developed through interaction in my past work experiences, and allows me to contribute my strong work ethic towards an organization that challenges and develops my capabilities in an environment of mutual respect.

Education
CALIFORNIA STATE UNIVERSITY, LOS ANGELES 99 QTR UNITS | GPA 3.75 SPRING 2015
• Graduated Magna Cum Laude with degree in Business Administration: Accounting.

GLENDALE COMMUNITY COLLEGE | AA 136 SEM UNITS | GPA 3.29 SPRING 2013
• Major: Business Administration

Experience
CVS PHARMACY | LOSS PREVENTION/CASHIER | 16-36 HOURS PER WEEK FEB 2010 – NOV 2013
• Worked with the Regional Loss Prevention Manager to present strategies for shrink reduction at the regional meeting.
• Efficiently performed many functions within the store (i.e., customer service, inventory counts, training, and task allocation among employees).
• Reviewed and edited notes of weekly employee performance reviews for supervisors.

CATHEDRAL HIGH SCHOOL BOOKSTORE | TREASURER/CASHIER JUN 2005 - JUN 2008
• Tracked inventory levels, costs, and logistics throughout the school year.
• Oversaw sales preparation and managed the sales team during peak business days.

Activities/Memberships
BETA ALPHA PSI, CSULA | MEMBER SPR 2014 – CURRENT
• Acquired the skills needed to build and maintain relationships in a professional and casual environment.
• Contribute a member’s perspective during the decision-making process of officer meetings.
• Perform community service through various organizations (i.e. Union Rescue Mission and LA Food Bank)
• Contributed to the Financial Literacy team that competed in the Beta Alpha Psi, Western Regional Conference 2015.

ACCOUNTING SOCIETY, CSULA | MEMBER WIN 2014 – SPR 2015
• Provide alternate ideas for workshops during officer meetings, increasing the value of weekly meetings.
• Established a good understanding of proper communication for new members when networking.
• Achieved “Loyal Member” status in spring 2014 for going above the minimum requirements for membership (i.e. Participation in club events, interaction with incoming new members, and collaboration with club officers).

GCC BOXING CLUB | TREASURER/TRAINER FAL 2012 – SUM 2013
• Obtained school funding to support club activities through participation in student government meetings.
• Increased membership of the club by 35% through promotion in prime locations throughout the campus.
• Supervised the training of our members in compliance with the organization’s liability waiver.
Linda D. Golden

PROFESSIONAL SUMMARY
Highly qualified Payroll Technician with 20 years of extensive knowledge of government and private payroll procedures and policies.

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SKILLS
Process payrolls from time sheets to W2's
Maintain/transmit direct deposit, taxes, 401k, 457
Federal/ Multi State Tax preparation
Created and update payroll manual
Able to work independently or as a team
Handle multiple projects, assignments & deadlines
Accruals, wage increases

SOFTWARE
Eden & Munis/Tyler Technologies
SageAbra
PeopleSoft/Calif. State Controllers System
Millennium 3
Ceridian Tax System
Zurich Payroll & Tax System
Pay Choice

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EXPERIENCE

Payroll/Account Technician 08/15 - present temp
City of El Segundo, El Segundo, Ca. (Eden Tyler Technologies Software)
  • Bi-Weekly payroll 250 + employees; calculate & input time sheets; handle employees payroll issues; enter daily cash receipts, performed data entry of annual budget into EDEN, filing. (MV Cheng & Associates)

Payroll Technician 03/13 - 9/14 temp
City of South Gate, South Gate, Ca. (Eden Tyler Technologies Software)
  • Bi-Weekly payroll 400 + employees; process new hires, deductions & garnishments; calculate & input time sheets; check printing & distribution; handle employees payroll issues; Federal & State Tax filing. Maintain/ transmit deduction & benefits. (IntelliBridge Partners)

Payroll Specialist 10/12 - 2/13 temp
Netpay-Payroll Inc. /Torrance, Ca ( Pay Choice Software)
  • Process Weekly, Bi-Weekly, Semi-Monthly & Monthly payroll for 150 clients; process new hire, deductions & garnishments; research & analyze federal & state tax inquires; handled 30-50 calls per day on payroll issues.

