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MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, DECEMBER 19, 2017 – 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:

1. Consideration and possible action to increase the Technology Committee membership from seven (7) to eleven (11) members.
   (Fiscal Impact: None)

   Recommendation – 1) Authorize the Technology Committee to increase its membership from seven (7) to eleven (11) voting members and direct the City Manager to take any necessary actions to implement the change; 2) Alternatively, discuss and take other possible action related to this item.

2. Consideration and possible action to interview candidates of the Technology Committee.
   (Fiscal Impact: None)

   Recommendation – 1) Interview candidates; 2) Announce appointment (s) at the 7:00 p.m., January 16, 2018 City Council meeting; 3) Alternatively, discuss and take other possible action related to this item.

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): -0- matters

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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

DISCUSSION OF PERSONNEL MATTERS (Gov't Code §54957): -2- matters

1. Public Employee Performance Evaluation
   Title: City Manager

2. Public Employee Performance Evaluation
   Title: City Attorney

APPOINTMENT OF PUBLIC EMPLOYEE (Gov't. Code § 54957): -0- matters

PUBLIC EMPLOYMENT (Gov't Code § 54957) -0- matters

CONFERENCE WITH CITY'S LABOR NEGOTIATOR (Gov't Code §54957.6): -4- matters

Employee Organizations:

1. Police Management Association; Supervisory and Professional
   Employees Association; City Employees Association and Fire Fighters
   Association.

   Agency Designated Representative: Labor Negotiator, Irma Rodriguez
   Moisa and City Manager, Greg Carpenter

2. Unrepresented Employee/Contractor: City Attorney

   Agency Designated Representative(s): The Mayor and potentially another
   Council Member as decided under the special order of business set forth
   above:

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov't Code §54956.8): -1- matters

Property: Public Right-of-Way on the following streets: Imperial Avenue from the
western terminus to California Street; California Street from Imperial Avenue to Palm
Avenue; Maple Avenue from California Street to 1920 E. Maple Avenue; Palm Avenue
to N. Sepulveda Blvd. / Pacific Coast Highway. Negotiating parties: David Blau,
MaryAnn Brereton, Michael Lindstedt, Representatives of Tyco Electronics Subsea
Communications LLC (TE SubCom); Negotiator for the City: City Manager Greg
Carpenter. Under Negotiation: Terms and Price of Easement Agreement.
AGENDA DESCRIPTION:
Consideration and possible action to increase the Technology Committee membership from seven (7) to eleven (11) members.
(Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Authorize the Technology Committee to increase its membership from seven (7) to eleven (11) voting members and direct the City Manager to take any necessary actions to implement the change; and/or,
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
None

FISCAL IMPACT: None

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<tr>
<td>Account Number(s):</td>
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STRATEGIC PLAN:
Goal: 1. Optimize Impact of Technology

Objective: 2. Create effective structure for integrated focus on the technology needs of the City and its constituents

ORIGINATED BY: Scott Kim, Acting Information Systems Director

REVIEWED BY: Greg Carpenter, City Manager

APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
The Technology Committee is currently comprised of seven (7) voting members who are appointed by City Council with two, non-voting liaison members from City Council. The members serve 4-year terms. The committee was established in 2016 as an advisory body to the City Council.

Current members of the Technology Committee are:
David Froemke, Chair
Paul Lanyi, Vice Chair
Lindsey Breeden, Member
Brian Hauer, Member
Tori Lieberstein, Member
Tom Vanek, Member
Council Member Carol Pirsztuk, Liaison Member
Mayor Pro Tem Drew Boyles, Liaison Member

The committee currently has one vacancy.

The Technology Committee is recommending that the City Council increase its membership from seven (7) to eleven (11).

For current Technology Committee Member terms for appointment were not made to stagger members to prevent turnover of the entire committee at one time. To resolve this Staff recommends new appointees serve a 5-year term which would end there term two years after current Technology Committee Members.

David Froemke (Chair) - Currently the City has a known backlog of over 70 technology projects with estimated costs near $18 million dollars. This existing project list helps the City catch up on expired IT infrastructure related technologies and those nearing expiration. Additionally, these numbers were formulated in 2015 and this list is growing. Since then the Council has created and is actively working with new Goals and Strategies, which were not taken in to account when these projects were budgeted for. We feel the number of projects will grow as will the costs. In order to help, we’d like to grow our passionate group of executive level leaders and provide the highest level of support possible. We hope you will approve our request to grow the group to 11 members.

If the City Council approves of the increase, the increased number of members will be memorialized in the Committee’s by-laws, which will be brought back to Council for its approval at a later date. Currently staff is working with members of the Technology Committee to better define the roles of the Technology Committee members and staff as the City enhances its technology to better meet the needs of the City of El Segundo’s businesses and residents. The bylaws for the Technology Committee are being updated and when completed will be brought back to Council for approval.
EL SEGUNDO CITY COUNCIL
AGENDA STATEMENT

MEETING DATE: December 19, 2017
AGENDA HEADING: Committees, Commissions and Boards

AGENDA DESCRIPTION:
Consideration and possible action to interview candidates of the Technology Committee. (Fiscal Impact: $None)

RECOMMENDED COUNCIL ACTION:
1. Interview candidates;
2. Announce appointment(s) at the 7:00 p.m., January 16, 2018 City Council meeting, if any;
3. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

FISCAL IMPACT: None
Amount Budgeted: $None
Additional Appropriation: N/A
Account Number(s):

STRATEGIC PLAN:
Goal: 1 Enhance Customer Service Engagement
Objective: 1(b) The City engages in regular, intentional information gathering

ORIGINATED BY: Mishia Jennings, Executive Assistant
REVIEWED BY:
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
Technology Committee – One position
Partial Term Expires – June 30, 2019

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Applying to: CCBs</th>
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</thead>
<tbody>
<tr>
<td>1. Arthur Pulver (5:00 pm)</td>
<td>Technology Committee</td>
</tr>
<tr>
<td>2. Matt Knox (5:10 pm)</td>
<td>Technology Committee</td>
</tr>
<tr>
<td>3. Chad Hahn (5:20 pm)</td>
<td>Technology Committee</td>
</tr>
<tr>
<td>4. Timothy Dodd (5:30 pm)</td>
<td>Technology Committee</td>
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REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, DECEMBER 19, 2017 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER

INVOCATION – Father Alexei Smith, St. Andrew Russian Greek Catholic Church

PLEDGE OF ALLEGIANCE – Mayor Pro Tem Boyles
PRESENTATIONS

a) Presentation – Public Works, Anthony Esparza, Water Supervisor

b) Presentation – Chief Whalen, introduction of a new Police Officer

c) Presentation – Finance award – Government Finance Officers Association’s (GOFA) award.

d) Presentation - Christopher Hentzen, Park Maintenance Superintendent

e) Commendation - All volunteers, sponsors and supporters of the 2017 Community Christmas Dinner at the Joslyn Center

f) Presentation – West Basin Municipal Water District – Grant for Water Bottle Filling Station.

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)

C. UNFINISHED BUSINESS

1. Consideration and possible action to review and approve the three-year strategic plan (FY 2018 through 2021).
   (Fiscal Impact: None)
   Recommendation – 1) City Council review and approve the three-year strategic plan (FY 2018 through 2021); 2) Alternatively, discuss and take other possible action related to this item.

2. Consideration and possible action regarding placing a ballot measure on the April 10, 2018 election that would, if passed, impose a ¾ cent sales tax on the sale of taxable goods within the City and on residents purchasing vehicles, vessels or aircraft inside or outside of the City. Council will be considering a measure that would only become effective if the County placed a sales tax on the ballot and a measure that would become effective upon the earlier of the County placing a sales tax measure on the ballot or a date certain.
   (Fiscal Impact: N/A)
   Recommendation – 1) Adopt the resolutions necessary to place the sales tax ballot measure on the April 10, 2018 election; 2) Adopt a resolution setting forth the requirements for ballot arguments relating to ballot measures placed on the April 10, 2018 election; 3) Authorize the Council or Council Members to be the authors of a ballot argument in favor of the ballot measure (optional); 4) Adopt a resolution directing the City Attorney to draft an impartial analysis of the sales tax ballot measure (optional); 5) Alternatively, discuss and take other possible action related to this item.

3. Consideration and possible action to (1) receive and file an update on the progress of the Downtown Committee, and (2) to amend Maintenance Agreement #4096 with LandCare USA for ongoing landscape maintenance of the planters in the Downtown El Segundo corridor.
   (Fiscal Impact: estimated $43,155 in FY17/18; $57,540 annually thereafter)
   Recommendation – 1) Receive and file an update on the progress of the Downtown Committee; 2) Authorize the City Manager to execute an amendment in a form approved by the City Attorney to Maintenance Agreement #4096 with LandCare USA for additional work related to ongoing landscape maintenance of Downtown El Segundo area planters 3) Alternatively, discuss and take other possible action related to this item.
4. Consideration and possible action for the Council to report out of closed session and take action on a possible amendment to the City Attorney's (Hensley Law Group's) contract to increase the hourly rate for legal services.
   (Fiscal Impact: None)
   Recommendation – 1) Take action on a possible amendment to the City Attorney’s (Hensley Law Group’s) contract to increase the hourly rate for legal services; 2) Alternatively, discuss and take other possible action related to this item.

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

5. Consideration and possible action to open the recruitment process for the positions on the Committees, Commissions and Boards (“CCBs”) that expires in the year 2018.
   (Fiscal Impact: None)
   Recommendation – 1) Direct staff to open the recruitment process for the positions on the CCB’s, as listed; 2) Alternatively, discuss and take other possible 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.

6. Warrant Numbers 3019156 through 3019294 and 9000168 through 9000169 on Register No. 5 in the total amount of $773,776.20 and Wire Transfers from 11/27/17 through 12/10/17 in the total amount of $1,117,392.84.
   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.

7. Regular City Council Meeting Minutes of December 5, 2017.
   Recommendation – Approval
8. Consideration and possible action to approve Final Vesting Parcel Map No. 75019, a two (2) lot residential subdivision located at 925 and 929 Sheldon Street. The project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations § 15303 as a Class 3 exemption for (New Construction), and §15315 as a Class 15 exemption for (Minor Land Divisions).
(Fiscal Impact: None)
Recommendation – 1) Adopt the proposed resolution, approving a Final Vesting Map No. 75019, and authorizing the Director of Planning and Building Safety and the City Clerk to sign the Map for recordation; 2) Alternatively, discuss and take other possible action related to this item.

9. Consideration and possible action to accept as complete the Lighted Crosswalk Repairs Project on Main Street between El Segundo Boulevard and Pine Avenue, Project No. PW 17-20.
(Fiscal Impact: $129,999.00)
Recommendation – 1) Accept the work performed by Alfaro Communications Construction, Inc. for the Lighted Crosswalk Repairs Project in the City of El Segundo on Main Street between El Segundo Boulevard and Pine Avenue; 2) Authorize the City Clerk to file a Notice of Completion with the County Recorder’s Office; 3) Alternatively, discuss and take other possible action related to this item.

10. Consideration and possible action regarding the acceptance of additional grant funding from the U.S. Department of Homeland Security, through the Office of Grants and Training, under Fiscal Year 2015 State Homeland Security Grant Program (SHSGP), to fund the Regional Training Group Intelligence Chief through the end of the grant cycle.
(Fiscal Impact: $95,000.00)
Recommendation – 1) Authorize the acceptance of $95,000 in grant funds from the SHSGP 2015 grant program; 2) Authorize the City Manager to sign an Agreement with the County of Los Angeles who will serve as the grant administrator for the grant; 3) Alternatively, discuss and take other possible action related to this item.

11. Consideration and possible action to increase the Fiscal Year 2017-2018 Adopted Budget for continuing appropriations.
(Fiscal Impact: $0 – {Appropriations of $11,618,809 from FY 2016-17 requested to be continued into FY 2017-18})
Recommendation – 1) Approve continuing appropriations from FY 2016-2017 to FY 2017-2018, thereby amending the Fiscal Year 2017-2018 Adopted Budget in the Funds and by the amounts contained in Attachment 1 and 2; 2) Alternatively, discuss and take other possible action related to this item.
12. Consideration and possible action adopting an ordinance amending the City's purchasing policies and procedures for executing contracts. (Fiscal Impact: $0 – Potential savings in staff time and minimal operational costs)

Recommendation – 1) Adopt the proposed Ordinance; 2) Alternatively, discuss and take other possible action related to this item


Recommendation – 1) Authorize the City Manager to execute a contract with Vision Technology in a form approved by the City Attorney, to rebuild and improve ElSegundoBusiness.com and develop a new hospitality and tourism website; 2) Alternatively, discuss and take other possible action related to this item.

14. Consideration and possible action regarding authorizing the City Manager to conduct a fresh start “refinance” of the City’s unfunded pension liability (UAL) with California Public Employees Retirement System (CalPERS). (Fiscal Impact: Negative budget impact of $61,805 in fiscal year (FY) 2017-18 and additional expenditures of $185,416 in FY 2018-19; and long term interest savings of $1,861,860 through FY 2046-47)

Recommendation – 1) Authorize City Manager to execute a fresh start “refinance” of the Miscellaneous Plan unfunded liabilities (UAL) with CalPERS from a 30-year amortization period to a 22-year amortization period resulting in a total savings of $1,811,004 in interest payments.; 2) Authorize City Manager to execute a fresh start “refinance” of the Public Safety Police 2nd tier Plan unfunded liabilities (UAL) with CalPERS from a 30-year amortization period to a 10-year amortization period resulting in a total savings of $31,923 in interest payments; 3) Authorize City Manager to execute a fresh start “refinance” of the Public Safety Police PEPRA Plan unfunded liabilities (UAL) with CalPERS from a 30-year amortization period to a 10-year amortization period resulting in a total savings of $18,933 in interest payments; 4) Alternatively, discuss and take other possible action related to this item
15. Consideration and possible action to receive and file the Fiscal Year (FY) 2016-17 Unaudited Year-end Financial Review of the General Fund.  
(Fiscal Impact: None)  
Recommendation – 1) Receive and File FY 2016-17 Unaudited Year-end Financial Review; 2) Alternatively, discuss and take other possible action related to this item.

16. Consideration and possible action regarding 1) Approval of a Memorandum of Understanding (Labor Agreement) between the City of El Segundo and the California Teamsters Public, Professional and Medical Employees Union, Local 911, Supervisory and Professional Employees’ Association (SPEA) bargaining unit 2) Adoption of a Resolution approving the Memorandum of Understanding, 3) adoption of a Resolution for CalPERS Employer Paid Member Contributions (EPMC) for the Supervisory and Professional Employees’ Association (SPEA) bargaining unit to increase the employee PERS Member Share; and 4) adoption of a Resolution updating the employer’s contribution under the Public Employees’ Medical and Hospital Care Act for the Supervisory and Professional Employees’ Association (SPEA) bargaining unit.  
(Fiscal Impact: Estimated Cost FY 2017/2018 of $315,450.00 for the term of this agreement ($420,600 annualized).  
Recommendation – 1) Approve the Agreement; 2) Adopt the Resolution approving the Memorandum of Understanding; 3) Adopt the Resolution for the Employer Paid Member Contribution for SPEA; 4) Adopt the Resolution updating the Employer’s monthly medical contribution for SPEA; 5) Alternatively, discuss and take other possible action related to this item.

F. NEW BUSINESS

17. Consideration and possible action to receive and file a presentation on the City’s customer satisfaction survey results that were conducted with residents and businesses which were based on the Net Promoter Score methodology and part of the City’s strategic work plan.  
(Fiscal Impact: $15,000.00)  
Recommendation – 1) City Council receive and file a presentation on the City’s customer satisfaction survey; 2) Alternatively, discuss and take other action related to this item.

G. REPORTS – CITY MANAGER

H. REPORTS – CITY ATTORNEY
I. REPORTS – CITY CLERK

18. Consideration and possible action regarding adoption of an ordinance to take effect immediately establishing the date of the 2022 General Municipal Election and adoption of a revised resolution calling the April 10, 2018 General Municipal Election.  
(Fiscal Impact: N/A)  
Recommendation – 1) Direct staff whether the 2022 General Municipal Election and subsequent City elections should be held in either March or November; 2) Adopt an ordinance to take effect immediately establishing the election date for the General Municipal Election; 3) Adopt a revised resolution calling the April 10, 2018 Election; 4) Alternatively, discuss and take other action related to this item.

J. REPORTS – CITY TREASURER

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Brann –

Council Member Pirsztuk –

Council Member Dugan –

Mayor Pro Tem Boyles –

Mayor Fuentes –

19. Consideration and possible action regarding the annual request of Mr. S. Claus for variances from the Municipal Code.  
(Fiscal Impact: None)  
Recommendation – Approve request by Mr. S. Claus for a waiver of the permits required for doing business within the City of El Segundo as follows: 1) The use of air rights and waiver of the Santa Monica Radial 160 R procedure; 2) Grant a free business license for a non-profit organization; 3) Waiver of the Noise Ordinance to permit the sound of bells; 4) Waiver of the Trespass Ordinance including dealing with trespassing animals; 5) Waiver of the ordinance on Animal Regulations; 6) Alternatively, discuss and take other possible action related to this item.
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MEMORIALS –

CLOSED SESSION
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REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

ADJOURNMENT

POSTED:

DATE: 12/15/17
TIME: 9:25 am
NAME: [Signature]
Presentation
Public Works
Anthony Esparza, Water Supervisor
Presentation
Chief Whalen
Introduction of a new Police Officer
Presentation
Finance award
Government Finance Officers Association’s (GOFA) award.
Presentation
Christopher Hentzen
Park Maintenance Superintendent
WHEREAS, The El Segundo Community Christmas Dinner was conceived by El Segundo resident Bill Coffman in 1983; Bill solicited the help of local businesses, residents and organizations to fund, cook, and serve a traditional Christmas dinner that brought people together to share the holiday spirit; and

WHEREAS, The El Segundo Community Christmas Dinner has become a hometown tradition that has served the community for over 30 years. The last 29 Christmas dinners have been served at the Joslyn Center; and

WHEREAS, The Annual Christmas Dinner will be provided this season by JMW Catering sponsored by the El Segundo Kiwanis Club, with food donations from the Doubletree Hotel, floral arrangements provided by Natural Simplicity, donations from Costco, and the time and effort of many individual volunteers along with the support of the Recreation and Parks Department Outreach Office; and

WHEREAS, The El Segundo Community Christmas Dinner will be held at 12:00 p.m. on December 25th at the Recreation and Parks Department’s Joslyn Center, for the benefit of all those in the community who wish to participate in fellowship and share in some Christmas cheer.

NOW, THEREFORE, on this 19th day of December, 2017, the Mayor and Members of the City Council of the City of El Segundo, California, do hereby commend and thank all sponsors, supporters and volunteers, for their unselfish community service in keeping this hometown holiday tradition alive in El Segundo.

Mayor Suzanne Fuentes
Mayor Pro Tem Drew Boyles
Council Member Carol Pirsztuk
Council Member Michael Dugan
Council Member Dr. Don Brann
Presentation
West Basin Municipal Water District
Grant for Water Bottle Filling Station.
AGENDA DESCRIPTION:
Consideration and possible action to review and approve the three-year strategic plan (FY 2018 through 2021). (Fiscal Impact $0)

RECOMMENDED COUNCIL ACTION:
1. City Council review and approve the three-year Strategic Plan (FY 2018 through 2021).
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Three Year Strategic Plan
2. Work Plan for 2018
3. Key Performance Indicators (KPIs)

FISCAL IMPACT:

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STRATEGIC PLAN:

<table>
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<th>Goal:</th>
<th>5(b) Champion Economic Development and Fiscal Sustainability:</th>
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<tbody>
<tr>
<td></td>
<td>El Segundo approaches its work in a financially disciplined and responsible way</td>
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| Objective: | 2 The City will maintain a stable, efficient, and transparent financial environment |

PREPARED BY: Joseph Lillio, Director of Finance
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND:

After adopting the City’s first three-year strategic plan in 2016, the City revisited the strategic planning process by holding its first strategic planning session on July 11, 2017. A second meeting was held on August 8, 2017. The community and staff were encouraged to attend and participate in the sessions. During these open sessions, City Council and staff discussed any changes to the goals and objectives that need to be revised or new ones added to the plan. Also discussed was the Council priorities for the next year. This analysis was used to help update the strategic plan document itself, as well as the associated work plan. Based on decisions at these planning sessions, the goals, objectives and activities were either confirmed or updated and incorporated into the strategic planning document.
The attached updated three-year strategic plan incorporates the direction City Council provided to staff during the 2017 strategic planning meetings. The strategic plan begins with a message from the City Manager and includes the following sections:

- Executive Summary
- Opportunities and Challenges Facing El Segundo
- Strategic Plan Components
- El Segundo Mission, Vision, Values and Culture
- Goals & Top Council Priorities
- Appendix: Work Plan for FY 2018

The mission, "Provide a great place to live, work and visit," serves as the foundation for the City's five major goals. These goals are:

1. Enhance Customer Service and Engagement;
2. Support Community Safety and Preparedness;
3. Develop as a Choice Employer and Workforce;
4. Develop Quality Infrastructure and Technology; and

Identifying these goals has enabled the City to align its efforts and resources to accomplish the goals and achieve positive progress for the community of El Segundo. This plan sets the course for the City of El Segundo to ensure the City’s mission is accomplished.

The three-year Strategic Plan is a living document and should not be considered static by any means. The strategic plan features a framework that can be adjusted based on the current needs of the community. The goals, objectives, activities, and key performance indicators (KPIs) will be reviewed annually and Council can modify these if necessary. Also, on a quarterly basis the City will provide updates on the progress and performance of the work plan and updates on the KPIs. As such, the plan may be modified to ensure that stated goals are aligned with the needs of the community.

The City’s quarterly updates will include a status column that delineates whether there is compliance with each activity.

Green : **Current compliance with stated activity:** City has fully implemented the stated activity.

Yellow : **Current non-compliance with stated activity:** City activity is not fully implemented as identified in the Strategic Plan but the estimated date to achieve full implementation is delineated in “Next Steps to Compliance”.

Red : **Current non-compliance and cannot comply with stated activity:** City activity is not currently attainable as identified in the Strategic Plan and staff
recommends suspending attempts to pursue implementation at this time.
This may necessitate a change in the activity in the future.

Since assumptions, community needs, the economy, legislation and other factors upon which this plan is based continue to change, it is necessary that this be considered as the beginning, rather than an end, to managing the organization and serving El Segundo's community. Furthermore, with the adoption of the 3-year strategic plan, the strategic planning and budgeting process are now linked to assure that the City's budget reflects City Council and community priorities. With the development and implementation of the strategic plan, the City of El Segundo reaffirms its commitment to continue to provide exceptional services and programs to its community.
City of El Segundo
Strategic Plan with Details
2018 to 2021
City of El Segundo
City Council

Suzanne Fuentes
Mayor

Drew Boyles
Mayor Pro-Tem

Dr. Don Brann
Councilmember

Carol Pirsztuk
Councilmember

Michael Dugan
Councilmember
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A Message from the City Manager

Honorable Mayor Fuentes, Members of the City Council and Valued Community Members of El Segundo:

We are pleased to present the City of El Segundo’s 2018-2021 Three-Year Strategic Plan. The plan serves as a roadmap for El Segundo’s vision as a “hub for innovation where big ideas take off.” The plan provides goals, objectives and strategies to help the City achieve this vision.

With this Strategic Plan, the City will continue its work toward making El Segundo the best place to live, work and visit. Our citizens and business community expect us to provide a high level of service while keeping the community safe at all times and by providing programs and services which enhance quality of life. As we implement the projects and programs outlined in this strategic plan, we will continue to work with our community to and build upon the partnerships we have established.

I look forward to being part of our progress in achieving the Council’s goals for El Segundo, and extend my personal appreciation to our executive team and staff for their hard work and commitment to completing this Three-Year Strategic Plan.

Respectfully,

Greg Carpenter
City of El Segundo City Manager
October 2017
Executive Summary

This strategic plan is a living document, featuring a comprehensive framework that can be adjusted based on the current needs of the community. It sets forth City Council priorities to be met by City staff. Staff provides periodic updates to the Council on the progress and performance of each goal. It is intended that the plan can be modified to ensure that stated goals are aligned with the needs of the community.

Through a series of outreach efforts, the City identified five key goals that will advance El Segundo as “a hub for innovation where big ideas take off.” The goals and a brief description of what we are seeking to achieve by each goal are provided below.

**Goal 1: Enhance Customer Service and Engagement**
- El Segundo provides unparalleled service to internal and external customers.
- El Segundo’s engagement with the community ensures excellence.

**Goal 2: Support Community Safety and Preparedness**
- El Segundo is a safe and prepared community.

**Goal 3: Develop as a Choice Employer and Workforce**
- El Segundo is a city employer of choice and consistently hires for the future appealing to a workforce that is inspired, world-class, and engaged.

**Goal 4: Develop Quality Infrastructure and Technology**
- El Segundo’s physical infrastructure supports an appealing, safe and effective community.
- El Segundo’s technology supports effective, efficient, and proactive municipal operations.

**Goal 5: Champion Economic Development and Fiscal Sustainability**
- El Segundo promotes economic growth and vitality for businesses and the community.

Specific objectives and activities have been identified in the strategic plan to support and achieve these five goals. To aid in implementation, an Action Plan Worksheet is utilized as a management tool for the strategic plan, which indicates the responsible departments and divisions for carrying out the goals, objectives and activities.
Opportunities and Challenges
Facing El Segundo

The context for this Three-Year Strategic Plan is a series of opportunities and challenges facing the City of El Segundo. Both are briefly highlighted below.

Opportunities

- Attracting new technology businesses through access to land, employees and transportation
- Improving our downtown and supporting existing businesses
- Determining the future of the east side of the community
- Attracting young professionals and families to move into El Segundo

Challenges

- Growing pension liability
- Replacing outdated technology
- Growing infrastructure replacement and maintenance costs
- Planning for future development on east side of the community
- Engaging community more in emergency preparedness
- Recruiting and retaining employees in a tightening public sector job market
Strategic Plan Components

- Vision
- Mission
- Values
- Goals
- Objectives and Activities
- Key Performance Indicators

- What We Desire for the Future
- Why the City Exists
- What We Believe
- Our Focus and Direction
- How We Will Achieve Our Goals
- How We Will Measure Progress
City of El Segundo
Mission, Vision, Values and Culture

Mission
Provide a great place to live, work and visit.

Vision
A hub for innovation where big ideas take off.

Values and Culture
El Segundo’s values define how we serve and manage our City. We practice

- Accountability
- Productivity
- Ethics Stewardship
- Service
- Challenging ourselves
- Continuous improvement and reflection

El Segundo strives to create a working culture of

- Innovation
- Support and recognition
- Leadership by example
- Proactive action
- Problem solving – getting to yes
Goals and Top Council Priorities

In August 2017, the City Council reviewed a list of activities and set their priorities for FY 2017-18. The Council selected six top priorities and identified other activities to proceed as resources permit. The top priorities are shown in the goals below. Each of the first four goals have one top priority; the fifth goal has two top priorities. The full list of Council-directed activities for FY 2017-18 are shown on subsequent pages of this document.

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<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Goal 1 Priority</strong></td>
<td><strong>Goal 2 Priority</strong></td>
<td><strong>Goal 3 Priority</strong></td>
<td><strong>Goal 4 Priority</strong></td>
<td><strong>Goal 5 Priorities</strong></td>
</tr>
</tbody>
</table>
| • Obtain customer feedback and use it to improve services | • Increase focus on crime prevention including greater community engagement | • Engage a third-party to conduct a Human Resources audit to ascertain updates needed to the municipal code, systems and other components | • Successfully implement new technology | • Improve the downtown  
  • Address rising pension liability |
Goals, Strategic Direction, Objectives and Priority Activities

This section includes five broad goals, the Council’s strategic direction for each goal and the full list of Council priority activities for FY 2017-18. The Council’s top priorities are shown in bold. Other priority activities will be accomplished as resources permit.
**Goal 1:** Enhance Customer Service and Engagement

**Strategic Direction**

Our team of dedicated City staff are committed to creating an environment that supports our community and encourages people to be engaged. Staff are proactive problem solvers who understand the needs of our customers and offer innovative solutions to address underlying challenges. Information and outreach materials about our programs and services are designed to be accessible and easy-to-use.

**Goal 1A:** El Segundo provides unparalleled service to internal and external customers.

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Priority Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. City operations are unified and integrated.</td>
<td>a. Streamline the purchasing policy for business process improvement</td>
</tr>
<tr>
<td>II. City services are convenient, efficient and user-friendly for all residents, businesses, and visitors.</td>
<td>b. Develop an operations and management plan for the new aquatics center</td>
</tr>
<tr>
<td></td>
<td>c. Design the business center for increased customer service and efficiency</td>
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</table>

**Goal 1B:** El Segundo’s engagement with the community ensures excellence.

<table>
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<tr>
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<tr>
<td>I. The City is transparent regarding services and performance.</td>
<td>a. Obtain customer feedback and use it to improve services*</td>
</tr>
<tr>
<td>II. The City engages in regular, intentional information gathering.</td>
<td>b. Refine the strategic plan and create a short version to use as a communication vehicle</td>
</tr>
<tr>
<td>III. City communication is comprehensive and integrated.</td>
<td>c. Proactively identify City successes and highlight them to the public</td>
</tr>
<tr>
<td></td>
<td>d. Update the website and create a mobile app for full interface with the website</td>
</tr>
</tbody>
</table>

*Priority activities shown in bold are Council top priority activities, all other priority activities are to be accomplished as resources permit.
**Goal 2: Support Community Safety and Preparedness**

**Strategic Direction**

A prepared El Segundo is a safe El Segundo. We are actively preparing to be ready to respond as soon as possible during times of crisis. Our outcome focused approach to reducing risk and crime is bolstered by detailed planning and accreditation efforts that help us recover from disasters while meeting industry standards.

**Goal 2: El Segundo is a safe and prepared city.**

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Priority Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. The City has a proactive approach to public safety, preparedness and</td>
<td>a. <strong>Increase focus on crime prevention including greater community engagement</strong></td>
</tr>
<tr>
<td>crime that is outcome focused.</td>
<td>b. Enhance pedestrian and bike safety in certain areas</td>
</tr>
<tr>
<td>II. The City participates in proactive communication and community</td>
<td>c. Implement a new Computer Aided Dispatch (CAD) system</td>
</tr>
<tr>
<td>engagement.</td>
<td>d. Implement a new Automated License Place Recognition (ALPR) system</td>
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</table>

*Priority activities shown in bold are Council top priority activities, all other priority activities are to be accomplished as resources permit.*
Goal 3: Develop as a Choice Employer and Workforce

Strategic Direction

El Segundo’s ability to provide quality programs and services depends on our ability to attract and retain the best staff. We support our inspired and engaged workforce by encouraging innovation and celebrating success as well as through our robust and meaningful training and development programs that promote thoughtful succession planning for key positions.

Goal 3A: El Segundo is a City employer of choice and consistently hires for the future appealing to a workforce that is inspired, world-class, and engaged.

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Priority Activities</th>
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</thead>
<tbody>
<tr>
<td>I. The City has a strong culture of customer service, employee retention, and internal feedback.</td>
<td>a. Engage a third-party to conduct a Human Resources audit to ascertain updates needed to the municipal code, systems and other components</td>
</tr>
<tr>
<td>II. The City provides a competitive environment and nimble hiring/onboarding process for its employees.</td>
<td>b. Conduct an employee survey (e.g., gauge morale, gather information about employee needs)</td>
</tr>
<tr>
<td>III. The City has a comprehensive, intentional approach to staff development, training and succession.</td>
<td>c. Focus on employee development and engagement (e.g., develop leadership bench-strength professional development plans, employee evaluations, succession planning)</td>
</tr>
<tr>
<td>IV. The City has a culture of innovation, trust and efficiency in which all aboard rise together.</td>
<td>d. Enhance employee safety and reduce accidents and costs</td>
</tr>
</tbody>
</table>

*Priority activities shown in bold are Council top priority activities, all other priority activities are to be accomplished as resources permit.*
Goal 4: Develop Quality Infrastructure and Technology

Strategic Direction

El Segundo’s small town charm is due in large part to our beautiful tree-lined streets, award-winning parks and well-maintained public facilities. Protecting and investing in our physical infrastructure assets is vital for the well-being of our community. We perform preventive maintenance and look for opportunities to enhance and replace existing assets to improve efficiency and safety.

Goal 4A: El Segundo’s physical infrastructure supports an appealing, safe and effective community.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Priority Activities</th>
</tr>
</thead>
</table>
| I. The City optimizes its physical resources. | a. Develop a plan to utilize increased transportation funding  
b. Conduct a facilities needs assessment |

Goal 4B: El Segundo’s technology supports effective, efficient, and proactive operations.

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Priority Activity</th>
</tr>
</thead>
</table>
| I. The City has an integrated focus on technology.  
II. The City has an effective structure to meet the technology needs of the City and its constituents.  
III. The City invests in systems as necessary in order to add citizen value, provide access to information that is easily available, engage residents in civic participation, and provide mass notification. | a. Successfully implement new technology as prioritized in the Technology Master Plan |
**Goal 5: Champion Economic Development and Fiscal Sustainability**

*Strategic Direction*

We promote economic growth through programs, public relations, marketing and communication strategies that promote the benefits of locating within El Segundo. Our modern office developments, low tax rates, highly skilled workforce and range of corporate office and manufacturing space make us uniquely poised to attract new companies. Our business friendly practices are balanced with dedication to ensuring our local government is financially sustainable. We are committed to maintaining a structurally balanced budget with appropriate reserve levels as we provide the highest quality services for our community, now and in the future. We champion financial transparency and accountability.

**Goal 5A: El Segundo promotes economic growth and vitality for businesses and the community.**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Priority Activities</th>
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</thead>
</table>
| I. The City will implement a comprehensive economic development strategy to ensure the City encourages a vibrant business climate that is accessible, user-friendly and welcoming to all residents and visitors. | a. Downtown  
   i. Implement downtown beautification  
   ii. Develop a vision for the downtown  
   iii. Promote the downtown and create a funding source for marketing the downtown  
   b. Complete the economic development strategic plan and implement its goals  
   c. Present options for the General Plan update (or determine if this is a good expenditure of funds)  
   d. Implement the accessory dwelling unit ordinance  
   e. Advocate for City concerns regarding impacts of LAX expansion  
   f. Determine future of The Lakes Golf Course |

*Priority activities shown in bold are Council top priority activities, all other priority activities are to be accomplished as resources permit.*
**Goal 5: Champion Economic Development and Fiscal Sustainability**  
(Continued)

**Goal 5B:** El Segundo approaches its work in a financially strategic and responsible way.

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Priority Activities</th>
</tr>
</thead>
</table>
| I. The City will maintain a structurally balanced budget with appropriate reserve levels. | a. **Address rising pension liability**  
b. Assess trash services, the current residential contract and determine how to pay for it  
c. Develop options for increased revenue for operations and infrastructure  
d. Conduct a water and sewer rate study  
e. Research insurance options (liability and workers’ compensation) |
| II. The City will maintain a stable, efficient, and transparent financial environment. | |

*Priority activities shown in bold are Council top priority activities, all other priority activities are to be accomplished as resources permit.*
Detailed Activities and Key Performance Indicators

This section includes the information provided in the previous sections, plus a series of activities that are not the Council’s highest priorities, but are planned to be accomplished over the next three years. It also includes the key performance indicators (KPIs) for each of the goals.
Goal 1 Details: Enhance Customer Service and Engagement

Goal 1A: El Segundo provides unparalleled service to internal and external customers.

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<tr>
<th>Key Performance Indicators</th>
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<tbody>
<tr>
<td>• Average time to process various plan check reviews (P&amp;BS)</td>
</tr>
<tr>
<td>• Average time to process film permits (Finance)</td>
</tr>
<tr>
<td>• Turnaround time to process all City contracts (City Clerk)</td>
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</table>

<table>
<thead>
<tr>
<th>Other Activities</th>
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</thead>
<tbody>
<tr>
<td>d. Enhance ability to accommodate Citywide teleconference abilities</td>
</tr>
<tr>
<td>e. Report research on expanding Library services</td>
</tr>
<tr>
<td>f. Provide online business transactions for residents and business community</td>
</tr>
<tr>
<td>g. Provide GIS software access to basic property information and relevant documents</td>
</tr>
<tr>
<td>h. Complete year-long festivities and celebration of the City’s Centennial</td>
</tr>
<tr>
<td>i. Identify areas of internal service improvement from Human Resources</td>
</tr>
<tr>
<td>j. Amend zoning code in response to emerging issues discovered by staff and customers</td>
</tr>
</tbody>
</table>

*Priority activities shown in bold are Council top priority activities, priority activities are to be accomplished as resources permit are italicized.
**Goal 1 Details:** Enhance Customer Service and Engagement

**Goal 1B:** El Segundo’s engagement with the community ensures excellence.

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<td>I. The City is transparent regarding services and performance.</td>
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<td>III. City communication is comprehensive and integrated.</td>
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<td>a. Obtain customer feedback and use it to improve services</td>
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<td>b. Refine the strategic plan and create a short version to use as a communication vehicle</td>
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<td>c. Proactively identify City successes and highlight them to the public</td>
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<td>d. Update the website and create a mobile app for full interface with the website</td>
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<tr>
<th>Other Activities</th>
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</thead>
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<tr>
<td>e. Assess customer satisfaction via</td>
</tr>
<tr>
<td>i. An annual resident and business survey</td>
</tr>
<tr>
<td>ii. Post service and event questionnaires</td>
</tr>
<tr>
<td>iii. Personal outreach throughout the year</td>
</tr>
<tr>
<td>f. Expand use of social media as communication tool</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Number of new library cardholders, users attending programs offered, number of programs, number of library visitors (Library)</td>
</tr>
<tr>
<td>• Enrollment in programs offered and event attendance (Rec/Park)</td>
</tr>
</tbody>
</table>

*Priority activities shown in bold are Council top priority activities; priority activities are to be accomplished as resources permit are italicized.
**Goal 2 Details:** Support Community Safety and Preparedness

**Goal 2:** El Segundo is a safe and prepared city.

### Objectives

I. The City has a proactive approach to public safety, preparedness and crime that is outcome focused.
II. The City participates in proactive communication and community engagement.

### Priority Activities*

| a. Increase focus on crime prevention including greater community engagement |
| b. Enhance pedestrian and bike safety in certain areas |
| c. Implement a new Computer Aided Dispatch (CAD) system |
| d. Implement a new Automated License Place Recognition (ALPR) system |

### Key Performance Indicators

- Monthly report on Crime Statistics (P.D.)
- Monthly report on Priority 1 response times (P.D.)
- Number of CERT training courses conducted annually (goal of six courses) (F.D.)
- Average total response time – Fire and EMS calls (F.D.)
- Number of Fire Dept. in-service training hours per employee compared to national average
- 85% of City staff (non-first responders) have attended one DWS training per year

### Other Activities

| e. Emphasize in-service training to reach a higher level of competency in the area of fire suppression, technical rescue and emergency medical response |
| f. Establish and maintain a local all-hazard Incident Management Team (IMT) |
| g. Grow the community emergency response team program |
| h. Train all City staff as disaster service workers |
| i. Ensure ordinances are current with new/emerging risks |
| j. Evaluate operational readiness of emergency medical services (EMS) and fire suppression resources |

*Priority activities shown in bold are Council top priority activities, priority activities are to be accomplished as resources permit are italicized.*
**Goal 3 Details:** Develop as a Choice Employer and Workforce

**Goal 3A:** El Segundo is a City employer of choice and consistently hires for the future appealing to a workforce that is inspired, world-class, and engaged.

### Objectives

I. The City has a strong culture of customer service, employee retention, and internal feedback.  
II. The City provides a competitive environment and nimble hiring/onboarding process for its employees.  
III. The City has a comprehensive, intentional approach to staff development, training and succession.  
IV. The City has a culture of innovation, trust and efficiency in which all aboard rise together.

### Priority Activities*

<table>
<thead>
<tr>
<th>a. Engage a third-party to conduct a Human Resources audit to ascertain updates needed to the municipal code, systems and other components</th>
<th>Key Performance Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. Conduct an employee survey (e.g., gauge morale, gather information about employee needs)</td>
<td>• Average time to fill recruitments (H.R.)</td>
</tr>
<tr>
<td>c. Focus on employee development and engagement (e.g., develop leadership bench-strength professional development plans, employee evaluations, succession planning)</td>
<td>• Number of vacancies (H.R.)</td>
</tr>
<tr>
<td>d. Enhance employee safety and reduce accidents and costs</td>
<td>• Turnover percentage (H.R.)</td>
</tr>
</tbody>
</table>

**Other Activities**

- e. Implement a formal Employee Recognition Program  
- f. Review online platforms, such as Glassdoor.com, that report on employee satisfaction and salary and benefits  
- g. Use the 3rd party audit results to ensure process improvements to attract highly qualified applicants

*Priority activities shown in bold are Council top priority activities, priority activities are to be accomplished as resources permit are italicized.
Goal 4 Details: Develop Quality Infrastructure and Technology

Goal 4A: El Segundo’s physical infrastructure supports an appealing, safe and effective community.

Objective

I. The City optimizes its physical resources.

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<tr>
<th>Priority Activities*</th>
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<tbody>
<tr>
<td>a. Develop a plan to utilize increased transportation funding</td>
<td>• Quarterly report on status of capital improvement plan implementation (PW)</td>
</tr>
<tr>
<td>b. Conduct a facilities needs assessment</td>
<td>• Monthly report on number of pothole repairs and sidewalk repairs completed (PW)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Activities</th>
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<tbody>
<tr>
<td>c. Regularly assess Citywide facilities for safety standards and routine maintenance</td>
</tr>
<tr>
<td>d. Identify funding and commitment to future infrastructure needs City-wide</td>
</tr>
<tr>
<td>e. Develop and deliver the City-wide CIP program</td>
</tr>
</tbody>
</table>

*Priority activities shown in bold are Council top priority activities. Priority activities are to be accomplished as resources permit are italicized.
**Goal 4 Details:** Develop Quality Infrastructure and Technology

**Goal 4B:** El Segundo’s technology supports effective, efficient, and proactive operations.

### Objectives

I. The City has an integrated focus on technology.  
II. The City has an effective structure to meet the technology needs of the City and its constituents.  
III. The City invests in systems as necessary in order to add citizen value, provide access to information that is easily available, engage residents in civic participation, and provide mass notification.