Payroll Administrator 04/12 - 08/12 temp
LCT Management Inc. / THOMAS PROPERTIES, Torrance, Ca. (SageAbra Software)
  • Semi-Monthly payroll for 60 employees; process new hires, deductions, garnishment, benefits & Workers' Comp file: calculate & input time sheets; upload GL file; handle all employee payroll issues; Federal & State Tax filing. (FORTIS Resource Partners Inc.)

Payroll Technician II 06/11 - 2/12 temp
Calif. State University Dominguez Hills /Carson, Ca. (PeopleSoft HR/ Calif. State Controllers Program PIMS)
  • Monthly payroll for 1200 employees; review & input time sheets, new hires, deductions, accruals & garnishments; process disability payments & final settlement payments; back-up front desk & phones.

Bookkeeping
Naja’s Place, Redondo Beach, Ca.
  • Enter Accounts Payable to Quick Books

Payroll Technician 06/06 - 11/10 part time
City of Redondo Beach /Redondo Beach Ca. (Munis Software)
  • Biweekly payroll for 700 employees; review & input time sheets; update & maintain all employees personal information, deductions, accruals & garnishments; handle all employees payroll issues; Federal & State Tax filing. Transmit benefit payments and maintain.

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Education
Skyline College, San Bruno, Ca. / Business, Accounting & Advertising
West High School, Torrance Ca.
JESSICA CHUNG, CPA

Relevant Experience

- Provided accounting and consulting service for the City of San Gabriel and City of West Hollywood.


- Conducted incurred cost audit of various City Center construction projects during the year 2007 through 2010 for MGM Mirage. We performed the audit to ensure the costs billed to MGM Mirage by various contractors were adequate and properly supported in accordance to various contract agreements and regulations

- Provided accounting and consulting service for the City of Wildomar.

- Contracted to the City of Inglewood through Macia Gini & O’Connell LLP to provide accounting and consulting services to the Finance Department for the City’s multiple years’ audit preparation. Prepared various schedules and related adjusting journal entries to record investment interest income, interest expenditure and interest payable for City’s bond accounts, bond issues and related bond issuing cost. Reconciled all the bank accounts for the City and assisted in preparing City’s Comprehensive Annual Financial Report.

- Contracted to the City of Bell Gardens to provide accounting and consulting services to the Finance Department in assisting the finance director in various areas in the accounting department. Preparing various schedules and related adjusting journal entries for the financial audit. Reconciled revenue and expenses accounts to ensure all revenue received was properly accounted for and used for the CDBG program (the Community Development Block Grant). Coordinated with the independent auditor during the CDBG audit. Reconciled and Recorded journal entries for bond issued and related bond issuing cost. Reviewed cash receipt and various general entries prepared by the accounting manager. Reconciled all the bank accounts for the City and the Redevelopment Commission. Reconciled various construction project funds related to the Los Jardines Shopping Center, the Village Square Project, the Senior Housing of 72 units plus Community Center, and the Ford Park Sports Complex.

- Provided the accounting and consulting services to Culver City. Assisted the accounting manager in various areas such as reconciling cash in fiscal agent accounts and recorded related journal entries.

- Participated in financial audits of the cities of Fullerton, Pomona, Monrovia, Stanton, La Mirada, Fountain Valley, Monterey Park, Palos Verdes Estates, Escondido, and Bell Gardens.
• Participated in financial audits for governmental and non-profit agencies including Orange County Fire Authority, Yorba Linda Water District, California Avocado Commission, West San Gabriel Valley Consortium.

• Planned and in charged of financial audits for Metro Cities Fire Authority and Orange County Hazardous Material Emergency Response Authority, and Health Care audit for the Roque Center.

• Planned and in charged of the Cash & Investment Agreed Upon Procedures of California Avocado Commission, Gross Revenue Agreed Upon Procedures of American Golf Corporation, and Air Quality Improvement Trust Fund audit for the City of Fullerton.

• Performed analytical and daily processing in most areas of accounting while provided accounting assistance to various cities:
  
  o Contracted to the City of Carson to assist the accounting manager to calculate the Arbitrage for CIP projects, calculate auto benefit for employees, and to reconcile various grant accounts.
  
  o Contracted to the City of Fullerton to assist the accounting manager for various projects: audited check registers and payrolls, prepared year end general entries for utility billing, accrued water, sanitation and trash revenue, allocated indirect overhead expenses to CDBG & RDA funds, and prepare year end fixed assets schedule.
  
  o Contracted to the City of Glendora to assist the Finance Director for year-end and month-end adjustments. Generated GASB 34 fixed assets infrastructure reports and made the year end conversion journal entries.
  
  o Prepared financial statements and footnotes for various audits.

• Prepared production cost analysis including product profitability, production efficiency for managerial decision-making for various clients.

• Generated job order costing report & calculated standard factory overhead rates and variable rates for various clients. Compared actual unit cost & standard unit cost for product variance analysis. Prepared cost allocation schedule based on actual hour spending.

• Provided accounting and tax service for various clients in different industries, e.g. medical clinics, restaurants, manufacturers, distributors, retailers, high technology and consulting firms.

Education
Bachelor of Science in Accounting
California State Polytechnic University, Pomona
AGENDA DESCRIPTION:

Consideration and possible action regarding 1) Introduction of an Ordinance; 2) Adoption of a Resolution of Intention to approve an Amendment to the Contract between the Board of Administration of the California Public Employees' Retirement System (CalPERS) and the El Segundo City Council to cease contributions under Government Code Section 20516(a) (3% Employer Cost Sharing of Additional Benefits) applicable to unrepresented fire classifications and the represented classification in the Supervisory and Professional Employees’ Association; 3) Approval of a Side Letter between the City and the Supervisory and Professional Employees’ Association; and 4) Approval for Staff to administer the required Employee Election (Fiscal Impact: $14,900 Savings for Fiscal Year 2015-16).

RECOMMENDED COUNCIL ACTION:

1. Introduce and waive the First Reading of the Ordinance
2. Adopt the Resolution of Intention
3. Approve the Side Letter between the City and Supervisory and Professional Employees’ Association (SPEA)
4. Approve Staff to administer the Employee Election
5. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

1. Ordinance
2. Resolution of Intention
3. Side Letter
4. CalPERS Exhibit – Amendment to Contract

FISCAL IMPACT:

Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s): N/A

ORIGINATED BY: Martha Dijkstra, Director of Human Resources
REVIEWED BY: Martha Dijkstra, Director of Human Resources
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

The City of El Segundo contracts with the California Public Employees’ Retirement System (CalPERS) in order to provide pension benefits to City employees. Agency benefits provided are based upon the City Council’s contract with the CalPERS Board of Administration and any contract changes must be supported by negotiated Memoranda of Understanding (MOU’s) with represented employees or formal action by City Council for non-represented employees.
In 2011, the MOU between the City and the El Segundo Firefighters’ Association (FFA) included a provision for a 3% Employer Cost-Sharing arrangement under Government Code 20516(a). At the time, CalPERS regulations required us to apply GC Section 20516(a) to ALL local Fire Members, which included all FFA members, Fire Management (Battalion Chiefs and Fire Chief) and the SPEA member covered under local fire benefits (Environmental Safety Manager). This requirement changed with the passage of the Public Employees’ Pension Reform Act (PEPRA) of 2013, which allowed agencies to execute contract amendments for Employer Cost-Sharing based on employee groups, (e.g. FFA only) rather than all members of the same Retirement class, (e.g. all Local Fire). As a result, the cost-sharing provision was removed in 2014 from the City’s contract with PERS for FFA members only to comply with their MOU’s sunset provision, but remained in place for Environmental Safety Manager, Battalion Chief, and Fire Chief.

Currently, the Battalion Chiefs and Fire Chief contribute 9% toward their retirement by paying 6% of their PERS Member Share + 3% Employer Cost-Sharing. The City continues to pay the remaining 3% (as EPMC) and reports it to PERS as Special Compensation. The current MOU between the City and SPEA requires the Environmental Safety Manager to pay 5% of the PERS Member Share + 3% Employer Cost-Sharing. The City continues to pay the remaining 4% (as EPMC) and reports it to PERS as Special Compensation.