### Priority Activity*

a. Successfully implement new technology as prioritized on the Technology Master Plan

### Other Activities*

b. Use the full potential of current software  
c. Each department will set paperless goals  
d. Install Wi-Fi in all critical City facilities

### Key Performance Indicators

- Quarterly status update of IS master plan implementation (IS)  
- Number of online transactions conducted from residents, businesses and employees (Citywide/Finance to report)  
- Monthly reporting of total IS tickets issued, tickets closed, and hours spent resolving tickets (IS - pending implementation of new website)

*Priority activities shown in bold are Council top priority activities, priority activities are to be accomplished as resources permit are italicized.
### Goal 5 Details: Champion Economic Development and Fiscal Sustainability

**Goal 5A: El Segundo's technology supports effective, efficient, and proactive operations.**

#### Objective

I. The City will implement a comprehensive economic development strategy to ensure the City encourages a vibrant business climate that is accessible, user-friendly and welcoming to all residents and visitors.

<table>
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<td>a. Downtown improvements</td>
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<td>i. Implement downtown beautification</td>
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<td>ii. Develop a vision for the downtown</td>
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</tr>
<tr>
<td>iii. Promote the downtown and create a funding source for marketing the downtown</td>
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</tr>
<tr>
<td>b. Complete the economic development strategic plan and implement its goals</td>
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<tr>
<td>c. Present options for the General Plan update (or determine if this is a good expenditure of funds)</td>
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<td>d. Implement the accessory dwelling unit ordinance</td>
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<td>e. Advocate for City concerns regarding impacts of LAX expansion</td>
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<tr>
<td>f. Determine future of The Lakes Golf Course</td>
<td></td>
</tr>
<tr>
<td>g. Promote business attraction and industry diversification</td>
<td></td>
</tr>
<tr>
<td>h. Retain businesses through proactive outreach</td>
<td></td>
</tr>
<tr>
<td>i. Enhance new business attraction, marketing and branding efforts through public relations and advertising</td>
<td></td>
</tr>
<tr>
<td>j. Launch hospitality and tourism marketing program</td>
<td></td>
</tr>
</tbody>
</table>

*Priority activities shown in bold are Council top priority activities, priority activities are to be accomplished as resources permit are italicized.*
## Goal 5 Details: Champion Economic Development and Fiscal Sustainability

**Goal 5B:** El Segundo approaches its work in a financially strategic and responsible way.

### Objectives

1. The City will maintain a structurally balanced budget with appropriate reserve levels.
2. The City will maintain a stable, efficient, and transparent financial environment.

### Priority Activities*

| a. Address rising pension liability |
| b. Assess trash services, the current residential contract and determine how to pay for it |
| c. Develop options for increased revenue for operations and infrastructure |
| d. Conduct a water and sewer rate study |
| e. Research insurance options (liability and workers’ compensation) |

### Key Performance Indicators

- Quarterly status report to City Council on the strategic work plan progress (Finance)
- Investment policy compliance (Treasury)

### Other Activities

| f. Develop revenue streams and reserve fund to keep infrastructure advancing |
| g. Develop a comprehensive master fee schedule and cost recovery policy to support City needs |
| h. Review financial policies (annually) |
| i. Present quarterly financial status report to Community and Council |

*Priority activities shown in bold are Council top priority activities; priority activities are to be accomplished as resources permit are italicized.*
This document prepared by Management Partners, a local government consulting firm, for the City of El Segundo.
AGENDA DESCRIPTION:
Consideration and possible action regarding placing a ballot measure on the April 10, 2018 election that would, if passed, impose a ¾ cent sales tax on the sale of taxable goods within the City and on residents purchasing vehicles, vessels or aircraft inside or outside of the City. Council will be considering a measure that would only become effective if the County placed a sales tax on the ballot and a measure that would become effective upon the earlier of the County placing a sales tax measure on the ballot or a date certain. (Fiscal Impact: N/A)

RECOMMENDED COUNCIL ACTION:
1. Adopt the resolutions necessary to place the sales tax ballot measure on the April 10, 2018 election;
2. Adopt a resolution setting forth the requirements for ballot arguments relating to ballot measures placed on the April 10, 2018 election;
3. Authorize the Council or Council Members to be the authors of a ballot argument in favor of the ballot measure (optional);
4. Adopt a resolution directing the City Attorney to draft an impartial analysis of the sales tax ballot measure (optional); and/or,
5. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Two resolutions and two ordinances for Council’s consideration with respect to the triggering events for the sales tax.
2. A Resolution adopting the ballot argument requirements.
3. A Resolution requesting that the City Attorney prepare an impartial analysis of the ballot measures.
4. A copy of the December 5, 2017 staff report.

FISCAL IMPACT: Approximately $9 million in annual revenue during the times that the sales tax is implemented.

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

STRATEGIC PLAN:
Goal: 5(b) Champion Economic Development and Fiscal Sustainability:
El Segundo approaches its work in a financially disciplined and responsible way

Objective: 2 The City will maintain a stable, efficient, and transparent financial environment
BACKGROUND:

Sales Tax Ballot Measure
At the December 5, 2017 Council Meeting, the Council directed the City Attorney’s Office to prepare two different ballot questions (and two corresponding ordinances) for the Council to consider. The first option is for the Council is to adopt a ballot measure that would cause the sales tax to take effect if the County places a sales tax measure on the ballot and would allow the City to continue to collect the sales tax if the County’s measure passed. Alternatively, there is a second ballot measure that was prepared that is identical to the first one except that it provides for the the measure to take effect by a date certain if the County has not placed a measure on the ballot and/or it one has not passed. The Council will need to provide the date for the date certain option if the Council opts to go with that approach.

The Attached December 5, 2017 staff report contains that background information related to this agenda item.

Other Actions

Before the Council are a few other issues. The Council needs to adopt rules with respect to ballot arguments that are submitted as part of the election. Accordingly, a resolution has been prepared in conformance with state law providing for such rules. The Council can also authorize the Council as a whole or specific Council Members to write the ballot argument in favor of the ballot measure. Finally, the Council can direct the City Attorney’s Office to prepare an impartial analysis of the ballot measure to be included with ballot materials sent to the voters.
RESOLUTION NO. ____

A RESOLUTION ADDING A PROPOSITION TO THE BALLOT FOR THE PREVIOUSLY CALLED APRIL 10, 2018 ELECTION PURSUANT TO ELECTIONS CODE § 9222.

The City Council of the city of El Segundo resolves as follows:

SECTION 1: Pursuant to Elections Code § 9222, the City Council places an ordinance on the ballot for the general municipal election scheduled for Tuesday, April 10, 2018 as previously established and implemented by City Council Resolution Numbers _______, ________, and _______ adopted on ________________.

SECTION 2: A copy of the ordinance to be considered by the voters is attached as Exhibit “A,” and incorporated by reference, and is approved by the City Council through adoption of this Resolution. The ballot measure will be designated as Measure A on the ballots, unless it must be otherwise designated to accommodate the consolidation of the City’s election with other elections.

SECTION 3: Pursuant to Elections Code §§ 9222 and 13119 the exact form of the question to be voted on at the election as it should appear on the ballot is as follows:

| SHALL THE MEASURE AUTHORIZING A THREE-QUARTER CENT SALES TAX, BE IMPOSED BY THE CITY WHEN A COUNTY SALES TAX MEASURE HAS QUALIFIED FOR A BALLOT AND MAY CONTINUE TO BE IMPOSED IF IT RECEIVES VOTER APPROVAL OR UNTIL JUNE 1, 20 - AT WHICH TIME THE CITY MAY IMPOSE IT IN ITS DISCRETION, TO FUND GENERAL MUNICIPAL SERVICES, LIKE POLICE, FIRE, SENIOR CITIZEN, AND INFRASTRUCTURE SERVICES” BE ADOPTED (GENERATES APPROXIMATELY $9 MILLION ANNUALLY IN PERPETUITY)? | Yes ☐ No ☐ |

SECTION 4: In accordance with Government Code § 53724 and Revenue and Tax Code § 7285.9, this Resolution must be adopted upon a two-thirds (2/3) vote and will become effective immediately upon adoption.
PASSED AND ADOPTED this ___ day of ______________, 2017.

Mayor

Approved as to form:

___________________________________
Mark D. Hensley, City Attorney
ORDINANCE NO. xx

PROPOSITION AUTHORIZING IMPOSITION OF A THREE-QUARTER CENT TRANSACTIONS AND USE TAX (SALES TAX) TO FUND GENERAL MUNICIPAL SERVICES, INCLUDING, WITHOUT LIMITATION, POLICE AND FIRE SERVICES, RAPID RESPONSE TO EMERGENCIES, SERVICES TO SENIOR CITIZENS, RECREATION FIELDS AND SERVICES AND MAINTENANCE AND REPAIR OF CITY STREETS AND LANDSCAPING TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION.

The people of the city of El Segundo do ordain as follows:

SECTION 1: A new Chapter 3-7 is added to Title 3 of the El Segundo Municipal Code ("ESMC") to read as follows:

"Chapter 7. Transactions and Use Tax

3-7-010: TITLE. This Chapter is entitled the "El Segundo Transactions and Use Tax." The term "City," as used within this Chapter, is the city of El Segundo. This Chapter is applicable in the incorporated territory of the City.

3-7-020: OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this Chapter, the date of such adoption being as set forth below.

3-7-030: PURPOSE. This Chapter is adopted to achieve the following, among other purposes, and directs that its provisions be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 of the Revenue and Taxation Code which authorizes the City to adopt this Chapter which becomes operative if a majority of the electors voting on the ballot measure approving the Chapter vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt retail transactions and use tax regulations that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
C. To adopt retail transactions and use tax regulations that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

3-7-040: CONTRACT WITH STATE. Before the operative date, the City must contract with the State Board of Equalization to perform all functions incident to the administration and operation of this Chapter; provided, that if the City has not contracted with the State Board of Equalization before the operative date, it must nevertheless so contract and in such a case the operative date is the first day of the first calendar quarter following the execution of such a contract.

3-7-050: TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a transaction tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 0.75% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

3-7-060: PLACE OF SALE. For the purposes of this Chapter, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated is determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

3-7-070: USE TAX RATE. A use tax is imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of 0.75% of the sales price of the property. The sales price includes delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.
3-7-080: **ADOPTION OF PROVISIONS OF STATE LAW.** Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are adopted and made a part of this Chapter as though fully set forth.

3-7-090: **LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES.** In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City will be substituted. However, the substitution is not made when:

1. The word “State” is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Chapter.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

   a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or

   b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word “City” is substituted for the word “State” in the phrase “retailer engaged in business in this State” in Section 6203 and in the definition of that phrase in Section 6203 of the Revenue and Taxation Code.
PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit is not required by this Chapter.

EXEMPTIONS AND EXCLUSIONS.

A. There is excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City is satisfied:

   a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

   b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to
furnish the property for a fixed price pursuant to a contract entered into before the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease before the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property is deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this Chapter, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into before the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease before the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property is deemed not
to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City is not required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, without limitation, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" also includes any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undокументed vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer is required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this Chapter may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3-7-120: AMENDMENTS. All amendments subsequent to the effective date of this Chapter to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, automatically become a part of this Chapter, provided however, that no such amendment operates so as to affect the rate of tax imposed by this ordinance.

3-7-130: ENJOINING COLLECTION FORBIDDEN. No injunction or writ of mandate or other legal or equitable process may issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.
3-7-140: AUTOMATIC SUSPENSION, IMPLEMENTATION. The taxes authorized by this chapter are subject to the following:

A. For purposes of this Section, the term “district” has the meaning set forth in Revenue and Taxation Code § 7252 to the extent such a district may have taxing powers within the City’s jurisdiction under applicable law. For example, and without limitation, the County of Los Angeles is a district for purposes of this Section.

B. The City will suspend collection of the taxes authorized by this chapter so long as a district does not place a measure on the ballot seeking voter authorization for a new or increased retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Sections 7285 or 7285.5 of Part 1.7 of Division 2 of the Revenue and Taxation Code.

C. Should a district place a transaction and use tax measure on the ballot as contemplated by Subsection B, then the City will promptly commence collection of the taxes authorized by this chapter.

D. Should a ballot measure contemplated by Subsection C fail to become effective then, notwithstanding any other provision of this chapter, the City will suspend collection of the taxes authorized by this chapter.

E. Nothing in this Section is intended to, nor will it, limit the number of times the City may suspend or implement tax collection authorized by this chapter based upon the actions contemplated in Subsections B through C.

F. Revenue from any taxes collected between the time periods contemplated by Subsections C through C may be retained by the City for general purposes and need not be refunded.

G. This Section 3-7-140 shall be of no force or effect as of ____________, at which point the taxes authorized by this Chapter shall be immediately collected unless suspended or reduced pursuant to Section 3-7-150.

3-7-150: SUSPENSION OR REDUCTION. Nothing in this Chapter requires the City Council to collect a tax; the city council may suspend or reduce tax rates imposed by this chapter by resolution after a public hearing.

3-7-160: CITY COUNCIL AUTHORITY TO AMEND. Except for amendments that would increase the tax rate, impose the tax on transactions and uses not previously subject to the tax, or be inconsistent with the purposes of this chapter, the City Council may exercise all applicable powers set forth in the Government Code including, without limitation, amending this chapter by ordinance upon three affirmative votes by its members. It may, in additional, adopt by ordinance or resolution such additional
regulations that may be necessary to implement the purposes of this chapter."

SECTION 2: Environmental Analysis. This Proposition is exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 2100, et seq., "CEQA") and CEQA regulations (14 California Code of Regulations §§ 15000, et seq.) because it establishes rules and procedures to implement government funding mechanisms; does not involve any commitment to a specific project which could result in a potentially significant physical impact on the environment; and constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Resolution does not constitute a "project" that requires environmental review (see specifically 14 CCR § 15378(b)(4-5)).

SECTION 3: Continuity. Repeal of any provision of the El Segundo Municipal Code does 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 4: 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 5: Validity of Previous Code Sections. If this the entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal of the ESMC or other regulation by this Ordinance will be rendered void and cause such ESMC provision or other regulation to remain in full force and effect for all purposes.

SECTION 6: Voter Approval. This Proposition will enact and impose a general tax. Accordingly, it will be submitted to a general election on April 10, 2018 for voter approval. If a majority of voters vote in favor of this Proposition, it will become valid and binding on the date that the City Council certifies the election results. Should the provisions of Government Code §§ 53720 et seq. or California Constitution Article XIIIC be repealed or amended, or interpreted by the courts so that voter approval is not required for enacting this Ordinance, then this Ordinance will take effect as provided for all other City ordinances and may be amended in the same manner as all other City ordinances.

SECTION 7: Miscellaneous.

A. This Proposition must be interpreted so as to be consistent with all federal and state laws, rules, and regulations. If any section, sub-section, sentence, clause, phrase, part, or portion of this Proposition is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision does not affect the validity of the remaining
portions of this Proposition. The voters declare that this Proposition, and each section, sub-section, sentence, clause, phrase, part, or portion thereof, would have been adopted or passed irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases, part, or portion is found to be invalid. If any provision of this Proposition is held invalid as applied to any person or circumstance, such invalidity does not affect any application of this Proposition that can be given effect without the invalid application.

B. If any portion of this Proposition is held by a court of competent jurisdiction to be invalid, we the People indicate our strong desire that: (i) the City Council use its best efforts to sustain and reenact that portion, and (ii) the City Council implement this Proposition by taking all steps possible to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express and implied intent of this Proposition, and then adopting or reenacting such portion as necessary or desirable to permit the planning and development of the Project.

C. This Proposition must be broadly construed in order to achieve the purposes stated in this Proposition. It is the intent of the voters that the provisions of this Proposition be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Proposition.

SECTION 8: The Mayor will sign this Ordinance and the City Clerk will attest and certify to the passage and adoption of this Ordinance if a majority of the voters voting in the City’s general election on April 10, 2018 approve the proposition asking whether the voters approve this Ordinance.

SECTION 9: Pursuant to Revenue and Taxation Code § 7265, this Ordinance will become operative on the first day of the first calendar quarter commencing more than 110 days after the adoption of this Ordinance.
PASSED AND ADOPTED this ___ day of ____________, 2017.

______________________________
Suzanne Fuentes, Mayor

ATTEST:

______________________________
Tracy Weaver, City Clerk

APPROVED AS TO FORM:

______________________________
Mark D. Hensley, City Attorney
RESOLUTION NO. ___

A RESOLUTION ADDING A PROPOSITION TO THE BALLOT FOR THE PREVIOUSLY CALLED APRIL 10, 2018 ELECTION PURSUANT TO ELECTIONS CODE § 9222.

The City Council of the city of El Segundo resolves as follows:

SECTION 1: Pursuant to Elections Code § 9222, the City Council places an ordinance on the ballot for the general municipal election scheduled for Tuesday, April 10, 2018 as previously established and implemented by City Council Resolution Numbers ______, ________, and ________ adopted on ______________.

SECTION 2: A copy of the ordinance to be considered by the voters is attached as Exhibit “A,” and incorporated by reference, and is approved by the City Council through adoption of this Resolution. The ballot measure will be designated as Measure A on the ballots, unless it must be otherwise designated to accommodate the consolidation of the City’s election with other elections.

SECTION 3: Pursuant to Elections Code §§ 9222 and 13119 the exact form of the question to be voted on at the election as it should appear on the ballot is as follows:

| SHALL THE MEASURE AUTHORIZING A THREE-QUARTER CENT TRANSACTIONS AND USE TAX (SALES TAX), WHICH SHALL BE IMPOSED BY THE CITY WHEN A COUNTY SALES TAX MEASURE HAS QUALIFIED FOR A BALLOT AND MAY CONTINUE TO BE IMPOSED ONLY IF IT RECEIVES VOTER APPROVAL, TO FUND GENERAL MUNICIPAL SERVICES, FOR EXAMPLE, POLICE AND FIRE SERVICES, SENIOR CITIZEN SERVICES, RECREATION SERVICES AND STREET MAINTENANCE” BE ADOPTED (GENERATES APPROXIMATELY $9 MILLION ANNUALLY IN PERPETUITY) ? | Yes ☐ | No ☐ |

SECTION 4: In accordance with Government Code § 53724 and Revenue and Tax Code § 7285.9, this Resolution must be adopted upon a two-thirds (2/3) vote and will become effective immediately upon adoption.
PASSED AND ADOPTED this ___ day of ______________, 2017.

________________________________________
Mayor

Approved as to form:

________________________
Mark D. Hensley, City Attorney
ORDINANCE NO. xx

PROPOSITION AUTHORIZING IMPOSITION OF A THREE-FIFTHS CENT TRANSACTIONS AND USE TAX (SALES TAX) TO FUND GENERAL MUNICIPAL SERVICES, INCLUDING, WITHOUT LIMITATION, POLICE AND FIRE SERVICES, RAPID RESPONSE TO EMERGENCIES, SERVICES TO SENIOR CITIZENS, RECREATION SERVICES AND MAINTENANCE AND REPAIR OF CITY STREETS AND LANDSCAPING TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION.

The people of the city of El Segundo do ordain as follows:

SECTION 1: A new Chapter 3-7 is added to Title 3 of the El Segundo Municipal Code ("ESMC") to read as follows:

"Chapter 7. Transactions and Use Tax

3-7-010: TITLE. This Chapter is entitled the "El Segundo Transactions and Use Tax." The term "City," as used within this Chapter, is the city of El Segundo. This Chapter is applicable in the incorporated territory of the City.

3-7-020: OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this Chapter, the date of such adoption being as set forth below.

3-7-030: PURPOSE. This Chapter is adopted to achieve the following, among other purposes, and directs that its provisions be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 of the Revenue and Taxation Code which authorizes the City to adopt this Chapter which becomes operative if a majority of the electors voting on the ballot measure approving the Chapter vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt retail transactions and use tax regulations that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
C. To adopt retail transactions and use tax regulations that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

3-7-040: CONTRACT WITH STATE. Before the operative date, the City must contract with the State Board of Equalization to perform all functions incident to the administration and operation of this Chapter; provided, that if the City has not contracted with the State Board of Equalization before the operative date, it must nevertheless so contract and in such a case the operative date is the first day of the first calendar quarter following the execution of such a contract.

3-7-050: TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a transaction tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 0.75% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

3-7-060: PLACE OF SALE. For the purposes of this Chapter, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated is determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

3-7-070: USE TAX RATE. A use tax is imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of 0.75% of the sales price of the property. The sales price includes delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.
3-7-080: **ADOPTION OF PROVISIONS OF STATE LAW.** Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are adopted and made a part of this Chapter as though fully set forth.

3-7-090: **LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES.** In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City will be substituted. However, the substitution is not made when:

1. The word “State” is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Chapter.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

   a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or

   b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word “City” is substituted for the word “State” in the phrase “retailer engaged in business in this State” in Section 6203 and in the definition of that phrase in Section 6203 of the Revenue and Taxation Code.
3-7-100: **PERMIT NOT REQUIRED.** If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit is not required by this Chapter.

3-7-110: **EXEMPTIONS AND EXCLUSIONS.**

A. There is excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City is satisfied:

   a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

   b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to
furnish the property for a fixed price pursuant to a contract entered into before the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease before the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property is deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this Chapter, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into before the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease before the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property is deemed not
to be obligated pursuant to a contract or lease for any period of
time for which any party to the contract or lease has the
unconditional right to terminate the contract or lease upon notice,
whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in
business in the City is not required to collect use tax from the
purchaser of tangible personal property, unless the retailer ships or
delivers the property into the City or participates within the City in
making the sale of the property, including, without limitation,
soliciting or receiving the order, either directly or indirectly, at a
place of business of the retailer in the City or through any
representative, agent, canvasser, solicitor, subsidiary, or person in
the City under the authority of the retailer.

7. "A retailer engaged in business in the City" also includes any
retailer of any of the following: vehicles subject to registration
pursuant to Chapter 1 (commencing with Section 4000) of Division
3 of the Vehicle Code, aircraft licensed in compliance with Section
21411 of the Public Utilities Code, or undocumented vessels
registered under Division 3.5 (commencing with Section 9840) of
the Vehicle Code. That retailer is required to collect use tax from
any purchaser who registers or licenses the vehicle, vessel, or
aircraft at an address in the City.

D. Any person subject to use tax under this Chapter may credit against that
tax any transactions tax or reimbursement for transactions tax paid to a
district imposing, or retailer liable for a transactions tax pursuant to Part
1.6 of Division 2 of the Revenue and Taxation Code with respect to the
sale to the person of the property the storage, use or other consumption of
which is subject to the use tax.

3-7-120: AMENDMENTS. All amendments subsequent to the effective date of
this Chapter to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales
and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of
the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of
Division 2 of the Revenue and Taxation Code, automatically become a part of this
Chapter, provided however, that no such amendment operates so as to affect the rate
of tax imposed by this ordinance.

3-7-130: ENJOINING COLLECTION FORBIDDEN. No injunction or writ of
mandate or other legal or equitable process may issue in any suit, action or proceeding
in any court against the State or the City, or against any officer of the State or the City,
to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the
Revenue and Taxation Code, of any tax or any amount of tax required to be collected.
3-7-140: **AUTOMATIC SUSPENSION, IMPLEMENTATION.** The taxes authorized by this chapter are subject to the following:

A. For purposes of this Section, the term "district" has the meaning set forth in Revenue and Taxation Code § 7252 to the extent such a district may have taxing powers within the City's jurisdiction under applicable law. For example, and without limitation, the County of Los Angeles is a district for purposes of this Section.

B. The City will suspend collection of the taxes authorized by this chapter so long as a district does not place a measure on the ballot seeking voter authorization for a new or increased retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Sections 7285 or 7285.5 of Part 1.7 of Division 2 of the Revenue and Taxation Code.

C. Should a district place a transaction and use tax measure on the ballot as contemplated by Subsection B, then the City will promptly commence collection of the taxes authorized by this chapter.

D. Should a ballot measure contemplated by Subsection C fail to become effective then, notwithstanding any other provision of this chapter, the City will suspend collection of the taxes authorized by this chapter.

E. Nothing in this Section is intended to, nor will it, limit the number of times the City may suspend or implement tax collection authorized by this chapter based upon the actions contemplated in Subsections B through C.

F. Revenue from any taxes collected between the time periods contemplated by Subsections C through C may be retained by the City for general purposes and need not be refunded.

3-7-150: **SUSPENSION OR REDUCTION.** Nothing in this Chapter requires the City Council to collect a tax; the city council may suspend or reduce tax rates imposed by this chapter by resolution after a public hearing.

3-7-160: **CITY COUNCIL AUTHORITY TO AMEND.** Except for amendments that would increase the tax rate, impose the tax on transactions and uses not previously subject to the tax, or be inconsistent with the purposes of this chapter, the City Council may exercise all applicable powers set forth in the Government Code including, without limitation, amending this chapter by ordinance upon three affirmative votes by its members. It may, in additional, adopt by ordinance or resolution such additional regulations that may be necessary to implement the purposes of this chapter.”

**SECTION 2: Environmental Analysis.** This Proposition is exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 2100, et
seq., “CEQA”) and CEQA regulations (14 California Code of Regulations §§ 15000, et seq.) because it establishes rules and procedures to implement government funding mechanisms; does not involve any commitment to a specific project which could result in a potentially significant physical impact on the environment; and constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Resolution does not constitute a “project” that requires environmental review (see specifically 14 CCR § 15378(b)(4-5)).

SECTION 3: Continuity. Repeal of any provision of the El Segundo Municipal Code does 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 4: 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 5: Validity of Previous Code Sections. If this the entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal of the ESMC or other regulation by this Ordinance will be rendered void and cause such ESMC provision or other regulation to remain in full force and effect for all purposes.

SECTION 6: Voter Approval. This Proposition will enact and impose a general tax. Accordingly, it will be submitted to a general election on April 10, 2018 for voter approval. If a majority of voters vote in favor of this Proposition, it will become valid and binding on the date that the City Council certifies the election results. Should the provisions of Government Code §§ 53720 et seq. or California Constitution Article XIIIC be repealed or amended, or interpreted by the courts so that voter approval is not required for enacting this Ordinance, then this Ordinance will take effect as provided for all other City ordinances and may be amended in the same manner as all other City ordinances.

SECTION 7: Miscellaneous.

A. This Proposition must be interpreted so as to be consistent with all federal and state laws, rules, and regulations. If any section, sub-section, sentence, clause, phrase, part, or portion of this Proposition is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this Proposition. The voters declare that this Proposition, and each section, sub-section, sentence, clause, phrase, part, or portion thereof, would have been adopted or passed irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases, part,
or portion is found to be invalid. If any provision of this Proposition is held invalid as applied to any person or circumstance, such invalidity does not affect any application of this Proposition that can be given effect without the invalid application.

B. If any portion of this Proposition is held by a court of competent jurisdiction to be invalid, we the People indicate our strong desire that: (i) the City Council use its best efforts to sustain and reenact that portion, and (ii) the City Council implement this Proposition by taking all steps possible to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express and implied intent of this Proposition, and then adopting or reenacting such portion as necessary or desirable to permit the planning and development of the Project.

C. This Proposition must be broadly construed in order to achieve the purposes stated in this Proposition. It is the intent of the voters that the provisions of this Proposition be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Proposition.

SECTION 8: The Mayor will sign this Ordinance and the City Clerk will attest and certify to the passage and adoption of this Ordinance if a majority of the voters voting in the City’s general election on April 10, 2018 approve the proposition asking whether the voters approve this Ordinance.

SECTION 9: Pursuant to Revenue and Taxation Code § 7265, this Ordinance will become operative on the first day of the first calendar quarter commencing more than 110 days after the adoption of this Ordinance.
PASSED AND ADOPTED this ___ day of ____________, 2017.

Suzanne Fuentes, Mayor

ATTEST:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney
RESOLUTION NO. xx

A RESOLUTION ESTABLISHING REQUIREMENTS FOR BALLOT ARGUMENTS FILED WITH THE CITY CLERK TO BE INCLUDED WITH VOTER INFORMATION FOR A REGULAR MUNICIPAL ELECTION ON APRIL 10, 2018.

THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1. Pursuant to Elections Code § 9281, qualified voters may submit arguments for and against the ballot measure, in addition to rebuttal arguments, for the April 10, 2018, Regular Municipal Election on forms provided by the City Clerk.

SECTION 2. Arguments filed in accordance with this Resolution must comply with the following requirements in accordance with Elections Code §§ 9282, 9283, 9285, and 9286:

A. Arguments must be in writing and not exceed three hundred (300) words except for rebuttal argument which may not exceed two hundred and fifty (250) words;

B. Arguments may be submitted by the City Council; any councilmember authorized to submit an argument by the City Council; any individual voter eligible to vote on the measures; any bona fide association of citizens; or any combination of voters and associations;

C. Arguments must be typewritten in at least a 12 point font;

D. Arguments may not include underlining, italics, asterisks, or other, similar, type of formatting;

E. Arguments must be accompanied by the printed name and signature or printed names and signatures of the person or persons submitting it, or, if submitted on behalf of an organization, the name of the organization and the printed name and signature of at least one of its principal officers.

F. If more than five (5) signatures accompany an argument, only the first five (5) will be printed.

G. Arguments for or against the ballot measure must be received in the City Clerk’s office not later than XXX [88 days before election]. Rebuttal arguments must be received not later than XXX [10 days after initial arguments].
SECTION 3. Pursuant to 52 U.S.C.A. § 10503, the City Clerk will:

A. Translate the ballot arguments into Spanish; and

B. Make translated copies of ballot arguments publicly available.

SECTION 4. This Resolution will remain effective until superseded by a subsequent resolution.

SECTION 5. This Resolution will become effective immediately upon adoption.

PASSED AND ADOPTED this ___ day of _____________, 2017.

Suzanne Fuentes, Mayor

ATTEST:

__________________________________________
Tracy Weaver, City Clerk

APPROVED AS TO FORM:

__________________________________________
Mark D. Hensley, City Attorney
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 the said City is five; that the foregoing resolution, being RESOLUTION NO. ______ was duly passed and adopted by the said City Council, approved and signed by the Mayor of said City, and attested by the City Clerk of said City, all at a regular meeting of the said Council held on the _____ day of ________________, 2017, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTION:

NOT PARTICIPATING:

WITNESS MY HAND THE OFFICIAL SEAL OF SAID CITY this ______ day of ______________, 2017.

Tracy Weaver, City Clerk
Of the City of El Segundo,
California
(SEAL)
RESOLUTION NO. xx

A RESOLUTION DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE PROPOSITION REGARDING XX.

THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1. Pursuant to Elections Code § 9280, the City Clerk is directed to transmit a copy of the ballot measure increasing the sales tax to the City Attorney for an impartial analysis.

SECTION 2. Upon receiving the ballot measure, the City Attorney is directed to prepare an impartial analysis of the proposed ballot measure showing its effect, if any, on existing law and the operation of the measure. Such analysis must not be more than 500 words.

SECTION 3. The impartial analysis must include a statement indicating whether the proposed measure was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the City.

SECTION 4. In the event the entire text of the measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there must be printed immediately below the impartial analysis, in not less than 10 point bold type, the City Clerk should have the following language printed: “The above statement is an impartial analysis of the proposed ballot measure (Resolution Nos. xx). If you desire a copy of the legislation affected by this measure, please call the City Clerk’s office at (310) xxx, and a copy will be mailed at no cost to you.”

SECTION 5. The impartial analysis of the proposed ballot measure must be filed by the date set by the City Clerk for the filing of primary arguments.

SECTION 6. Pursuant to 52 U.S.C.A. § 10503, the City Clerk will:

A. Translate the City Attorney’s analysis into Spanish; and

B. Make copies of the translations of the City Attorney’s analysis publicly available.

SECTION 4. This Resolution will remain effective until superseded by a subsequent resolution.

SECTION 5. This Resolution will become effective immediately upon adoption.
PASSED AND ADOPTED this ___ day of ______________, 2017.

ATTEST:                                                                                       Suzanne Fuentes, Mayor

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney
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 the said City is five; that the foregoing resolution, being RESOLUTION NO. ______ was duly passed and adopted by the said City Council, approved and signed by the Mayor of said City, and attested by the City Clerk of said City, all at a regular meeting of the said Council held on the _____ day of ______________, 2017, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTION:

NOT PARTICIPATING:

WITNESS MY HAND THE OFFICIAL SEAL OF SAID CITY this _____ day of ______________, 2017.

Tracy Weaver, City Clerk
Of the City of El Segundo,
California
(SEAL)
AGENDA DESCRIPTION:
Consideration and possible action regarding placing a ballot measure on the April 10, 2018 election that would, if passed, impose a 3/4 cent sales tax on the sale of taxable goods within the City and on residents purchasing vehicles, vessels or aircraft inside or outside of the City. The tax is proposed to be implemented based upon whether another County sales tax is put on the ballot and passes. (Fiscal Impact: $0 for FY 2017-18 & $9,000,000 annually once implemented)

RECOMMENDED COUNCIL ACTION:
1. Adopt the resolutions necessary to place the sales tax ballot measure on the April 10, 2018 election;
2. Adopt a resolution setting forth the requirements for ballot arguments relating to ballot measures placed on the April 10, 2018 election;
3. Authorize the Council or Council Members to be the authors of a ballot argument in favor of the ballot measure (optional);
4. Adopt a resolution directing the City Attorney to draft an impartial analysis of the sales tax ballot measure (optional); and/or,
5. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
A. Draft Ordinance
B. Three Draft Resolutions.

FISCAL IMPACT: Approximately $9 million in annual revenue during the period that the sales tax is implemented.

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Appropriation:</td>
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<td>Account Number(s):</td>
<td>001-300-0000-3201</td>
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STRATEGIC PLAN:

<table>
<thead>
<tr>
<th>Goal:</th>
<th>5(b)</th>
<th>Champion Economic Development and Fiscal Sustainability: El Segundo approaches its work in a financially disciplined and responsible way</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective:</td>
<td>2</td>
<td>The City will maintain a stable, efficient, and transparent financial environment</td>
</tr>
</tbody>
</table>

ORIGINATED BY: Mark Hensley, City Attorney
REVIEWED BY: Joseph Lillio, Director of Finance
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND:
Sales Tax Ballot Measure

During the Strategic Planning process and at recent Council Meetings, the Council inquired about and directed staff to prepare the documents necessary for the Council to potentially take action to place a ¾ cent sales tax on the ballot. Under state law these are referred to as Transaction and Use Taxes ("sales tax"). Currently, state law caps sales tax within each County at 10.25%. The current sales tax rate in El Segundo, in Los Angeles cities that have not imposed their own sales tax, and in unincorporated portions of Los Angeles County is 9.5%. Thus, the City has the ability to impose its own .75% sales tax and remain within the 10.25% cap.

Members of the Council have expressed their concerns and believe that the County will seek to impose in the near future additional sales tax ballot measures which will curtail the City’s ability to impose its own sales tax, and divert money to the County rather than put the revenues into the City’s coffers. It is anticipated that the City will within approximately two years will not be able to balance its budget unless it can significantly cut its expenses and/or increase its revenues. The costs of the City employees’ retirement plan is the cause of the projected budget shortfall.

Based upon direction from the Council, attached are the resolutions necessary to place the sales tax measure on the April ballot. The measure is written such that the while the tax would be approved and in place if it is approved by the voters, that it will be suspended until such time as the County places a sales tax measure on the ballot. If the measure fails then the sales tax will be once again suspended. If the measure passes, then the sales tax will remain in force. The sales tax would generate approximately $9 million annually when it is in force.

The sales tax would be paid by everyone purchasing taxable goods within the City with some limited exceptions set forth in state law which are included in the ballot measure. However with regard to the sale of automobiles, vessels (boats), and aircraft, the sales tax would be paid by residents of the City regardless of whether the purchase is made within or outside of the City’s boundaries.

City’s Financial Forecast

During Fiscal Years (FY) 2016-17 and 2017-18, the City has adopted a balanced budget, while also fully funding the General Fund reserve policy of 18%, fully funding the Economic Uncertainty reserve policy of $2,000,000 and having remaining funds that City Council approved to be used towards achieving policy objectives of serving the community, making infrastructure improvements throughout the City, and strategically making additional payments on City liabilities that result in long-term financial savings to the City.

It is anticipated that the City will begin to experience structural budget deficits beginning in FY 2018-19 and material structural deficits beginning in FY 2019-20 through the late-2030s. The structural budget deficits beginning in FY 2018-19 through FY 2023-24 are anticipated to be:

- Approximately $400,000 in FY 2018-19
- Approximately $1,500,000 in FY 2019-20;
- Approximately $3,300,000 in FY 2020-21;
- Approximately $4,500,000 in FY 2021-22;
- Approximately $5,500,000 in FY 2022-23; and
• Approximately $6,000,000 in FY 2023-24.

Without any changes to the revenue structure, the annual structural budget deficit is anticipated to maintain a level amount around $6,000,000 through the early 2030s and then begin to taper down through the late 2030s. These assumptions do not include much needed capital funding towards aging City infrastructure and facilities improvements, which is currently estimated to be $2,000,000 to $3,000,000 per year. Funding the infrastructure needs coupled with the structural deficit, leaves the City with the requirement to address the long-term fiscal health of the City.

The main driver of the structural deficit is the fact that revenues are anticipated to grow by a modest 1.5% to 2% annually, while expenditures are growing at an annual pace of 2.5%-4%. The higher growth in the expenditure assumption is primarily due to the change in the discount rate (assumed long-term annual rate of return) used to determine the long-term rate of return on public employees’ pensions invested and managed by the California Public Employees’ Retirement System (CalPERS).

In December 2016, the CalPERS Board of Administration (the “Board) approved to lower the CalPERS discount rate assumption. The discount rate was adjusted from 7.5% to 7.0%. This adjustment will be phased in over a three year period. This Board action results in a direct increase of public agency contribution costs beginning in FY 2018-19.

The phase-in of the discount rate change approved by the Board for the next three years is as follows:

<table>
<thead>
<tr>
<th>FY Required Contribution</th>
<th>Discount Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19</td>
<td>7.375%</td>
</tr>
<tr>
<td>2019-20</td>
<td>7.25%</td>
</tr>
<tr>
<td>2020-21</td>
<td>7.00%</td>
</tr>
</tbody>
</table>

Lowering the discount rate means the City’s pension plan for City staff will see an increase in the cost of pension benefits. These increases will result in higher required employer contributions beginning in FY 2018-19 for the City and will steadily increase each year through 2023-24. If at some point in the future the CalPERS Board chooses to lower the discount rate even further, this would have additional negative budgetary impacts on the City that have not been factored into this analysis.

The .75% sales tax will also address the funding of general municipal services currently provided to residents and the local business community. The City residents and business community rightfully have high expectations of the level of service provided by the City. The proposed proposition authorizing a .75% local sales tax would be used to help maintain the exceptional level of municipal services, including, police and fire services, rapid response to emergencies, services to youth and senior citizens, recreation and park programs, recreation facilities, library facilities and services to maintain and repair City streets and other infrastructure.
Thus, the proposal for the City to impose its own .75% sales tax and generate about $9,000,000 annually, will help to address the structural budget deficits that are anticipated in the coming years and enable the City to maintain its current level of excellent service to the community.

**Other Actions**

Before the Council are a few other issues. The Council needs to adopt rules with respect to ballot arguments that are submitted as part of the election. Accordingly, a resolution has been prepared in conformance with state law providing for such rules. The Council can also authorize the Council as a whole or specific Council Members to write the ballot argument in favor of the ballot measure. Finally, the Council can direct the City Attorney’s Office to prepare an impartial analysis of the ballot measure to be included with ballot materials sent to the voters.
AGENDA DESCRIPTION:
Consideration and possible action to (1) receive and file an update on the progress of the Downtown Committee, and (2) to amend Maintenance Agreement #4096 with LandCare USA for ongoing landscape maintenance of the planters in the Downtown El Segundo corridor. (Fiscal Impact: estimated $43,155 in FY17/18; $57,540 annually thereafter)

RECOMMENDED COUNCIL ACTION:
1. Receive and file an update on the progress of the Downtown Committee; and,
2. Authorize the City Manager to execute an amendment in a form approved by the City Attorney to Maintenance Agreement #4096 with LandCare USA for additional work related to ongoing landscape maintenance of Downtown El Segundo area planters; and/or,
3. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Cost Proposal for Recurring Maintenance of Downtown Planters – LandCare USA

FISCAL IMPACT: estimated $43,155 in FY17/18; $57,540 annually thereafter

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>$58,000</th>
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<td>Additional Appropriation:</td>
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</tr>
<tr>
<td>Account Number(s):</td>
<td>001-400-5102-6206 - $43,500 (Parks - Contract Services)</td>
</tr>
<tr>
<td></td>
<td>001-400-5102-5204 - $14,500 (Parks - Operating Supplies)</td>
</tr>
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</table>

STRATEGIC PLAN:

Goal: 5 Champion Economic Development & Fiscal Sustainability
Objective: 1 The City will implement a comprehensive economic development strategy to ensure the City encourages a vibrant business climate that is accessible, user-friendly and welcoming to all resident and visitors.

Goal: 4 Develop Quality Infrastructure & Technology
Objective: 1 El Segundo’s physical infrastructure supports an appealing, safe and effective City

PREPARED BY: Meredith Petit, Recreation and Parks Director  
Barbara Voss, Economic Development Manager
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:
At the July 5, 2017, City Council Meeting, the City Council directed staff to create a committee of individuals to meet and provide recommendations for beautifying Downtown El Segundo. The City Liaison assigned to the committee was Economic Development Manager, Barbara Voss.
The Downtown Committee first met on August 29th. The committee members are: Ken Berkman, Neil Cadman, Brenna Callero, Joseph Casillas, Rob Croxall, Jim Cruz, Cheryl Ebert, Marsha Hansen, Jay Hoeschner, Dale Inghram, Al Keahi, Michael Kreski, Brenda Newman, Paul Samaras, and Eva Sweeney. During that meeting, the committee was asked to identify key actions that they viewed as a priority for improving the downtown area. After the meeting, each member of the committee was asked to rank the identified action items from 1-12, with 1 being the highest priority. The table below shows the average scores and rank for each item.