Council has expressed its desire to remove the Employer Cost-Sharing provision from the City’s contract with PERS altogether and instead increase the PERS Member Share to the full 9%, thereby reducing the City’s EPMC to 0%. While Council has the ability to make this change for Battalion Chief and Fire Chief, benefit changes to Environmental Safety Manager must be negotiated with SPEA. However, SPEA has agreed, via the signed Side Letter, to remove this classification from the City’s contract with PERS. The City will engage in further salary and benefit changes related to Environmental Safety Manager as part of the successor SPEA MOU negotiations. It should be noted that Environmental Safety Manager has been vacant since November 2014 and there are no immediate plans to fill it, so there is no impact to the City or SPEA by removing this class from the PERS contract.

Staff will present Council with Resolutions for adoption to increase the PERS Member Share to the full 9% (reducing the City’s payment to 0%) for the unrepresented employees once the contract amendment process is underway. Staff’s intent will be to implement the 9% PERS Member Share concurrent with the cessation of the 3% Employer Cost-Sharing which is currently estimated to take effect on January 9, 2016 (the first pay period following the effective date of the Ordinance).

**Timeline and Requirements under Government Code § 20471 and 20474**

Contract amendments complying with all applicable PERS laws and regulations can be made to modify benefits. Contract amendments must be negotiated with the applicable bargaining unit(s). This contract amendment process has various timeline and legal requirements, which include passage and adoption of an Ordinance authorizing the contract amendment, an approved Resolution of Intention specifying the proposed changes to the contract, an employee election to implement cessation of the cost-sharing provision, and certification of compliance with all applicable Government Code provisions.

Government Code § 20471 requires a twenty (20) day period between the adoption of the Resolution of Intention and the Second Reading and Adoption of the Ordinance.

Government Code § 20474 requires a secret ballot election by affected employees whenever the contract is amended to provide a benefit that changes the employees’ rate of contribution (in
between the first and second reading of the Ordinance). Staff recommends that the Human Resources Department administer the employee election in conjunction with the City Clerk’s Office. Each employee eligible to participate in the election will be mailed an official ballot and a memorandum indicating that the election is required by CalPERS law and will have an opportunity to submit their secret ballot in a sealed envelope in person at the City Clerk’s Office, by US mail, or interoffice mail.

If the Resolution of Intention is approved at the Council Meeting of November 3rd, and the employee election confirms terminating the Employer Cost Sharing provision, the Ordinance will be agendized for Final Reading and Adoption at the December 1, 2015 meeting. If approved, the Ordinance will become effective on the 31st day following passage and adoption. The Contract Amendment can take effect the beginning of the first payroll period following the effective date of the ordinance.

**Disclosure of Benefit Change under Government Code 7507/Fiscal Impact**

Government Code §7507 requires that the future annual costs or any changes to benefits of a proposed contract be made public at least two weeks prior to the adoption of the final ordinance. While the City is not required to obtain an actuarial valuation for the current action, this proposed benefit change is being made public by way of this staff report and the Resolution of Intention to be adopted.

It is estimated that the fiscal impact resulting from removing the Cost-Sharing provision for the fire classifications is a savings of $14,900 in Fiscal Year 2015-16. The savings is the result of the City no longer paying and reporting the value of the three percent (3%) EPMC to CalPERS.
ORDINANCE NO.__________

AN ORDINANCE AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF EL SEGUNDO AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM.

The City Council of the City of El Segundo does ordain as follows:

Section 1: The Attached Exhibit A, an amendment to the contract between the City Council of the City of El Segundo and the Board of Administration, California Public Employees’ Retirement System, is approved and the Mayor is authorized to execute the agreement.

Section 2: The City Clerk is directed to certify passage and adoption of this Ordinance; cause it to be entered into the City of El Segundo’s book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

Section 3: This Ordinance will become effective on the thirty-first (31st) day following its passage and adoption.

PASSED AND ADOPTED this _____ day of ______________, 2015.