<table>
<thead>
<tr>
<th>Action Item</th>
<th>Scores</th>
<th>Average</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Install Landscaping</td>
<td>1 1 4 5 5 1 1 1</td>
<td>2.4</td>
<td>1</td>
</tr>
<tr>
<td>Address Hanging Basket Poles</td>
<td>3 4 7 8 3 3 3 9</td>
<td>5.0</td>
<td>2</td>
</tr>
<tr>
<td>Routine Landscape Maintenance</td>
<td>9 2 2 6 7 7 2 7</td>
<td>5.3</td>
<td>3</td>
</tr>
<tr>
<td>Art Installations</td>
<td>4 8 9 4 1 6 10 4</td>
<td>5.8</td>
<td>4</td>
</tr>
<tr>
<td>Improvements to City Hall Plaza</td>
<td>5 7 3 10 2 4 12 3</td>
<td>5.8</td>
<td>4</td>
</tr>
<tr>
<td>New Events</td>
<td>2 9 12 1 6 5 8 6</td>
<td>6.1</td>
<td>6</td>
</tr>
<tr>
<td>Tree Lighting</td>
<td>7 6 8 3 10 8 5 2</td>
<td>6.1</td>
<td>6</td>
</tr>
<tr>
<td>String Lights along Main Street</td>
<td>6 10 10 2 12 2 4 5</td>
<td>6.4</td>
<td>8</td>
</tr>
<tr>
<td>Sidewalk Cleaning</td>
<td>10 3 1 7 8 9 7 8</td>
<td>6.6</td>
<td>9</td>
</tr>
<tr>
<td>Directional Signage</td>
<td>8 11 11 9 4 10 6 10</td>
<td>8.6</td>
<td>10</td>
</tr>
<tr>
<td>Remove and/or Replace Newspaper Kiosks</td>
<td>12 5 5 11 9 12 9 11</td>
<td>9.3</td>
<td>11</td>
</tr>
<tr>
<td>Increase Frequency of Trash Removal</td>
<td>11 12 9 12 11 11 11 12</td>
<td>11.1</td>
<td>12</td>
</tr>
</tbody>
</table>

The committee met again on 11/14. The focus of the meeting was to address the highest priority action item, “Install Landscaping”. Park Maintenance Supervisor Joseph Casillas presented several varieties of plants, trees and shrubs and provided information about drought tolerance and suitability to thrive along Main Street. The committee reviewed the proposed landscape palette and selected plants/trees for installation. The committee selected the items highlighted in yellow below.

<table>
<thead>
<tr>
<th>Plants / Shrubs</th>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Lavender</td>
<td><img src="#" alt="X" /></td>
<td><img src="#" alt="X" /></td>
<td><img src="#" alt="X" /></td>
<td><img src="#" alt="X" /></td>
<td><img src="#" alt="X" /></td>
<td>8</td>
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<tr>
<td>Mexican Sage/Salvia</td>
<td><img src="#" alt="X" /></td>
<td><img src="#" alt="X" /></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
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<tr>
<td>Mexican Feather Grass</td>
<td><img src="#" alt="X" /></td>
<td><img src="#" alt="X" /></td>
<td><img src="#" alt="X" /></td>
<td><img src="#" alt="X" /></td>
<td><img src="#" alt="X" /></td>
<td>7</td>
</tr>
<tr>
<td>Juncus</td>
<td><img src="#" alt="X" /></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Westringia</td>
<td><img src="#" alt="X" /></td>
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<tr>
<td>White Iceberg Rose</td>
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<tr>
<td>Red Drift Groundcover Rose</td>
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<tr>
<td>Natal Plum</td>
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<tr>
<td>Cuphea</td>
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<td></td>
<td></td>
<td></td>
<td>1</td>
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<tr>
<td>Day Lily</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Blue Girl Holly</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>New Zealand Flax</td>
<td><img src="#" alt="X" /></td>
<td><img src="#" alt="X" /></td>
<td><img src="#" alt="X" /></td>
<td></td>
<td></td>
<td>5</td>
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<tr>
<td>Blue Chalk Sticks</td>
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<td><img src="#" alt="X" /></td>
<td></td>
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<td>2</td>
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<tr>
<td>Gazania</td>
<td></td>
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<td></td>
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<tr>
<td>Trailing Lantana</td>
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</tr>
<tr>
<td>Trees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crepe Myrtle</td>
<td><img src="#" alt="X" /></td>
<td><img src="#" alt="X" /></td>
<td><img src="#" alt="X" /></td>
<td><img src="#" alt="X" /></td>
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<td>7</td>
</tr>
<tr>
<td>Marina Strawberry Tree</td>
<td><img src="#" alt="X" /></td>
<td><img src="#" alt="X" /></td>
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<td><img src="#" alt="X" /></td>
<td><img src="#" alt="X" /></td>
<td>7</td>
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</tbody>
</table>
Anticipating future landscaping improvements, staff recommended and Council approved $58,000 in the FY17/18 budget to be earmarked for ongoing maintenance services for the Downtown area planters. These funds have been placed in a Non-Departmental line item and if approved, will be reallocated to the Parks Division for the purposes of landscape improvements and maintenance.

Staff recommends that ongoing maintenance be provided by the existing landscape maintenance contractor, LandCare USA, who quoted the work at $57,540 per year, which includes one worker Monday through Friday from 6:00am to 2:30pm. The area of work includes Main Street from El Segundo Blvd. to Mariposa Ave, Richmond Street from El Segundo Blvd. to Holly Ave., and Grand Ave. from Eucalyptus Drive to Concord Street, as well as the parking lot planters on Franklin & Richmond Streets.

City Staff will be purchasing and installing new plant material as selected by the Downtown Committee in the coming weeks. It is anticipated that the maintenance will begin in early 2018, thereby requiring about 75% of the annual allocation, or $43,500. The remaining 25% of the budgeted amount, or $14,500, will be used to purchase the plants and trees.

The next Downtown Committee meeting will meet on January 9, 2018. Agenda items and updates will include:

- Parklets: Researching design and cost to install a prototype deck for outside dining.
- Landscape Palette: Palette has been selected. Joseph Casillas is finalizing design, tree, and plant availability and budget.
- Hanging Basket Poles: The committee is investigating the feasibility of adding lampshades to hanging basket poles. The committee continues to explore other options.
- String Lights: Public Works is investigating wiring conditions for installing string lights. Jay Hoeshler is researching various types of lights.
- Uplight Electrical: Public Works is investigating wiring conditions for uplighting.
- Existing Conditions Survey: Survey is underway.
- Sidewalk Cleaning: Committee is gathering estimates for enhanced sidewalk cleaning, including gum removal.
LANDSCAPE MANAGEMENT AGREEMENT

THIS AGREEMENT is entered into December 12, 2017, by and between LandCare USA, a California general partnership, located at 5151 Shoreham Drive, San Diego, CA 92122, hereafter referred to as the “Contractor”, and El Segundo, City of, the Owner or designated Owner's Representative, hereinafter referred to as “Owner”.

The parties wish to enter into an agreement to define the terms and conditions under which Contractor will provide landscape maintenance services to Owner.

The parties hereby agree as follows:

1) **Services.** The Contractor agrees to perform the landscape management services noted on the “Landscape Management Annual Schedule” in accordance with the “Specifications” both of which are attached to and incorporated into this Agreement, for the property of the Owner, located at City of El Segundo, 350 Main StreetContact: Joseph Casillas, El Segundo, CA 90245, (hereinafter referred to as the “Property”).

2) **Start Date.** This Agreement shall commence on **January 01, 2018**, and shall renew annually subject to price adjustments (paragraph 3.C. below) on the anniversary date of the Agreement unless terminated by either party by providing thirty (30) days written notice prior to the end of the then current term.

3) **Consideration/Payment/Price Adjustments.**
   A. In consideration for the Contractor’s performance for services described in the “Landscape Management Annual Schedule”, Owner agrees to pay Contractor a monthly amount of $4,795.00 which is equal to $57,540.00 annually.
   
   B. Invoices will be sent on or about the 1st day of each month for current month's services and payment shall be due upon receipt. A late charge of 1.5% per month shall be charged on all amounts 30 days past due and a $20.00 fee will apply to any returned check.
   
   C. Approximately sixty (60) days prior to each annual renewal, Contractor may send Owner notification of renewal and a price adjustment. If the Owner does not object in writing within 30 days of the date of the notification of price adjustment, then the renewal of this Agreement shall include the price adjustment. If the Owner objects to the notification of price adjustment in writing within 30 days of the date of notice then Contractor has the option to either (i) renew the Agreement without the price adjustment or (ii) terminate the Agreement.

4) **Additional Services.** Services performed and/or materials delivered, which are not specifically described herein, or changes in the size or physical condition of the Property will be deemed ‘Additional Services’. Additional services will be billed separately and all payments are due upon receipt. The performance of, and the payment for Additional Services are subject to all the terms and conditions of this Agreement.

5) **Materials, Supplies, and Equipment.** Contractor will furnish all materials, labor, supplies, and equipment necessary to perform the services specified.

6) **Venue and Attorney’s Fees.** This Agreement shall be governed by the laws of the State of California with venue in the same county where Contractor’s service location is based. In the event of suit or action commenced to enforce the terms of the Agreement, the prevailing party shall be entitled to reimbursement of its reasonable expenses, attorney’s fees and costs, including appeals.

7) **Minor Repairs.** Contractor is authorized to perform up to $200.00 worth of repairs not covered by this Agreement without prior approval of Owner.

8) **Liability.** Contractor is an independent contractor and the Owner assumes no liability for injury to the
Contractor or the Contractor's agents or employees, unless such injury is caused by the Owner, the Owner's agents, servants, or employees. It is further understood that the Contractor is not liable for any damage of any kind whatsoever that is not caused by the Contractor, its agents, or employees and Contractor shall not be responsible for any damages other than direct damages. This exclusion includes, without limitation, incidental, consequential, special and punitive damages.

9) **Insurance.** Contractor agrees to carry worker's compensation, comprehensive general liability, and automobile insurance in an amount not less than $1,000,000 in the aggregate.

10) **Notification of Deficient Work.** If Owner believes Contractor is providing deficient work, Owner agrees to notify Contractor of deficiencies, in writing, within 10 days of said occurrence. If written notice is not received by Contractor within 10 days Owner knew or should have known of the deficiencies, Owner is deemed to have waived any and all claims to recover past payments and/or rights to withhold present or future payments due under this Agreement. Upon a notification of deficient work, Contractor agrees to rectify such deficiencies within 14 days to the extent commercially reasonable. If the Contractor corrects the deficiencies in accordance with the schedule, it shall not forfeit any amounts due under this Agreement.

11) **Early Termination.** Either party may terminate this Agreement by giving 30 days written notice to the other party. Contractor may also immediately cease performance or terminate this Agreement if Owner refuses or fails to pay Contractor according to the terms of this Agreement.

12) **Assignment.** Neither party may assign this Agreement without the other’s written consent and then only after thirty (30) days prior written notice. Should Owner assign this Agreement to a new Owner or entity, Contractor may require (i) approval of the credit worthiness of the new Owner and (ii) written assumption by the new Owner of all terms of this Agreement. Contractor may subcontract any portion of this Agreement to a qualified third party.

13) **Notices.** Notice to Contractor shall be sufficient if made or addressed to 12822 Yukon Avenue Hawthorne, CA 90250 and to Owner at the principal place of business stated herein.

14) **Complete Agreement.** This Agreement constitutes the entire Agreement of the parties. Both parties have read this Agreement and fully understand its contents.

**LANDCARE USA**

**Owner**

By: ____________________________
Name: ____________________________
Title: ____________________________
Date: ____________________________

This Agreement is valid only if accepted and executed by the Customer and/or Property Owner within thirty (30) days of the date first submitted or, if later than thirty (30) days, revalidated by LandCare.

**LandCare Account Manager Information**

Name: Rigoberto Barajas
Email: rigoberto.barajas@landcare.com
Mobile: 310-863-8336

**Primary Contact Information**

Primary Contact: Christopher Hentzen
Primary Phone: ____________________________
Primary Email: ____________________________

**Billing Contact Information**

Billing Contact: Joseph Casillas
Billing Phone: 310-524-2716
Billing Email: jcasillas@elsegundo.org

LandCare
12822 Yukon Avenue Hawthorne, CA 90250
310-671-9585 License # 970508
December 12, 2017
City of El Segundo

LANDSCAPE MANAGEMENT ANNUAL SCHEDULE

SERVICES
1 Man Monday-Friday 6:00AM to 2:30PM- Services located on
Main Street from El Segundo Blvd to Mariposa Avenue.
Grand Avenue from Eucalyptus Drive to Concord Street.
Richmond Street from Holly Avenue to El Segundo Blvd.
Parking lot planters on Franklin/Richmond

<p>| | |</p>
<table>
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<tr>
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<tbody>
<tr>
<td>SUBTOTAL</td>
<td>$57,540.00</td>
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<td>SALES TAX</td>
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<td>TOTAL</td>
<td>$57,540.00</td>
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OPTIONAL SERVICES
SPECIFICATIONS

1.0 Turf Management
   A. Lawn Mowing
      i. For all turf areas, LandCare (LC) will inspect and police the grounds for litter and debris prior to each mowing and dispose of it.

      ii. Turf will be mowed one time per week during active growing periods, and as often as required during slow periods of growth to maintain a neat and manicured appearance, weather permitting.

      iii. Mowing height for all irrigated lawn areas will be in accordance with best horticultural practices for a finished cut height (typically, for most species, no less than 1½” and no more than 2½”) unless otherwise requested. Turf will be cut at a uniform height. Mowing equipment will be kept sufficiently sharp and properly adjusted through daily servicing to provide a cleanly cut grass blade. Grass blade bruising, tearing, and shredding are to be prevented. Mowing pattern will be varied where possible to reduce rutting and compaction of grade. Any excess clippings will be dispersed and/or collected to prevent damage and unsightly appearance of lawns.

   B. Edging & String Trimming
      i. All sidewalks curb lines, concrete slabs, tree circles, and bed edges will be edged as often as necessary to maintain a neat and manicured appearance. String trimming will be performed around all trees, shrubs road signs, guard posts, utility poles, and other obstacles.

   C. Cleaning of Walks
      i. At the conclusion of each visit, walks adjacent to work areas will be blown clean.

2.0 Shrub & Bed Maintenance
   A. Policing & Grooming
      i. Landscaped areas will be patrolled throughout the growing season for weeds, litter, and debris. Particular attention will be paid to entryways, focal points, and high traffic areas.

      ii. Planter beds will be groomed to promote an attractive and fresh appearance.

   B. Edging & String Trimming
      i. Complete trimming, edging, and weeding of all shrub and ground cover areas will be done on a cyclical basis.

   C. Pruning
      i. Major pruning will be done following flowering or during plant’s dormant season.

      ii. Shrubbery and hedges will be pruned at established “maintenance” height.

      iii. Groundcover will be pruned as required to “contain” perimeter growth to within bed areas where adjacent to walks, curbs, and structures. Mature groundcover will be maintained at a consistent appearance with a beveled or rolled edge at hard surfaces.

LandCare
12822 Yukon Avenue Hawthorne, CA 90250
310-671-9585 License # 970508
iv. Shearing of plants will occur only where previous practice has been to shear, or as directed.

v. Removal of leaves and debris from lawns, planter beds, and walkways will be completed throughout the year as needed to maintain a clean appearance.

3.0 Arbor Care & Pruning

A. Skirting
   i. Trees will be “skirted” as needed to allow for pedestrian and vehicle clearance.

   ii. Lower branches of trees will be removed when in conflict with the growth of plantings beneath.

B. Pruning
   i. Pruning is limited to work that can be contained from the ground.

   ii. On trees that are over 12’, only low hanging branches that are considered a hazard to pedestrians or vehicles will be pruned as part of this agreement.

   iii. Trees less than 12’ total height will be pruned to remove weak, dead, damaged, and diseased portions of the tree for natural growth development.

   iv. Cuts will be flush and clean, leaving no stubs or tearing of bark. Major pruning will be done following flowering or during plant’s dormant season.

C. Staking & Guying
   i. Staked or guyed trees shall be monitored.

   ii. Supports will be removed or loosened when appropriate to prevent girdling of the trunk and encourage root development for support.

4.0 Fertilization

A. LC will provide all labor and materials to fertilize lawn, shrubs, and ground cover to maintain proper nutrient levels and provide a consistent, healthy appearance.

B. Turf, shrub, and ground cover areas will be fertilized with specially formulated products including well balanced, slow-release fertilizers.

C. Fertilizer product will be selected based on plant type and season.

5.0 Environmental Weed & Pest Control Program

A. Handling
   i. All applications of herbicides or pesticides will be performed under the direction of a licensed pest control applicator and in accordance with the laws of the state.

   ii. All safety precautions will be taken in the handling and application of chemicals as stated on manufacturer’s labels.

B. Weeds
i. Broadleaf turf weeds will be treated as needed in the spring and fall with applicable materials.

ii. Weeds in shrub, planter beds, ground cover areas, tree circles, parking lots and sidewalk cracks adjacent to landscaped areas will be controlled by a manual weeding program or by the use of selective herbicides, including pre-emergent herbicides.

C. Pests
i. Planting areas will be monitored for insect and disease infestations. Moles, field mice, ground squirrels, gophers, and other rodent activity will be monitored. Notification of problems and recommendations for timely appropriate, control measures will be made.

ii. Safety Data Sheets (SDS) for all chemicals used on site will be available from LC to clients in accordance with EPA and OSHA regulations.

iii. LC will comply, at all times with requirements for hazardous communications programs. Pest control specialists are trained and supervised in the safe application, storage, and disposal of chemicals in accordance with EPA, OSHA, and DPR regulations.

6.0 Irrigation Equipment & Operation
A. Scheduling
i. Irrigation controllers will be scheduled to maximize existing system efficiency and will be set for night and/or early mornings unless instructed otherwise by Owner.

ii. Controller programs will be adjusted as determined by weather and plant requirements and will be shut off during periods of rain.

B. Cleaning and Monitoring
i. Sprinklers will be cleaned and adjusted to provide the best coverage possible from your existing system.

ii. Each zone will be turned on and monitored for leaks or malfunctioning parts and adjusted for proper spray arc and maximum system efficiency.

C. Inspection and Repairs
i. Damage or vandalism caused by others shall be reported to owner promptly.

ii. Repair and/or replacement of any damaged or malfunctioning components beyond LC control will be submitted as an extra.

iii. Damage caused to the irrigation system by LC shall be repaired immediately and at no charge.

7.0 General Conditions
A. Owner is responsible for all costs associated to water.

B. LC will provide uniformed staff supervised by fully trained Supervisors and Production Managers.

C. Mobile communications are in use during regular business hours and emergency after-hours communication is available.
D. LC provides all payment of wages, workers' compensation insurance, social security tax, employment compensation tax, employer's liability insurance, and all other requirements of federal, state, and local government.

E. Licenses and proof of insurance are available on request. California Contractor License: C-27 License - 970508

F. Inspection of site(s) will be made regularly and problems, if found, will be discussed by LC with the Owner.

G. Written, comprehensive inspection reports will be provided, upon request.

H. Organic debris collected by LC is removed from site and recycled and/or composted.

8.0 Work Performed at an Additional Fee

A. Extra work will be agreed upon by both parties in advance of work.

B. Irrigation repairs and replacement of heads, valves, controllers, wires, mainlines and lateral lines not specifically included in the landscape management annual schedule. Any work under hardscape will be repaired as an extra charge using time and material rates.

C. Trimming of trees over 12' in total height.

D. Treatment for rodents, snails, diseases, or pests on lawns, trees & shrubs, except as specified, or requiring any overhead application.

E. Any unforeseen pest invasion requiring control above and beyond normal horticultural practices.

F. Parking lot maintenance (parking lot sweeping, leaf pickup, litter pickup).

G. Aeration, scalping, or renovation of lawn areas.

H. Correcting pre-existing conditions such as dead or dying plant material requiring remedial work.

I. Cleaning and/or repairing from acts of vandalism, natural disorders, or acts of God.

J. Materials such as mulch or annual or perennial color.
AGENDA DESCRIPTION:
Consideration and possible action for the Council to potentially report out of closed session its tentative decision regarding an amendment to the City Attorney’s (Hensley Law Group’s) contract to increase billing rates and publicly take action.

RECOMMENDED COUNCIL ACTION:
1. Council to potentially report out of closed session its tentative decision regarding a potential amendment to the City Attorney’s (Hensley Law Group’s) contract to increase billing and publicly take action; and/or
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Hensley Law Group Contract

FISCAL IMPACT: To be reported.

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

STRATEGIC PLAN:
Goal: N/A
Objective: N/A

APPROVED BY: Greg Carpenter, City Manager

BACKGROUND:

The City entered into a contract with the Hensley Law Group in April 2014 for City Attorney Services. The Contract provides for a $6,400 a month retainer for one day of offices hours per week and attendance at up to four Council Meeting per week. The Assistant City Attorney and City Attorney rates are $160 and $165 per hour respectively. Associates are billed out at $170 per hour and partner at $170 per hour. Developer reimbursed work is billed at $150 to $265 per hour depending on the attorney’s years of experience.

These rates have not been changed since December 2008 when the City Attorney was with his former firm Jenkins and Hogin. The Council met in closed session on December 5 and again at this meeting to discuss potentially increasing the above listed hourly rates. The Council may report out of closed session a tentative understanding re an amendment to these rates and approve new rates.
AGREEMENT FOR CITY ATTORNEY SERVICES

TIDS AGREEMENT, made and entered into by and between the CITY OF EL SEGUNDO, a General Law City (hereinafter "City") and the Hensley Law Group (hereinafter "HLG") and shall be effective as of May 1, 2014. In consideration of the mutual covenants and agreements set forth herein the parties agree as follow:

SECTION 1. RECITALS. This Agreement is made and entered into with respect to the following facts:

A. City desires to engage the services of HLG to serve as the City Attorney for City and to perform all legal services which are needed by the City; and

B. It is the desire of the parties hereto to formalize, by means of this Agreement, their relationship pertaining to the performance of such legal services; and

C. HLG has agreed to provide such legal services, in the time, manner and for the compensation, as hereinafter set forth; and

D. That City Council of City has determined that the public interest, convenience and necessity require the execution of this Agreement.

SECTION 2. LEGAL SERVICES. HLG shall perform the legal services necessary to serve the City, which shall include, but are not limited, to the following:

A. The designated City Attorney or the designated Assistant City Attorney shall attend all meetings of the City Council unless excused by the City Council or, as appropriate, the City Manager; and

B. Provide legal counsel at such other meetings of boards, joint powers authorities, commissions and committees of the City as directed by the City Council or City Manager; and

C. Provide legal advice and opinions on all matters affecting the City when requested by the City Council, the City Manager, or a Department Head (as approved by the City Manager), and

D. Prepare and approve as to legal form all resolutions, ordinances, contracts, agreements and other legal documents; and

E. Undertake civil and criminal prosecution of violations of City ordinances; and

F. Represent the City in administrative proceedings and civil litigation to which the City is a party; and
G. Provide legal advice and opinions on all financial matters affecting the City when requested by the City Council, the City Manager, or a Department Head.

HLG shall not be required to perform the services described above where to do so would be a conflict of interest pursuant to the State Bar Act. When requested by the City Manager, HLG shall provide City with an estimate of the costs of litigation or other services to be provided. The City Council shall retain the right to direct that attorneys other than HLG perform legal work for the City.

SECTION 3. DESIGNATION OF CITY ATTORNEY. MARK D. HENSLEY of HLG shall be appointed City Attorney of City, and Karl H. Berger shall be appointed as Assistant City Attorney of City. Such appointees shall serve at the pleasure of the City Council of City and may be changed by Council action without amending this Agreement. Such appointees shall have the authority vested in city attorneys by the applicable laws of the State of California. The designated City Attorney shall be responsible for performing or causing to be performed the work described in Section 2 of this Agreement. In the event that the designated City Attorney and/or the designated Assistant City Attorney are incapacitated or otherwise unable to perform their duties, the City Manager shall designate an acting City Attorney or Assistant City Attorney as appropriate, subject to the later confirmation of the City Council.

SECTION 4. COMPENSATION. HLG shall be compensated by City for the performance of such services as follows:

A. Basic Retainer. HLG shall be compensated for the performance of basic retainer services pursuant to this Agreement in the amount of Six Thousand Four Hundred Dollars ($6,400.00) per calendar month commencing as of the effective date of this Agreement. Basic retainer services for the purposes of this Agreement shall be deemed to be: Attendance at up to Four (4) City Council meetings per month, of whatever length, and office hours of Eight (8) hours per week in the City Hall.

B. Additional Services. HLG shall be compensated for additional services in accordance with the following:

1. Performance of Services by Designated City Attorney and Assistant City Attorney.

For all time spent by the designated City Attorney and Assistant City Attorney in excess of the basic retainer rate per calendar month, HLG shall be compensated on an hourly basis of One Hundred Sixty Dollars ($160.00) per hour for all time so spent by the Assistant City Attorney, and One Hundred Sixty Five Dollars ($165.00) per hour for all time so spent by the City Attorney. The hourly rates of the designated City Attorney and Assistant City Attorney, exclusive of the basic retainer services, shall be increased or decreased subject to City Council approval.

2. Legal Services Provided by Attorneys Other Than Designated City Attorney and Assistant City Attorney.

HLG shall be compensated for the performance of legal services by attorneys other than the designated City Attorney and Assistant City Attorney at the hourly rate of $170.00 for associates and $195.00 for partners.

3. Legal Services for which the City's Receives Reimbursement.

To the extent HLG provide legal services for the City for which the City receives reimbursement from third parties (for example, preparation of development agreements), HLG shall be compensated for associates based upon their years of experience
($150 per hours for first year associates, $160 per hour for second year associates, and continuing on at $10 per hour increments through associates with 7 or more years of experience at the rate of $220 per hour) and partners at the rate of $265 per hour.

4. Expenses.

HLG shall be entitled to reimbursement for all reasonable and necessary expenses incurred by it in the performance of legal services hereto, provided that the same are first approved by the City Manager. Reimbursable expenses to which HLG shall be entitled shall include: extraordinary duplication costs; and messenger service. Expert witnesses and other expert costs shall be approved prior to engagement by the City Manager.

A. Payment for Services.

HLG shall submit monthly statements to the City Manager for all services provided and costs incurred pursuant to the terms of this Agreement. Said statements shall clearly set forth by date the type of work performed, the time spent on a task and the attorney performing the task. The City Attorney shall meet with the City Manager monthly to review the statements. Payment to HLG shall be made by City within thirty (30) days of receipt of the statement, except for those specific items on the billing which are contested or questioned and returned by City with an explanation within thirty (30) days of receipt of the statement. HLG shall provide to City a written response to any statement contested or questioned and further, upon request of City, provide City with any and all documents related to the service or costs. No charge shall be made for time expended in meeting or providing this information to the City, nor for time expended preparing the statements.

SECTION 5. TERM. The term of this Agreement shall commence as of May 1, 2014, and shall continue thereafter unless terminated by either party hereto pursuant to the terms of this Agreement. City may terminate this Agreement at any time, by giving notice in writing prior to termination. HLG may terminate on the giving of thirty (30) days written notice to the City of such termination. HLG will comply with all obligations required of it pursuant to the State Bar Act in connection with a termination and the transition to replacement counsel. HLG shall be compensated for its services rendered through and including the effective date of such termination.

SECTION 6. NOTICES. Notices required pursuant to this Agreement shall be given by personal service upon the party to be notified, or by delivery of same to the custody of the United States Postal Service, or its lawful successor, postage prepared and addressed as follows:

CITY: City of El Segundo 350 Main Street El Segundo, California 90245 Attention: City Manager

HLG: Hensley Law Group 2600 West Olive Avenue, Suite 500 Burbank, California 91505 Attention: Mark D. Hensley, Esq.

Service of a notice by personal service shall be deemed to have been given as of the date of such personal service. Notices given by deposit with the United States Postal Service shall be deemed to have been given two (2) consecutive business days following the deposit of the same in the custody of said Postal Service. Either party may, from time to time, by written notice to the other, designate a different address which shall be substituted for the one above specified.
SECTION 7. INDEMNIFICATION. HLG does hereby agree to hold City, and its elected and appointed officers and officials, employees and other agents free and harmless from any claim, demand or judgment which may arise based upon personal injury or damage to property to a third party arising out of the negligent or intentional misconduct by HLG.

SECTION 8. INSURANCE. Not in derogation of the provisions of Paragraph 7 hereof, HLG does hereby agree to take out and maintain in full force and effect under the terms of this Agreement the following insurance coverage:

A. Such insurance coverage as is required pursuant to the Workers' Compensation Laws of the State of California; and

B. A general commercial liability policy with, coverage of not less than $1,000,000.

C. Professional Liability (errors and omissions) insurance in an amount of not less than $1,000,000.00.

SECTION 9. GENERAL PROVISIONS

A. HLG shall not assign this Agreement, or any of the rights, duties or obligations hereunder. It is understood and acknowledged by the parties that HLG is uniquely qualified to perform the services provided for in this Agreement.

B. HLG is and shall at all times remain as to the City a wholly independent contractor. HLG shall not at any time or in any manner represent that it or any of its officers, employees or agents are in any manner employees of the City. City acknowledges and agrees that the City Attorney, Assistant City Attorney and attorneys representing the City will need to represent to others as officers of the City.

C. In the performance of this Agreement, HLG shall not engage in discrimination in employment of persons because of the age, race, color, sex, national origin or ancestry or religion of such persons.

D. Nothing contained in this Agreement shall be deemed, construed or represented by the City or HLG to any third person to create the relationship of principal or agent, or of a partnership, or of a joint venture, or of any other association of any kind or nature between the City and HLG, including an employer/employee relationship.

E. This Agreement constitutes the entire agreement of the parties concerning the subject matter hereof and all prior agreements or understandings, oral or written, are hereby merged herein. This Agreement shall not be amended in any way except by a writing expressly purporting to be such an amendment, signed and acknowledged by both of the parties hereto.

F. The City Attorney shall meet at least quarterly with the City Manager or the City Council, as requested, to review the performance of this Agreement.

G. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision. No waiver shall be binding, unless executed in writing by the party making the waiver.
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their representatives as follows:

CITY OF EL SEGUNDO, a General Law City

By: [Signature]
Greg Carpenter, City Manager

ATTEST:

[Signature]
Tracy Weaver, City Clerk

HENSLEY LAW GROUP,

By: [Signature]
Mark Hensley
EL SEGUNDO CITY COUNCIL

AGENDA STATEMENT

AGENDA DESCRIPTION:

Consideration and possible action to open the recruitment process for the positions on the Committees, Commissions and Boards ("CCBs") that expires in the year 2018. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:

1. Direct staff to open the recruitment process for the positions on the CCBs, as listed;
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

CCB Listing of the year 2018 vacancies on Committees, Commission and Boards and Background Information

FISCAL IMPACT: Included in Adopted Budget

Amount Budgeted: $ None
Additional Appropriation: N/A
Account Number(s):

ORIGINATED BY: Mishia Jennings, Executive Assistant
REVIEWED BY:
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

Pursuant to Government Code §54972, attached is the Local Appointment List of the positions on Committee, Commissions and Boards that will expire in the year 2018.

Application forms, the anticipated vacancies in the year 2018 and the background information list are posted on the City’s website at www elsegundo org or may be obtained from the Council Office at City Hall or, upon request, will be mailed or emailed to interested persons.

To apply to any CCB, potential candidates should contact City Hall at 310-524-2302, for an application. The deadline for filing applications is 48 hours prior to the posted interview date. Interviews of candidates are set by the City Council when a sufficient number of candidates have applied to a position.
CITY OF EL SEGUNDO
LOCAL APPOINTMENTS LIST
(COMMISSIONS, COMMITTEES, AND BOARDS)
Positions to Open in Year 2018 Posted pursuant to Govt Code § 54972
TO APPLY, CONTACT CITY HALL ADMINISTRATION, 310-524-2302

MAY
RECREATION & PARKS COMMISSION: (4 Yr Term – No Term Limit - All Residents)

Rick Pierce (apptd 6/3/14 to 1st full 4-yr term) 05/30/18

JUNE
ARTS AND CULTURE ADVISORY COMMITTEE: (3 Yr Term – No Term Limit - All Residents)

Eva Sweeney (appt 10/18/16 to partial term) 06/30/18
Brian Mitchell (appt 10/18/16 to partial term) 06/30/18

ENVIRONMENTAL COMMITTEE: (4 Yr Term – No Term Limit – 2 Residents/2 Business Person/1ESUSD)

Kevin Maggay (apptd 7/19/16 to a partial term) 06/30/18

LIBRARY BOARD OF TRUSTEES: (3Yr Term – Max. 2 Term Limit - All Residents)

David Jonta (apptd 8/4/15 to 2nd 3-yr term) 06/30/18

PLANNING COMMISSION: (4 Yr Term – No Term Limitation) (All Residents)

Scot Nichol (apptd 06/17/14 to 1st full 4-yr term) 06/30/18

SENIOR CITIZEN HOUSING CORPORATION BOARD: (4 Yr Term – No Term Limit - All Residents)

Paula Rotolo (re-appt 06/17/14 to 5th full 4-yr term) 06/30/18

TECHNOLOGY COMMITTEE: (4 Yr Term – No Term Limit - All Residents)

David Kroemke (appt 10/18/16 to partial term) 06/30/18
Paul Lanyi (appt 10/18/16 to partial term) 06/30/18

The ECONOMIC DEVELOPMENT ADVISORY COUNCIL does not have term expirations, but from time to time, due to resignations of members, candidates will be asked to apply.

Council Approval: 12/19/17
Posted:
By: M. Jennings

THIS LIST IS TO REMAIN POSTED ALL YEAR -- DO NOT REMOVE
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<td>Expendable Trust Fund - Other</td>
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<td>708</td>
<td>Outside Services Trust</td>
<td>18,141.22</td>
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**Total Warrants**: $773,776.20

**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 as to the accuracy of the Demands 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/urgency 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 consisted 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**

**CITY MANAGER**

**DATE:** 12-12-17
CITY OF EL SEGUNDO  
PAYMENTS BY WIRE TRANSFER  
11/27/17 THROUGH 12/10/17

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<th>Date</th>
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<td>Manufacturers &amp; Traders</td>
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<td>457 payment Vantagepoint</td>
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<td>Weekly claims</td>
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<td>Weekly claims</td>
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<td>Federal 941 Deposit</td>
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<td>State PIT Withholding</td>
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<td>State SDI payment</td>
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<td>Long Term Care Premium</td>
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<td>5,505.47</td>
<td>EFT Retirement Safety-Police-PEPRA New 25021</td>
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<td>11/27/17-12/3/17</td>
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<td>13,586.78</td>
<td>SCRMA checks issued</td>
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<td>Liability Trust - Claims</td>
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<td>11/27/17-12/3/17</td>
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<td>total payments by wire</td>
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DATE OF RATIFICATION: 12/07/17
TOTAL PAYMENTS BY WIRE: 1,117,392.84

Certified as to the accuracy of the wire transfers by:

Deputy City Treasurer II  
[Signature]  
Date  
[Date]

Director of Finance  
[Signature]  
Date  
[Date]

City Manager  
[Signature]  
Date  
[Date]

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.
Item #7

TO BE DELIVERED UNDER SEPARATE COVER

Regular City Council Meeting Minutes of December 5, 2017.

Recommendation - Approval
AGENDA DESCRIPTION:
Consideration and possible action to approve Final Vesting Parcel Map No. 75019, a two (2) lot residential subdivision located at 925 and 929 Sheldon Street.

The project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations § 15303 as a Class 3 exemption for (New Construction), and §15315 as a Class 15 exemption for (Minor Land Divisions). (Fiscal Impact: None.)

RECOMMENDED COUNCIL ACTION:
1. Adopt the proposed resolution, approving a Final Vesting Map No. 75019, and authorizing the Director of Planning and Building Safety and the City Clerk to sign the Map for recordation; and/or
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Final Vesting Parcel Map No. 75019; and
2. Proposed Resolution.

FISCAL IMPACT: N/A

STRATEGIC PLAN:

<table>
<thead>
<tr>
<th>Goal:</th>
<th>N/A</th>
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</thead>
<tbody>
<tr>
<td>Objective:</td>
<td>N/A</td>
</tr>
</tbody>
</table>

ORIGINATED BY: Maria Baldenegro, Assistant Planner
REVIEWED BY: Gregg McClain, Planning Manager
            Sam Lee, Director of Planning and Building Safety
            Lifan Xu, City Engineer
APPROVED BY: Greg Carpenter, City Manager

Background and Discussion

On June 8, 2017, the Planning Commission adopted Resolution No. 2817, approving applications to subdivide a single lot into two, single-family dwelling lots.

The requested Final Vesting Parcel Map conforms with the Tentative Map approved by Planning Commission, and has been reviewed and approved by the Los Angeles County Department of Public Works. City staff has determined that Final Vesting Parcel Map No. 75019 is in substantial conformance with the General Plan and applicable zoning and building ordinances.
Government Code § 66458 states that a Final Map must be reviewed and approved by a jurisdiction's legislative body. The Final Map is now ready for approval by the City Council. City staff prepared the attached, proposed resolution approving the map and recommends the City Council adopt the resolution. If the City Council approves the Final Vesting Tract Map, it will be recorded in the County Recorder's Office.
PARCEL MAP NO. 75019
IN THE CITY OF EL SEGUNDO
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

BEING A SUBDIVISION OF PORTION OF
LOT 10, BLOCK 103, OF EL SEGUNDO,
AS PER MAP RECORDED IN BOOK 20,
PAGES 22 AND 23 OF MAPS, IN THE
OFFICE OF THE COUNTY RECORDER OF
SAID COUNTY.

SUBURBAN'S STATEMENT:
I HEREBY STATE THAT I AM THE SUBURBAN OF THE LANDS INCLUDED WITHIN
THE SUBDIVISION SHOWN ON THIS MAP WITHIN THE DISTINGUISHING BOUND
LINES, AND I CONSENT TO THE PREPARATION AND FILING OF SAID MAP AND
SUBURBAN:

BY: Mike Edwards

RECORD OWNER: JOHN R. EDMONDS AND NANCY EDWIN-EDMONDS TRUSTEE
OF THE JOHN AND NANCY EDMONDS TRUST DATED
DECEMBER 21, 2011

A NOTARY PUBLIC OR OTHER OFFICIAL COMPLETING THIS
CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO
SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED,
AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT
DOCUMENT

STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES )

O N SEPTEMBER 19, 2017, THE HON. MARC TRICIEL CONARD
WHO SWORE TO ME ON THE BIBLE AND THE LAWS OF THE
STATE OF CALIFORNIA AND CONFORMED TO THE
NOTARY'S STATEMENT TO THE NOTARIZED DOCUMENT
AND AUTHORIZED ME TO SIGN MY NAME AS NOTARY PUBLIC.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE
OF CALIFORNIA THAT THIS STATEMENT IS TRUE AND CORRECT.

WITNESS MY HAND AND SEAL.

S EAL

PRINTED NAME: MARC TRICIEL CONARD
MY PRINCIPAL PLACE OF BUSINESS IS IN LOS ANGELES COUNTY
MY COMMISSION NO.: 06-19-8302
MY COMMISSION EXPIRES: June 19, 2019

EASEMENT NOTE:
EASEMENT OF LOS ANGELES TRUST & SAVINGS BANK (INCORPORATED AS LOS
ANGLES TRUST COMPANY) SEPARATELY OF NAME BEEN AUTHORIZED OCTOBER 11, 1910, BY DEED EXECUTED IN CASE NO. 68317, SUPERIOR COURT OF
SAID COUNTY, A CONVEYANCE FOR THE PURPOSE OF MAINTENANCE AND OPERATION OF POLE LINES, CONDUCT AND PIPE LINES FOR THE TRANSMISSION OF ELECTRICAL ENERGY AND INDUSTRIAL PURPOSES, THEREOF, DOCUMENT RECORDED APRIL 3, 1910 IN BOOK 6665, PAGE 39 OF DEEDS.

I HEREBY CERTIFY THAT ALL CERTIFICATES HAVE BEEN FILLED AND DEPOSITS
HAVE BEEN MADE THAT ARE REQUIRED UNDER THE PROVISIONS OF SECTIONS
69442 AND 69443 OF THE SUBDIVISION MAP ACT.

EXECUTIVE OFFICER, BOARD OF SUPERVISORS
OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

BY: DEPUTY

DATE

I HEREBY CERTIFY THAT SECURITY IN THE AMOUNT OF $1
HAS BEEN FILED WITH THE EXECUTIVE OFFICER, BOARD OF SUPERVISORS, OF
THE COUNTY OF LOS ANGELES AS SECURITY FOR THE PAYMENT OF TAXES
ASSessed, INCREASED, COLLECTED, ON TAXES ON THE LAND SHOWN ON
MAP OF PARCEL MAP NO. 75019 AS REQUIRED BY LAW.

EXECUTIVE OFFICER, BOARD OF SUPERVISORS
OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

BY: DEPUTY

DATE

ENGINEER'S STATEMENT:
THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED
UPON A TITLE AND COMPLETE FIELD SURVEY PERFORMED BY ME OR
UNDER MY DIRECTION IN JULY 2017, IN CONFORMITY WITH THE
REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT
THE REQUEST OF CORY FRITZEL, ON JULY 13, 2017.