Suzanne Fuentes,
Mayor
CERTIFICATION

STATE OF CALIFORNIA  )
COUNTY OF LOS ANGELES  )  SS
CITY OF EL SEGUNDO  )

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. ______ was duly introduced by said City Council at a regular meeting held on the ____ day of ____________, 2015, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ____ day of ____________, 2015, and the same was so passed and adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

WITNESS MY HAND THE OFFICIAL SEAL OF SAID CITY this ____ day of ____________, 2015.

Tracy Weaver, City Clerk
of the City of El Segundo,
California
(SEAL)

APPROVED AS TO FORM:
Mark D. Hensley, City Attorney

By:
Karl H. Berger
Assistant City Attorney
RESOLUTION OF INTENTION
TO APPROVE AN AMENDMENT TO CONTRACT
BETWEEN THE
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE
CITY COUNCIL
CITY OF EL SEGUNDO

WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies and their employees in the Public Employees' Retirement System by the execution of a contract, and sets forth the procedure by which said public agencies may elect to subject themselves and their employees to amendments to said Law; and

WHEREAS, one of the steps in the procedures to amend this contract is the adoption by the governing body of the public agency of a resolution giving notice of its intention to approve an amendment to said contract, which resolution shall contain a summary of the change proposed in said contract; and

WHEREAS, the following is a statement of the proposed change:

To end Section 20516 (Employees Sharing Additional Cost) of 3% for classic local fire members in the Supervisory and Professional Employees Association, and the Unrepresented Fire Management Group.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the above agency does hereby give notice of intention to approve an amendment to the contract between said public agency and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached hereto, as an "Exhibit" and by this reference made a part hereof.

By: __________________________
    Presiding Officer

Title

Date adopted and approved
SIDE LETTER TO 2012-2014 MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF EL SEGUNDO ("CITY") AND THE SUPERVISORY AND PROFESSIONAL EMPLOYEES ASSOCIATION ("SPEA")

This side letter memorializes an agreement between the City of El Segundo ("City") and the El Segundo Supervisory and Professional Employees Association ("SPEA") to reflect agreed upon amendments to the 2012-2014 Memorandum of Understanding ("MOU") entered into between the City and SPEA. All other terms and conditions of the existing MOU shall remain in full force and effect. The City and the SPEA agree that this side letter agreement shall be incorporated into all future Memoranda of Understanding between both parties, unless modified or removed in writing by mutual agreement of the parties.

Whereas the parties met and conferred on Article IV, Retirement, Section 1(f), while negotiating a successor Memorandum of Understanding in 2012;

Whereas the City informed SPEA that it wishes to amend its contract with the California Public Employees Retirement Association (CalPERS) to remove the cost sharing provision under Government Code Section 20516(a) (Employees Sharing Cost of Additional Benefits) for local fire members;

Whereas the one local fire safety classification represented by the SPEA, Environmental Safety Manager, will be one of the classifications affected by this contract amendment;

Whereas removal of this cost sharing provision will result in this classification no longer paying a portion of the statutorily required employer contribution equal to three percent (3%) of compensation effective upon the first day of the payroll period following the effective date of the final action of the governing body;

Therefore the parties agree to remove the local fire safety classification of Environmental Safety Manager from the cost sharing provision [Government Code Section 20516(a)] as part of the City’s PERS contract amendment.

Supervisory and Professional Employees Assoc.

By: ___________________________
Masa Alkire, SPEA President

City of El Segundo

By: ___________________________
Greg Carpenter, City Manager

A. Paragraphs 1 through 16 are hereby stricken from said contract as executed effective December 13, 2014, and hereby replaced by the following paragraphs numbered 1 through 18 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for classic local miscellaneous members entering membership in the miscellaneous classification on or prior to December 30, 2012, age 60 for classic local miscellaneous members entering membership for the first time in the miscellaneous classification after December 30, 2012, age 62 for new local miscellaneous members, age 50 for classic local police members entering membership in the police classification on or prior to October 6, 2012, age 55 for classic local fire members and for those classic local police members entering membership for the first time in the police classification after October 6, 2012 and age 57 for new local safety members.

2. Public Agency shall participate in the Public Employees' Retirement System from and after October 1, 1943 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.

3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:
   
   (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.

   (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.
(c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.