I HEREBY STATE THAT THIS PARCEL MAP SUBSTANTIALLY CONFORMS TO THE
APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP, IF ANY. THAT ALL
THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS
INDICATED; THAT THE MONUMENTS ARE INGUENT TO ENABLE THE
SURVEY TO BE RETRIED;

CARY J. ROSS, R.C.E. NO. 30506

DATE

BASIS OF BEARINGS:
THE BEARINGS SHOWN HEREIN ARE BASED ON THE BEARING N000100'E
OF THE CENTERLINE OF SHEDON STREET, AS SHOWN ON EL SEGUNDO,
FILED IN BOOK 20, PAGES 22 AND 23, OF MAPS, RECORDS OF LOS ANGELES
COUNTY.

CITY ENGINEER'S CERTIFICATE:
I HEREBY CERTIFY THAT I HAVE EXAMINED THIS MAP; THAT IT CONFORMS
SUBSTANTIALLY TO THE TENTATIVE MAP AND ALL APPROVED ALTERATIONS
THEREOF; THAT ALL PROVISIONS OF THE SUBDIVISION ORDINANCES OF THE
CITY OF EL SEGUNDO APPLICABLE AT THE TIME OF APPROVAL OF THE
TENTATIVE MAP HAVE BEEN COMPLIED WITH; THAT ALL PROVISIONS OF THE
SUBDIVISION MAP ACT SECTION 69442-69443 AND 69445 HAVE BEEN
COMPLIED WITH, AND THAT I AM SATISFIED THAT THIS MAP IS TECHNICALLY
CORRECT WITH RESPECT TO CITY RECORDS.

DATE

CITY ENGINEER, CITY OF EL SEGUNDO

CITY TREASURER'S CERTIFICATE:
I HEREBY CERTIFY THAT ALL SPECIAL ASSESSMENTS LEVED UNDER THE
JURISDICTION OF THE CITY OF EL SEGUNDO, TO WHICH THE LAND
INCLUDED WITHIN THIS SUBDIVISION OR ANY PART THEREOF IS SUBJECT,
AND WHICH MAY BE PAID IN FULL, HAVE BEEN PAID IN FULL.

DATE

CAYA GIBIER
CITY TREASURER, CITY OF EL SEGUNDO

PLANNING COMMISSION'S CERTIFICATE:
I HEREBY CERTIFY THAT THE PLANNING COMMISSION OF THE CITY OF EL
SEGUNDO AT A MEETING HELD ON
APPROVED THE ATTACHED MAP.

DATE

SAM LEE
SECRETARY OF THE PLANNING COMMISSION
CITY OF EL SEGUNDO

CITY CLERK'S STATEMENT:
I HEREBY CERTIFY THAT THE CITY COUNCIL OF THE CITY OF EL SEGUNDO
ADOPTED AT ITS SESSION HELD ON THE
APPROVED THE ANNEXED MAP AND SUBURBAN.

DATE

CITY CLERK OF THE CITY OF EL SEGUNDO

COUNTY SUPERINTENDENT'S CERTIFICATE:
I HEREBY CERTIFY THAT I HAVE EXAMINED THIS MAP; THAT IT COMPLIES
WITH ALL PROVISIONS OF STATE LAW APPLICABLE AT THE TIME OF
APPROVAL OF THE TENTATIVE MAP, AND THAT I AM SATISFIED THAT
MAP IS TECHNICALLY CORRECT IN ALL RESPECTS NOT CERTIFIED BY THE
COUNTY SUPERINTENDENT.

COUNTY SUPERINTENDENT

DATE

FABIAN O. FACHANDO, DEPUTY
L.S. NO. 7274
RESOLUTION NO. _____

A RESOLUTION APPROVING A FINAL VESTING PARCEL MAP NO. 75019 FOR ENVIRONMENTAL ASSESSMENT NO. EA-1187 AND SUBDIVISION NO. 17-02 FOR A TWO LOT RESIDENTIAL SUBDIVISION LOCATED AT 925 AND 929 SHELDON STREET.

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

SECTION 1: The City Council finds and declares that:

A. On April 20, 2017, John Edwards filed an application for Environmental Assessment No. EA-1187 and Subdivision No. SUB 17-02 for Vesting Tentative Parcel Map No. VTPM 75019 to divide a single lot into two separate legal parcels;

B. On June 8, 2017, the Planning Commission adopted Resolution No. 2817 approving Environmental Assessment No. EA-1187 and Subdivision No. SUB 17-02 for Vesting Tentative Parcel Map No. VTPM 75019; and

C. The Final Vesting Parcel Map now requires approval by the City Council.

SECTION 2: Final Map Findings. Based upon the entirety of the record including, without limitation, the staff report, the City Council approves Final Map for the following reasons:

A. The Final Vesting Parcel Map substantially conforms to Vesting Tentative Parcel Map. No. 75019 approved by Planning Commission Resolution No. 2794; and

B. The Final Map conforms to the El Segundo Municipal Code and Subdivision Map Act (Government Code §§ 66410, et seq.).

SECTION 3: Authorization. The Director of Planning and Building Safety and the City Clerk are hereby authorized to sign and record said Map and take any further actions needed to effectuate this Resolution.

SECTION 4: This Resolution will become effective immediately upon adoption and remain effective unless superseded by a subsequent resolution.

SECTION 5: The City Clerk is directed to mail a copy of this Resolution to Mike Edwards and to any other person requesting a copy.

SECTION 6: This Resolution is the City Council’s final decision and will become effective immediately upon adoption.
PASSED, APPROVED AND ADOPTED this 19th day of December, 2017.

ATTEST:

Suzanne Fuentes, Mayor

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 19th day of December, 2017, 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
AGENDA DESCRIPTION:

Consideration and possible action to accept as complete the Lighted Crosswalk Repairs Project on Main Street between El Segundo Boulevard and Pine Avenue, Project No. PW 17-20. (Fiscal Impact: $129,999)

RECOMMENDED COUNCIL ACTION:

1. Accept the work performed by Alfaro Communications Construction, Inc. for the Lighted Crosswalk Repairs Project in the City of El Segundo on Main Street between El Segundo Boulevard and Pine Avenue;

2. Authorize the City Clerk to file a Notice of Completion with the County Recorder’s Office;

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

ATTACHED SUPPORTING DOCUMENTS:

Notice of Completion

FISCAL IMPACT: Included in the adopted budget

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>$130,900 from the Capital Improvement Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Appropriation:</td>
<td>N/A</td>
</tr>
<tr>
<td>Account Number(s):</td>
<td>301-400-8203-8946 (CIP Fund, Main St. Crosswalk Lighting)</td>
</tr>
</tbody>
</table>

STRATEGIC PLAN:

<table>
<thead>
<tr>
<th>Goal:</th>
<th>4</th>
<th>Develop Quality Infrastructure and Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective:</td>
<td>(a)</td>
<td>El Segundo’s physical infrastructure supports an appealing, safe, and effective City</td>
</tr>
</tbody>
</table>

ORIGINATED BY: Floriza Rivera, Principal Engineer

REVIEWED BY: Ken Berkman, Public Works Director

APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

On July 5, 2017, Council awarded a construction contract to Alfaro Communications Construction, Inc. (ACCI) in the amount of $119,000. Construction began November 6, 2017 and was substantially completed on November 20, 2017. Wireless crosswalk lighting systems were installed at four existing mid-block crosswalks on the 100 – 400 blocks of Main Street.
The only project change order included the addition of colored stamped concrete sidewalk around the locations of the new push-button poles to meet current ADA standards. The change order cost resulted in a final contract amount of $129,999.00 (9.24% above the awarded bid amount.)

Staff therefore respectfully recommends that Council accept the work performed by ACCI for Lighted Crosswalk Repairs Project in the City of El Segundo on Main Street between El Segundo Boulevard and Pine Avenue as complete, and authorize the City Clerk to file a Notice of Completion with the County Recorder’s office. The unspent budgeted amount will return to its source, the Capital Improvement Fund, for future use with infrastructure improvements.

**Accounting Summary:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCI contract amount</td>
<td>$119,000.00</td>
</tr>
<tr>
<td>Change Orders</td>
<td>$10,999.00</td>
</tr>
<tr>
<td><strong>Total Construction Cost</strong></td>
<td><strong>$129,999.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Budget</td>
<td>$130,900.00</td>
</tr>
<tr>
<td><strong>Total Construction Cost</strong></td>
<td><strong>$129,999.00</strong></td>
</tr>
<tr>
<td>Remaining Unspent Funds</td>
<td>$901.00</td>
</tr>
</tbody>
</table>
NOTICE OF COMPLETION OF CONSTRUCTION PROJECT

Project Name: Lighted Crosswalk Repairs on Main Street between El Segundo Boulevard and Pine Avenue

Project No.: PW 17-20  Contract No. 5366

Notice is hereby given pursuant to State of California Civil Code Section 3093 et seq that:

1. The undersigned is an officer of the owner of the interest stated below in the property hereinafter described.

2. The full name of the owner is: City of El Segundo

3. The full address of the owner is: City Hall, 350 Main Street, El Segundo, CA, 90245

4. The nature of the interest of the owner is: Public Facilities

5. A work of improvement on the property hereinafter described was field reviewed by the City Engineer on December 1, 2017. The work done was: Lighted Crosswalk Repairs on the 100-400 blocks of Main Street

6. On December 19, 2017, City Council of the City of El Segundo accepted the work of this contract as being complete and directed the recording of this Notice of Completion in the Office of the County Recorder.

7. The name of the Contractor for such work of improvement was: Alfaro Communications Construction, Inc.

8. The property on which said work of improvement was completed is in the City of El Segundo, County of Los Angeles, State of California, and is described as follows: Mid-block crosswalks on Main Street

9. The street address of said property is: Mid-block crosswalks on Main Street between El Segundo Boulevard and Pine Avenue

Dated: ____________________________

Ken Berkman
Public Works Director

VERIFICATION

I, the undersigned, say: I am the Director of Public Works/City Engineer of the City El Segundo, the declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury the foregoing is true and correct.

Executed on ________________, 2017 at El Segundo, California.

______________________________
Ken Berkman
Public Works Director
AGENDA DESCRIPTION:
Consideration and possible action regarding the acceptance of additional grant funding from the U.S. Department of Homeland Security, through the Office of Grants and Training, under Fiscal Year 2015 State Homeland Security Grant Program (SHSGP), to fund the Regional Training Group Intelligence Chief through the end of the grant cycle. (Fiscal Impact: $95,000)

RECOMMENDED COUNCIL ACTION:
1. Authorize the acceptance of $95,000 in grant funds from the SHSGP 2015 grant program.
2. Authorize the City Manager to sign an Agreement with the County of Los Angeles who will serve as the grant administrator for the grant;
3. Alternately, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Sub-recipient Agreement.
2. Modification #2

FISCAL IMPACT: $95,000
Amount Budgeted: $3,440
Additional Appropriation: $95,000
Account Number(s): 124-300-3202-3766 (SHSGP)
                      124-400-3785-6214 (Professional Services)

STRATEGIC PLAN:
Goal: 2 Support Community Safety and Preparedness
Objective: 1 The City is prepared to respond appropriately when called upon with positive outcomes.

ORIGINATED BY: Carol Lynn Anderson, Senior Management Analyst
REVIEWED BY: Christopher Donovan, Fire Chief
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
On January 17, 2017, the City Council approved to receive $3,440 in State Homeland Security Grant Program (SHSGP) funding, which is passed to the local area through Los Angeles County via a Sub-Recipient agreement. The original funding was carved out for the City of El Segundo to provide federal funding to cover expenses associated with Urban Search and Rescue (USAR) equipment. Recently, the County of Los Angeles modified the 2015 HSGP Sub-recipient agreement to provide an additional $95,000 to fund the Regional Training Group Intelligence Chief. Staff recommends the approval of this additional grant funding to support this position.
that integrates with the Regional Training Group and assists with, support, and further
development of the training and response readiness of Los Angeles area fire agencies for incidents
of national significance (Fiscal Impact: $95,000)

In accordance with the City Council Policy regarding grant submissions:

1. The grant award is made by the U.S. Department of Homeland Security, through the
   Office of Grants and Training. The grant is administered by the County of Los Angeles.
2. The total amount being requested is: $95,000
3. Matching Funds Cost-Share: $95,000
4. Source of Matching Funds Cost Share: 2015 HSGP Grant Funds (Contract #5269)
5. The grant does not provide up-front funding. Municipalities submit reimbursement
   requests to the grant administrator after expenditures are made and processed for
   payment. Approved requests are reimbursed by the County of Los Angeles.
State Homeland Security Program
Subrecipient Agreement
Grant Year 2015

Between the
County of Los Angeles
and the
City of El Segundo
SUBRECIPIENT AGREEMENT
BETWEEN THE
COUNTY OF LOS ANGELES
AND THE
CITY OF EL SEGUNDO

THIS AGREEMENT ("Agreement") is made and entered into by and between the County of Los Angeles, a political subdivision of the State of California (the "County of Los Angeles"), and the City of El Segundo, a public agency (the "Subrecipient").

WITNESSETH

WHEREAS, the U.S. Department of Homeland Security Title 2 Code of Federal Regulations (CFR) through the Office of Grants and Training (G&T), has provided financial assistance for the State Homeland Security Program (SHSP), Catalog of Federal Domestic Assistance (CFDA) 97.067 – Homeland Security Grant Program directly to the California Governor’s Office of Emergency Services (Cal OES) for the 2015 SHSP, FAIN #EMS-2015-SS-0078, Federal Award date July 28, 2015; and

WHEREAS, the Cal OES provides said funds to the County of Los Angeles (DUNS #052238763) as its Subgrantee, and the Chief Executive Office (CEO) is responsible for managing and overseeing the SHSP funds that are distributed to other specified jurisdictions within Los Angeles County; and

WHEREAS, this financial assistance is being provided to the Subrecipient in order to address the unique equipment, training, organization, exercise and planning needs of the Subrecipient, and to assist the Subrecipient in building effective prevention and protection capabilities to prevent, respond to, and recover from threats or acts of terrorism; and

WHEREAS, the County of Los Angeles as Subgrantee has obtained approval of the 2015 SHSP grant from Cal OES in the total amount of $10,302,291; and

WHEREAS, the CEO now wishes to distribute 2015 SHSP grant funds to the Subrecipient in the amount of $3,440, as further detailed in this Agreement; and

WHEREAS, the CEO is authorized to enter into subrecipient agreements with cities providing for re-allocation and use of these funds; and to execute all future amendments, modifications, extensions, and augmentations relative to the subrecipient agreements, as necessary; and

WHEREAS, the County of Los Angeles and Subrecipient are desirous of executing this Agreement, and the County of Los Angeles Board of Supervisors on December 8, 2015 authorized the CEO to prepare and execute this Agreement.

NOW, THEREFORE, the County of Los Angeles and Subrecipient agree as follows:
SECTION I

INTRODUCTION

§101. Parties to this Agreement

The parties to this Agreement are:

A. County of Los Angeles, a political subdivision of the State of California, having its principal office at Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012; and

B. City of El Segundo, a public agency, having its principal office at 350 Main Street, El Segundo, CA 90245.

§102. Representatives of the Parties and Service of Notices

A. The representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications must be given are as follows:

   1. The representative of the County of Los Angeles is, unless otherwise stated in this Agreement:

      Alvia Shaw, Interim Director
      Chief Executive Office, Los Angeles County (LAC)
      500 West Temple Street, Room 785
      Los Angeles, CA 90012
      Phone: (213) 974-7315
      Fax: (213) 687-3765
      ashaw@ceo.lacounty.gov

      With a copy to:
      Craig Hirakawa, Grants Manager
      Chief Executive Office, LAC
      500 West Temple Street, Room 785
      Los Angeles, CA 90012
      Phone: (213) 974-1127
      Fax: (213) 687-3765
      chirakawa@ceo.lacounty.gov

[Remainder of this page intentionally left blank]
2. The representative of Subrecipient is:

<table>
<thead>
<tr>
<th>Name and Title:</th>
<th>Greg Carpenter, City Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization/DUNS #</td>
<td>077-264679</td>
</tr>
<tr>
<td>Address:</td>
<td>350 Main Street</td>
</tr>
<tr>
<td>City/State/Zip:</td>
<td>El Segundo, CA 90245</td>
</tr>
<tr>
<td>Phone:</td>
<td>310-524-2301</td>
</tr>
<tr>
<td>Fax:</td>
<td></td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:gcarpenter@elsegundo.org">gcarpenter@elsegundo.org</a></td>
</tr>
</tbody>
</table>

With a copy to:

<table>
<thead>
<tr>
<th>Name and Title:</th>
<th>Carol Lynn Anderson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sr. Management Analyst</td>
</tr>
<tr>
<td>Organization</td>
<td>City of El Segundo</td>
</tr>
<tr>
<td></td>
<td>Fire Department</td>
</tr>
<tr>
<td>Address:</td>
<td>314 Main Street</td>
</tr>
<tr>
<td>City/State/Zip:</td>
<td>El Segundo, CA 90245</td>
</tr>
<tr>
<td>Phone:</td>
<td>310-524-2235</td>
</tr>
<tr>
<td>Fax:</td>
<td></td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:canderson@elsegundo.org">canderson@elsegundo.org</a></td>
</tr>
</tbody>
</table>

B. Formal notices, demands and communications to be given hereunder by either party must be made in writing and may be effected by personal delivery, regular U.S. Postal mail service and/or e-mail. In the event of personal delivery or email, the message will be deemed communicated upon receipt by the County of Los Angeles. In the event of mail service, the message will be deemed communicated as of the date of mailing.
C. If the name and/or title of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice must be given, in accord with this section, within five (5) business days of said change.

§103. Independent Party

Subrecipient is acting hereunder as an independent party, and not as an agent or employee of the County of Los Angeles. An employee of Subrecipient is not, and will not be deemed, an employee of the County of Los Angeles by virtue of this Agreement, and Subrecipient must so inform each employee organization and each employee who is hired or retained under this Agreement. Subrecipient must not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the County of Los Angeles by virtue of this Agreement.

§104. Conditions Precedent to Execution of This Agreement

Subrecipient must provide the following signed documents to the County of Los Angeles, unless otherwise exempted:

A. Certifications and Disclosures Regarding Lobbying, attached hereto as Exhibit A and made a part hereof, in accordance with §411.A.14 of this Agreement. Subrecipient must also file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of the information contained in any Disclosure Form previously filed by Subrecipient.

B. Certifications Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion, attached hereto as Exhibit B and made a part hereof, as required by Executive Order 12549 in accordance with §411.A.12 of this Agreement.

C. Certification Regarding Drug-Free Workplace, attached hereto as Exhibit C and made a part hereof, in accordance with §411.A.13 of this Agreement.

D. Certification of Grant Assurances – Non-Construction Programs, attached hereto as Exhibit D and made a part hereof, in accordance with §411.C of this Agreement.

SECTION II

TERM AND SERVICES TO BE PROVIDED

§201. Performance Period

The performance period of this Agreement is from September 1, 2015 to March 31, 2018, unless the County of Los Angeles, with Cal OES approval,
provides written notification to the Subrecipient that the performance period has been extended, in which case the performance period will be so extended by such written notification, as provided in §502, below.

§202. Use of Grant Funds

A. Subrecipient and the County of Los Angeles have previously completed a mutually approved budget/expenditure plan, hereinafter “Budget,” for the 2015 SHSP, which has been approved by Cal OES. This information is contained in a copy of the Final Grant Award Letter and Worksheet, attached hereto as Exhibit E.

Any request by Subrecipient to modify the Budget must be made in writing with the appropriate justification and submitted to CEO for approval. If during the County of Los Angeles review process, additional information or documentation is required, the Subrecipient will have ten (10) business days to comply with the request. If the Subrecipient does not comply with the request, CEO will issue written notification indicating that the requested modification will not be processed. Modifications must be approved in writing by the County of Los Angeles and Cal OES during the term of this Agreement. Upon approval, all other terms of this Agreement will remain in effect.

Subrecipient must utilize grant funds in accordance with all Federal regulations and State Guidelines.

B. Subrecipient agrees that grant funds awarded will be used to supplement existing funds for program activities, and will not supplant (replace) non-Federal funds.

C. Subrecipient must review the Federal Debarment Listing at https://www.sam.gov/portal/SAM/#1 prior to the purchase of equipment or services to ensure the intended vendor is not listed and also maintain documentation that the list was verified.

D. Prior to the purchase of equipment or services utilizing a sole source contract of $150,000 or more, justification must be presented to CEO, who upon review will request approval from Cal OES. Such approval in writing must be obtained prior to the commitment of funds.

E. Subrecipient must provide any reports requested by the County of Los Angeles to the CEO indicating Subrecipient’s performance under this Agreement, including progress on meeting program goals. Reports must be in the form requested by the County of Los Angeles, and must be provided by the 15th of the following month. Subrecipient must submit claims for reimbursement in a timely manner.
F. Subrecipient must provide an electronic copy of their Annual Single Audit Report, as required by 2 CFR Part 200, to CEO no later than March 31st of the year following the reporting period.

G. Subrecipient will be monitored by the County of Los Angeles on an annual basis to ensure compliance with Cal OES grant program requirements. The County of Los Angeles anticipates that said monitoring will include, at a minimum, one on-site visit during the term of this Agreement.

H. Subrecipient must provide a Corrective Action Plan to CEO within 30 days of any audit finding.

I. Any equipment acquired pursuant to this Agreement must be authorized in the G&T Authorized Equipment List (AEL) available online at https://www.fema.gov/zh-hans/media-library/assets/documents/101566 and the Funding Guidelines of the 2015 SHSP, Funding Opportunity Announcement, incorporated by reference, and attached hereto as Exhibit F. Subrecipient must provide the CEO a copy of its most current procurement guidelines and follow its own procurement requirements as long as they meet or exceed the minimum Federal requirements. Federal procurement requirements for the 2015 SHSP can be found at Title 2 CFR Part 200.313.

Any equipment acquired or obtained with Grant Funds:

1. Will be made available under the California Disaster and Civil Defense Master Mutual Aid Agreement in consultation with representatives of the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the jurisdiction of the applicant;

2. Will be consistent with needs as identified in the State Homeland Security Strategy and will be deployed in conformance with that plan;

3. Will be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan.

J. Equipment acquired pursuant to this Agreement will be subject to the requirements of Title 2 CFR Part 200.313. For the purposes of this subsection, "Equipment" is defined as tangible nonexpendable property, having a useful life of more than one year which costs $5,000 or more per unit. Items costing less than $5,000, but acquired under the "Equipment" category of the Grant must also be listed on any required Equipment Listing.

1. Equipment must be used by Subrecipient in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer
needed for the original program or project, the Equipment may be used in other activities currently or previously supported by a Federal agency.

2. Subrecipient must make Equipment available for use on other like projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the awarding agency.

3. An Equipment Listing must be maintained listing each item of Equipment acquired with SHSP funds. The Equipment Listing must be kept up to date at all times. Any changes must be recorded in the Listing within ten (10) business days and the updated Listing is to be forwarded to the County of Los Angeles Auditor-Controller Shared Services Division. The Equipment Property Records must be maintained that include: (a) a description of the property, (b) a serial number or other identification number, (c) the source of property, (d) who holds title, (e) the acquisition date, (f) and cost of the property, (g) percentage of Federal participation in the cost of the property, (h) the location, (i) use and condition of the property, (j) and any ultimate disposition data including the date of disposal and sale price of the property. Records must be retained by the subrecipient pursuant to Title 2, Part 200.313 (d) (1) of the CFR.

4. All Equipment obtained under this Agreement must have an appropriate identification decal affixed to it, and, when practical, must be affixed where it is readily visible.

5. A physical inventory of the Equipment must be taken by the Subrecipient and the results reconciled with the Equipment Listing at least once every two years or prior to any site visit by State or Federal auditors/monitors. The Subrecipient is required to submit a letter certifying as to the accuracy of the Equipment Listing to the CEO, in the frequency as above.

K. Any planning paid pursuant to this Agreement must conform to the guidelines as listed in 2015 SHSP, Funding Opportunity Announcement or subsequent grant year programs.

L. Any training paid pursuant to this Agreement must conform to the guidelines as listed in 2015 SHSP, Funding Opportunity Announcement, and must be first submitted to CEO and then pre-authorized by Cal OES. A catalog of federally approved and sponsored training courses is available at https://www.firstrespondertraining.gov/catalog.do?a=federal.

M. Any exercise paid pursuant to this Agreement must conform to the guidelines as listed in 2015 SHSP, Funding Opportunity Announcement. Detailed Homeland
Security Exercise and Evaluation Program Guidance is available at https://hseep.preptoolkit.org/.

N. Subrecipient must provide to CEO a spending plan detailing the required steps and timeframes required to complete the approved projects within the grant timeframe. Subrecipient must submit the spending plan to CEO prior to final execution of the Agreement.

O. Any organization activities paid pursuant to this Agreement must conform to the guidelines as listed in 2015 SHSP, Funding Opportunity Announcement.

P. Any personnel activities paid pursuant to this Agreement must conform to the guidelines as listed in 2015 SHSP, Funding Opportunity Announcement.

SECTION III

PAYMENT

§301. Payment of Grant Funds and Method of Payment

A. The County of Los Angeles will reimburse Subrecipient up to the maximum grant amount of $3,440 as expenditures are incurred and paid by Subrecipient and all documentation is reviewed and approved by County of Los Angeles. All expenditures must be for the purchase of equipment, exercises, training, and planning as described in Section II of this Agreement. The grant amount represents the amount allocated to Subrecipient in the 2015 SHSP Grant Award Letter from Cal OES.

B. Subrecipient must submit reimbursement requests to the County of Los Angeles Auditor-Controller Shared Services Division requesting payment as soon as expenses are incurred and paid, and the required supporting documentation is available. Said timeframe should be within ten (10) business days of Subrecipient’s payment to vendors and/or prescribed due dates by CEO and/or Cal OES. Each reimbursement request must be accompanied by the Reimbursement Form (attached hereto as Exhibit G). All appropriate back-up documentation must be attached to the reimbursement form, including the method of procurement, purchase orders, invoices, report of goods received, and proof of payment.

For training reimbursements, Subrecipient must include a copy of the class roster verifying training attendees, proof that prior approval was obtained from Cal OES and that a Cal OES tracking number has been assigned to the course, and timesheets and payroll registers for all training attendees.
For exercise reimbursements, Subrecipient must enter the After Action Report (AAR) and Improvement Plan on the State Office of Domestic Preparedness secure portal within 60 days following completion of the exercise and submit proof of prior State approval of the AAR with the reimbursement request.

For planning reimbursements, Subrecipient must include a copy of the final tangible product as a result of the planning project.

C. The County of Los Angeles may, at its discretion, reallocate unexpended grant funds to another subrecipient. Said reallocation may occur upon approval by the County of Los Angeles of a Subrecipient reimbursement submission, inquiry from the County of Los Angeles to the Subrecipient regarding fund utilization, or by written notification from the Subrecipient to the County of Los Angeles that a portion of the grant funds identified in §301.A., above, will not be utilized. As provided in §502, below, any increase or decrease in the grant amount specified in §301.A., above, may be effectuated by a written notification by the County of Los Angeles to the Subrecipient.

D. Payment of reimbursement request will be withheld by the County of Los Angeles until the County of Los Angeles has determined that Subrecipient has turned in all supporting documentation and completed the requirements of this Agreement.

E. It is understood that the County of Los Angeles makes no commitment to fund this Agreement beyond the terms set forth herein.

F. 1. Funding for all periods of this Agreement is subject to continuing Federal appropriation of grant funds for this program. In the event of a loss or reduction of Federal appropriation of grant funds for this program, the Agreement may be terminated, or appropriately amended, immediately upon notice to Subrecipient of such loss or reduction of Federal grant funds.

2. County of Los Angeles will make a good-faith effort to notify Subrecipient, in writing, of such non-appropriation at the earliest time.

SECTION IV

STANDARD PROVISIONS

§401. Construction of Provisions and Titles Herein

All titles or subtitles appearing herein have been inserted for convenience and do not, and will not be deemed to, affect the meaning or construction of any of the terms or provisions hereof. The language of this Agreement will be construed according to its fair meaning and not strictly for or against either party.
§402. Applicable Law, Interpretation and Enforcement

Each party's performance hereunder must comply with all applicable laws of the United States of America, the State of California, and the County of Los Angeles. This Agreement will be enforced and interpreted, as applicable, under the laws of the United States of America, the State of California and the County of Los Angeles.

If any part, term or provision of this Agreement is held void, illegal, unenforceable, or in conflict with any law of a Federal, State or Local Government having jurisdiction over this Agreement, the validity of the remainder of the Agreement will not be affected thereby.

Applicable Federal or State requirements that are more restrictive will be followed.

§403. Integrated Agreement

This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Agreement may be amended only as provided for herein.

§404. Breach

If any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in all events, no party may recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

§405. Prohibition Against Assignment or Delegation

Subrecipient may not do any of the following, unless it has first obtained the written permission of the County of Los Angeles:

A. Assign or otherwise alienate any of its rights hereunder, including the right to payment; or

B. Delegate, subcontract, or otherwise transfer any of its duties hereunder.

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§406. Permits

Subrecipient and its officers, agents and employees must obtain and maintain all permits and licenses necessary for Subrecipient’s performance hereunder and must pay any fees required therefor. Subrecipient further certifies that it will immediately notify the County of Los Angeles of any suspension, termination, lapse, non-renewal or restriction of licenses, certificates, or other documents.

§407. Nondiscrimination and Affirmative Action

Subrecipient must comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the County of Los Angeles. In performing this Agreement, Subrecipient must not discriminate in its employment practices against any employee or applicant for employment because of such person’s race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, mental disability, marital status, domestic partner status or medical condition. Subrecipient must comply with Executive Order 11246, entitled “Equal Employment Opportunity,” as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).


Any subcontract entered into by the Subrecipient relating to this Agreement, to the extent allowed hereunder, will be subject to the provisions of this §407 of this Agreement.

§408. Indemnification

Each of the parties to this Agreement is a public entity. This indemnity provision is written in contemplation of the provisions of Section 895.2 of the Government Code of the State of California, which impose certain tort liability jointly upon public entities, solely by reason of such entities being parties to an agreement, and the parties agree that this indemnity provision will apply and will be enforceable regardless of whether Section 895 et seq. is deemed to apply to this Agreement. The parties hereto, as between themselves, consistent with the authorization contained in Government Code Sections 895.4 and 895.6 agree to each assume the full liability imposed upon it or upon any of its officers, agents, or employees by law, for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve the above-stated purpose, each party agrees to indemnify and hold harmless the other party for any liability arising out of its own negligent acts or omissions in the performance of this Agreement (i.e., the Subrecipient agrees to indemnify and hold harmless the County of Los Angeles for liability arising out of
the Subrecipient's negligent or wrongful acts or omissions and the County of Los Angeles agrees to indemnify and hold harmless the Subrecipient for liability arising out of the County of Los Angeles' negligent or wrongful acts or omissions. Each party further agrees to indemnify and hold harmless the other party for liability that is imposed on the other party solely by virtue of Government Code Section 895.2. The provisions of Section 2778 of the California Civil Code are made a part hereof as if fully set forth herein. Subrecipient certifies that it has adequate self-insured retention of funds to meet any obligation arising from this Agreement.

§409. Conflict of Interest

A. The Subrecipient covenants that none of its directors, officers, employees, or agents may participate in selecting, or administrating, any subcontract supported (in whole or in part) by Federal funds where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:

1. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;

2. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or

3. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq, if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.

B. Definitions:

1. The term "immediate family" means domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father in law, mother in law, brother in law, sister in law, son in law, daughter in law.

2. The term "financial or other interest" means:

   a. Any direct or indirect financial interest in the specific contract, including but not limited to, a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.

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b. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.

C. The Subrecipient further covenants that no officer, director, employee, or agent may solicit or accept gratuities, favors, or anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).

D. The Subrecipient may not subcontract with a former director, officer, or employee within a one year period following the termination of the relationship between said person and the Subrecipient.

E. Prior to obtaining the County of Los Angeles' approval of any subcontract, the Subrecipient must disclose to the County of Los Angeles any relationship, financial or otherwise, direct or indirect, of the Subrecipient or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.

F. For further clarification of the meaning of any of the terms used herein, the parties agree that references are made to the guidelines, rules, and laws of the County of Los Angeles, State of California, and Federal regulations regarding conflict of interest.

G. The Subrecipient warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Agreement.

H. The Subrecipient covenants that no member, officer or employee of Subrecipient may have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.

I. The Subrecipient must incorporate the foregoing subsections of this Section into every agreement that it enters into in connection with this grant and must substitute the term "subcontractor" for the term "Subrecipient" and "sub subcontractor" for "Subcontractor".

§410. Restriction on Disclosures

Any reports, analyses, studies, drawings, information, or data generated as a result of this Agreement are to be governed by the California Public Records Act (California Government Code Sec. 6250 et seq.).
§411. Statutes and Regulations Applicable To All Grant Contracts

A. Subrecipient must comply with all applicable requirements of State, Federal, and County of Los Angeles laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this Agreement. Subrecipient must comply with applicable State and Federal laws and regulations pertaining to labor, wages, hours, and other conditions of employment. Subrecipient must comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

1. **CFR**
   Subrecipient must comply with Title 2 CFR Part 200.

2. **Single Audit Act**
   Since Federal funds are used in the performance of this Agreement, Subrecipient must, as applicable, adhere to the rules and regulations of the Single Audit Act (31 USC Sec. 7501 et seq.), 2 CFR Part 200 and any administrative regulation or field memos implementing the Act.

3. **Americans with Disabilities Act**
   Subrecipient hereby certifies that, as applicable, it will comply with the Americans with Disabilities Act 42, USC §§12101 et seq., and its implementing regulations. Subrecipient will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. Subrecipient will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by Subrecipient, relating to this Agreement, to the extent allowed hereunder, will be subject to the provisions of this paragraph.

4. **Political and Sectarian Activity Prohibited**
   None of the funds, materials, property or services provided directly or indirectly under this Agreement may be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Neither may any funds provided under this Agreement be used for any purpose designed to support or defeat any pending legislation or administrative regulation. None of the funds provided pursuant to this Agreement may be used for any sectarian purpose or to support or benefit any sectarian activity.
Subrecipient must file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of any of the information contained in any Disclosure Form previously filed by Subrecipient. Subrecipient must require that the language of this Certification be included in the award documents for all sub-awards at all tiers and that all subcontractors certify and disclose accordingly.

5. **Records Inspection**

At any time during normal business hours and as often as either the County of Los Angeles, the U.S. Comptroller General or the Auditor General of the State of California may deem necessary, Subrecipient must make available for examination all of its records with respect to all matters covered by this Agreement. The County of Los Angeles, the U.S. Comptroller General and the Auditor General of the State of California have the authority to audit, examine and make excerpts or transcripts from records, including all Subrecipient's method of procurement, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

Subrecipient agrees to provide any reports requested by the County of Los Angeles regarding performance of this Agreement.

6. **Records Maintenance**

Records, in their original form, must be maintained in accordance with requirements prescribed by the County of Los Angeles with respect to all matters specified in this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Such records must be retained for a period five (5) years after termination of this Agreement and after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records. The County of Los Angeles may, at its discretion, take possession of, retain and audit said records. Records, in their original form pertaining to matters covered by this Agreement, must at all times be retained within the County of Los Angeles unless authorization to remove them is granted in writing by the County of Los Angeles.

7. **Subcontracts and Procurement**

Subrecipient must, as applicable, comply with the Federal, State and County of Los Angeles standards in the award of any subcontracts. For purposes of this Agreement, subcontracts include but are not limited to purchase agreements, rental or lease agreements, third party agreements, consultant service contracts and construction subcontracts.
Subrecipient must, as applicable, ensure that the terms of this Agreement with the County of Los Angeles are incorporated into all Subcontractor agreements. The Subrecipient must submit all Subcontractor agreements to the County of Los Angeles for review prior to the release of any funds to the Subcontractor. The Subrecipient must withhold funds to any Subcontractor agency that fails to comply with the terms and conditions of this Agreement and their respective Subcontractor agreement.

8. Labor

Subrecipient must, as applicable, comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed requirements for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System Personnel Administration (5 CFR 900, Subpart F).

Subrecipient must, as applicable, comply with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7); the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874); the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements; and the Hatch Act (5 USC §§1501-1508 and 7324-7328).

Subrecipient must, as applicable, comply with the Federal Fair Labor Standards Act (29 U.S.C. §201) regarding wages and hours of employment.

None of the funds may be used to promote or deter union/labor organizing activities. CA Gov't Code Sec. 16645 et seq.

9. Civil Rights

Subrecipient must, as applicable, comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352), which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681- 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of disabilities; (d) the Age Discrimination act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public
Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to non-discrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; (j) the requirements of any other nondiscrimination statute(s) that may apply to the application; and
(k) P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

10. Environmental

Subrecipient must, as applicable, comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646), which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

Subrecipient must, as applicable, comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93205); and (i) Flood Disaster Protection Act of 1973 §102(a) (P.L. 93-234).

Subrecipient must, as applicable, comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

Subrecipient must, as applicable, comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.), which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
Subrecipient must, as applicable, comply with the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), which restores and maintains the chemical, physical and biological integrity of the Nation's waters.

Subrecipient must, as applicable, ensure that the facilities under its ownership, lease or supervision that are utilized in the accomplishment of this project are not listed in the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Federal Grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.

By signing this Agreement, Subrecipient warrants and represents that it will, as applicable, comply with the California Environmental Quality Act (CEQA), Public Resources Code §21000 et seq.

Subrecipient must, as applicable, comply with the Energy Policy and Conservation Act (P.L. 94-163, 89 Stat. 871).

Subrecipient must, as applicable, comply with the provision of the Coastal Barrier Resources Act (P.L. 97-348) dated October 19, 1982 (16 USC 3501 et. seq.) which prohibits the expenditure of most new Federal funds within the units of the Coastal Barrier Resources System.

11. **Preservation**

Subrecipient must, as applicable, comply with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

12. **Suspension, Debarment, Ineligibility and Voluntary Exclusion**

Subrecipient must, as applicable, comply with Title 2 CFR Part §3000, regarding Suspension and Debarment, and Subrecipient must submit a Certification Regarding Debarment, attached hereto as Exhibit B, required by Executive Order 12549 and any amendment thereto. Said Certification must be submitted to the County of Los Angeles concurrent with the execution of this Agreement and must certify that neither Subrecipient nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal department head or agency. Subrecipient must require that the language of this Certification be included in the award documents for all sub-award at all tiers and that all subcontractors certify accordingly.
13. **Drug-Free Workplace**

Subrecipient must, as applicable, comply with the federal Drug-Free Workplace Act of 1988, 41 USC §701, Title 44 Code of Federal Regulations (CFR) Part §17; the California Drug-Free Workplace Act of 1990, CA Gov't Code §§8350-8357, and Subrecipient must complete the Certification Regarding Drug-Free Workplace Requirements, attached hereto as Exhibit C, and incorporated herein by reference. Subrecipient must require that the language of this Certification be included in the award documents for all sub-award at all tiers and that all subcontractors certify accordingly.

14. **Lobbying Activities**

Subrecipient must, as applicable, comply with 31 U.S.C.1352 and complete the Disclosure of Lobbying Activities, (OMB 0038-0046), attached hereto as Exhibit A, and incorporated herein by reference.

15. **Miscellaneous**

Subrecipient must, as applicable, comply with the Laboratory Animal Welfare Act of 1966, as amended (P.L. 89-544, 7 USC §§2131 et seq.).

B. **Statutes and Regulations Applicable To This Particular Grant Agreement**

Subrecipient must comply with all applicable requirements of State and Federal laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this particular grant program. Subrecipient must, as applicable, comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

- **Title 2 CFR Part 200; EO 12372; U.S. Department of Homeland Security, Office of State and Local Government Coordination and Preparedness, Office for Domestic Preparedness, ODP WMD Training Course Catalogue; and DOJ Office for Civil Rights.**

- **Standardized Emergency Management System (SEMS) requirements as stated in the California Emergency Services Act, Government Code Chapter 7 of Division 1 of Title 2, §8607.1(e) and CCR Title 19, §§2445-2448.**

- **Provisions of Title 2, 6, 28, 44 CFR applicable to grants and cooperative agreements, including Part 18, Administrative Review Procedures; Part 20, Criminal Justice Information Systems; Part 22, Confidentiality of Identifiable Research and Statistical Information; Part 23, Criminal Intelligence Systems Operating Policies; Part 30, Intergovernmental Review of Department of Justice Programs and Activities; Part 35, Nondiscrimination on the Basis of Disability in...**
State and Local Government Services; Part 38, Equal Treatment of Faith-based Organizations; Part 42, Nondiscrimination/Equal Employment Opportunities Policies and Procedures; Part 61, Procedures for Implementing the National Environmental Policy Act; Part 63, Floodplain Management and Wetland Protection Procedures; Part 64, Floodplain Management and Wetland Protection Procedures; Federal laws or regulations applicable to Federal Assistance Programs; Part 69, New Restrictions on Lobbying; Part 70, Uniform Administrative Requirements for Grants and Cooperative Agreements (including sub-awards) with Institutions of Higher Learning, Hospitals and other Non-Profit Organizations; and Part 83, Government-Wide Requirements for a Drug Free Workplace (grants).

Nondiscrimination requirements of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, 42 USC 3789(d), or the Juvenile Justice and Delinquency Prevention Act, or the Victims of Crime Act, as appropriate; the provisions of the current edition of the Office of Justice Programs Financial and Administrative Guide for Grants, M7100.1, and all other applicable Federal laws, orders, circulars, or regulations.

1. **Travel Expenses**

Subrecipient, as provided herein, will be compensated for Subrecipient’s reasonable travel expenses incurred in the performance of this Agreement, to include travel and per diem, unless otherwise expressed. Subrecipient’s total travel for in-State and/or out-of-State and per diem costs must be included in the contract budget(s). All travel, including out-of-State travel, that is not included in the budget(s) will not be reimbursed without prior written authorization from the County of Los Angeles.

Subrecipient’s administrative-related travel and per diem reimbursement costs will not be reimbursed. For programmatic-related travel costs, Subrecipient’s reimbursement rates may not exceed the amounts established under the grant.

C. **Compliance With Grant Requirements**

To obtain the grant funds, the State required an authorized representative of the County of Los Angeles to sign certain promises regarding the way the grant funds would be spent. These requirements are included in the 2015 Funding Opportunity Announcement and in the “Grant Assurances”, attached hereto as Exhibit D. By signing these Grant Assurances and accepting the Funding Opportunity Announcement, the County of Los Angeles became liable to the State for any funds that are used in violation of the grant requirements. Subrecipient will be liable to the Grantor for any funds the State determines that Subrecipient used in violation of these Grant Assurances. Subrecipient agrees to indemnify and hold harmless the County of Los Angeles for any
sums the State or Federal government determines Subrecipient used in violation of the Grant Assurances.

D. Noncompliance With Grant Requirements

Subrecipient understands that failure to comply with any of the above assurances may result in suspension, termination or reduction of grant funds, and repayment by the Subrecipient to the County of Los Angeles of any unauthorized expenditures.

§412. Federal, State and Local Taxes

Federal, State and local taxes are the responsibility of the Subrecipient as an independent party and not of the County of Los Angeles and must be paid prior to requesting reimbursement. However, these taxes are an allowable expense under the grant program.

§413. Inventions, Patents and Copyrights

A. Reporting Procedure for Inventions

If any project produces any invention or discovery ("Invention") patentable or otherwise under Title 35 of the U.S. Code, including, without limitation, processes and business methods made in the course of work under this Agreement, the Subrecipient must report the fact and disclose the Invention promptly and fully to the County of Los Angeles. The County of Los Angeles will report the fact and disclose the Invention to the State. Unless there is a prior agreement between the County of Los Angeles and the State, the State will determine whether to seek protection on the Invention. The State will determine how the rights in the Invention, including rights under any patent issued thereon, will be allocated and administered in order to protect the public interest consistent with the policy ("Policy") embodied in the Federal Acquisition Regulations System, which is based on Ch. 18 of Title 35 U.S.C. Sections 200 et seq. (Pub. L. 95-517, Pub. L. 98-620, Title 37 CFR Part 401); Presidential Memorandum on Government Patent Policy to the Heads of the Executive Departments and Agencies, dated 2/18/1983); and Executive Order 12591, 4/10/87, 52 FR 13414, Title 3 CFR, 1987 Comp., p. 220 (as amended by Executive Order 12618, 12/22/87, 52 FR 48661, Title 3 CFR, 1987 Comp., p. 262). Subrecipient hereby agrees to be bound by the Policy, and will contractually require its personnel to be bound by the Policy.

B. Rights to Use Inventions

County of Los Angeles will have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license to use, manufacture, improve upon, and allow others to do so for all government purposes, any Invention developed under this Agreement.
C. Copyright Policy

1. Unless otherwise provided by the State or the terms of this Agreement, when copyrightable material ("Material") is developed under this Agreement, the County of Los Angeles, at its discretion, may copyright the Material. If the County of Los Angeles declines to copyright the Material, the County of Los Angeles will have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement.

2. The State will have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement or any Copyright purchased under this Agreement.

3. Subrecipient must comply with Title 24 CFR 85.34.

D. Rights to Data

The State and the County of Los Angeles will have unlimited rights or copyright license to any data first produced or delivered under this Agreement. "Unlimited rights" means the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform and display publicly, or permit others to do so; as required by Title 48 CFR 27.401. Where the data are not first produced under this Agreement or are published copyrighted data with the notice of 17 U.S.C. Section 401 or 402, the State acquires the data under a copyright license as set forth in Title 48 CFR 27.404(f)(2) instead of unlimited rights. (Title 48 CFR 27.404(a)).

E. Obligations Binding on Subcontractors

Subrecipient must require all subcontractors to comply with the obligations of this section by incorporating the terms of this section into all subcontracts.

§414. Child Support Assignment Orders

Under the terms of this Agreement, Subrecipient must, as applicable, comply with California Family Code Section 5230 et seq.

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§415. **Minority, Women, And Other Business Enterprise Outreach Program**

It is the policy of the County of Los Angeles to provide Minority Business Enterprises, Women Business Enterprises and all other business enterprises an equal opportunity to participate in the performance of all Subrecipient’s contracts, including procurement, construction and personal services. This policy applies to all of the Subrecipient’s contractors and sub-contractors.

**SECTION V**

**DEFAULTS, SUSPENSION, TERMINATION, AND AMENDMENTS**

§501. **Defaults**

Should either party fail for any reason to comply with the contractual obligations of this Agreement within the time specified by this Agreement, the non-breaching party reserves the right to terminate the Agreement, reserving all rights under State and Federal law.

§502. **Amendments**

Except as otherwise provided in this paragraph, any change in the terms of this Agreement, including changes in the services to be performed by Subrecipient, that are agreed to by the Subrecipient and the County of Los Angeles must be incorporated into this Agreement by a written amendment properly signed by persons who are authorized to bind the parties. Notwithstanding the foregoing, any increase or decrease of the grant amount specified in §301.A., above, or any extension of the performance period specified in §201, above, does not require a written amendment, but may be effectuated by a written notification by the County of Los Angeles to the Subrecipient.

[Remainder of this page intentionally left blank]
SECTION VI

ENTIRE AGREEMENT

§601. Complete Agreement

This Agreement contains the full and complete Agreement between the two parties. Neither verbal agreement nor conversation or other communication with any officer or employee of either party will affect or modify any of the terms and conditions of this Agreement.

§602. Number of Pages and Attachments

This Agreement may be executed in two (2) duplicate originals, each of which is deemed to be an original. This Agreement includes (25) pages and (7) Exhibits which constitute the entire understanding and agreement of the parties.

[Remainder of this page intentionally left blank]
IN WITNESS WHEREOF, the Subrecipient and County of Los Angeles have caused this Agreement to be executed by their duly authorized representatives.

COUNTY OF LOS ANGELES

BY SACHI A. HAMAI
Chief Executive Officer

BY LORI GLASGOW
Executive Officer, Board of Supervisors

BY JOHN NAIMO
Auditor-Controller

Date: 2-23-17

APPROVED AS TO FORM

MARY C. WICKHAM
County Counsel

BY
Senior Deputy County Counsel

City Representative/Title (Signature) Greg Carpenter, City Mgr. (Print Name) Date: 2-2-17

APPROVED AS TO FORM

City Attorney (Signature) DAVID KING, A.C.A. (Print Name) Date: 2/2/17

ATTEST

City Clerk (Signature) Tracy Weaver (Print Name) Date: 6-07-17

Grants/SHP 2015/Subrecipient Agreements/El Segundo
EXHIBITS

Exhibit A  Certification and Disclosures Regarding Lobbying
Exhibit B  Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions
Exhibit C  Certification Regarding Drug-Free Workplace
Exhibit D  Certification of Grant Assurances
Exhibit E  Final Grant Award Letter and Worksheet
Exhibit F  Funding Guidelines
Exhibit G  Reimbursement Form and Instructions
**DISCLOSURE OF LOBBYING ACTIVITIES**

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>a. contract</td>
<td></td>
<td>a. bid/offer/application</td>
<td></td>
</tr>
<tr>
<td>b. grant</td>
<td></td>
<td>b. initial award</td>
<td></td>
</tr>
<tr>
<td>c. cooperative agreement</td>
<td></td>
<td>c. post-award</td>
<td></td>
</tr>
<tr>
<td>d. loan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. loan guarantee</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>f. loan insurance</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Report Type:</th>
<th>A</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. initial filing</td>
<td></td>
</tr>
<tr>
<td>b. material change</td>
<td></td>
</tr>
</tbody>
</table>

For Material Change Only:
Year _______ Quarter _______
date of last report _______ |

<table>
<thead>
<tr>
<th>4. Name and Address of Reporting Entity:</th>
<th>City of El Segundo</th>
</tr>
</thead>
<tbody>
<tr>
<td>350 Main Street, El Segundo, CA 90245</td>
<td></td>
</tr>
<tr>
<td>Tier, if known: X Subawardee</td>
<td></td>
</tr>
<tr>
<td>Congressional District, if known: 4C</td>
<td></td>
</tr>
</tbody>
</table>

| 5. If Reporting Entity in No. 4 is Subawardee, | County of Los Angeles |
| Enter Name and Address of Prime:              | 500 W. Temple Street, Rm. 785 |
| Los Angeles, CA 90012                         |                    |
| Congressional District, if known:             |                    |

| 6. Federal Department/Agency: | Department of Homeland Security |

| 7. Federal Program Name/Description: | Homeland Security Grant Program |
| CFDA Number, if applicable:         |                                   |

| 9. Award Amount, If known: | $3,440 |

<table>
<thead>
<tr>
<th>10. a. Name and Address of Lobbying Entity</th>
<th>(If individual, last name, first name, MI):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>11. Amount of Payment (check all that apply):</th>
<th>Actual</th>
<th>Planned</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>12. Form of Payment (check all that apply):</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. cash</td>
</tr>
<tr>
<td>b. In-kind; specify:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>nature</th>
<th>value</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>13. Type of Payment (check all that apply):</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. retainer</td>
</tr>
<tr>
<td>b. one-time fee</td>
</tr>
<tr>
<td>c. commission</td>
</tr>
<tr>
<td>d. contingent fee</td>
</tr>
<tr>
<td>e. deferred</td>
</tr>
<tr>
<td>f. other; specify:</td>
</tr>
</tbody>
</table>

| 14. Brief Description of Services Performed or to be Performed and Date(s) of Service, including officer(s), employee(s), or Member(s) contacted, for Payment Indicated in Item 11: | (attach Continuation Sheet(s) SF-LLL-A, if necessary) |

<table>
<thead>
<tr>
<th>15. Continuation Sheet(s) SF-LLL-A attached:</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

| 16. Information requested through this form is authorized by Title 31 U.S.C. Section 1352. |
| This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure. |

Signature: [Signature]
Name: [Name]
Title: [Title]
Telephone: [Telephone]
Date: [Date]

Authorized for Local Reproduction Standard Form – LLL

Disclosure of Lobbying Activities - Cal OES 2-232 (Revised 7/8/2013)
DISCLOSURE OF LOBBYING ACTIVITIES
CONCONTINUATION SHEET

Continuation of 10 a-b: additional sheets may be added if necessary
Reporting Entity:

<table>
<thead>
<tr>
<th>Last Name</th>
<th>First Name</th>
<th>MI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td>City</td>
<td>Zip</td>
</tr>
<tr>
<td>Last Name</td>
<td>First Name</td>
<td>MI</td>
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<td>Address</td>
<td>City</td>
<td>Zip</td>
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<td>Last Name</td>
<td>First Name</td>
<td>MI</td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td>City</td>
<td>Zip</td>
</tr>
</tbody>
</table>

Continuation of 14: (additional sheets may be added if necessary)
Brief Description of Services and Payments indicated in item 11:

Authorized for Local Reproduction
Standard Form – LLL-A

Disclosure of Lobbying Activities - Cal OES 2-232 (Revised 7/8/2013)
INSTRUCTIONS FOR COMPLETION OF SF-LLL,
DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether sub-awardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to Title 31 U.S.C. Section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

2. Identify the status of the covered Federal action.

3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.

4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or sub-award recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.

5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.

6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.

7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; sub-grant announcement number; the contract, subgrant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."

9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a.) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.
   (b.) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).

11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.

12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.

13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.

14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.

15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.

16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.
CERTIFICATION REGARDING
DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION
LOWER TIER COVERED TRANSACTIONS

This certification is required by the regulations implementing Executive Order 12549,
Debarment and Suspension, 24 CFR Part 24 Section 24.510, Participants' responsibilities.

(READ ATTACHED INSTRUCTIONS FOR CERTIFICATION BEFORE COMPLETING)

1. The prospective recipient of Federal assistance funds certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

2. Where the prospective recipient of Federal assistance funds is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

AGREEMENT NUMBER

City of El Segundo

CONTRACTOR/BORROWER/AGENCY

Greg Carpenter, City Manager

NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE DATE

Agreement No. 5269
EXHIBIT B
INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this document, the prospective recipient of Federal assistance is providing the certification as set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to which this agreement is entered, if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous, when submitted or has become erroneous by reason of changed circumstances.


5. The prospective recipient of Federal assistance funds agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation on this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective recipient of Federal assistance funds further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Procurement or Non Procurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
STATE OF CALIFORNIA
DRUG-FREE WORKPLACE CERTIFICATION
STD. 21

COMPANY/ORGANIZATION NAME:

The contractor or grant recipient named above hereby certifies compliance with Government Code Section 8355 in matters relating to providing a drug-free workplace. The above-named contractor or recipient will:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).

2. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b), to inform employees about all of the following:
   (a) The dangers of drug abuse in the workplace,
   (b) The person’s or organization’s policy of maintaining a drug-free workplace,
   (c) Any available counseling, rehabilitation and employee assistance programs, and
   (d) Penalties that may be imposed upon employees for drug abuse violations.

3. Provide as required by Government Code Section 8355(c), that every employee who works on the proposed contract or subgrant:
   (a) Will receive a copy of the company’s drug-free policy statement, and
   (b) Will agree to abide by the terms of the company’s statement as a condition of employment on the contract or subgrant.

CERTIFICATION

I, the official named below, hereby swear that I am duly authorized legally to bind the contractor or Recipient to the above described certification. I am fully aware that this certification, executed on the date and in the county below, is made under penalty of perjury under the laws of the State of California.

Greg Carpenter, City Manager

DATE EXECUTED

Los Angeles

EXECUTED IN THE COUNTY OF

CONTRACTOR OR RECIPIENT SIGNATURE
City Manager

TITLE

FEDERAL I.D. NUMBER

Drug-Free Workplace Certification STD. 21 (Revised 7/2015)
STATEMENT ON THE DRUG-FREE WORKPLACE

To comply with the enactment of Senate Bill 1120, (Chapter 1170, Statutes of 1990), which established the Drug-Free Workplace Act of 1990, the City of El Segundo (your agency) accordingly provides this statement of compliance.

In order to maintain funding eligibility, state agencies, along with those in receipt of grant and contractual awards, must certify that they provide drug-free workplaces and have issued drug-free workplace statements to their employees [Section 8355(a) of the Government Code]. Consequently, in accordance with this directive, this statement is issued to meet this requirement.

The City of El Segundo (your agency), an agency within the State of California has adopted this statement in compliance with legislation which addresses issues to avoid the dangers arising from drug and alcohol abuse in the workplace. These dangers include death and injury to the employee, co-workers, or the public resulting from accidents, dereliction of duty, poor judgment and carelessness. Substance abuse also results in lost productivity, reduced efficiency, and increased absenteeism by the substance abuser and interferes with the job performance of employees who do not use illegal or unauthorized substances. [Section 8355(b)(1)]

California law prohibits the unlawful manufacture, dispensation, possession, or illegal use of a controlled substance. That prohibition extends to all places and includes the worksite of California state employees. [Section 8355(a)]

Employees convicted of a violation of criminal drug statute, when the violation occurred at an employee's worksite, shall report the conviction to the granting and monitoring State agency upon conviction. [Section 8356(a)(1)(2)]

In the event of the unlawful manufacture, distribution, dispensation, possession or illegal use of a controlled substance at a State worksite, the State may take disciplinary action pursuant to the law and/or require the satisfactory completion of a drug abuse assistance or rehabilitation program. [Section 8355(b)(4)]

The Employee Assistance Program (EAP) provides drug problem assessment and referral to appropriate counseling and rehabilitation services. The EAP is available to all agency employees. Procedures exist to ensure the confidentiality of EAP records. Contact your personnel office for further information.

It is the intent of the City of El Segundo (your agency) to ensure by execution of this statement of compliance that each employee shall abide by the terms of this drug-free workplace statement. [Section 8355(c)]
County of Los Angeles
2015 Grant Assurances

As the duly authorized representative of the City of El Segundo (the "Applicant" or "Subrecipient"), I hereby certify that the Applicant has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay any non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application, within prescribed timelines.

I further acknowledge that the Applicant is responsible for reviewing and adhering to all requirements within the:

(a) Applicable Federal Regulations (see below);
(b) Federal Program Notice of Funding Opportunity (NOFO);
(c) California Supplement to the NOFO; and
(d) Federal and State Grant Program Guidelines.

Federal Regulations

Government cost principles, uniform administrative requirements and audit requirements for federal grant programs are housed in Title 2, Part 200 of the Code of Federal Regulations (CFR) and in updates issued by the Office of Management and Budget (OMB) on http://www.whitehouse.gov/omb/.

Significant state and federal grant award requirements (some of which appear in the documents listed above) are called out below. The Applicant hereby agrees to comply with the following:

1. Proof of Authority
   The Applicant will obtain written authorization from the city council, governing board or authorized body in support of this project. This written authorization must specify that the Applicant and the city council, governing board or authorized body agree:

   (a) To provide all matching funds required for said project and that any cash match will be appropriated as required.
   (b) That any liability arising out of the performance of this agreement shall be the responsibility of the Applicant and the city council, governing board or authorized body.
   (c) That grant funds shall not be used to supplant expenditures controlled by the city council, governing board or authorized body.
   (d) That the official executing this agreement is, in fact, authorized to do so.

   This Proof of Authority must be maintained on file and readily available upon demand.

2. Period of Performance
   The Applicant will initiate work after approval of the award and complete all work within the period of performance specified in the grant.
3. Lobbying and Political Activities
As required by Section 1352, Title 31 of the U.S. Code (U.S.C.), for persons entering into a contract, grant, loan or cooperative agreement from an agency or requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan, the Applicant certifies that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying”, in accordance with its instructions.

(c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

The Applicant will also comply with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and §§7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

Finally, the Applicant agrees that Federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the California Governor's Office of Emergency Services (Cal OES) or the Federal awarding agency.

4. Debarment and Suspension
As required by Executive Orders (EO) 12549 and 12689, and 2 CFR §200.212 and codified in 2 CFR Part 180, Debarment and Suspension, the Applicant will provide protection against waste, fraud and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the Federal government. The Applicant certifies that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in
connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and
(d) Have not within a three-year period preceding this application had one or more public transaction (Federal, State, or local) terminated for cause or default.

Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

5. Non-Discrimination and Equal Employment Opportunity
The Applicant will comply with all Federal statutes relating to non-discrimination. These include, but are not limited to, the following:

(a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. §2000d et. seq.) which prohibits discrimination on the basis of race, color or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;
(b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex;
(c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps;
(d) Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA (42 U.S.C. 12101, et seq.);
(e) Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age;
(f) Drug Abuse Office and Treatment Act of 1972) (P.L. 92-255), as amended (P.L. 96-181), relating to nondiscrimination on the basis of Treatment or recovery from drug abuse;
(g) Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
(h) Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records;
(i) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing;
(j) EO 11246, which prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over $10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, or national origin;
(k) EO 11375, which bans discrimination on the basis of sex in hiring and employment in both the United States federal workforce and on the part of government contractors;
(l) California Public Contract Code §10295.3, which addresses discrimination based on domestic partnerships;
(m) Any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and
(n) The requirements of any other nondiscrimination statute(s) which may apply to the application.

In addition to the items listed in (a) through (n), the Applicant will comply with California’s Fair Employment and Housing Act (FEHA). FEHA prohibits harassment and discrimination in employment because of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave (California Government Code sections 12940, 12945, 12945.2) and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions.

6. **Drug-Free Workplace**
   As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. §701 et seq.), the Applicant certifies that it will or will continue to provide a drug-free workplace and a drug-free awareness program as outlined in the Act.

7. **Environmental Standards**
The Applicant will comply with State and Federal environmental standards which may be prescribed pursuant to the following, as applicable:

   (a) California Environmental Quality Act (CEQA) (California Public Resources Code §§21000-21177), to include coordination with the city or county planning agency;
   (b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§15000-15387);
   (c) Federal Clean Water Act (CWA) (33 U.S.C. §1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters.
   (d) Institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Orders (EO) on the Environmental Justice Act (EO 12898) and Environmental Quality (EO 11514);
   (e) Notification of Environmental Protection Agency (EPA) violating facilities pursuant to EO 11738;
   (f) Protection of wetlands pursuant to EO 11990;
   (g) Evaluation of flood hazards in floodplains in accordance with EO 11988;
   (h) Assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §1451 et seq.);
(i) Conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §7401 et seq.);
(j) Protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523);
(k) Protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205);

Finally, the Applicant shall not be: 1) in violation of any order or resolution promulgated by the State Air Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to §13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) finally determined to be in violation of federal law relating to air or water pollution.

8. Audits
For subrecipients expending $750,000 or more in Federal grant funds annually, the Applicant will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F Audit Requirements.

9. Access to Records
In accordance with 2 CFR §200.336, the Applicant will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award. The Applicant will require any subrecipients, contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

10. Conflict of Interest
The Applicant will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

11. Financial Management
The Applicant will comply with 31 U.S.C §3729 which sets forth that no subgrantee, recipient or subrecipient shall submit a false claim for payment, reimbursement or advance.

12. Reporting - Accountability
The Applicant agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (2 CFR Chapter 1, Part 170), specifically (a) the reporting of subawards obligating $25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements on executive compensation, and also requirements implementing the Act for the non-Federal entity at


13. Human Trafficking
The Applicant will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. §7104) which prohibits grant award recipients or a subrecipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

14. Labor Standards
The Applicant will comply with the following federal labor standards:

(b) Comply with the Federal Fair Labor Standards Act (29 U.S.C. §201 et al.) as they apply to employees of institutes of higher learning (IHE), hospitals and other non-profit organizations.

15. Worker’s Compensation
The Applicant must comply with provisions which require every employer to be insured against liability for Worker’s Compensation before commencing performance of the work of this Agreement, as per California Labor Code §3700.

16. Property-Related
If applicable to the type of project funded by this Federal award, the Applicant will:

(a) Comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchase.
(b) Comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires subrecipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.
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(c) Assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §469a-1 et seq.).

(d) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §4831 and 24 CFR Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

17. Certifications Applicable Only to Federally-Funded Construction Projects

For all construction projects, the Applicant will:

(a) Not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure nondiscrimination during the useful life of the project.

(b) Comply with the requirements of the awarding agency with regard to the drafting, review and approval of construction plans and specifications.

(c) Provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

18. Freedom of Information Act

The Applicant acknowledges that all information submitted in the course of applying for funding under this program or provided in the course of an entity’s grant management activities which is under Federal control is subject to the Freedom of Information Act (FOIA), 5 U.S.C. §552. The Applicant should also consult its own State and local laws and regulations regarding the release of information, which should be considered when reporting sensitive matters in the grant application, needs assessment and strategic planning process.

19. California Public Records Act

The Applicant acknowledges that all information submitted in the course of applying for funding under this program or provided in the course of an entity’s grant management activities may be subject to the California Public Records Act (California Government Code §§6250-6276.48), which requires inspection and/or disclosure of governmental records to the public upon request, unless exempted by law.

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20. **Personally Identifiable Information**
Subrecipients collecting Personally Identifiable Information (PII) must have a publically-available policy that describes what PII they collect, how they plan to use the PII, whether they share PII with third parties, and how individuals may have their PII corrected where appropriate.

21. **Disposition of Equipment**
When original or replacement equipment acquired under this award is no longer needed for the original project or program or for other activities currently or previously supported by the Department of Homeland Security (DHS)/Federal Emergency Management Agency, Subrecipients must request instructions from the County of Los Angeles on proper disposition of equipment.

22. **Reporting Accusations and Findings of Discrimination**
If, during the past three years, the Subrecipient has been accused of discrimination on the grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status, the Subrecipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the County of Los Angeles for reporting to Cal OES and the DHS awarding office and the DHS Office of Civil Rights and Civil Liberties.

If any court or administrative agency makes a finding of discrimination on grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion or familial status against the Subrecipient, or the Subrecipient settles a case or matter alleging such discrimination, Subrecipients must forward a copy of the complaint and findings to the County of Los Angeles for forwarding to Cal OES and the DHS Component and/or awarding office.

The United States has the right to seek judicial enforcement of these obligations.

23. **Acknowledgement of Federal Funding from DHS and Use of DHS Seal, Logo and Flags**
All Subrecipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposal, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.

All Subrecipients must obtain DHS’s approval prior to using DHS seal(s), Logos, crests or reproductions of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

24. **Copyright**
All Subrecipients must affix the applicable copyright notices of 17 U.S.C. §§401 or 402 and an acknowledgement of Government sponsorship (including award number) to any work first produced under Federal financial assistance awards, unless the work includes any information that is otherwise controlled by the Government (e.g., classified information or other information subject to national security or export control laws or regulations).
25. Energy Policy and Conservation Act
All Subrecipients must comply with the requirements of 42 U.S.C. §6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issues in compliance with this Act.

All Subrecipients must ensure that all conference, meeting, convention, or training space funded in whole or in part with Federal funds complies with Section 6 of the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. §2225a.

27. Terrorist Financing E.O. 13224
All Subrecipients must comply with U.S. Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of Subrecipients to ensure compliance with the E.O. and laws.

28. USA Patriot Act of 2001
All Subrecipients must comply with the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA Patriot Act), which amends 18 U.S.C. §§175-175c.

IMPORTANT
The purpose of the assurance is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. The Applicant recognizes and agrees that state financial assistance will be extended based on the representations made in this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, etc. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Applicant and available for the County of Los Angeles, Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the subrecipient may be ineligible for award of any future grants if the Cal OES determines that any of the following has occurred: (1) the recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

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County of Los Angeles
2015 Grant Assurances

The undersigned represents that he/she is authorized by the above named Applicant to enter into this agreement for and on behalf of the said Applicant. Applicant shall abide by all assurances and requirements set forth herein.

Applicant Name: City of El Segundo
Signature of Authorized Agent: [Signature]
Printed Name of Authorized Agent: Greg Carpenter
Title: City Manager Date: 2-2-17

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September 25, 2015

Sachi A. Hamai, Interim CEO
Los Angeles County
CEO/CDAT
222 S. Hill Street, 2nd Floor
Los Angeles, CA 90012

SUBJECT: NOTIFICATION OF SUBRECIPIENT AWARD APPROVAL
FY 2015 Homeland Security Grant Program
Grant # 2015-0078 Cal OES ID# 037-00000
Subrecipient Performance Period: September 1, 2015, to May 31, 2018

Dear Ms. Hamai:

The California Governor's Office of Emergency Services (Cal OES) approved your FY15 Homeland Security Grant Program (HSGP) award in the amount of $10,302,291. Once your completed application is received and approved, you may request reimbursement of eligible grant expenditures using the Cal OES Financial Management Forms Workbook available at www.caloes.ca.gov.

During the review process, a Cal OES Program Representative will examine and evaluate your FY15 HSGP grant application. Throughout the grant cycle, Cal OES will use performance milestones set in your HSGP application as indicators of performance and grant management capacity and this information may be used in assessing future competitive grant applications. All activities funded with this award must be completed within the subrecipient performance period.

You are required to comply with all applicable federal, state, and local environmental and historic preservation (EHP) requirements. Additionally, Aviation/Watercraft requests, Establish/Enhance Emergency Operations Center projects, projects requiring EHP review, and sole source procurement requests require additional approvals from Cal OES. Subrecipients must obtain written approval for these activities prior to incurring any costs, in order to be reimbursed for any related costs under this grant. Subrecipients are also required to obtain a performance bond prior to the purchase of any equipment item over $250,000, including any aviation or watercraft financed with homeland security dollars. Performance bonds must be submitted to your Program Representative no later than the time of reimbursement.
Ms. Sachi Hamai  
September 25, 2015  
Page 2 of 2

Following acceptance of this award, you must enter your grant information into the Department of Homeland Security/FEMA Grants Reporting Tool (GRT) for the Biannual Strategy Implementation Report (BSIR) period. The GRT can be accessed online at https://www.reporting.odp.dhs.gov/. Your agency must prepare and submit the BSIR to Cal OES via the GRT semi-annually for the duration of the grant period or until you complete all activities and the grant is formally closed. You must also submit a copy of the performance reports to your Cal OES Program Representative. Failure to submit required reports could result in grant reduction, suspension, or termination.

This grant is subject to all provisions of 2 CFR Part 200, Subpart F – Audit Requirements. Any funds received in excess of current needs, approved amounts, or those found owed as a result of a final review or audit, must be refunded to the State within 30 days upon receipt of an invoice from Cal OES.

Your dated signature is required on this letter. Please sign and return the original to your Cal OES Program Representative within 20 days of receipt and keep a copy for your files. For further assistance, please feel free to contact your Cal OES Program Representative or the Homeland Security Grants Unit at (916) 845-8186.

Sincerely,

MARK S. GHILARUCCI  
Director

Ms. Sachi A. Hamai, Interim CEO  
Los Angeles County  
10-3-15  
Date
Appendix C - Funding Guidelines

Recipients must comply with all the requirements in 2 C.F.R. Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards).

In general, recipients should consult with their Headquarters Program Analyst prior to making any investment that does not clearly meet the allowable expense criteria established by the NOFO. Funding guidelines established within this section support the five mission areas—Prevention, Protection, Mitigation, Response, and Recovery—and associated core capabilities within the Goal.

Allowable investments made in support of the HSGP priorities as well as other capability-enhancing projects must fall into the categories of planning, organization, exercises, training, or equipment.

Continuity of Operations
FEMA is designated as the Department of Homeland Security's lead agency for managing the nation's Continuity Program. To support this role, FEMA provides direction and guidance to assist in developing capabilities for continuing the Federal and state, territorial, Tribal, and local (STTL) government jurisdictions and private sector organizations' essential functions across a broad spectrum of emergencies.

National Security Presidential Directive 51, National Security Presidential Directive 20, the National Continuity Policy Implementation Plan (NCPIP), the Federal Continuity Directive 1(FCD 1), and Continuity Guidance Circular 1 (CGC 1), and CGC 2 outline the following overarching continuity requirements for agencies and organizations and provide guidance, methodology, and checklists. For additional information on continuity programs, guidance, and directives, visit http://www.fema.gov/guidance-directives and http://www.fema.gov/continuity-operations or you may contact your Regional Continuity Manager.

Planning (SHSP and UASI only)
SHSP and UASI funds may be used for a range of emergency preparedness and management planning activities and such as those associated with the development of the THIRA, SPR, continuity of operations plans and other planning activities that support the Goal and placing an emphasis on updating and maintaining a current EOP that conforms to the guidelines outlined in CPG 101 v 2.0.

Organization (SHSP and UASI Only)
Organizational activities include:

- Program management;
- Development of whole community partnerships, through groups such as Citizen Corp Councils;
- Structures and mechanisms for information sharing between the public and private sector;
- Implementing models, programs, and workforce enhancement initiatives to address ideologically-inspired radicalization to violence in the homeland;
- Tools, resources and activities that facilitate shared situational awareness between the public and private sectors;
- Operational Support;
- Utilization of standardized resource management concepts such as typing, inventorying, organizing, and tracking to facilitate the dispatch, deployment, and recovery of resources before, during, and after an incident;
- Responding to an increase in the threat level under the National Terrorism Advisory System (NTAS), or needs in resulting from a National Special Security Event; and
- Paying salaries and benefits for personnel to serve as qualified intelligence analysts.

States and Urban Areas must justify proposed expenditures of SHSP or UASI funds to support organization activities within their IJ submission. All SAAs are allowed to utilize up to 50 percent (50%) of their SHSP funding and all Urban Areas are allowed up to 50 percent (50%) of their UASI funding for personnel costs. At the request of a recipient of a grant, the FEMA Administrator may grant a waiver of the 50 percent (50%) limitation noted above. Requests for waivers to the personnel cap must be submitted by the authorized representative of the SAA (or recipient agency) to GPD in writing on official letterhead, with the following information:

- Documentation explaining why the cap should be waived;
- Conditions under which the request is being submitted; and
- A budget and method of calculation of personnel costs both in percentages of the grant award and in total dollar amount. To avoid supplanting issues, the request must also include a three-year staffing history for the requesting entity.

Organizational activities under SHSP and UASI include:

- **Intelligence analysts.** Per the Personnel Reimbursement for Intelligence Cooperation and Enhancement (PRICE) of Homeland Security Act (Pub. L. No. 110-412), SHSP and UASI funds may be used to hire new staff and/or contractor positions to serve as intelligence analysts to enable information/intelligence sharing capabilities, as well as support existing intelligence analysts previously covered by SHSP or UASI funding. In order to be hired as an intelligence analyst, staff and/or contractor personnel must meet at least one of the following criteria:
  - Successfully complete training to ensure baseline proficiency in intelligence analysis and production within six months of being hired; and/or,
  - Previously served as an intelligence analyst for a minimum of two years either in a Federal intelligence agency, the military, or state and/or local law enforcement intelligence unit

As identified in the priority entitled, Maturation and Enhancement of State and Major Urban Area Fusion Centers, all fusion center analytic personnel must demonstrate qualifications that meet or exceed competencies identified in the Common Competencies for State, Local, and Tribal Intelligence Analysts, which outlines the minimum categories of training needed for intelligence analysts. A certificate of completion of such training must be on file with the SAA
and must be made available to the recipient’s respective Headquarters Program Analyst upon request. In addition to these training requirements, fusion centers should also continue to mature their analytic capabilities by addressing gaps in analytic capability identified during the fusion center’s annual assessment.

- **Overtime costs.** Overtime costs are allowable for personnel to participate in information, investigative, and intelligence sharing activities specifically related to homeland security and specifically requested by a Federal agency. Allowable costs are limited to overtime associated with Federally requested participation in eligible fusion activities, including anti-terrorism task forces, Joint Terrorism Task Forces (JTTFs), Area Maritime Security Committees (as required by the Maritime Transportation Security Act of 2002), DHS Border Enforcement Security Task Forces, and Integrated Border Enforcement Teams. Grant funding can only be used in proportion to the Federal man-hour estimate, and only after funding for these activities from other Federal sources (i.e., FBI JTTF payments to state and local agencies) has been exhausted. Under no circumstances should DHS/FEMA grant funding be used to pay for costs already supported by funding from another Federal source.

- **Operational overtime costs.** In support of efforts to enhance capabilities for detecting, deterring, disrupting, and preventing acts of terrorism and other catastrophic events, operational overtime costs are allowable for increased security measures at critical infrastructure sites. SHSP or UASI funds for organizational costs may be used to support select operational expenses associated with increased security measures at critical infrastructure sites in the following authorized categories:
  - Backfill and overtime expenses for staffing state or Major Urban Area fusion centers;
  - Hiring of contracted security for critical infrastructure sites;
  - Participation in Regional Resiliency Assessment Program activities;
  - Public safety overtime;
  - Title 32 or state Active Duty National Guard deployments to protect critical infrastructure sites, including all resources that are part of the standard National Guard deployment package (Note: Consumable costs, such as fuel expenses, are not allowed except as part of the standard National Guard deployment package); and
  - Increased border security activities in coordination with CBP

SHSP or UASI funds may only be spent for operational overtime costs upon prior approval provided in writing by the FEMA Administrator per the instructions in *18 U.S.C. 379*.

Note: States with UASI jurisdictions can use funds retained at the state level to reimburse eligible operational overtime expenses incurred by the state (per the above guidance limitations and up to a maximum of 50 percent (50%) of the state share of the UASI grant). Any UASI funds retained by the state must be used in *direct* support of the Urban Area. States must provide documentation to the UAWG and DHS/FEMA upon request demonstrating how any UASI funds retained by the state would directly support the Urban Area.

Appendix C—FY2015 HSGP Funding Guidelines
Equipment (SHSP and UASI)
The 21 allowable prevention, protection, mitigation, response, and recovery equipment
categories and equipment standards for HSGP are listed on the Authorized Equipment List
(AEL). The AEL is available in PDF format at https://www.fema.gov/media-
library/assets/documents/101566. Unless otherwise stated, equipment must meet all mandatory
regulatory and/or DHS/FEMA-adopted standards to be eligible for purchase using these funds.
In addition, agencies will be responsible for obtaining and maintaining all necessary
certifications and licenses for the requested equipment.

Grant funds may be used for the procurement of medical countermeasures. Procurement of
medical countermeasures must be conducted in collaboration with state/city/local health
departments who administer Federal funds from HHS for this purpose and with existing MMRS
committees where available, in order to sustain their long term planning for appropriate, rapid,
and local medical countermeasures, including antibiotics and antidotes for nerve agents, cyanide,
and other toxins. Procurement must have a sound threat based justification with an aim to reduce
the consequences of mass casualty incidents during the first crucial hours of a response. Prior to
procuring pharmaceuticals, recipients must have in place an inventory management plan to avoid
large periodic variations in supplies due to coinciding purchase and expiration dates. Recipients
are encouraged to enter into rotational procurement agreements with vendors and distributors.
Purchases of pharmaceuticals must include a budget for the disposal of expired drugs within each
fiscal year’s period of performance for HSGP. The cost of disposal cannot be carried over to
another DHS/FEMA grant or grant period.

Training (SHSP and UASI)
Allowable training-related costs under HSGP include the establishment, support, conduct, and
attendance of training specifically identified under the SHSP and UASI programs and/or in
conjunction with emergency preparedness training by other Federal agencies (e.g., HHS and
DOT). Training conducted using HSGP funds should address a performance gap identified
through an AAR/IP or other assessments (e.g., National Emergency Communications Plan NECP
Goal Assessments) and contribute to building a capability that will be evaluated through a formal
exercise. Any training or training gaps, including those for children, older adults, pregnant
women, and individuals with disabilities and others who also have or access and functional
needs, should be identified in the AAR/IP and addressed in the state or Urban Area training
cycle. Recipients are encouraged to use existing training rather than developing new courses.
When developing new courses, recipients are encouraged to apply the Analysis, Design,
Development, Implementation and Evaluation model of instructional design using the Course
Development Tool.

Exercises (SHSP and UASI)
Exercises conducted with grant funding should be managed and conducted consistent with
HSEEP. HSEEP guidance for exercise design, development, conduct, evaluation, and
improvement planning is located at https://www.fema.gov/exercise.

Maintenance and Sustainment (SHSP, UASI, and OPSG)
The use of DHS/FEMA preparedness grant funds for maintenance contracts, warranties, repair or
replacement costs, upgrades, and user fees are allowable, as described in FEMA Policy FP 205-
402-125-1 under all active and future grant awards, unless otherwise noted. With the exception of maintenance plans purchased incidental to the original purchase of the equipment, the period covered by maintenance or warranty plan must not exceed the period of performance of the specific grant funds used to purchase the plan or warranty.

Grant funds are intended to support the Goal by funding projects that build and sustain the core capabilities necessary to prevent, protect against, mitigate the effects of, respond to, and recover from those threats that pose the greatest risk to the security of the Nation. In order to provide recipients the ability to meet this objective, the policy set forth in GPD’s IB 379 (Guidance to State Administrative Agencies to Expedite the Expenditure of Certain DHS/FEMA Grant Funding) allows for the expansion of eligible maintenance and sustainment costs which must be in 1) direct support of existing capabilities; (2) must be an otherwise allowable expenditure under the applicable grant program; (3) be tied to one of the core capabilities in the five mission areas contained within the Goal, and (4) shareable through the Emergency Management Assistance Compact. Additionally, eligible costs must also be in support of equipment, training, and critical resources that have previously been purchased with either Federal grant or any other source of funding other than DHS/FEMA preparedness grant program dollars.

**Law Enforcement Terrorism Prevention Allowable Costs (SHSP and UASI)**
Activities eligible for use of LETPA focused funds are outlined in the National Prevention Framework (and where capabilities are shared with the protection mission area, the National Protection Framework) and include but are not limited to:

- Maturation and enhancement of designated state and major Urban Area fusion centers, including information sharing and analysis, threat recognition, terrorist interdiction, and training/ hiring of intelligence analysts;
- Coordination between fusion centers and other analytical and investigative efforts including, but not limited to Joint Terrorism Task Forces (JTTFs), Field Intelligence Groups (FIGs), High Intensity Drug Trafficking Areas (HIDTAs), Regional Information Sharing Systems (RISS) Centers, criminal intelligence units, and real-time crime analysis centers;
- Implementation and maintenance of the Nationwide SAR Initiative, including training for front line personnel on identifying and reporting suspicious activities;
- Implementation of the “If You See Something, Say Something™” campaign to raise public awareness of indicators of terrorism and terrorism-related crime and associated efforts to increase the sharing of information with public and private sector partners, including nonprofit organizations. Note: DHS/FEMA requires that the Office of Public Affairs be given the opportunity to review and approve any public awareness materials (e.g., videos, posters, tri-folds, etc.) developed using HSGP grant funds for the “If You See Something, Say Something™” campaign to ensure these materials are consistent with the Department’s messaging and strategy for the campaign and the initiative’s trademark;
- Training for countering violent extremism; development, implementation, and/or expansion of programs to engage communities that may be targeted by violent extremist radicalization; and the development and implementation of projects to partner with local communities to prevent radicalization to violence, in accordance with the Strategic

Appendix C—FY2015 HSGP Funding Guidelines
Implementation Plan (SIP) to the National Strategy on Empowering Local Partners to Prevent Violent Extremism in the United States; and

- Increase physical security, through law enforcement personnel and other protective measures by implementing preventive and protective measures at critical infrastructure site or at-risk nonprofit organizations.

**Critical Emergency Supplies (SHSP and UASI)**

In order to further DHS/FEMA’s mission, critical emergency supplies, such as shelf stable products, water, and basic medical supplies are an allowable expense under SHSP and UASI. Prior to the allocation of grant funds for stockpiling purposes, each state must have DHS/FEMA’s approval of a five-year viable inventory management plan which should include a distribution strategy and related sustainment costs if planned grant expenditure is over $100,000.

If grant expenditures exceed the minimum threshold, the five-year inventory management plan will be developed by the recipient and monitored by FEMA GPD with the assistance of the FEMA Logistics Management Directorate (LMD). FEMA GPD will coordinate with LMD and the respective FEMA Region to provide program oversight and technical assistance as it relates to the purchase of critical emergency supplies under UASI. FEMA GPD and LMD will establish guidelines and requirements for the purchase of these supplies under UASI and monitor development and status of the state’s inventory management plan.

States (through their Emergency Management Office) are strongly encouraged to consult with their respective FEMA Regional Logistics Chief regarding disaster logistics-related issues. States are further encouraged to share their DHS/FEMA approved plan with local jurisdictions and Tribes.