4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
   
a. Local Fire Fighters (herein referred to as local safety members);
   
b. Local Police Officers (herein referred to as local safety members);
   
c. Employees other than local safety members (herein referred to as local miscellaneous members).

5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

   **NO ADDITIONAL EXCLUSIONS**

6. Prior to January 1, 1975, those members who were hired by Public Agency on a temporary and/or seasonal basis not to exceed 6 months were excluded from PERS membership by contract. Government Code Section 20336 superseded this contract provision by providing that any such temporary and/or seasonal employees are excluded from PERS membership subsequent to January 1, 1975. Legislation repealed and replaced said Section with Government Code Section 20305 effective July 1, 1994.

7. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member entering membership in the miscellaneous classification on or prior to December 30, 2012 shall be determined in accordance with Section 21354 of said Retirement Law subject to the reduction provided therein for service on and after July 1, 1956, the effective date of Social Security coverage, for members whose service has been included in Federal Social Security (2% at age 55 Full and Modified).

8. The percentage of final compensation to be provided for each year of credited current service as a classic local miscellaneous member entering membership for the first time with this agency in the miscellaneous classification after December 30, 2012 shall be determined in accordance with Section 21353 of said Retirement Law subject to the reduction provided therein for Federal Social Security (2% at age 60 Modified).
9. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Supplemental to Federal Social Security).

10. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local fire member shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).

11. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local police member entering membership in the police classification on or prior to October 6, 2012 shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full).

12. The percentage of final compensation to be provided for each year of credited current service as a classic local police member entering membership for the first time with this agency in the police classification after October 6, 2012 shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).

13. The percentage of final compensation to be provided for each year of credited prior and current service as a new local safety member shall be determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57, Full).

14. Public Agency elected and elects to be subject to the following optional provisions:

a. Sections 21624 and 21626 (Post-Retirement Survivor Allowance) for local safety members only.

b. Section 21571 (Basic Level of 1959 Survivor Benefits) for local miscellaneous members only.

c. Section 21222.1 (One-Time 5% Increase - 1970). Legislation repealed said Section effective January 1, 1980.

d. Section 21222.2 (One-Time 5% Increase - 1971). Legislation repealed said Section effective January 1, 1980.

e. Section 21024 (Military Service Credit as Public Service).

f. Section 20042 (One-Year Final Compensation) for classic members only.

g. Section 21574 (Fourth Level of 1959 Survivor Benefits) for local safety members only.
h. Section 21548 (Pre-Retirement Option 2W Death Benefit).

i. Section 20903 (Two Years Additional Service Credit).

j. Section 20516 (Employees Sharing Cost of Additional Benefits):

Section 21363.1 (3% @ 55 Full and Modified formula) for classic local fire members from and after October 6, 2012 and until December 13, 2014.

The employee cost sharing contributions are 3%. The maximum employee cost sharing contribution is the normal cost plus the increase in the accrued liability due to the benefit improvement amortized over 20 years. In no event shall the employee cost sharing contribution attributable to the unfunded liability remain in effect beyond May 19, 2021. Thereafter, in any given contribution year, the maximum employee cost sharing contribution cannot exceed 2.591% of payroll.

k. Section 20475 (Different Level of Benefits): Section 21363.1 (3% @ 55 Full formula) is applicable to classic local police members entering membership for the first time with this agency in the police classification after October 6, 2012.

Section 21353 (2% @ 60 Modified formula) is applicable to classic local miscellaneous members entering membership for the first time with this agency in the miscellaneous classification after December 30, 2012.

l. Section 20516 (Employees Sharing Additional Cost):

From and after December 13, 2014 and until the effective date of this amendment to contract, 3% for classic local fire members in the Supervisory and Professional Employees Association, and the Unrepresented Fire Management Group.

15. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.

16. Public Agency shall also contribute to said Retirement System as follows:

a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21574 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local safety members.
b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.

c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

17. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

18. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the ______ day of ________.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF SEGUINDO

BY
RENEE OSTRANDER, CHIEF
EMPLOYER ACCOUNT MANAGEMENT DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY
PRESIDING OFFICER

Witness Date

Attest:

Clerk

AMENDMENT CalPERS ID #2657082556
PERS-CON-702A

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