**Construction and Renovation (SHSP and UASI)**

Project construction using SHSP and UASI funds may not exceed the greater of $1,000,000 or 15 percent (15%) of the grant award. For the purposes of the limitations on funding levels, communications towers are not considered construction.

Written approval must be provided by DHS/FEMA prior to the use of any HSGP funds for construction or renovation. When applying for construction funds, including communications towers, at the time of application, recipients must submit evidence of approved zoning ordinances, architectural plans, any other locally required planning permits, and a notice of Federal interest. Additionally, recipients are required to submit a SF-424C Budget and Budget detail citing the project costs.

When applying for funds to construct communication towers, recipients and sub-recipients must submit evidence that the FCC’s Section 106 review process has been completed and submit all documentation resulting from that review to GPD using the guidelines in EHP Supplement prior to submitting materials for EHP review. Completed EHP review materials for construction and communication tower projects must be submitted as soon as possible to get approved by the end of the period of performance. EHP review materials should be sent to gpdehpinfosolr@fema.gov.

HSGP Program recipients using funds for construction projects must comply with the Davis-Bacon Act (40 U.S.C. 3141 et seq.). Recipients must ensure that their contractors or subcontractors for construction projects pay workers no less than the prevailing wages for

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Appendix C—FY2015 HSGP Funding Guidelines

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laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the state in which the work is to be performed. Additional information regarding compliance with the Davis-Bacon Act, including Department of Labor (DOL) wage determinations, is available from the following website http://www.dol.gov/compliance/laws/comp-dbra.htm.

OPSG funds may not be used for any type of construction.

**Personnel (SHSP and UASI)**
Personnel hiring, overtime, and backfill expenses are permitted under this grant in order to perform allowable HSGP planning, training, exercise, and equipment activities. Personnel may include but are not limited to: training and exercise coordinators, program managers for activities directly associated with SHSP and UASI funded activities, intelligence analysts, and statewide interoperability coordinators (SWIC).

For further details, SAAs should refer to IB # 358, http://www.fema.gov/pdf/government/grant/bulletins/inf0358.pdf, or contact their Headquarters Program Analyst.

HSGP funds may not be used to support the hiring of any personnel for the purposes of fulfilling traditional public health and safety duties or to supplant traditional public health and safety positions and responsibilities.

The following are definitions as it relates to personnel costs:

- **Hiring.** State and local entities may use grant funding to cover the salary of newly hired personnel who are exclusively undertaking allowable /DHSFEMA program activities as specified in this guidance. This may not include new personnel who are hired to fulfill any non-DHS/FEMA program activities under any circumstances. Hiring will always result in a net increase of Full Time Equivalent (FTE) employees.

- **Overtime.** These expenses are limited to the additional costs which result from personnel working over and above 40 hours of weekly work time as a direct result of their performance of DHS/FEMA-approved activities specified in this guidance. Overtime associated with any other activity is not eligible.

- **Backfill-related Overtime.** Also called “Overtime as Backfill,” these expenses are limited to overtime costs which result from personnel who are working overtime (as identified above) to perform the duties of other personnel who are temporarily assigned to DHS/FEMA-approved activities outside their core responsibilities. Neither overtime nor backfill expenses are the result of an increase of FTE employees.

- **Supplanting.** Grant funds will be used to supplement existing funds, and will not replace (supplant) funds that have been appropriated for the same purpose. Applicants or recipients may be required to supply documentation certifying that a reduction in non-Federal resources occurred for reasons other than the receipt or expected receipt of Federal funds.

Appendix C—FY2015 HSGP Funding Guidelines
Operational Packages (OPacks) (SHSP and UASI)
Applicants may elect to pursue operational package (OPack) funding, such as Canine Teams, Mobile Explosive Screening Teams, and Anti-Terrorism Teams, for new capabilities as well as to sustain existing OPacks. Applicants must commit to minimum training standards to be set by the Department for all Federally-funded security positions. Applicants must also ensure that the capabilities are able to be deployable, through EMAC, outside of their community to support regional and national efforts. When requesting new OPacks-related projects, applicants must demonstrate the need for developing a new capability at the expense of sustaining existing core capability.

Western Hemispheric Travel Initiative (SHSP)
In addition to the expenditures outlined above, SHSP funds may be used to support the implementation activities associated with the Western Hemisphere Travel Initiative (WHTI), including the issuance of WHTI-compliant Tribal identification cards. More information on the WHTI may be found at http://www.dhs.gov/files/programs/gc_1200693579776.shim or http://www.getyouhome.gov/html/eng_map.html.

Other Secure Identification Initiatives (SHSP)
SHSP funds may also be used to support the Department’s additional efforts to enhance secure identification, including driver’s license and identification security enhancements. Activities that facilitate secure identification, including IT enhancements for identification management and verification systems are a priority. DHS/FEMA is currently developing and implementing a number of screening programs in which secure identification credentials figure prominently. These include the Transportation Worker Identification Credential (TWIC) program which promotes tamper-resistant biometric credentials for workers who require escorted access to secure areas of ports, vessels, outer continental shelf facilities, and all credentialed merchant mariners; and the credentialing of first responders which entails enhancing real-time electronic authentication of identity and attribute(s) (qualification, certification, authorization, and/or privilege) of emergency response/critical government personnel responding to terrorist attacks or other catastrophic events.

States may continue implementing activities previously funded through the Driver’s License Security Grant Program (DLSGP) that focus on securing driver’s license and identification card issuance processes. Initiatives related to securing identification should:

- Have the greatest impact upon reducing the issuance and use of fraudulent driver’s license and identification cards;
- Reduce the cost of program implementation for individuals, states, and the Federal government;
- Driver’s license identification material requirements;
- Expedite state progress toward meeting minimum security standards; and
- Plan and expedite state-specific activities to support Federal data and document verification requirements and standards.

Appendix C—FY2015 HSGP Funding Guidelines
Operations (OPSG)
The intent of OPSG is to focus on operational aspects of enhancing coordination between Federal, state, local, Tribal, and territorial law enforcement agencies to increase the security of the United States Borders.

- **Operational Overtime.** OPSG funds may be used for operational overtime costs associated with law enforcement activities, in support of border law enforcement agencies for increased border security enhancement. At the request of a recipient, the FEMA Administrator may waive the 50 percent (50%) personnel cap. Waiver decisions are at the discretion of the FEMA Administrator and will be considered on a case-by-case basis. A formal OPSG personnel waiver request should:
  - Be requested on official letterhead, include a written justification, and be signed by the local jurisdiction;
  - Include a budget and method of calculation of personnel costs both in percentage of the grant award and in total dollar amount;
  - Include an approved Operations Order from the USBP Sector office which supports the local jurisdiction’s written justification; and
  - Be coordinated with the USBP Sector, SAA, and OBP.

- **Part Time Personnel.** OPSG funds may be used to pay additional current part time law enforcement personnel salaries in order to bring them to temporary full time status.

- **Travel, Per Diem, and Lodging.** Travel and per diem include costs associated with the deployment/redeployment of personnel to border areas and for travel associated with law enforcement entities assisting other local jurisdictions in law enforcement activities. In addition, costs to support up to six month deployment of law enforcement personnel to critical Southwest Border locations to support operational activities (travel costs must be in accordance with applicable travel regulations).

- **Vehicle and Equipment Rentals.**

- **Vehicle/Equipment Maintenance.**

- **Fuel Cost and/or Mileage Reimbursement.** There is no cap for reimbursement of operational activities.

- **Activate Reserve State, local, Tribal, and territorial law enforcement personnel.**
  Supporting a request to the Governor to activate, deploy, or redeploy specialized National Guard Units/Package and/or elements of state law enforcement to increase or augment specialized/technical law enforcement elements operational activities.

- **Backfill.** Costs associated with backfill for personnel supporting operational activities.

- **Law Enforcement Readiness.** Use of OPSG funds may be used to increase operational, material, and technological readiness of state, local, Tribal, and territorial law enforcement agencies.

Unallowable Costs (OPSG)
OPSG unallowable costs include costs associated with staffing and general IT computing equipment and hardware, such as personal computers, faxes, copy machines, modems, etc. OPSG is not intended as a hiring program. Therefore, applying funds toward hiring full-time or permanent sworn public safety officers is unallowable. OPSG funding shall not be used to supplant inherent routine patrols and law enforcement operations or activities not directly related to providing enhanced coordination between local and Federal law enforcement agencies.
Finally, construction and/or renovation costs are prohibited under OPSG. Applicants should refer to IB 358 or contact their Headquarters Program Analyst at (800) 368-6498 for guidance and clarification.

Due to the nature of OPSG, training and exercise expenses are not allowable costs under OPSG.

**Unallowable Costs (SHSP, UASI and OPSG)**
Per FEMA policy, the purchase of weapons and weapons accessories is not allowed with HSGP funds.

**Additional Planning Information**
FEMA’s National Preparedness Directorate (NPD) offers technical assistance (TA) that is designed to provide recipients and sub-recipients with specialized expertise to improve their emergency plans and planning. TA deliveries are designed specifically to improve and enhance the continuing development of state and local emergency management across the five mission areas of the National Preparedness Goal and across all core capabilities. TA provides the opportunity to engage emergency managers, emergency planners, and appropriate decision-makers in open discussion of options to improve plans and planning in light of their jurisdiction’s needs. There is no cost to approved jurisdictions for DHS/FEMA TA.

TA deliveries combine current emergency management best practices with practical consideration of emerging trends, through discussion facilitated by DHS/FEMA contract specialists and with the support of FEMA Region operational specialists. While the invitation of participants is up to the requesting jurisdiction, DHS/FEMA encourages requesting jurisdictions to include the broadest practical range of its emergency managers and planners in all TA deliveries. TA deliveries should be made open to neighboring jurisdictions. As necessary, DHS/FEMA may also invite other Federal experts and practitioners to participate. Additionally, peer-to-peer representation may also be included from other jurisdictions that have recently used TA for the same planning issue.

The TA catalog, showing the full range of TA available across all five mission areas and by all providers, and the TA request form can be accessed at http://www.fema.gov/national-incident-management-system/fema-technical-assistance-division.

**Additional Training Information**
Per DHS/FEMA Grant Programs Directorate Policy *FP 207-008-064-1, Review and Approval Requirements for Training Courses Funded Through Preparedness Grants*, issued on September 9, 2013, states, territories, Tribal entities and urban areas are no longer required to request approval from FEMA for personnel to attend non-DHS FEMA training as long as the training is coordinated with and approved by the state, territory, Tribal or Urban Area Training Point of Contact (TPOC) and falls within the FEMA mission scope and the jurisdiction’s Emergency Operations Plan (EOP). The only exception to this policy is for Countering Violent Extremism courses.

DHS/FEMA will conduct periodic reviews of all state, territory, and Urban Area training funded by DHS/FEMA. These reviews may include requests for all course materials and physical observation of, or participation in, the funded training. If these reviews determine that courses

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Appendix C—FY2015 HSGP Funding Guidelines
are outside the scope of this guidance, recipients will be asked to repay grant funds expended in support of those efforts.

For further information on developing courses using the instructional design methodology and tools that can facilitate the process, SAAs and TPOCs are encouraged to review the _NTED Responder Training Development Center (RTDC)_ website.

**DHS/FEMA Provided Training.** These trainings include programs or courses developed for and delivered by institutions and organizations funded by DHS/FEMA. This includes the Center for Domestic Preparedness (CDP), the Emergency Management Institute (EMI), and the National Training and Education Division's (NTED) training partner programs including, the Continuing Training Grants, the National Domestic Preparedness Consortium (NDPC) and the Rural Domestic Preparedness Consortium (RDPC).

**Approved State and Federal Sponsored Course Catalogue.** This catalogue lists state and Federal sponsored courses that fall within the DHS/FEMA mission scope, and have been approved through the FEMA course review and approval process. An updated version of this catalog can be accessed at [http://www.firstrespondertraining.gov](http://www.firstrespondertraining.gov).

**Training Not Provided by DHS/FEMA.** These trainings includes courses that are either state sponsored or Federal sponsored (non-DHS/FEMA), coordinated and approved by the SAA or their designated TPOC, and fall within the DHS/FEMA mission scope to prepare state, local, Tribal, and territorial personnel to prevent, protect against, mitigate, respond to, and recover from acts of terrorism or catastrophic events.

- **State Sponsored Courses.** These courses are developed for and/or delivered by institutions or organizations other than Federal entities or DHS/FEMA and are sponsored by the SAA or their designated TPOC.

- **Joint Training and Exercises with the Public and Private Sectors.** These courses are sponsored and coordinated by private sector entities to enhance public-private partnerships for training personnel to prevent, protect against, mitigate, respond to, and recover from acts of terrorism or catastrophic events. Overtime pay for first responders and emergency managers who participate in public-private training and exercises is allowable. In addition, states, territories, Tribes, and Urban Areas are encouraged to incorporate the private sector in government-sponsored training and exercises.

Additional information on both DHS/FEMA provided training and other Federal and state training can be found at [http://www.firstrespondertraining.gov](http://www.firstrespondertraining.gov).

**Training Information Reporting System ("Web-Forms").** Web-Forms are an electronic form/data management system built to assist the SAA and its designated state, territory and Tribal Training Point of Contact (TPOC). Reporting training activities through Web-Forms is not required under FY 2015 HSGP; however, the system remains available and can be accessed through the DHS/FEMA Toolkit located at [http://www.firstrespondertraining.gov/admin](http://www.firstrespondertraining.gov/admin) in order to support recipients in their own tracking of training.
Additional Exercise Information
Recipients that decide to use HSGP funds to conduct an exercise(s) are encouraged to complete a progressive exercise series. Exercises conducted by states and Urban Areas may be used to fulfill similar exercise requirements required by other grant programs. Recipients are encouraged to invite representatives/planners involved with other Federally-mandated or private exercise activities. States and Urban Areas are encouraged to share, at a minimum, the multi-year training and exercise schedule with those departments, agencies, and organizations included in the plan.

- **Exercise Scenarios.** The scenarios used in HSGP-funded exercises must be based on the state/Urban Area’s THIRA and SPR. The scenarios used in HSGP-funded exercises must focus on validating capabilities, must be large enough in scope and size to exercise multiple activities and warrant involvement from multiple jurisdictions and disciplines and non-governmental organizations, and take into account the needs and requirements for individuals with disabilities. Exercise scenarios should align with priorities and capabilities identified in the Multi-year TEP.

- **Special Event Planning.** If a state or Urban Area will be hosting a special event (e.g., Super Bowl, G-8 Summit), the special event planning should be considered as a training or exercise activity for the purpose of the Multi-year TEP. The state or Urban Area should plan to use SHSP or UASI funding to finance training and exercise activities in preparation for those events. States and Urban Areas should also consider exercises at major venues (e.g., arenas, convention centers) that focus on evacuations, communications, and command and control.

- **Regional Exercises.** States should also anticipate participating in at least one Regional Exercise annually. States must include all confirmed or planned special events in the Multi-year TEP.

- **Role of Non-Governmental Entities in Exercises.** Non-governmental participation in all levels of exercises is strongly encouraged. Leaders from non-governmental entities should be included in the planning, design, and evaluation of an exercise. State, local, Tribal, and territorial jurisdictions are encouraged to develop exercises that test the integration and use of non-governmental resources provided by non-governmental entities, defined as the private sector and private non-profit, faith-based, community, participation in exercises should be coordinated with the local Citizen Corps Council(s) or their equivalent and other partner agencies.

Unauthorized Exercise Costs
Unauthorized exercise-related costs include:

- Reimbursement for the maintenance and/or wear and tear costs of general use vehicles (e.g., construction vehicles), medical supplies, and emergency response apparatus (e.g., fire trucks, ambulances).

- Equipment that is purchased for permanent installation and/or use, beyond the scope of the conclusion of the exercise (e.g., electronic messaging signs).
**SECTION A: SUBMITTING YOUR CLAIMS**

Please submit legible supporting documents, files and completed reimbursement form at:

**Grants@auditor.lacounty.gov**

In the event e-mail is not available, you can mail your claims to (please do not fax or send duplicates):

**Department of Auditor-Controller**

**Shared Services Division / Attn: Grants Unit**

3470 Wilshire Blvd., Suite 812

Los Angeles, CA 90010

| 1. Enter Grant Year: | 2015 |

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**SECTION B: SUB-RECIPIENT'S INFORMATION**

1. Sub-recipient's Name: (reimbursement check will be made payable to the name enter here)

2. Mailing Address: (please let us know where you want your check delivered, including attention line if necessary):

3. Taxpayer ID #:

4. Contact's Name:

4. Contact's phone:

4. Contact's e-mail:

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**SECTION C: DETAIL CLAIM INFORMATION**

<table>
<thead>
<tr>
<th>1. SOLUTION AREA (e.g. equipment, training, planning, exercise)</th>
<th>2. ITEM # (e.g. 17.020)</th>
<th>3. PROJECT ALPHA (e.g. D)</th>
<th>4. EHP required? (Environmental Health Preservation)</th>
<th>5. VENDOR'S INVOICE #</th>
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</tbody>
</table>

4. EHP required? (Environmental Health Preservation)

If services, supplies or equipment were purchased, please attach invoices (maximum of $5) and indicate purchase method by completing numeral 6.

<table>
<thead>
<tr>
<th>6. PURCHASE METHOD</th>
</tr>
</thead>
</table>

* If the purchase price is $159K or more for a Non-Competitive Bid or a Sole Source, please attach State's prior Approval.

<table>
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<tr>
<th>Competitive Bid?</th>
<th>Non-Competitive Bid</th>
<th>Sole Source</th>
</tr>
</thead>
</table>

7. CLAIM AMOUNT (Indicate the amount per each line)

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**SECTION D: SUB-RECIPIENT'S CERTIFICATION**

Under Penalty of Perjury I certify that (please use the checkbox):

- [ ] I am the duly authorized officer of the claimant herein and this claim is in all respects true and correct. All expenditures were made in accordance with applicable laws, rules, regulations and grant conditions and assurances.

- [ ] All instructions for this form were followed and all the supporting documentation (per instructions) is included with this claim.

3. **AUTHORIZED SIGNATURE**

4. **AUTHORIZED PRINTED NAME**

5. **AUTHORIZED TITLE**

5. AUTHORIZED CONTACT INFORMATION (If different from Section B):

PHONE #:

E-MAIL:

---

**SECTION E FOR USE ONLY**

STAMP WITH RECEIVED DATE HERE:

**ASSIGNED CLAIM TRACKING NO.**

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Revised on 11/15/2016

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Purpose of this form:

To assist sub-recipients in completing the Homeland Security Grant Reimbursement form. We appreciate your participation in this program, for questions or suggestions please use our e-mail below to contact us. Please do not send these instructions to us, they are to be used for your guidance only.

SECTION A: GENERAL INSTRUCTIONS FOR SUBMISSION OF CLAIMS

In numeral 1 of this section, please enter the year of the grant program that you are submitting for reimbursement. In addition, please help us expedite the process of your Homeland Security claims by:

- Completing the reimbursement forms correctly and according to these instructions.
- Submitting your claims using our e-mail --> Grants@auditor.lacounty.gov (please do not fax documents).
- Sending your claims only once (we do not require original documents and duplicates will slow down our process).
- Using the checkboxes to ensure all the required supporting documents and files accompany your claim form. Supporting documents are flagged for your convenience with a checkbox within the corresponding areas.
- Ensuring that all documents attached to your claims are legible.
- Submitting claims timely. We do not guarantee the process of claims that are submitted late or too close to the final due date. Reimbursable expenditures need to be charged within the performance period of the grant and submitted to us as soon as they are incurred.

SECTION B: SUB-RECIPIENT’S INFORMATION

The following numerals provide the instructions to fill in the corresponding numeral in the form:

1. Please enter the name of the agency requesting the reimbursement. The name of the agency should be typed according to its signed agreement and as you need it to appear in the payee line of the reimbursement check.

2. Please enter the complete address (street number and name, city, zip code) and attention line where you will need to receive the reimbursement check. Please note that this is not necessary for L.A. County departments.

3. Please enter the tax ID of the governmental entity requesting reimbursement. Please leave blank for L.A. County departments.

4. Please enter the information of the person that can assist us with detail claim questions.

SECTION C: DETAIL CLAIM INFORMATION:

In order to expedite your claim, in this area's grid, include a maximum of five (5) invoices or reimbursements charges (one charge or one invoice per line). The invoices or charges need to share the same solution area, project alpha and item #. In addition, invoices from one fiscal year should be claimed separate from invoices of another fiscal year. For example: an invoice dated June 2015 (FY 14/15) should not be combined with an invoice dated October 2015 (FY 15/16) in the same claim request.

The following numerals provide the instructions to fill in the corresponding numeral in the form:

1. Enter the solution area corresponding to the claim. This Information is found in the latest budget of the grant. Examples of solution areas are: equipment, training, planning or exercise.

2. Enter the item # corresponding to the claim. This Information is found in the latest budget of the grant. An example of item # is 17.020.

3. Enter the project alpha corresponding to the claim. This Information is found in the latest budget of the grant. An example of project alpha is D.

4. Check with an X under either yes or no according to the claim's Environmental & Historical Preservation (EHP) requirements from the State. EHP approval needs to be obtained from the State prior to the start of the project on certain equipment items (see AEL description) or training/exercise projects. Please attach the following:

   a)  [ ] State EHP Approval: if required by the state for your claim.
5. If the expenditures that you are claiming were purchased thru a vendor or contractor, please enter the invoice # in the grid area. Please note that you are responsible for following acceptable purchasing policies and for documenting your procurement process. Additionally please include the following documentation with your claim:

a) Copy of the invoice: Please attach an invoice that provides sufficient information to be used as a cross reference with the items described in your grant line item and AEL #. When the invoice includes items that are not being claimed or that belong to different claims or grants, please circle and designate on the invoice the items that you are requesting for reimbursement. Each item circled must have a project #, a funding source, and a total. Purchase orders and price quotes will not be accepted in the place of the invoice.

b) Copy of the purchase order

c) Print out of the corresponding AEL # (Authorized Equipment List number). The AEL listing can be found at: https://www.rkb.us/fema_grants.cfm

d) Proof of payment of the invoice: The proof of payment for L.A. County Departments is the printout from e-CAPS showing that the check cleared the bank. The proof of payment for other than L.A. County Department is the corresponding copy of the bank’s cleared check.

e) Calculations for use tax paid: When use tax is paid, clearly show the calculations of the use tax in the invoice included in your claim.

f) Proof of payment of the use tax: Please provide official documents which authenticate the remittance of the use tax to the state, the amount and the reference to the invoice being claimed.

g) Federal Debarment Listing: Please provide a screen print out of the queried Federal Debarment Listing at http://www.sam.gov/portal/public/SAM. (you will need a username and a password; if you don’t please create an account). The listing needs to be queried prior to the start of the project. This will certify that the vendor is allowed by the state.

6. If you are claiming services, supplies or any other type of items purchased thru a vendor or contractor, please indicate with an X the method that you used to acquire the items (do not leave blank or mark more than one). Please note that competitive bid, non-competitive bid or sole source are the only valid purchasing methods.

a) Non-Competitive Bid: for single bid purchases of $150,000 or more to a single vendor or a single project, please attach the approval from the State. The approval needs to be requested from the State prior to the start of the project.

b) Sole Source: for non-bid purchases of $150,000 or more to a single vendor or a single project, please attach the approval from the State. The approval needs to be requested from the State prior to the start of the project.

c) Competitive Bid: for projects that received more than one bid. Please indicate number of bids received (must be more than one). Number of bids: 

7. Enter the amount of your claim after you verify that your budget is sufficient to cover your request. When the amount of the budget is not sufficient, please let CDAT know of the possible need for budget modification.

8. Enter the "Total Amount" by adding the subtotal claims included in each line.

SECTION D: SUB-RECIPIENT'S CERTIFICATION
The following numerals provide the instructions to fill in the corresponding numeral in the form:
1. Please read and check the box provided if you are an authorized signor.
2. Please read and check the box provided if you are an authorized signor.
3. Please sign the claim if you are an authorized signor of your agency.
4 & 5. When the authorized person is the same as the contact person in Section B you do not need to enter the authorized contact information. If the authorized person and the contact person in Section B are different, please enter all the fields in this area as requested.
INSTRUCTIONS TO COMPLETE THE HOMELAND SECURITY GRANT REIMBURSEMENT FORM

ADDITIONAL ITEMS THAT YOU NEED TO ATTACH TO YOUR CLAIMS (ACCORDING TO SOLUTION AREA):

For Equipment Claims:

a)  Equipment Inventory Listing (Print out & Excel File): Please include both the printout of the listing and the corresponding excel file with your claim. The excel file is used to submit your claim with the state and the printout as backup document for audits. If there is no serial # for your equipment please assign a valid ID tag, or write "Consumable" (if it applies) or write N/A. Please do NOT leave the corresponding space blank. See also refer to the Instructions to Equip Inty Tab for completion procedures of Equipment Inventory.

Additionally, please enter the appropriate CBRNE Mission (Chemical, Biological, Radiological, Nuclear, or Explosive) in the column titled "Equipment Description & Quantity". This only applies to vehicles with AEL # 12VE-00-MISS (Vehicle Specialized Mission: CBRNE).

You need to inform us of any changes on the items above. This applies to each piece of equipment added to the Inventory Listing, including when the items are disposed and/or no longer useful. We will update the master inventory listing (per grant requirement) according to the information you give us. Please make sure that you include all the attachments that are necessary to provide us with the requested information.

For Training Claims:

a)  State-Sponsored Training Reporting Form (with the tracking request #): Please add this form along with the Training Request Form Training Officer (POC), which you completed at the website, to the claim’s backup documentation. All the backup documentation submitted for the training claim needs to agree with the training period and the detail description on the Training Reporting Form and the line item of the Grant. Training request #’s must be obtained from the State prior to the start of the project.

b)  Receipts and paid invoices: please include the complete copy of the receipts and paid invoices with your claim for itemized costs such as air plane tickets, hotel stays, instructor's fees, workshop cost, facilities fees, consulting services, etc. Additionally, you will need to include the documents requested in numeral 5 under Section C.

If you are including personnel cost with your training claim, please add the following:

c)  Documents that certify completion of the training: please attach supporting documents that show the class name, dates of training, # of hours of the training class, printed name and signature of individual taking the class and approval signature from supervisor or trainer (attach the information for backfilled positions also). Examples of documents that certify completion of training are:

- Attendance sheets (signed by employee and instructor)
- Sign in sheets (same as above)
- Signed training certificates

d)  Summary Listing of Charges: Please use the Training Summary Sheet form provided in this claim packet that clearly shows the breakdown of the training charges per employee and that match the total claimed. This form includes the following: employee name, assignment, job title, date, salary, hours claimed, regular rate, overtime rate, employee benefits rate, claim amount per employee, clear calculations of amount claimed per employee and total (equal to the amount claimed).

Please ensure that the Training Summary Sheet is verified/approved by an authorized signatory, with printed name and title, and dated.

e)  Backup for the Benefits Rate: If you are adding benefits to your claim, please make sure that you include the official calculation for the rate used.

f)  Timecards: Include a printout of the corresponding timecards. Manual timecards need to indicate the # of hours charged per day to the grant, supervisor's signature, employee name and signature. Automatic system generated timecards need to be approved and include the name of the employee and hours charged per day to the grant.
COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER / SHARED SERVICES DIVISION
INSTRUCTIONS TO COMPLETE THE HOMELAND SECURITY GRANT REIMBURSEMENT FORM

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Explanation of timekeeping codes: When the supporting documentation (timesheet, payroll register, etc.) includes timekeeping codes please provide a printout with the explanation of the usage as detailed as possible.

Payroll register: The payroll register needs to clearly support and explain the amount claimed per employee. It also needs to show the salary, hourly rate, employee benefits and overtime rate.

Roster of backfilled positions: When you are claiming overtime for a backfilled position, please attach the backfilled roster to your claim. The roster needs to include the name of the backfilling employees, a short description of duties performed, the corresponding employee whose duties were covered and the dates accordingly. Please make sure that the roster is signed and that you include documentation corresponding to the employee covered by the backfilling position.

For Planning Claims:

Deliverable (or final product): Please include with your claim the final product of the planning activity (deliverable) that was identified in the grant award.

Signed Certificate of Completion: The certificate of completion can be an e-mail confirming that the planning activity was completed.

Invoices: If your planning claim includes charges invoiced by vendors, please see requirements and documents you need to attach to your claim form under Section C (numeral 5 and numeral 6).

Supporting Documentation for Personnel Cost: When your planning claim includes personnel cost, please see d) to i) under Training Claim (supporting documents needed) and add to the documentation.

For Exercise Claims:

Proof of State Approval of After Action Report (AAR): In order for your AAR to be approved you have to submit it to the State using the ODP Portal (see link below), within 60 days following the completion of the exercise. You need to notify the State when the AAR is uploaded so they can proceed with the approval process.

https://hseep.dhs.gov/DHS_SSO/

Invoices: If your exercise claim includes charges invoiced by vendors please see requirements and documents you need to attach to your claim form under Section C (numeral 5 and numeral 6).

Supporting Documentation for Personnel Cost: When your exercise claim includes personnel cost, please see d) to i) under Training Claim (supporting documents needed) and add to the documentation.

For Organization Claims: Please see above b) and c) under Exercise Claims
STATE HOMELAND SECURITY GRANT PROGRAM
Equipment Inventory Listing
Procedures for Completion

OBJECTIVE: To provide an equipment inventory listing that links the State
Homeland Security Workbook, to the Equipment Ledger and to the
Equipment Listing to simplify the tracking and accountability; and to
eliminate duplication and confusion.

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<thead>
<tr>
<th>Field</th>
<th>Date Element</th>
<th>Procedure</th>
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</thead>
<tbody>
<tr>
<td>(1) Sub-Recipient</td>
<td>Name of your agency</td>
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</tr>
<tr>
<td>(2) Date of Report</td>
<td>Date report completed (1)</td>
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</tr>
<tr>
<td>(3) Grant Year</td>
<td>Grant Year of funds used to purchase equipment</td>
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</tr>
<tr>
<td>(4) Project Line</td>
<td>Project Line (from SHSGP Workbook)</td>
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<td>(5) Project Alpha</td>
<td>Project Alpha character (from in SHSGP Workbook)</td>
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<tr>
<td>(6) AEL No.</td>
<td>Authorized Equip Listing No (from SHSGP Workbook)</td>
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<tr>
<td>(7) Description</td>
<td>Description of the equipment</td>
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</tr>
<tr>
<td>(8) Serial # or Other ID #</td>
<td>Serial # or Other identification # used</td>
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</tr>
<tr>
<td>(9) Source of Property</td>
<td>Funding source, i.e., SHSGP, etc.</td>
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<tr>
<td>(10) Title Holder</td>
<td>Name of agency (City/Department)</td>
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<td>(11) Acquisition Date</td>
<td>Date equipment acquired</td>
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<tr>
<td>(12) Acquisition Cost</td>
<td>Cost of the individual equipment item</td>
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<tr>
<td>(13) % of Fed Part</td>
<td>Fed participation in the cost of equipment</td>
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<tr>
<td>(14) Location</td>
<td>Location of equipment</td>
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<td>(15) Use &amp; Condition</td>
<td>Use &amp; condition (2)</td>
<td></td>
</tr>
<tr>
<td>(16) Disposition data</td>
<td>Date of disposition</td>
<td></td>
</tr>
<tr>
<td>(17) Sale Price</td>
<td>Sale price, if applicable, or N/A for not applicable</td>
<td></td>
</tr>
</tbody>
</table>

The Equipment Inventory Listing must be completed in its entirety to meet the objective
of the form.

Note (1): This date should be the date the physical inventory of equipment was
taken and the results reconciled with the equipment records (at least
once every two years).

{2} Indicate: N = New, D = Deployed, O = Out of Service, L = Lost & S = Stolen

Distribution
Copy maintained in sub-recipient file
Copy forwarded to Shared Services Division
## HOMELAND SECURITY PROGRAM GRANT
PROPERTY AND EQUIPMENT INVENTORY LISTING

<table>
<thead>
<tr>
<th>Grant Year</th>
<th>Project Line</th>
<th>AEL Alpha</th>
<th>Description of Property</th>
<th>Serial # or Other ID #</th>
<th>Source of Property (Program)</th>
<th>Department (Title Holder)</th>
<th>Acquisition Date</th>
<th>Cost</th>
<th>% of FED Participation</th>
<th>Location</th>
<th>Use &amp; Condition</th>
<th>Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(N=New, D=Deposed, C=Out of Service, L=Lost, E=Excluded)</td>
<td></td>
</tr>
</tbody>
</table>
Attached is the approved Modification #2 for the City of El Segundo. This e-mail represents the official written notification that the funding amount for the City of El Segundo has increased to $98,440. Please let me know if you have any questions. Thank you.

Craig Hirakawa  
Chief Executive Office  
222 S. Hill Street, 2nd Floor  
Los Angeles, CA 90012  
Ph: 213 974-1127  
chirakawa@ceo.lacounty.gov
<table>
<thead>
<tr>
<th>Sub-Recipient</th>
<th>Project #</th>
<th>Project</th>
<th>Equipment Description &amp; (Quantity)</th>
<th>AEL #</th>
<th>AEL Title</th>
<th>SAFECOM Consult</th>
<th>Funding Source</th>
<th>Discipline</th>
<th>Solution Area Sub-Category</th>
<th>Invoice Number</th>
<th>Vendor</th>
<th>Part of a Procurement over $100k</th>
<th>Sole Source Involved</th>
<th>Hold Trigger</th>
<th>Budgeted Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Segundo</td>
<td>30</td>
<td>D</td>
<td>(1) Delsar USAR Kit (sensor seismic/acoustic listening system with Delsar Victim Simulator [Thumper]); Listening Detector</td>
<td>03SR-03-LSTN</td>
<td>System, Victim Location</td>
<td>N/A</td>
<td>HSGP-SHSP</td>
<td>FS</td>
<td>CBRNE Search and Rescue Equipment</td>
<td>No</td>
<td>No</td>
<td>No hold indicated</td>
<td>3,440</td>
<td></td>
<td></td>
</tr>
<tr>
<td>El Segundo</td>
<td>44.1</td>
<td>F</td>
<td>Regional Training Coordination RTG Intelligence Position</td>
<td>HSGP-SHSP</td>
<td>FS</td>
<td>Equip/Resource/Project Mgt</td>
<td>Staff</td>
<td></td>
<td>Staffing</td>
<td>95,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
AGENDA DESCRIPTION:
Consideration and possible action to increase the Fiscal Year 2017-2018 Adopted Budget for continuing appropriations. (Fiscal Impact $0 – {Appropriations of $11,618,809 from FY 2016-17 requested to be continued into FY 2017-18})

RECOMMENDED COUNCIL ACTION:
1. Approve continuing appropriations from FY 2016-2017 to FY 2017-2018, thereby amending the Fiscal Year 2017-2018 Adopted Budget in the Funds and by the amounts contained in Attachment 1 and 2.
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

FISCAL IMPACT:
Amount Budgeted: $11,618,809
Additional Appropriation: Carryover of $11,618,809 from FY 2016-17 to FY 2017-18
Account Number(s): Various

STRATEGIC PLAN:
Goal: 5(b) Champion Economic Development and Fiscal Sustainability:
   El Segundo approaches its work in a financially disciplined and responsible way
Objective: 2 The City will maintain a stable, efficient, and transparent financial environment

ORIGINATED BY: Joseph Lillio, Director of Finance
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND:
Continuing Appropriations
At the end of the fiscal year, staff prepares a summary of budgeted appropriations that are required be carried over to the next fiscal year in order to complete multi-year CIP projects, professional service agreements (PSA) that continue over fiscal years, and projects that were anticipated to be completed by September 30 but were not and the funds associated with those projects that should carry-over into the new budget year in order to complete the project. The
attached schedule of FY 2016-2017 Continuing Appropriations (Attachment 1) identifies projects/purchases that were included in the FY 2016-2017 budget, but were not completed by September 30, 2017. The attached document provides detail of each request and its justification. As a result, staff is requesting to carryover the appropriation to FY 2017-2018. The majority of continuing appropriations relate to ongoing capital improvement projects.

The following table (see attachment #1 for details) is a summary of the continuing appropriations requests by fund.

Table 1:

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Fund Number</th>
<th>Total Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>001</td>
<td>$360,800</td>
</tr>
<tr>
<td>Gas Tax</td>
<td>106</td>
<td>449,735</td>
</tr>
<tr>
<td>AQMD (Air Quality)</td>
<td>115</td>
<td>21,000</td>
</tr>
<tr>
<td>TDA Article 3 - Bikeway Funds</td>
<td>118</td>
<td>38,500</td>
</tr>
<tr>
<td>Federal Grant</td>
<td>124</td>
<td>11,580</td>
</tr>
<tr>
<td>State Grants</td>
<td>125</td>
<td>30,767</td>
</tr>
<tr>
<td>CIP Fund</td>
<td>301</td>
<td>1,294,921</td>
</tr>
<tr>
<td>Water</td>
<td>501</td>
<td>1,547,562</td>
</tr>
<tr>
<td>Wastewater</td>
<td>502</td>
<td>1,650,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$5,404,865</strong></td>
</tr>
</tbody>
</table>

There were also various goods and services encumbered but not received or paid for by the end of the fiscal year. These items represent previously approved purchase orders and therefore should be carried over to FY 2017-2018. The carryover of these encumbrances also requires the appropriation be carried over, as sufficient appropriations would not exist in the current year budget to fund both the continued projects and the new projects approved in the Fiscal Year 2017-2018 adopted budget. The Schedule of Purchase Orders and Budget Carryovers (Attachment 2) lists the account number, vendor, and a brief description for each item.

Table 2 (see attachment #2 for details) is a summary of the schedule of purchase orders and budget carryovers - Fiscal Year 2016-2017 to Fiscal Year 2017-2018.

Table 2:

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Fund Number</th>
<th>Total Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>001</td>
<td>$692,809</td>
</tr>
<tr>
<td>Asset Forfeiture</td>
<td>109</td>
<td>652</td>
</tr>
<tr>
<td>Federal Grant</td>
<td>124</td>
<td>34,000</td>
</tr>
<tr>
<td>CUPA</td>
<td>126</td>
<td>64,335</td>
</tr>
<tr>
<td>CIP Fund</td>
<td>301</td>
<td>819,814</td>
</tr>
<tr>
<td>Water</td>
<td>501</td>
<td>824,728</td>
</tr>
<tr>
<td>Wastewater</td>
<td>502</td>
<td>3,502,790</td>
</tr>
<tr>
<td>Equipment Replacement Fund</td>
<td>601</td>
<td>188,276</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----</td>
<td>---------</td>
</tr>
<tr>
<td>Aquatics Trust Account</td>
<td>708</td>
<td>86,540</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$6,213,944</strong></td>
</tr>
</tbody>
</table>

The continuing appropriations from incomplete projects/purchases and encumbrances at the end of the fiscal year do not represent an additional appropriation of funds, but a carryover of unexpended funds from the prior fiscal year. Staff presented budgeted appropriations for FY 2016 - 2017, including the amounts requested as continuing appropriations on Attachment 1 and 2, in the analysis performed as part of the FY 2017-2018 Strategic Planning and Budget process. The estimated beginning fund balances presented in the FY 2017-2018 budget were already reduced by the amount of the proposed continuing appropriations. Approval of these items will have minimal impact on estimated ending fund balances at September 30, 2017. There will be a slight increase to the estimated General Fund balance due to a budgetary savings. The original amount presented for the General Fund during budget adoption was $1,037,000 in PO rollovers compared to the actual request of $692,809 (table 2 above), resulting in a savings of approximately $344,191.
<table>
<thead>
<tr>
<th>Account Number</th>
<th>Account Name</th>
<th>Budget FY 2016-17</th>
<th>Encumbrances FY 2016-17</th>
<th>Remaining Balance @ FYE FY 2016-17</th>
<th>Carryover Request FY 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>001-400-2401-6201</td>
<td>Economic Development - Advertising</td>
<td>$385,200</td>
<td>$376,166</td>
<td>$9,034</td>
<td>$9,034</td>
</tr>
<tr>
<td>001-400-2505-8108</td>
<td>Information Systems - Computer</td>
<td>111,000</td>
<td>59,463</td>
<td>51,537</td>
<td>51,000</td>
</tr>
<tr>
<td>001-400-4302-6206</td>
<td>Storm Drains - Contractual Services</td>
<td>280,896</td>
<td>107,590</td>
<td>173,306</td>
<td>173,306</td>
</tr>
<tr>
<td>001-400-4302-6215</td>
<td>Storm Drains - Repair and Maintenance</td>
<td>103,993</td>
<td>48,076</td>
<td>55,917</td>
<td>55,917</td>
</tr>
<tr>
<td>001-400-5418-4102</td>
<td>Centennial - Part-Time Salaries</td>
<td>23,000</td>
<td>11,098</td>
<td>11,902</td>
<td>11,902</td>
</tr>
<tr>
<td>001-400-5418-6206</td>
<td>Centennial - Contractual Services</td>
<td>61,826</td>
<td>2,185</td>
<td>59,641</td>
<td>59,641</td>
</tr>
<tr>
<td><strong>Total General Fund</strong></td>
<td></td>
<td><strong>$965,915</strong></td>
<td><strong>$604,578</strong></td>
<td><strong>$361,337</strong></td>
<td><strong>$360,800</strong></td>
</tr>
<tr>
<td>106-400-8203-8357</td>
<td>Slurry Seal Streets</td>
<td>$672,702</td>
<td>-</td>
<td>$672,702</td>
<td>$449,735</td>
</tr>
<tr>
<td><strong>Total Measure &quot;R&quot; Fund</strong></td>
<td></td>
<td><strong>$672,702</strong></td>
<td>-</td>
<td><strong>$672,702</strong></td>
<td><strong>$449,735</strong></td>
</tr>
<tr>
<td>115-400-0000-8105</td>
<td>Automotive</td>
<td>$21,000</td>
<td>-</td>
<td>$21,000</td>
<td>$21,000</td>
</tr>
<tr>
<td><strong>Total Air Pollution Reduction Fund</strong></td>
<td></td>
<td><strong>$21,000</strong></td>
<td>-</td>
<td><strong>$21,000</strong></td>
<td><strong>$21,000</strong></td>
</tr>
<tr>
<td>118-400-0000-8925</td>
<td>Bicycle/Pedestrian Improvement</td>
<td>$38,500</td>
<td>-</td>
<td>$38,500</td>
<td>$38,500</td>
</tr>
<tr>
<td><strong>Total TDA Article 3 - SB 821 Bikeway Fund</strong></td>
<td></td>
<td><strong>$38,500</strong></td>
<td>-</td>
<td><strong>$38,500</strong></td>
<td><strong>$38,500</strong></td>
</tr>
<tr>
<td>124-400-3785-8104</td>
<td>Equipment</td>
<td>$39,140</td>
<td>$27,560</td>
<td>$11,580</td>
<td>$11,580</td>
</tr>
<tr>
<td><strong>Total Federal Grants Fund</strong></td>
<td></td>
<td><strong>$39,140</strong></td>
<td><strong>$27,560</strong></td>
<td><strong>$11,580</strong></td>
<td><strong>$11,580</strong></td>
</tr>
<tr>
<td>125-400-8202-8326</td>
<td>Playground Surface Replacement</td>
<td>$84,000</td>
<td>$53,233</td>
<td>$30,767</td>
<td>$30,767</td>
</tr>
<tr>
<td><strong>Total State Grants Fund</strong></td>
<td></td>
<td><strong>$84,000</strong></td>
<td><strong>$53,233</strong></td>
<td><strong>$30,767</strong></td>
<td><strong>$30,767</strong></td>
</tr>
<tr>
<td>301-400-8201-8497</td>
<td>1 Net Fiber Optic Connections</td>
<td>$629,173</td>
<td>$595,743</td>
<td>$33,430</td>
<td>$33,430</td>
</tr>
<tr>
<td>301-400-8201-8702</td>
<td>Seismically Retrofit FS1/Install Doors</td>
<td>491,040</td>
<td>236,010</td>
<td>255,030</td>
<td>255,030</td>
</tr>
<tr>
<td>301-400-8201-8707</td>
<td>Fire Station Facility Upgrades</td>
<td>601,371</td>
<td>568,639</td>
<td>32,732</td>
<td>32,732</td>
</tr>
</tbody>
</table>
City of El Segundo
Attachment 1 - Schedule of Continuing Appropriations
Fiscal Year 2016-2017 to Fiscal Year 2017-2018

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Account Name</th>
<th>Budget FY 2016-17</th>
<th>Expenses Encumbrances FY 2016-17</th>
<th>Remaining Balance @ FYE 2016-17</th>
<th>Carryover Request FY 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>301-400-8201-8708</td>
<td>Police Dept Upgrades</td>
<td>292,959</td>
<td>139,788</td>
<td>153,171</td>
<td>153,171</td>
</tr>
<tr>
<td>301-400-8203-8705</td>
<td>Sidewalk Construction/Rpcomt (Citywide)</td>
<td>250,000</td>
<td>16,663</td>
<td>233,337</td>
<td>233,337</td>
</tr>
<tr>
<td>301-400-8203-8910</td>
<td>SCE/Energy Efficiency Strategic Planning</td>
<td>5,144</td>
<td>-</td>
<td>5,144</td>
<td>5,144</td>
</tr>
<tr>
<td>301-400-8203-8952</td>
<td>Arterial Streets Rehabilitation</td>
<td>400,000</td>
<td>57,925</td>
<td>342,075</td>
<td>342,075</td>
</tr>
<tr>
<td>301-400-8208-8704</td>
<td>Finance Software Upgrades</td>
<td>25,000</td>
<td>-</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>301-400-8208-8710</td>
<td>Computer Fiber Netwk-Server Room Fire</td>
<td>50,000</td>
<td>-</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>301-400-8208-8712</td>
<td>Computr/Fiber Netwrk Bridgewave Wireless</td>
<td>15,002</td>
<td>-</td>
<td>15,002</td>
<td>15,002</td>
</tr>
<tr>
<td>301-400-8208-8713</td>
<td>New City Website</td>
<td>150,000</td>
<td>-</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Total Capital Improvement Fund</strong></td>
<td><strong>$ 2,909,689</strong></td>
<td><strong>$ 1,614,768</strong></td>
<td><strong>$ 1,294,921</strong></td>
<td><strong>$ 1,294,921</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Water Fund**

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Account Name</th>
<th>Budget FY 2016-17</th>
<th>Expenses Encumbrances FY 2016-17</th>
<th>Remaining Balance @ FYE 2016-17</th>
<th>Carryover Request FY 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>501-400-7103-8206</td>
<td>Water Infrastructure Replacement</td>
<td>3,000,000</td>
<td>1,652,438</td>
<td>1,347,562</td>
<td>1,347,562</td>
</tr>
<tr>
<td>501-400-7103-8655</td>
<td>AMR Meters</td>
<td>300,000</td>
<td>100,000</td>
<td>200,000</td>
<td>200,000</td>
</tr>
<tr>
<td><strong>Total Water Fund</strong></td>
<td><strong>$ 3,300,000</strong></td>
<td><strong>$ 1,752,438</strong></td>
<td><strong>$ 1,547,562</strong></td>
<td><strong>$ 1,547,562</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Wastewater Fund**

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Account Name</th>
<th>Budget FY 2016-17</th>
<th>Expenses Encumbrances FY 2016-17</th>
<th>Remaining Balance @ FYE 2016-17</th>
<th>Carryover Request FY 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>502-400-8204-8635</td>
<td>Lifeguard Forcemain &amp; Pump Stations</td>
<td>900,000</td>
<td>-</td>
<td>900,000</td>
<td>900,000</td>
</tr>
<tr>
<td>502-400-8204-8648</td>
<td>Pump Station(s) Rehab</td>
<td>750,000</td>
<td>-</td>
<td>750,000</td>
<td>750,000</td>
</tr>
<tr>
<td><strong>Total Wastewater Fund</strong></td>
<td><strong>$ 1,650,000</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ 1,650,000</strong></td>
<td><strong>$ 1,650,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

Total Citywide $ 9,680,946 $ 4,052,577 $ 5,628,369 $ 5,404,865
# City of El Segundo

**Attachment 2 - Schedule of Purchase Orders and Budget Carryovers**

**Fiscal Year 2016-2017 to Fiscal Year 2017-2018**

<table>
<thead>
<tr>
<th>PO #</th>
<th>Vendor Name</th>
<th>Department</th>
<th>GL</th>
<th>PO Balance</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24-00307</td>
<td>Phelps</td>
<td>Eco/Dev</td>
<td>001-400-2401-6201</td>
<td>$221,088.75</td>
<td>Scope of service extends through 17/18</td>
</tr>
<tr>
<td>24-00263</td>
<td>TierraWest</td>
<td>Planning</td>
<td>001-400-2402-6214</td>
<td>$16,700.00</td>
<td>Ongoing project</td>
</tr>
<tr>
<td>24-00284</td>
<td>Michael Baker (Consultant)</td>
<td>Planning</td>
<td>001-400-2402-6214</td>
<td>$35,150.00</td>
<td>Consultant</td>
</tr>
<tr>
<td>25-00728</td>
<td>Revenue &amp; Cost Specialist</td>
<td>Finance</td>
<td>001-400-2504-6214</td>
<td>$20,350.00</td>
<td>Ongoing project for Fee Study</td>
</tr>
<tr>
<td>25-00725</td>
<td>Dell</td>
<td>IS</td>
<td>001-400-2505-6217</td>
<td>$7,059.79</td>
<td>Support Renew for last year</td>
</tr>
<tr>
<td>25-00727</td>
<td>Prosum Inc.</td>
<td>IS</td>
<td>001-400-2505-6214</td>
<td>$23,550.00</td>
<td>Patron Library upgrade Project</td>
</tr>
<tr>
<td>25-00602</td>
<td>Prosum Inc.</td>
<td>IS</td>
<td>001-400-2505-6214</td>
<td>$22,859.80</td>
<td>Contract -Professional Services</td>
</tr>
<tr>
<td>25-00722</td>
<td>NMK</td>
<td>IS</td>
<td>001-400-2505-6214</td>
<td>$6,000.00</td>
<td>ATT SIP Conversion</td>
</tr>
<tr>
<td>25-00724</td>
<td>West Safety Services Inc.</td>
<td>IS</td>
<td>001-400-2505-6214</td>
<td>$5,250.00</td>
<td>ERS Setup</td>
</tr>
<tr>
<td>25-00672</td>
<td>Cleo</td>
<td>IS</td>
<td>001-400-2505-6217</td>
<td>$3,229.72</td>
<td>FY 16/17 service not invoiced yet</td>
</tr>
<tr>
<td>25-00698</td>
<td>Insight</td>
<td>IS</td>
<td>001-400-2505-6217</td>
<td>$12,988.54</td>
<td>Microsoft Payment</td>
</tr>
<tr>
<td>25-00719</td>
<td>DZ Solutions</td>
<td>IS</td>
<td>001-400-2505-6217</td>
<td>$15,621.86</td>
<td>Hitachi Maintenance</td>
</tr>
<tr>
<td>25-00614</td>
<td>Avery &amp; Associates</td>
<td>HR</td>
<td>001-400-2505-6214</td>
<td>$51,324.01</td>
<td>Ongoing recruitments</td>
</tr>
<tr>
<td>41-00109</td>
<td>Western Indoor, Env. Serv.</td>
<td>PW</td>
<td>001-400-2601-6215</td>
<td>$11,995.00</td>
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<tr>
<td>31-00704</td>
<td>Code 5 Group LLC</td>
<td>Police</td>
<td>001-400-3101-6206</td>
<td>$6,175.00</td>
<td>GPS Tracking Services</td>
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<tr>
<td>31-00722</td>
<td>Dooley Enterprises, Inc.</td>
<td>Police</td>
<td>001-400-3101-6218</td>
<td>$24,750.37</td>
<td>Ammunition Purchases</td>
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<td>31-00733</td>
<td>US Healthworks</td>
<td>Police</td>
<td>001-400-3101-6274</td>
<td>$9,712.00</td>
<td>DUI Violator and Okay-to-book Svs</td>
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<td>31-00753</td>
<td>Gasco</td>
<td>Police</td>
<td>001-400-3101-8104</td>
<td>$17,242.88</td>
<td>Evidence Room Lockers</td>
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<td>31-00731</td>
<td>SBPICA</td>
<td>Police</td>
<td>001-400-3107-6206</td>
<td>$8,057.78</td>
<td>Contract - Radio Maintenance</td>
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<td>31-00736</td>
<td>City of Hawthorne</td>
<td>Police</td>
<td>001-400-3107-6206</td>
<td>$41,538.21</td>
<td>Contract - RMS/ARS/MS Maintenance</td>
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<tr>
<td>32-00496</td>
<td>Marmol Radziner Prefab LLC</td>
<td>Fire</td>
<td>001-400-3202-5204</td>
<td>$4,508.29</td>
<td>Firefighter Lockers Fabrication not completed</td>
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<tr>
<td>30-00331</td>
<td>Cinbad Industry, Inc.</td>
<td>PW</td>
<td>001-400-3203-4101</td>
<td>$25,000.00</td>
<td>Active CIP</td>
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<tr>
<td>41-00099</td>
<td>Gale/Jordan Associates, Inc.</td>
<td>PW</td>
<td>001-400-4101-6206</td>
<td>$5,590.00</td>
<td>Ongoing Project</td>
</tr>
<tr>
<td>41-00100</td>
<td>AKM Consulting Engineers</td>
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<td>001-400-4101-6206</td>
<td>$5,262.57</td>
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<tr>
<td>41-00104</td>
<td>Denn Engineers</td>
<td>PW</td>
<td>001-400-4101-6206</td>
<td>$14,000.00</td>
<td>Ongoing Project</td>
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<tr>
<td>41-00105</td>
<td>Alegia Engineering</td>
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<tr>
<td>41-00106</td>
<td>Shepherd Consulting Services</td>
<td>PW</td>
<td>001-400-4101-6206</td>
<td>$8,955.00</td>
<td>Ongoing Project</td>
</tr>
<tr>
<td>41-00107</td>
<td>Denn Engineers</td>
<td>PW</td>
<td>001-400-4101-6206</td>
<td>$11,500.00</td>
<td>Ongoing Project</td>
</tr>
<tr>
<td>41-00108</td>
<td>MNS Engineers Inc.</td>
<td>PW</td>
<td>001-400-4101-6206</td>
<td>$12,500.00</td>
<td>Ongoing Project</td>
</tr>
<tr>
<td>60-01249</td>
<td>Roadline Prod. USA</td>
<td>PW</td>
<td>001-400-4202-8104</td>
<td>$16,960.54</td>
<td>Equipment</td>
</tr>
<tr>
<td>52-00689</td>
<td>G/M Business Interiors</td>
<td>Parks</td>
<td>001-400-5201-6215</td>
<td>$1,499.99</td>
<td>Office furniture for organization changes</td>
</tr>
<tr>
<td>52-00689</td>
<td>G/M Business Interiors</td>
<td>Parks</td>
<td>001-400-5203-6214</td>
<td>$2,318.99</td>
<td>Office furniture for organization changes</td>
</tr>
<tr>
<td>52-00689</td>
<td>G/M Business Interiors</td>
<td>Parks</td>
<td>001-400-5203-6215</td>
<td>$1,000.00</td>
<td>Office furniture for organization changes</td>
</tr>
<tr>
<td>52-00689</td>
<td>G/M Business Interiors</td>
<td>Parks</td>
<td>001-400-5208-6215</td>
<td>$300.00</td>
<td>Office furniture for organization changes</td>
</tr>
</tbody>
</table>

**Total General Fund** $692,809.09

### Asset Forfeiture Fund

<table>
<thead>
<tr>
<th>PO #</th>
<th>Vendor Name</th>
<th>Department</th>
<th>GL</th>
<th>PO Balance</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-00744</td>
<td>The Vest Man</td>
<td>Police</td>
<td>109-400-3105-8104</td>
<td>$652.50</td>
<td>Vest Carrier</td>
</tr>
</tbody>
</table>

**Total Asset Forfeiture Fund** $652.50

### Federal Grant Fund

<table>
<thead>
<tr>
<th>PO #</th>
<th>Vendor Name</th>
<th>Department</th>
<th>GL</th>
<th>PO Balance</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>99-00378</td>
<td>Counter Risk, Inc.</td>
<td>Fire</td>
<td>124-400-3785-6214</td>
<td>$34,000.00</td>
<td>Grant Funded contact term goes to 12/21/17</td>
</tr>
</tbody>
</table>

**Total Federal Grant Fund** $34,000.00

### CUPA Fund

<table>
<thead>
<tr>
<th>PO #</th>
<th>Vendor Name</th>
<th>Department</th>
<th>GL</th>
<th>PO Balance</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>32-00463</td>
<td>Steve Koester</td>
<td>Fire</td>
<td>126-400-3205-6214</td>
<td>$64,335.01</td>
<td>Contract term amended through 12/31/17</td>
</tr>
</tbody>
</table>

**Total CUPA Fund** $64,335.01
<table>
<thead>
<tr>
<th>PO #</th>
<th>Vendor Name</th>
<th>Department</th>
<th>GL</th>
<th>PO Balance</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CIP Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25-00565</td>
<td>P2S Engineering Inc.</td>
<td>PW</td>
<td>301-400-8201-8497</td>
<td>$ 1,023.50</td>
<td>Ongoing project</td>
</tr>
<tr>
<td>30-00303</td>
<td>Eleonor Belco Electric, Inc.</td>
<td>PW</td>
<td>301-400-8201-8497</td>
<td>251,674.84</td>
<td>Ongoing project</td>
</tr>
<tr>
<td>30-00325</td>
<td>Letner Roofing Company</td>
<td>PW</td>
<td>301-400-8201-8513</td>
<td>115,430.11</td>
<td>Active CIP</td>
</tr>
<tr>
<td>30-00284</td>
<td>KPFF Inc.</td>
<td>PW</td>
<td>301-400-8201-8702</td>
<td>6,400.00</td>
<td>Ongoing project</td>
</tr>
<tr>
<td>30-00327</td>
<td>AKM Consulting Engineers</td>
<td>PW</td>
<td>301-400-8201-8702</td>
<td>19,988.00</td>
<td>Active CIP</td>
</tr>
<tr>
<td>30-00319</td>
<td>Wesco Signs</td>
<td>PW</td>
<td>301-400-8201-8707</td>
<td>21,757.56</td>
<td>Ongoing project</td>
</tr>
<tr>
<td>30-00331</td>
<td>Cinbad Industry, Inc.</td>
<td>PW</td>
<td>301-400-8201-8707</td>
<td>41,175.00</td>
<td>Active CIP</td>
</tr>
<tr>
<td>30-00314</td>
<td>Corral Construction &amp; Development Inc.</td>
<td>PW</td>
<td>301-400-8201-8708</td>
<td>4,200.00</td>
<td>Ongoing project</td>
</tr>
<tr>
<td>30-00335</td>
<td>Siemens Industry, Inc.</td>
<td>PW</td>
<td>301-400-8201-8708</td>
<td>44,990.00</td>
<td>Active CIP</td>
</tr>
<tr>
<td>30-00329</td>
<td>FieldTurf USA Inc.</td>
<td>PW</td>
<td>301-400-8201-8998</td>
<td>18,702.10</td>
<td>Active CIP</td>
</tr>
<tr>
<td>30-00280</td>
<td>Michael Baker (ParkPlace)</td>
<td>Planning</td>
<td>301-400-8203-6679</td>
<td>104,369.55</td>
<td>Ongoing project</td>
</tr>
<tr>
<td>30-00307</td>
<td>NCM Engineering Corp</td>
<td>PW</td>
<td>301-400-8203-6679</td>
<td>939.43</td>
<td>Ongoing project</td>
</tr>
<tr>
<td>41-00071</td>
<td>The Dardanelle Group, Inc.</td>
<td>PW</td>
<td>301-400-8203-6679</td>
<td>2,200.00</td>
<td>Ongoing project</td>
</tr>
<tr>
<td>30-00328</td>
<td>Alfaro Communications</td>
<td>PW</td>
<td>301-400-8203-8946</td>
<td>129,999.00</td>
<td>Active CIP</td>
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<tr>
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<td>AKM Consulting Engineers</td>
<td>PW</td>
<td>301-400-8203-8952</td>
<td>56,965.00</td>
<td>Active CIP</td>
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<td><strong>Total CIP Fund</strong></td>
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<td></td>
<td></td>
<td>$ 819,814.09</td>
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<tr>
<td><strong>Water Fund</strong></td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>43-00207</td>
<td>Downstream Services, Inc.</td>
<td>PW</td>
<td>501-400-7102-6206</td>
<td>$ 10,000.00</td>
<td>Ongoing project</td>
</tr>
<tr>
<td>71-00283</td>
<td>Superior Tank Solutions, Inc.</td>
<td>PW</td>
<td>501-400-7103-8206</td>
<td>45,000.00</td>
<td>Ongoing project</td>
</tr>
<tr>
<td>71-00285</td>
<td>AKM Consulting Engineers</td>
<td>PW</td>
<td>501-400-7103-8206</td>
<td>38,518.20</td>
<td>Ongoing project</td>
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<tr>
<td>71-00287</td>
<td>Stephen Doreck Equipment, Rentals Inc.</td>
<td>PW</td>
<td>501-400-7103-8206</td>
<td>276,821.00</td>
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<tr>
<td>30-00306</td>
<td>AKM Consulting Engineers</td>
<td>PW</td>
<td>501-400-7103-8206</td>
<td>10,082.59</td>
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<tr>
<td>30-00316</td>
<td>Ramona Inc.</td>
<td>PW</td>
<td>501-400-7103-8206</td>
<td>45,000.00</td>
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</tr>
<tr>
<td>30-00317</td>
<td>Stephen Doreck Equipment, Rentals Inc.</td>
<td>PW</td>
<td>501-400-7103-8206</td>
<td>43,247.24</td>
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</tr>
<tr>
<td>71-00286</td>
<td>Omnis Consulting</td>
<td>PW</td>
<td>501-400-7103-8206</td>
<td>5,600.00</td>
<td>Ongoing project</td>
</tr>
<tr>
<td>30-00296</td>
<td>Kana Subsurface Engineering</td>
<td>PW</td>
<td>501-400-7103-8207</td>
<td>350,459.02</td>
<td>Ongoing project</td>
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<tr>
<td><strong>Total Water Fund</strong></td>
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<td></td>
<td>$ 824,728.05</td>
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<tr>
<td><strong>Sewer Fund</strong></td>
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<tr>
<td>43-00207</td>
<td>Downstream Services, Inc.</td>
<td>PW</td>
<td>502-400-4301-6206</td>
<td>$ 16,410.65</td>
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<tr>
<td>30-00290</td>
<td>Ramona Inc.</td>
<td>PW</td>
<td>502-400-8204-8647</td>
<td>44,000.00</td>
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<tr>
<td>30-00298</td>
<td>Steve P. Rados, Inc.</td>
<td>PW</td>
<td>502-400-8204-8647</td>
<td>874,123.47</td>
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<tr>
<td>30-00299</td>
<td>AKM Consulting Engineers</td>
<td>PW</td>
<td>502-400-8204-8647</td>
<td>276,584.46</td>
<td>Ongoing project</td>
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<tr>
<td>30-00309</td>
<td>AKM Consulting Engineers</td>
<td>PW</td>
<td>502-400-8204-8647</td>
<td>47,671.00</td>
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<td>30-00323</td>
<td>Stephen Doreck Equipment, Rentals Inc.</td>
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<tr>
<td>30-00298</td>
<td>Steve P. Rados, Inc.</td>
<td>PW</td>
<td>502-400-8204-8650</td>
<td>2,199,000.00</td>
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<td><strong>Total Sewer Fund</strong></td>
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<td><strong>Equipment Replacement Fund</strong></td>
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<tr>
<td>30-00329</td>
<td>FieldTurf USA Inc.</td>
<td>PW</td>
<td>601-400-2901-8104</td>
<td>$ 118,645.17</td>
<td>Ongoing project - completed Oct 2017</td>
</tr>
<tr>
<td>60-01234</td>
<td>SBIRPCA</td>
<td>Police</td>
<td>601-400-3101-8105</td>
<td>69,630.44</td>
<td>Contract - Patrol Interceptor Equipment</td>
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<tr>
<td><strong>Trust/Project Fund</strong></td>
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</tr>
<tr>
<td>24-00304</td>
<td>MIG (Smoky Hollow Specific)</td>
<td>Planning</td>
<td>708-400-2402-6206</td>
<td>$ 86,539.91</td>
<td>Ongoing project</td>
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<tr>
<td><strong>Total Trust/Project Fund</strong></td>
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<td></td>
<td></td>
<td>$ 86,539.91</td>
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<td><strong>Grand Total</strong></td>
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<td></td>
<td>$ 6,213,943.84</td>
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AGENDA DESCRIPTION:
Consideration and possible action adopting an ordinance amending the City’s purchasing policies and procedures for executing contracts.
(Fiscal Impact: Potential savings in staff time and minimal operational costs)

RECOMMENDED COUNCIL ACTION:
1. Adopt the proposed ordinance; or
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Proposed Ordinance.
2. Proposed Ordinance (Redline Version)
3. December 5, 2017 Staff Report

FISCAL IMPACT: None with the adoption of the proposed ordinance. The proposed ordinance should expedite the processing of contracts internally at the City, which in turn will reduce staff time.

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

STRATEGIC PLAN:
   Goal: 1A El Segundo provides unparalleled service to internal and external customers
   Objective: 1 City Operations are unified and integrated; a) Streamline the purchasing policy for business process improvements

PREPARED BY: City Attorney’s office
REVIEWED BY: Finance Department, City Clerk’s office
APPROVED BY: Greg Carpenter, City Manager

The City’s purchasing policies were last revised in 2008. As part of the City Council’s direction to staff to evaluate internal processes, staff have collectively reviewed the City’s purchasing policies and procedures for execution of contracts and are proposing certain changes be made, which will increase staff’s authority to enter into contracts and also clarify language within the Code.

The City Council introduced the proposed ordinance on December 5, 2017, and it is now presented to the City Council for second reading. If adopted by the City Council, the ordinance will take effect in 30 days.
ORDINANCE NO. ________

AN ORDINANCE OF THE CITY OF EL SEGUNDO AMENDING
CHAPTERS 7 AND 7A OF TITLE 1 OF THE EL SEGUNDO MUNICIPAL
CODE RELATING TO PURCHASING AND EXECUTION OF CONTRACTS

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

SECTION 1: Chapter 7 to Title 1 of the El Segundo Municipal Code ("ESMC") is amended
in its entirety to read as follows:

"Chapter 7

PURCHASING

1-7-1 PURPOSE AND APPLICABILITY:

A. This chapter is adopted to authorize city officers to procure supplies, services
and professional services with city funds and to establish the manner by which
such actions may occur. Supplies, services and professional services for city
departments must be purchased in accordance with this chapter, those
administrative regulations promulgated pursuant to this chapter, and any additional
regulations that the city council may adopt.

B. Nothing in this chapter is intended to, nor does it, apply to:
1. Public works projects as defined by state law, which are subject to Chapter 1-
7C of this Code.
2. The procurement of services, supplies and equipment with non-city funds.
3. The employment of any person by the city at a regular salary.
4. The acquisition, disposal or lease of real property.

1-7-2 DEFINITIONS:

Unless the contrary is stated or clearly appears from the context, the following
definitions will govern the construction of the words and phrases used in this
chapter:

CONTRACT: means a purchase order, contract, or professional services contract,
or any amendment thereto, as the context may dictate.

FORMAL BIDDING: means the process and requirements outlined in Section 1-7-8
of this Chapter.

INFORMAL BIDDING: means the process and requirements outlined in Section 1-
7-7 of this Chapter.

PROFESSIONAL SERVICES: means services typically performed by
professionals, such as financial, economic, accounting, architectural, engineering, legal, personnel training or administrative services, including but not limited to those described in Government Code §§ 4526 and 53060.

PURCHASING OFFICER: means the City Manager or designee.

SERVICES: means general services to be provided to the City, such as the rental, repair and maintenance of equipment, machinery and other personal property, but not including professional services or any services related to a public works project.

SUPPLIES: means supplies and equipment.

1-7-3 PURCHASING OFFICER'S POWERS AND DUTIES:

In addition to those powers granted by applicable law, the purchasing officer has the authority and duty to:

A. Purchase or contract for supplies, services and professional services;

B. Promulgate administrative rules and regulations to implement the purposes of this chapter and as approved by the city manager;

C. Prescribe and maintain such forms as necessary for the proper operation of this purchasing system;

D. Supervise the inspection of all supplies purchased under this chapter in order to ensure conformance with city specifications;

E. Perform such other tasks as may be necessary for the proper conduct of purchasing or procurement of supplies, services and professional services.

1-7-4 ENCUMBERING FUNDS:

Except in cases of emergency or as otherwise provided in this chapter, the purchasing officer or department directors may not purchase supplies or procure any services or professional services unless there is an unencumbered appropriation in the fund account against which such purchase or procurement would be charged.

1-7-5 REQUISITIONS:

All city departments must submit to the purchasing officer requisitions for supplies, services or professional services in excess of $5,000 per fiscal year for a single item or bulk purchase of an item.
1-7-6 PURCHASING SUMMARY:

The purchase of supplies or services are subject to the following requirements, unless such purchase is otherwise exempt pursuant to Section 1-7-10 of this Code:

<table>
<thead>
<tr>
<th>Amount of purchase¹</th>
<th>Bidding process required?</th>
<th>Purchase order required?</th>
<th>Contract required?</th>
<th>Approval Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000 Or Less</td>
<td>None required. May be purchased on open market /</td>
<td>No.</td>
<td>Yes, if procurement of services; otherwise, no.</td>
<td>City Manager, Department director or Department manager.</td>
</tr>
<tr>
<td>$5,001 to $10,000</td>
<td>None required. May be purchased on open market /</td>
<td>Yes.</td>
<td>Yes.</td>
<td>City Manager or Department director.</td>
</tr>
<tr>
<td>$10,001 to $25,000</td>
<td>Informal bidding</td>
<td>Yes.</td>
<td>Yes.</td>
<td>City manager or department director</td>
</tr>
<tr>
<td>$25,001 to $50,000</td>
<td>Informal bidding</td>
<td>Yes.</td>
<td>Yes.</td>
<td>City Manager</td>
</tr>
<tr>
<td>$50,001 and above</td>
<td>Formal bidding</td>
<td>Yes.</td>
<td>Yes.</td>
<td>City Council</td>
</tr>
</tbody>
</table>

¹ For purchases of supplies, the dollar amounts listed above apply to the purchase of a single item or bulk purchase of an item. For the procurement of services, the dollar amounts listed above apply to the amount paid per contract, per fiscal year.

1-7-7 INFORMAL BIDDING REQUIREMENTS:

As used in this Title, the term “informal bidding” refers to the following process and requirements:

A. Purchases must, whenever possible, be based upon at least three (3) informal bids or quotes and be awarded to the lowest responsible bidder.
B. Bids must be written.

C. The purchasing officer or department directors may solicit such bids.

D. Bids may be evaluated based upon bid amount, compliance with bid specifications, responsibility of the bidder, and any other reasonable matter identified in the notice soliciting bids, this code, or any other rule or regulation promulgated to implement this chapter.

E. If the city does not receive any bids or quotes, the purchasing officer may act as follows, provided the requesting department concurs:
   1. Abandon the purchase;
   2. Rebid the purchase on an informal basis; or
   3. Purchase the supplies or procure the services on a direct negotiated contract.

F. If the purchasing officer determines bids are unacceptably high, or specifications were misleading, the purchasing officer may reject any bids presented and the item may be rebid.

G. The purchasing officer may reject all bids or award the purchase contract to the best qualified bidder whose bid or proposal fulfills the purpose intended according to criteria designated in the solicitation, provided that the contract award amount is within the unencumbered appropriation for that item. The purchasing officer may waive any minor bid irregularities.

H. If a successful bidder refuses to comply with, or fails to execute, a contract issued by the city within ten (10) calendar days after being awarded the contract, the purchasing officer may cancel the award and retain any bid security. Compliance with contract requirements includes, without limitation, submission of adequate and complete insurance documentation. Should this occur, the purchasing officer may award the contract to the next lowest responsible bidder.

1-7-8 FORMAL BIDDING (SEALED BIDS) REQUIREMENTS:

As used in this Title, the term “formal bidding” refers to the following process and requirements:

A. A notice inviting formal bids must be posted at city hall and electronically mailed or faxed at least ten (10) calendar days before the deadline for submitting bids to all vendors on the city’s list for the category of supplies or services being sought and to such other vendors as the purchasing officer deems appropriate.

B. The notice inviting bids must describe the supplies or services needed in general and generic terms, identify security required for the bid, how bid specifications can be obtained, and designate the deadline and place for submitting formal bids.
C. The purchasing officer may require bidders to secure bids and performance in a manner approved by the purchasing officer and in a form approved by the city attorney. Unsuccessful bidders are entitled to the return of bid security within sixty (60) calendar days after the date of the award.

D. Bids must be submitted to the city clerk’s office in a sealed envelope and be clearly marked as a bid along with the bidder’s name and project or bid number written on the outside of the envelope. The city clerk’s office will open properly submitted bids at the time and place stated in the notice inviting bids. A written record must be made at the time all bids are received and then opened.

E. Bids may be evaluated based upon bid amount, compliance with bid specifications, responsibility of the bidder, and any other reasonable matter identified in the notice soliciting bids, this code, or any other rule or regulation promulgated to implement this chapter.

F. The department seeking the supplies or services will make a recommendation to the city council regarding the award of a contract based upon the department’s and purchasing officer’s evaluation.

G. If the city does not receive any bids, the city council may:
   1. Abandon the purchase;
   2. Authorize rebidding the purchase on either a formal or an informal basis; or
   3. Authorize purchasing the supplies or procurement of services on a direct negotiated contract.

H. The successful bidder is selected by the city council acting within its sole discretion. The city council is under no obligation to contract with any bidder. If the city council determines bids are unacceptably high, or specifications were misleading, it may direct the purchasing officer to reject all bids presented and the item may be rebid.

I. The city council may waive any minor bid irregularities.

J. If a successful bidder refuses to comply with, or fails to execute, a contract issued by the city within ten (10) calendar days after being awarded the contract, the purchasing officer may cancel the award and retain any bid security. Compliance with contract requirements includes, without limitation, submission of adequate and complete insurance documentation. Should this occur, the city council may award the contract to the next lowest responsible bidder and the amount of the lowest bidder’s security shall be applied by the City to the difference between the lowest and second lowest bid, and the surplus, if any, shall be returned to the lowest bidder.

1-7-9 EXCEPTIONS TO THE BIDDING REQUIREMENTS:

When purchasing supplies and services, the procedures outlined in Sections 1-7-7
and 1-7-8 of this Code need not be followed in the following situations:

A. When the city council waives the purchasing procedures otherwise required by this chapter when the city's best interests are served by a direct award of a contract without a competitive selection process.

B. When the supplies or services are available from only one vendor as supported by appropriate documentation.

C. When the purchasing officer identifies a cooperative competitive bidding procedure, being prepared by and processed through another local, state, or federal governmental agency. Under such circumstances, the purchasing officer may join into an existing written purchase contract obtained within the last five (5) years through a competitive bidding process prepared by and awarded by another local, state or federal governmental agency. City council consent is required for such purchases where the estimated value of the supplies is $50,000.00 or more for a single item or bulk purchase of a single item.

D. When the city manager or acting city manager finds that there is an immediate or imminent emergency or other exigent circumstance that threatens the city or the city's interests, and such purchases are required for the immediate protection of public health, safety, or welfare, or the city's interests. A declaration of emergency as set forth in this code is conclusive evidence of such an event. In such an event, the city manager or acting city manager may bind the city, with or without a written contract, for the acquisition of equipment, materials, supplies, labor, services or other items. The city manager or acting city manager must provide a report to the city council as soon as practicable regarding such emergency purchases which sets forth the circumstances requiring such action.

1-7-10 SEGMENTATION PROHIBITED:

It is unlawful to knowingly take action to separate purchases into smaller units or segments solely for the purpose of evading the competitive formal or informal bidding requirements set forth in this chapter.

1-7-11 INSPECTION:

The purchasing officer or department requesting the item shall inspect all deliveries of supplies and equipment to assure conformance with the contract or order specifications.

1-7-12 BUSINESS LICENSE REQUIRED:

All vendors who provide on-site services or professional services to the City must hold a valid City of El Segundo business license and must be otherwise in compliance with all requirements of this Code.
1-7-13 RECYCLED PRODUCTS:
Whenever practicable, the City will purchase and use recycled products and recyclable goods. The City will place special emphasis on the purchase of products manufactured with at least 20% post-consumer recycled materials. When faced with a choice of two or more recycled content products, and the price between the products is within 10% and the products are of comparable quality and availability, the City will purchase the product with the greatest recycled content.

1-7-14 COMPETITIVE PROPOSALS:
Professional services should, whenever possible, be procured through competitive proposal procedures, whereby competitors' qualifications are evaluated and the most qualified competitor is selected. If this method is used, the following requirements apply:

A. Requests for proposals (RFP) must be publicized;
B. All evaluation factors, along with their relative importance, must be identified and included in the RFP;
C. The evaluation process may include the review of written proposals, panel interviews, and reference checking;
D. Awards must be made to the responsible firm whose proposal is most advantageous to the City, with price and all factors identified in the RFP considered.”

SECTION 2: Chapter 7A to Title 1 of the ESMC is amended in its entirety to read as follows:

“Chapter 7A

EXECUTION OF CONTRACTS

1-7A-1: PURPOSE AND APPLICABILITY:

A. This chapter is adopted pursuant to the city's general and specific contracting powers and, without limitation, Government Code section 40602 for the purpose of setting forth the requirements to bind the city by contract.

B. The provisions of this chapter do not apply to the employment of any person by the city at a regular salary.

1-7A-2: DEFINITIONS:

Unless the contrary is stated or clearly appears from the context, the definitions set forth in Chapter 1-7 govern the construction of the words and phrases used in this
chapter.

1-7A-3: GENERALLY:

A. The city is not bound by any contract unless the contract is in writing, approved as to form by the city attorney, and signed on behalf of the city by an officer or officers as set forth in this chapter. Any such officer must sign a contract on the city’s behalf when directed to do so by the city council.

B. Unless otherwise provided in this code, a written contract is required to purchase supplies or procure services on the city’s behalf, regardless of the source of the funds. The use of non-city funds, private funds, donated funds, or grant monies does not alleviate the requirement of a written contract for the purchase of supplies or procurement of services on the city’s behalf.

1-7A-4: CITY COUNCIL AUTHORITY:

Unless otherwise provided in this code, a resolution, or ordinance, the city council must approve all contracts and direct the mayor, or other officer, to sign a contract on the city’s behalf.

1-7A-5: SIGNATURE AUTHORITY:

In accordance with Government Code section 40602, the following officers are authorized to sign contracts on the city’s behalf:

A. The mayor;

B. The city manager when directed to do so by the city council, resolution, ordinance, or any provision of this code;

C. The city manager, for contracts where the city is receiving or expending an amount not in excess of $50,000.00 per fiscal year;

D. Department directors, for contracts where the city is receiving or expending an amount not in excess of $25,000.00 per fiscal year;

E. Department managers, for contracts or amendments to contracts where the city is receiving or expending an amount not in excess of $5,000.00 per fiscal year.

1-7A-6: SEGMENTATION PROHIBITED:

It is unlawful to knowingly separate purchases or procurements into smaller units or segments solely for the purpose of evading the signature authority thresholds set forth in this chapter."
SECTION 3: Environmental Review. This ordinance is exempt from environmental review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") and CEQA regulations (14 California Code of Regulations §§ 15000, et seq.) because it consists only of minor revisions and clarifications to existing regulations. It does not portend any new development and does not relax existing regulatory restrictions on future development. This ordinance, therefore, does not have the potential to cause significant effects on the environment. Consequently, it is exempt from CEQA review under 14 Cal. Code Regs. § 15061(b)(3).

SECTION 4: 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 5: Construction. This Ordinance must be broadly construed in order to achieve the purposes stated in this Ordinance. It is the City Council’s intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 6: Enforceability. Repeal of any provision of the El Segundo Municipal Code does 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 7: 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 8: This Ordinance will become effective on the thirty-first (31st) day following its passage and adoption.

PASSED AND ADOPTED this ___ day of __________, 2017.

Suzanne Fuentes, Mayor

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney
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 __________ 2017, 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 __________, 2017, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
Tracy Weaver, City Clerk
EXHIBIT B – REDLINE VERSION

Chapter 7  PURCHASING

1-7-1  PURPOSE AND APPLICABILITY:

A. This chapter is adopted to authorize the purpose of authorizing city officers to procure services, supplies, services and professional services with city funds and equipment and to establish the manner by which such actions may occur. Supplies, services and professional services for city departments must be purchased in accordance with this chapter, those administrative regulations promulgated pursuant to this chapter, and any additional regulations that the city council may adopt.

B. Nothing in this chapter is intended to, nor does it, apply to:
   1. Public works projects as defined by state law, which are subject to Chapter 1-7C of this Code.
   2. The procurement of services, supplies and equipment with non-city funds.
   3. The employment of any person by the city at a regular salary.
   4. The acquisition, disposal or lease of real property.

1-7-2  DEFINITIONS:
Unless the contrary is stated or clearly appears from the context, the following definitions will govern the construction of the words and phrases used in this chapter:

CONTRACT: means a purchase order, contract, or professional services contract, or any amendment thereto, as the context may dictate.

FORMAL BIDDING: means the process and requirements outlined in Section 1-7-8 of this Chapter.

INFORMAL BIDDING: means the process and requirements outlined in Section 1-7-7 of this Chapter.

PROFESSIONAL SERVICES: means services typically performed by professionals such as financial, economic, accounting, architectural, engineering, legal, personnel training or administrative services, including but not limited to those described in Government Code §§ 4526 and 53060.
PURCHASING OFFICER: means the City Manager or designee.

SERVICES: means SUPPLIES: Includes general services to be provided to the City, such as the rental, repair and maintenance of equipment, machinery and other personal property, but not including office supplies. "Supplies" does not include professional services or any services related to a public works project.

SUPPLIES: means supplies and equipment.

1-7-3 PURCHASING OFFICER DESIGNATED:
The city manager is designated as the city's purchasing officer. By written designation, the city manager may delegate purchasing officer responsibilities to another appointed officer. Supplies for city departments must be purchased in accordance with this code, those administrative regulations promulgated pursuant to this chapter, and such additional regulations that the city council may adopt.

1-7-3 PURCHASING OFFICER'S POWERS AND DUTIES:
In addition to those powers granted by applicable law, the purchasing officer has the authority and duty to:

A. Purchase or contract for supplies, services and professional services;

B. Promulgate administrative rules and regulations to implement the purposes of this chapter and as approved by the city manager;

C. Prescribe and maintain such forms as necessary for the proper operation of this purchasing system;

D. Supervise the inspection of all supplies purchased under this chapter in order to ensure conformance with city specifications;

E. Maintain current bidder's list, vendor catalogs, files and such other records as needed to perform job duties;

F. Perform such other tasks as may be necessary for the proper conduct of purchasing or procurement of supplies, services and professional services.

1-7-4 1-7-5 ENCUMBERING FUNDS:
Except in cases of emergency or as otherwise provided in this chapter, the purchasing officer or department directors may not purchase supplies or procure any
services or professional services unless there is an unencumbered appropriation in the fund account against which such purchase or procurement would be charged.

1-7-5 1-7-6 REQUISITIONS:
All city departments must submit requisitions for supplies to the purchasing officer requisitions for supplies, services or professional services in excess of $5,000 for a single item or bulk purchase of an item.

1-7-6 1-7-7 PURCHASING SUMMARY: UP TO TEN THOUSAND DOLLARS:
The purchase of Supplies made for supplies or services are subject with an estimated value of up to the following ten thousand dollars ($10,000.00) may be purchased on the open market without bidding requirements, unless such purchase is otherwise exempt pursuant.

1-7-8 PURCHASING: OVER TEN THOUSAND DOLLARS AND UP TO TWENTY FIVE THOUSAND DOLLARS:
Purchases made for supplies with an estimated value over ten thousand dollars ($10,000.00) and up to Section 1-7-10 of this Code twenty five thousand dollars ($25,000.00) require the following:

<table>
<thead>
<tr>
<th>Amount of purchase</th>
<th>Bidding process required?</th>
<th>Purchase order required?</th>
<th>Contract required?</th>
<th>Approval Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000 or Less</td>
<td>None required. May be purchased on open market / direct negotiated contract</td>
<td>No.</td>
<td>Yes, if procurement of services; otherwise, no.</td>
<td>City Manager, Department director or Department manager.</td>
</tr>
<tr>
<td>$5,001 to $10,000</td>
<td>None required. May be purchased on open market / direct negotiated contract</td>
<td>Yes.</td>
<td>Yes.</td>
<td>City Manager or Department director.</td>
</tr>
<tr>
<td>$10,001 to $25,000</td>
<td>Informal bidding</td>
<td>Yes.</td>
<td>Yes.</td>
<td>City manager or department director.</td>
</tr>
<tr>
<td>Amount of purchase</td>
<td>Bidding process required?</td>
<td>Purchase order required?</td>
<td>Contract required?</td>
<td>Approval Authority</td>
</tr>
<tr>
<td>--------------------</td>
<td>---------------------------</td>
<td>--------------------------</td>
<td>-------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>$25,001 to $50,000</td>
<td>Informal bidding</td>
<td>Yes.</td>
<td>Yes.</td>
<td>City Manager</td>
</tr>
<tr>
<td>$50,001 and above</td>
<td>Formal bidding</td>
<td>Yes.</td>
<td>Yes.</td>
<td>City Council</td>
</tr>
</tbody>
</table>

1 For purchases of supplies, the dollar amounts listed above apply to the purchase of a single item or bulk purchase of an item. For the procurement of services, the dollar amounts listed above apply to the amount paid per vendor, per contract, per fiscal year.

1-7-7 INFORMAL BIDDING REQUIREMENTS:
As used in this Title, the term "informal bidding" refers to the following process and requirements:

A. Purchases must, whenever possible, be based upon at least three (3) informal bids or quotes and be awarded to the lowest responsible bidder.
B. Bids must be written.
C. The purchasing officer or department directors may solicit such bids.
D. Notices inviting informal bids must be mailed, electronically mailed, or faxed at least ten (10) days before the deadline for submitting bids to all vendors on the city's list for the category of supplies being sought and to such other vendors as the purchasing officer deems appropriate.
E. The notice soliciting bids must describe the supplies needed in general and generic terms, identify security required for the bid, how bid specifications can be obtained, and designate the deadline and place for submitting informal bids.
F. The purchasing officer may require bidders to secure bids and performance in a manner approved by the purchasing officer and in a form approved by the city attorney. Unsuccessful bidders are entitled to the return of bid security within sixty (60) days after the date of the award.
G. Bids must be submitted to the city clerk's office in a sealed envelope and be clearly marked as a bid along with the bidder's name and project number written on the outside of the envelope. The city clerk's office will open properly submitted bids at the time and
place stated in the notice inviting bids. A written record and tabulation must be made at the time all bids are received and then opened.

A. Bids may be evaluated based upon bid amount, compliance with bid specifications, responsibility of the bidder, and any other reasonable matter identified in the notice soliciting bids, this code, or any other rule or regulation promulgated to implement this chapter.

D. Bids may be evaluated based upon bid amount, compliance with bid specifications, responsibility of the bidder, and any other reasonable matter identified in the notice soliciting bids, this code, or any other rule or regulation promulgated to implement this chapter.

E. If the city does not receive any bids or quotes, the purchasing officer may act as follows, provided the requesting department concurs:
   1. Abandon the purchase;
   2. Rebid the purchase on an informal basis; or
   3. Purchase the supplies or procure the services on a direct negotiated contract.

F. If the purchasing officer determines bids are unacceptably high, or specifications were misleading, the purchasing officer may reject any bids presented and the item may be rebid.

G. The purchasing officer may reject all bids or award the purchase contract to the best qualified bidder whose bid or proposal fulfills the purpose intended according to criteria designated in the solicitation, provided that the contract award amount is within the unencumbered appropriation for that item. The purchasing officer may waive any minor bid irregularities.

H. If a successful bidder refuses to comply with, or fails to execute, a contract issued by the city within ten (10) calendar days after being awarded the contract, the purchasing officer may cancel the award and retain any bid security. Compliance with contract requirements includes, without limitation, submission of adequate and complete insurance documentation. Should this occur, the purchasing officer may award the contract to the next lowest responsible bidder.

1.7-8 FORMAL BIDDING (SEALED BIDS) REQUIREMENTS:
As used in this Title, the term "formal bidding" refers to the following process and requirements:

1.7-9 PURCHASING; TWENTY FIVE THOUSAND DOLLARS AND ABOVE:
Purchases made for supplies with an estimated value of twenty five thousand dollars ($25,000.00) or more require the following:

C. Notice: Notices inviting formal bids must be posted at city hall and mailed—electronically mailed, or faxed at least ten (10) calendar days before the deadline for submitting bids to all vendors on the city's list for the category of supplies or services being sought and to such other vendors as the purchasing officer deems appropriate.

D. The notice inviting bids must describe the supplies or services needed in general and generic terms, identify security required for the bid, how bid specifications can be obtained, and designate the deadline and place for submitting formal bids.

E. The purchasing officer may require bidders to secure bids and performance in a
manner approved by the purchasing officer and in a form approved by the city attorney. Unsuccessful bidders are entitled to the return of bid security within sixty (60) calendar days after the date of the award.

F. E. Bids must be submitted to the city clerk's office in a sealed envelope and be clearly marked as a bid along with the bidder's name and project or bid number written on the outside of the envelope. The city clerk's office will open properly submitted bids at the time and place stated in the notice inviting bids. A written record and tabulation must be made at the time all bids are received and then opened.

G. F. Bids may be evaluated based upon bid amount, compliance with bid specifications, responsibility of the bidder, and any other reasonable matter identified in the notice soliciting bids, this code, or any other rule or regulation promulgated to implement this chapter.

D. I. E. Bids may be evaluated based upon bid amount, compliance with bid specifications, responsibility of the bidder, and any other reasonable matter identified in the notice soliciting bids, this code, or any other rule or regulation promulgated to implement this chapter.

H. G. The department seeking the supplies or services, will make a recommendation to the city council regarding the award of a contract based upon the department's and purchasing officer's evaluation.

I. H. If the city does not receive any bids, the city council may:
   1. Abandon the purchase;
   2. Authorize rebidding the purchase on either a formal or an informal basis; or
   3. Authorize purchasing the supplies or procurement of services on a direct negotiated contract.

J. I. The successful bidder is selected by the city council acting within its sole discretion. The city council is under no obligation to contract with any bidder. H. If the city council determines bids are unacceptably high, or specifications were misleading, it may direct the purchasing officer to reject all bids presented and the item may be rebid.

K. J. The city council may reject all bids or award the purchase contract to the best qualified bidder whose bid or proposal fulfills the purpose intended according to criteria designated in the solicitation, provided that the contract award amount is within the unencumbered appropriation for that item. The city council may waive any minor bid irregularities.

L. K. If a successful bidder refuses to comply with, or fails to execute, a contract issued by the city within ten (10) calendar days after being awarded the contract, the purchasing officer may cancel the award and retain any bid security. Compliance with contract requirements includes, without limitation, submission of adequate and complete insurance documentation. Should this occur, the city council may award the contract to the next lowest responsible bidder and the amount of the lowest bidder's security shall be applied by the City to the difference between the lowest and second lowest bid, and the surplus, if any, shall be returned to the lowest bidder.

1-7-9 EXCEPTIONS TO THE BIDDING REQUIREMENTS:
When purchasing supplies and services, the procedures outlined in Sections 1-7-7 and
1-7-8 of this Code need not be followed in the following situations:

A. When the city council may waive the purchasing procedures otherwise required by this chapter when the city's best interests are served by a direct award of a contract without a competitive selection process.

B. When the city council may waive bidding requirements for obtaining supplies that are available from only one vendor as supported by appropriate documentation.

C. The city manager or acting city manager may authorize emergency purchases without observing when the city manager or acting city manager finds that there is an immediate or imminent emergency or other exigent circumstance that threatens the city or the city's interests, and bidding procedures set forth in this chapter upon a finding that such purchases are required for the immediate protection of public health, safety, or welfare, or the city's interests, and that there is an immediate or imminent emergency. A declaration of emergency as set forth in this code is conclusive evidence of such an event. In such an event, the city manager or acting city manager may bind the city, with or without a written contract, for the acquisition of equipment, materials, supplies, labor, services or other items. The city manager or acting city manager must provide a report to the city council as soon as practicable at its next special or regular meeting regarding such emergency purchases which sets forth the circumstances requiring such action.

1-7-10 4-7-13 SEGMENTATION PROHIBITED:
It is unlawful to knowingly take action to separate purchases into smaller units or segments solely for the purpose of evading the competitive formal or informal bidding requirements set forth in this chapter.

1-7-11 4-7-14 INSPECTION:
The purchasing officer or department requesting the item shall inspect all deliveries of supplies and equipment to assure conformance with the contract or order specifications.

1-7-12 BUSINESS LICENSED REQUIRED:
All vendors who provide on-site services or
The city manager may contract for professional services in an amount not to exceed twenty-five thousand dollars ($25,000.00). The manner by which such professional services to the City must hold a valid City of El Segundo business license are selected and must contracted may be otherwise in compliance with all requirements of this Code.

1-7-13 RECYCLED PRODUCTS:
Whenever practicable, the City will purchase prescribed by administrative policy and use recycled products and recyclable goods. The City will place special emphasis on the purchase of products manufactured with at least 20% post-consumer recycled materials. When faced with a choice of two or more recycled content products, and the price between the products is within 10% and the products are of comparable quality and availability, the City will purchase the product with the greatest recycled content.

1-7-14 COMPETITIVE PROPOSALS:
Professional services should, whenever possible, be procured through competitive proposal procedures, whereby competitors' qualifications are evaluated and the most qualified competitor is selected. If this method is used, the following requirements apply promulgated by the city manager.

A. Requests for proposals (RFP) must be publicized;
B. All evaluation factors, along with their relative importance, must be identified and included in the RFP;
C. The evaluation process may include the review of written proposals, panel interviews, and reference checking;
D. Awards must be made to the responsible firm whose proposal is most advantageous to the City, with price and all factors identified in the RFP considered.

Chapter 7A EXECUTION OF CONTRACTS

1-7A-1 PURPOSE AND APPLICABILITY:
A. This chapter is adopted pursuant to the city's general and specific contracting powers and, without limitation, Government Code section 40602 for the purpose of setting forth the requirements to bind the city by contract.

B. The provisions of this chapter do not apply to the employment of any person by
The city at a regular salary.

1-7A-2: DEFINITIONS:
Unless the contrary is stated or clearly appears from the context, the definitions set forth in Chapter 1-7 govern the construction of the words and phrases used in this chapter.

1-7A-3: GENERALLY:
A. The city is not bound by any contract unless the contract is in writing, approved as to form by the city attorney, and signed on behalf of the city by an officer or officers as set forth in this chapter. Any such officer must sign a contract on the city's behalf when directed to do so by the city council.

B. Unless otherwise provided in this code, a written contract is required to purchase supplies or procure services on the city's behalf, regardless of the source of the funds. The use of non-city funds, private funds, donated funds, or grant monies does not alleviate the requirement of a written contract for the purchase of supplies or procurement of services on the city's behalf.

1-7A-4: CITY COUNCIL AUTHORITY:
Unless otherwise provided in this code, a resolution, or ordinance, the city council must approve all contracts and direct the mayor, or other officer, to sign a contract on the city's behalf.

1-7A-4: EMERGENCY CONTRACTING:
In the event of a declared state of emergency, the city manager may bind the city, with or without a written contract, for the acquisition of equipment, materials, supplies, labor, services or other items.

1-7A-5: SIGNATURE AUTHORITY:
In accordance with Government Code section 40602, the following officers are authorized to sign contracts on the city's behalf:
A. The mayor;
B. The city manager when directed to do so by the city council, resolution, ordinance, or any provision of this code;
C. The city manager, for contracts where the city is receiving or expending an amount not in excess of $50,000.00 per fiscal year; up to twenty-five thousand dollars ($25,000.00);
D. Department directors, for contracts where the city is receiving or expending an amount not in excess of $25,000.00 per fiscal year; up to two-thousand five hundred dollars ($2,500.00);
E. Department managers, for contracts or amendments to contracts where the city is receiving or expending an amount not in excess of $5,000.00 per fiscal year.
1-7A-6: SEGMENTATION PROHIBITED-EMPLOYMENT CONTRACTS:
The provisions of this chapter do not apply to the employment of any person by the city at a regular salary. It is unlawful to knowingly separate purchases or procurements into smaller units or segments solely for the purpose of evading the signature authority thresholds set forth in this chapter.
AGENDA DESCRIPTION:
Consideration and possible action for introduction of an ordinance amending the City’s purchasing policies and procedures for executing contracts.
(Fiscal Impact: Potential savings in staff time and minimal operational costs)

RECOMMENDED COUNCIL ACTION:
1. Introduce the proposed ordinance and schedule a second reading of the ordinance; or
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Proposed Ordinance.
2. Proposed Ordinance (Redline Version)

FISCAL IMPACT: None with the introduction of the proposed ordinance. The proposed ordinance should expedite the processing of contracts internally at the City, which in turn will reduce staff time.

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

STRATEGIC PLAN:
Goal: 1A El Segundo provides unparalleled service to internal and external customers
Objective: 1 City Operations are unified and integrated; a) Streamline the purchasing policy for business process improvements

PREPARED BY: City Attorney's office
REVIEWED BY: Finance Department, City Clerk's office
APPROVED BY: Greg Carpenter, City Manager

INTRODUCTION:
The City’s purchasing policies were last revised in 2008. As part of the City Council’s direction to staff to evaluate internal processes, staff have collectively reviewed the City’s purchasing policies and procedures for execution of contracts and are proposing certain changes be made, which will increase staff’s authority to enter into contracts and also clarify language within the Code. If the City Council introduces the proposed ordinance, the ordinance will be scheduled for second reading at a future meeting; if adopted by the City Council at the future meeting, the ordinance would take effect 30 days later.
DISCUSSION:

Current Municipal Code

Currently, the City’s Municipal Code has the following thresholds for general services, supplies, and equipment purchases:

**Current Process:**

<table>
<thead>
<tr>
<th>Limits</th>
<th>Action</th>
<th>Authority to Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $2,500</td>
<td>No bidding required</td>
<td>Department Director</td>
</tr>
<tr>
<td>Over $2,500 up to $10,000</td>
<td>No bidding required</td>
<td>Department Director</td>
</tr>
<tr>
<td>Over $10,000 up to $25,000</td>
<td>Informal Bid Process</td>
<td>City Manager</td>
</tr>
<tr>
<td>Greater than $25,000</td>
<td>Formal Bid Process</td>
<td>City Council</td>
</tr>
</tbody>
</table>

With regard to the professional services, the City Manager has signature authority for contracts up to $25,000 per year. Any contracts for which the value exceeds $25,000 per fiscal year must be formally approved by the City Council.

After carefully considering the need for both fiscal controls and internal efficiency, and in light of inflation, staff is proposing to both increase the City Manager’s signature authority to $50,000, increasing the Department Director’s signature authority to $25,000 and to also allow Department Managers to sign contracts valued at no more than $5,000 per vendor, per fiscal year. This proposed change should allow contracts to be processed more quickly, since less contracts will require formal City Council approval and Department managers will be authorized to sign certain, relatively low value contracts.

The California Society of Municipal Finance Officers (CSMFO) did a survey in 2017 and the average authority limit for the City Manager of seventy California Cities was $44,000. Also, most Cities permitted Department Directors a signature authority limit. For example, the following chart is a sampling of the City Manager’s signature authority for a few surrounding cities:

<table>
<thead>
<tr>
<th>City</th>
<th>City Manager’s signature authority for contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Hawthorne</td>
<td>$15,000</td>
</tr>
<tr>
<td>City of Palos Verdes Estates</td>
<td>$15,000</td>
</tr>
<tr>
<td>City of Torrance</td>
<td>$40,000</td>
</tr>
<tr>
<td>City of Manhattan Beach</td>
<td>$50,000</td>
</tr>
<tr>
<td>City of Redondo Beach</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

It is important to note the budget for all fiscal activity related to the proposed increase in City Staff’s signature authority for contracts has been previously approved by City Council during the annual budget adoption process or during the process to approve continuing appropriations.
As depicted in the proposed ordinance, if adopted, the proposed thresholds are as follows:

<table>
<thead>
<tr>
<th>Proposed Process</th>
<th>Amount of purchase</th>
<th>Action</th>
<th>Authority to Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000 or less</td>
<td>None required. May be purchased on open market / direct negotiated contract</td>
<td>Department Director or Department Manager pursuant to Section 1-7-5</td>
<td></td>
</tr>
<tr>
<td>$5,001 to $10,000</td>
<td>None required. May be purchased on open market / direct negotiated contract</td>
<td>Department Director or Department Manager pursuant to Section 1-7-5</td>
<td></td>
</tr>
<tr>
<td>$10,001 to $25,000</td>
<td>Informal bidding</td>
<td>City Manager or Department Director pursuant to Section 1-7-7</td>
<td></td>
</tr>
<tr>
<td>$25,001 to $50,000</td>
<td>Informal bidding</td>
<td>City Manager pursuant to Section 1-7-7</td>
<td></td>
</tr>
<tr>
<td>$50,001 and above</td>
<td>Formal bidding</td>
<td>City Council pursuant to Section 1-7-8</td>
<td></td>
</tr>
</tbody>
</table>

1 For purchases of supplies, the dollar amounts listed above apply to the purchase of a single item or bulk purchase of an item. For the procurement of services, the dollar amounts listed above apply to the amount paid per contract, per fiscal year.

In addition to revising the thresholds and authority to execute contract, the ordinance cleans-up language throughout the two chapters of the Code.

ENVIRONMENTAL COMMITTEE INPUT:

Earlier this year, the Environmental Committee contacted staff regarding a proposed ordinance which would require the City to use recycled products, and to choose products with greater recycled content if the price between products is not substantial (i.e., not greater than 10%). Staff have incorporated the Environmental Committee’s recommendation into the proposed ordinance. The Environmental Committee also presented staff with a proposed policy that will implement the ordinance; staff will work with the Committee on the proposed policy and will present that to the City Council for its consideration and possible adoption at a future meeting.

ENVIRONMENTAL REVIEW:

The proposed project, adoption and implementation of an ordinance pertaining to the City’s purchasing procedures and execution of contracts, is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) because it can be seen with certainty that there is no possibility that the proposed ordinance will have a significant
impact on the environment. Therefore, adoption and implementation of this ordinance does not constitute a “project” under CEQA and is exempt from further review under CEQA pursuant to CEQA Guidelines section 15061(b)(3).

CONCLUSION:

Staff recommends the City Council introduce the proposed ordinance and schedule a second reading at a future City Council meeting.
EL SEGUNDO CITY COUNCIL
AGENDA ITEM STATEMENT

MEETING DATE: December 19, 2017
AGENDA HEADING: Consent

AGENDA DESCRIPTION:
Consideration and possible action to authorize the City Manager to execute a contract with Vision Technology to rebuild and improve ElSegundoBusiness.com and develop a new hospitality and tourism website. (Fiscal Impact: FY 17-18 - $49,530, FY 18-19 $5,000, FY 19-20 $5,250, FY 20-21 $5,513, and FY 21-22 $5,788 in Economic Development Division Advertising and Publishing budget expenditures. Total over 5 years = $71,081)

RECOMMENDED COUNCIL ACTION:
1. Authorize the City Manager to execute a contract with Vision Technology in a form approved by the City Attorney, to rebuild and improve ElSegundoBusiness.com and develop a new hospitality and tourism website;
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Scope of Work

STRATEGIC PLAN:

<table>
<thead>
<tr>
<th>Goal</th>
<th>5</th>
<th>Champion Economic Development &amp; Fiscal Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective</td>
<td>1</td>
<td>The City will implement a comprehensive economic development strategy to ensure the City encourages a vibrant business climate that is accessible, user-friendly and welcoming to all resident and visitors.</td>
</tr>
</tbody>
</table>

FISCAL IMPACT:

<table>
<thead>
<tr>
<th>Amount Budgeted FY 17-18</th>
<th>$100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Numbers</td>
<td>001-400-2401-6201 (ED Advertising and Publishing)</td>
</tr>
</tbody>
</table>

ORIGINATED BY: Barbara Voss, Economic Development Manager
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:

On April 12, 2016, voters approved a proposition, Measure B, which increased the City’s Transient Occupancy Tax ("TOT") from 8% to 12%. As part of the discussions regarding the Measure B, both the Economic Development Advisory Committee (EDAC) and the Chamber of Commerce Hotel Committee requested that a portion of the increased TOT revenue be used to form a hospitality and tourism marketing fund to increase hotel occupancy and stimulate related visitor-serving businesses.

In August and September of 2017, Phelps conducted a comprehensive hospitality and tourism research initiative and presented their findings to EDAC and City Council on October 25th. Phelps continues to work on a hospitality and tourism communications plan, the results of which will be incorporated into the overall content and “look and feel” of the hospitality and tourism website.
During the FY 17-18 budget discussions, City Council directed staff to allocate $100,000 to rebuild and improve ElSegundoBusiness.com and develop a new hospitality and tourism website.

Staff reviewed proposals from five different firms and recommended three firms to the EDAC Chair and the EDAC Marketing Committee for interviews. Staff and the EDAC Chair interviewed Vision Technology three times and selected them as the preferred vendor. Vision Technology has created more than 700 websites for local government agencies over the last 20 years. Throughout the development and after launch, Vision Technology offers access to training, resources and educational opportunities to ensure optimal function of the sites. The five-year package includes “VisionLive” which provides a subscription to Vision Technology’s proprietary Content Management System, site administration, 24/7 security, daily monitoring and backup, a variety of training and support services, a dedicated account manager, and site analytics.

Staff requests City Council to formally authorize the City Manager to approve a contract with Vision Technology in a form approved by the City Attorney, for $71,081 to rebuild and improve ElSegundoBusiness.com and develop a new hospitality and tourism website. A complete scope of work is attached.
El Segundo
Economic Development
Website Quote

John Redfern
Regional Sales Manager
310.266.0243 / 310.656.3103 fax
jredfern@visioninternet.com

Vision
222 N Sepulveda Blvd, Suite 1500
El Segundo, CA 90245
www.visioninternet.com
Date: December 11, 2017
The Vision Difference

Vision has created more than 700 websites for local government agencies over the last 20 years. This experience has given us deep insight into the three key ingredients that are required to successfully create and maintain an effective website. With Vision, you're getting more than a redesign.

You will receive:

**A Successful Website Development**
We will conduct a comprehensive User Experience (UX) Analysis to help you uncover who your customers are, what information they seek and how they prefer to access it. This insight will drive the creation of a website layout and navigation approach that will be intuitive and easy for them to use.

**A Technology Platform That Evolves Over Time**
We will provide a flexible, powerful Content Management System (CMS) that will not only equip your users with intuitive tools to maintain content, but place control in your hands to control your homepage, mobile experience and search. On-going enhancements to the system are included and ensure you will have the tools to respond effectively to your needs, now and in the future.

**A Relationship That Supports and Enables You**
We will provide comprehensive services and on-going support to help you evolve to meet the challenges of tomorrow. With this relationship, you will stay informed about the latest trends, regulations and more.
A Successful Website Development Project

In order to create a website that effectively serves, represents and delights your community, you must take the time to understand your community and their needs. Vision’s User Experience (UX) focused approach will guide you through a process of discovery to learn about your website visitors in order to make more informed decisions for your website redesign. This process has consistently delivered superior results by allowing committees to work from facts instead of opinions as they develop their website’s layout, navigation and design.

Usability & Information Architecture
We will use multiple methods to gather data about how your residents are currently using your website, including surveys, reviewing your website analytics data, and capturing heat maps, like the one to the left, to learn where users are looking on your website and how they use your menus and content. This knowledge will inform the creation of an intuitive layout and navigation structure for your new website.

Content Strategy
We will teach your staff how to write effective, action-oriented content in order to make it easier for your site visitors to understand the information that is presented to them. Ensuring your website includes clear, effective content is one of the most critical parts of developing a website that is easy to use for your resident-customers.

Visual Design
We will collaborate with your team to develop a visually stunning design for your website that not only reflects the unique brand of your organization, but also helps elegantly display content on all devices.

The website design process went much smoother than I could have predicted. Design for our committee can be complex. The justification that went into the “why” before we talked about the “what” made the case. The analytics, heat maps, research, etc. made it easy for us to approve the “what” – the designs.

Ashley Downton,
Communications Specialist
A Technology Platform That Evolves Over Time

Maintaining an effective website requires the flexibility to adapt and respond to your community’s evolving needs. The functionality offered through the visionLive™ CMS will not only equip your users with intuitive tools to maintain content, but will continually evolve to help you address the challenges of tomorrow.

Comprehensive Functionality
You will be equipped with tools that will help you create and maintain a highly interactive website, including a calendar, citizen request manager, form & survey builder, online payments and more. You can see a full listing of included features in the visionLive™ edition tables at the end of the quote.

Flexibility
With the tools built into visionLive™, you will be able to change your website’s background image, swap out buttons and even create a new homepage if needed. Consider this example from the City of Glendale. On an average day, the site’s homepage showcases the landscape and beauty of the community. However, on election night, the website is flooded with traffic seeking the results. With just a few clicks in the CMS, the communications team at Glendale can overwrite the homepage to display all relevant election information.

Accessibility
You will have the technology and training to enable you to comply with WCAG accessibility requirements, including mouse-free navigation, required alt-tags, form field labels, responsive layout and more.

This is my eighth career website, and visionLive™ is the best content management system I have had the privilege of working with. It is beauty as well as function.”

Mandy Cavby,
WaterOne
A Relationship That Supports and Enables You

In the past five years, customers’ expectations in the digital world have grown dramatically. The next five years will be no different. In this environment, waiting 3-5 years between redesigns makes it difficult, if not impossible, to maintain a website that serves, represents and delights the community. To help you evolve to meet the challenges of tomorrow Vision provides comprehensive services as part of visionLive™.

**Unlimited Technical Support**

You will be able to call or email us with questions about how to perform advanced tasks, configure the system, report issues or accomplish some organizational need in the best way possible. For issues that occur after business hours, emergency staff support is provided 24 hours a day, 7 days a week.

**On-going Training**

In addition to the training included as part of the development process, you will have access to on-going training opportunities, like on-demand training videos, free live training webinars and more. These sessions will focus on CMS functionality, client best-practices and general trends from the industry, such as transparency, accessibility and content strategy.

**On-going Website Quality and Analytics Reports**

You will receive periodic reports to help you track key metrics over time, including most frequently accessed pages, top entry and exit pages, mobile traffic and more. These reports will give you the insight needed to gauge the effectiveness of your website and an attractive document to share with internal stakeholders interested in how your website is performing.

**Innovation in Online Government Academies**

You will be able to participate in Vision’s Innovation in Online Government Academies, which are regional conferences that bring our clients together for educational sessions designed to help get the most out of your website and includes valuable time to network with other local government staff from your area.

We have found such amazing success working with Vision. Their ability to deliver results when handed complex problems has been inspiring.

Brian Nye,
Creative Director
## Price Proposal

### Project Summary
Below is a summary of costs for your project.

<table>
<thead>
<tr>
<th>Items</th>
<th>Costs</th>
</tr>
</thead>
</table>
| Website Development  
  - Project Management  
  - Consultation  
  - Programming/CMS Implementation  
  - Mobile/Responsive Web Design Implementation  
  - Content Strategy Package – Basic  
  - Extranet  
  - Google Translate  
  - Online Payment Integration  
  - SMS Component  
  - Streaming Video Center  
  - Vision Search  
  - Yahoo Weather  
  - Advanced Design Package  | $34,530 |
| Economic Development Website Development  
  - Project Management  
  - Consultation  
  - Programming/CMS Implementation  
  - Mobile/Responsive Web Design Implementation  
  - Content Strategy Package – Basic  
  - Extranet  
  - Google Translate  
  - Online Payment Integration  
  - SMS Component  
  - Streaming Video Center  
  - Vision Search  
  - Yahoo Weather  
  - Advanced Design Package  | $15,000 |
| visionLive Standard Edition | $5,000/year plus a 5% annual increase |
| TOTAL | $49,530 |
|       | $5,000/year plus a 5% annual increase |
## 5 Year Total Cost of Ownership Summary

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>Included Professional Services 1\textsuperscript{st} Year of visionLive\textsuperscript{TM} FREE</td>
<td>$49,530</td>
</tr>
<tr>
<td>Year 2</td>
<td>2\textsuperscript{nd} Year of visionLive (Assumes Standard Edition)</td>
<td>$5,000</td>
</tr>
<tr>
<td>Year 3</td>
<td>3\textsuperscript{rd} Year of visionLive (Assumes Standard Edition + 5% Increase)</td>
<td>$5,250</td>
</tr>
<tr>
<td>Year 4</td>
<td>4\textsuperscript{th} Year of visionLive (Assumes Standard Edition + 5% Increase)</td>
<td>$5,513</td>
</tr>
<tr>
<td>Year 5</td>
<td>5\textsuperscript{th} Year of visionLive (Assumes Standard Edition + 5% Increase)</td>
<td>$5,788</td>
</tr>
<tr>
<td>5 Year Total</td>
<td></td>
<td>$71,081</td>
</tr>
</tbody>
</table>

*Please note annual pricing is based on a standard 5 year contract term.*
Thank you
Software Subscription (visionLive™) Details

Vision provides visionLive™, a subscription-based Content Management System and service plan designed to equip you with the technology, expertise and training to keep your website relevant and effective over time. Based on our assessment of your needs, we included the Standard Edition in the quoted Project Plan.

Standard Edition
Our most popular option, Standard Edition was designed to provide you with advanced functionality and hosting with a variety of training and support resources to equip your staff with the tools and expertise needed to maintain a highly effective website. In addition to an on-going series of webinars and consultation with your account manager, included services, such as the Annual Site Analytics Report, will help you measure your site's performance and effectiveness over time. Should these reports indicate tweaks need to be made in order to optimize your site's design, main navigation or buttons, you can simply apply your Site Improvement Credits to engage Vision’s team of designers and programmers.
<table>
<thead>
<tr>
<th>VisionLive™ Functionality</th>
<th>Standard Edition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Administration &amp; Security</td>
<td></td>
</tr>
<tr>
<td>Advanced WYSIWYG Editor</td>
<td>✔</td>
</tr>
<tr>
<td>In-page Editing</td>
<td>✔</td>
</tr>
<tr>
<td>User Management &amp; Security</td>
<td></td>
</tr>
<tr>
<td>Navigation Management</td>
<td></td>
</tr>
<tr>
<td>Accessibility Features</td>
<td></td>
</tr>
<tr>
<td>visionMobile Designer</td>
<td></td>
</tr>
<tr>
<td>Approval Cycle *</td>
<td></td>
</tr>
<tr>
<td>Mega Menu Designer *</td>
<td></td>
</tr>
<tr>
<td>Extranet (Password Protected External Content)</td>
<td>✔</td>
</tr>
<tr>
<td>User Experience &amp; Interactivity</td>
<td></td>
</tr>
<tr>
<td>Calendar</td>
<td>✔</td>
</tr>
<tr>
<td>FAQs</td>
<td>✔</td>
</tr>
<tr>
<td>Facility Directory</td>
<td>✔</td>
</tr>
<tr>
<td>Staff Directory</td>
<td>✔</td>
</tr>
<tr>
<td>Service Directory</td>
<td>✔</td>
</tr>
<tr>
<td>Google Translation</td>
<td>✔</td>
</tr>
<tr>
<td>Online Form Builder</td>
<td>✔</td>
</tr>
<tr>
<td>News Postings</td>
<td>✔</td>
</tr>
<tr>
<td>Job Posts</td>
<td>✔</td>
</tr>
<tr>
<td>Facilities/Events Registration</td>
<td>✔</td>
</tr>
</tbody>
</table>

* Requires an implementation fee
<table>
<thead>
<tr>
<th>visionLive editions</th>
<th>Standard Edition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Polling</td>
<td>✓</td>
</tr>
<tr>
<td>Citizen Request Management Tool</td>
<td>✓</td>
</tr>
<tr>
<td>Business Directory</td>
<td>✓</td>
</tr>
<tr>
<td>RFP Posts</td>
<td>✓</td>
</tr>
<tr>
<td>Online Payments</td>
<td>✓</td>
</tr>
<tr>
<td>visionSearch</td>
<td>✓</td>
</tr>
<tr>
<td>Outreach, Media &amp; Social Networking</td>
<td>✓</td>
</tr>
<tr>
<td>eNotification Tool</td>
<td>✓</td>
</tr>
<tr>
<td>Emergency Alerts</td>
<td>✓</td>
</tr>
<tr>
<td>RSS Feeds</td>
<td>✓</td>
</tr>
<tr>
<td>Facebook &amp; Twitter Feed Readers</td>
<td>✓</td>
</tr>
<tr>
<td>Audio &amp; Video Embedding</td>
<td>✓</td>
</tr>
<tr>
<td>Photo Gallery &amp; Slide Show</td>
<td>✓</td>
</tr>
<tr>
<td>visionSocial</td>
<td>✓</td>
</tr>
<tr>
<td>Streaming Video Center</td>
<td>✓</td>
</tr>
<tr>
<td>Developer Features</td>
<td></td>
</tr>
<tr>
<td>Import/Export</td>
<td>✓</td>
</tr>
<tr>
<td>APIs</td>
<td>✓</td>
</tr>
</tbody>
</table>
### Hosted Editions

<table>
<thead>
<tr>
<th>Hosting</th>
<th>Standard Edition</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of the Art 3rd Party Datacenter</td>
<td>✔</td>
</tr>
<tr>
<td>(SSAE 16 Type 2 Certified)</td>
<td></td>
</tr>
<tr>
<td>Full Hardware Redundancy</td>
<td>✔</td>
</tr>
<tr>
<td>Redundant Generator Backup</td>
<td>✔</td>
</tr>
<tr>
<td>Daily Data Backups</td>
<td>✔</td>
</tr>
<tr>
<td>Intrusion Protection</td>
<td>✔</td>
</tr>
<tr>
<td>24/7 Monitoring</td>
<td>✔</td>
</tr>
<tr>
<td>99.9% Uptime Guarantee</td>
<td>✔</td>
</tr>
<tr>
<td>State of the Art 3rd Party DDoS Mitigation Service</td>
<td>✔</td>
</tr>
<tr>
<td>Disaster Recovery Facility with On-going Data Replication</td>
<td>✔</td>
</tr>
</tbody>
</table>

### Support and On-going Services

<table>
<thead>
<tr>
<th>Support and On-going Services</th>
<th>Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dedicated Account Manager</td>
<td>✔</td>
</tr>
<tr>
<td>Health Checks (Account Review)</td>
<td></td>
</tr>
<tr>
<td>Site Analytics Report</td>
<td></td>
</tr>
<tr>
<td>Graphics Site Audit</td>
<td></td>
</tr>
<tr>
<td>Training &amp; Best Practice Webinars</td>
<td>✔</td>
</tr>
<tr>
<td>Access to On-Demand Training Library</td>
<td>✔</td>
</tr>
<tr>
<td>On-going New User Training (Via WebEx)</td>
<td>✔</td>
</tr>
<tr>
<td>Monthly Office Hours (Via WebEx)</td>
<td>✔</td>
</tr>
</tbody>
</table>

*Unused Site Improvement Credits can be rolled over from year to year during the initial term of your customer agreement.*
AGENDA DESCRIPTION:
Consideration and possible action regarding authorizing the City Manager to conduct a fresh start “refinance” of the City’s unfunded pension liability (UAL) with California Public Employees Retirement System (CalPERS). (Fiscal Impact: Negative budget impact of $61,805 in fiscal year (FY) 2017-18 and additional expenditures of $185,416 in FY 2018-19; and long term interest savings of $1,861,860 through FY 2046-47)

RECOMMENDED COUNCIL ACTION:
1. Authorize City Manager to execute a fresh start “refinance” of the Miscellaneous Plan unfunded liabilities (UAL) with CalPERS from a 30-year amortization period to a 22-year amortization period resulting in a total savings of $1,811,004 in interest payments.
2. Authorize City Manager to execute a fresh start “refinance” of the Public Safety Police 2nd tier Plan unfunded liabilities (UAL) with CalPERS from a 30-year amortization period to a 10-year amortization period resulting in a total savings of $31,923 in interest payments.
3. Authorize City Manager to execute a fresh start “refinance” of the Public Safety Police PEPRA Plan unfunded liabilities (UAL) with CalPERS from a 30-year amortization period to a 10-year amortization period resulting in a total savings of $18,933 in interest payments.
4. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Exhibit 1 - Miscellaneous Plan Amortization Schedules
2. Exhibit 2 – Police 2nd Tier & Police PEPRA Plans Amortization Schedules
3. Historical Pension Contributions to CalPERS & Projections through FY 2025

FISCAL IMPACT: None

Amount Budgeted: Negative budget impact of $61,805 in fiscal year (FY) 2017-18 (numerous vacant positions City-wide are resulting in salary savings that will be utilized to cover the additional funding in FY 2017-18)

Additional Appropriation: N/A
Account Number(s): N/A

STRATEGIC PLAN:
Goal: 5(b) Champion Economic Development and Fiscal Sustainability:
El Segundo approaches its work in a financially disciplined and responsible way
Objective: 2  The City will maintain a stable, efficient, and transparent financial environment

ORIGINATED BY: Joseph Lillio, Director of Finance
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

At the December 21, 2016, CalPERS Board (the “Board”) meeting, it was approved by the Board to lower the CalPERS discount rate assumption. The discount rate, or long-term rate of return, was adjusted from 7.5% to 7.0%. This adjustment will be phased in over a three year period. The result of this Board action is an increase of public agency employee contribution costs beginning in Fiscal Year (FY) 2018-19.

Lowering the discount rate means the City’s plan will see an increase in both the normal cost (the cost of pension benefits accruing in one year for active members) and the unfunded accrued liabilities (UAL) (the cost of pension benefits for retirees and active employees through the CalPERS actuarial valuation date). These increases to the normal cost and accrued liabilities will result in higher required employer contributions beginning in FY 2018-19.

The below graph (graph 1) depicts the total annual employer contributions by the City to the CalPERS pension plan before the discount rate change and after implementation of the rate change. This is a drastic change from the FY 2016-17 pension payments of $10.6 million compared to the adjusted amount in six years of $20.3 million by FY 2022-23.

Graph 1: Total annual CalPERS pension contributions by the City
Key factors contributing to the rising pension costs

- CalPERS Board approving to lowering the CalPERS Discount Rate (Assumed Rate of Return) on Investment Pool Assets from 7.5% to 7.0%

<table>
<thead>
<tr>
<th>Valuation Date</th>
<th>FY Required Implementation</th>
<th>Discount Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2015</td>
<td>2017-18</td>
<td>7.50%</td>
</tr>
<tr>
<td>June 30, 2016</td>
<td>2018-19</td>
<td>7.375%</td>
</tr>
<tr>
<td>June 30, 2017</td>
<td>2019-20</td>
<td>7.25%</td>
</tr>
<tr>
<td>June 30, 2018</td>
<td>2020-21</td>
<td>7.00%</td>
</tr>
</tbody>
</table>

- Enhanced Benefits Based upon Unrealistic Expectations
- Recession and Poor CalPERS Investment Returns
- Increased cash outflows in the CalPERS investment portfolio ($20.5 billion annually)
- Revising Mortality Tables and other Actuarial Assumptions that have negative impacts on member agencies’ rates
- Shrinking Ratio of Active vs. Retired Employees
- State Legislatures actions resulting in policy mandates on CalPERS to focus on “social investment” practices that align with the Legislatures ideologies; resulting in divestment from many market sectors that have performed well
- CalPERS amortization methodology on losses and assumption changes that results in negative amortization

The recommended staff actions focus on the last bullet point; amortization methodology. CalPERS automatically assigns member agencies a 30-year amortization schedule to pay down member agency unfunded liabilities. CalPERS uses a “ramp-up” methodology in the first 5-years. This ramp-up method applies 1/5 of what the normal annual payment should be in year 30 and then adds an additional 1/5 each year until year 5. For example, if in a normal straight line 30-year amortization schedule a member agency should pay $1,000,000 in year one, the current ramp-up methodology applied by CalPERS requires only 1/5 of that be paid by the member, or $200,000. Then in years two through four the payments will be $400,000, $600,000 & $800,000 respectively. In year five, the member agency will be at the $1,000,000 payment.

The result of this method applied by CalPERS results in short-term budgetary savings to member agencies. However, CalPERS applies an interest rate equal to the discount rate used in their assumption for the long term rate of return. This is currently 7.5% annually. Therefore, in years one through four the ramp-up method used by CalPERS results in negative amortization accruing to the member agencies unfunded liabilities. As a result of this negative amortization, it is approximately in year twenty-two that the negative amortization is no longer being accrued and member agencies’ payments are finally being applied towards the principal amount of the unfunded liability.

The recommendation to refinance the Miscellaneous Plan to a twenty-two year amortization, the Public Safety Police 2nd tier to a ten-year amortization and the Public Safety Police PEPRA to a ten-year amortization eliminates the negative amortization that is currently being incurred.
There are three additional City pension plans: Fire PEPRA, Fire Classic and Police Classic. The Fire PEPRA does not have an unfunded liability and therefore does not require any course of action. Staff will continue to monitor this Plan for any material changes in the future.

The Fire Classic Plan has an unfunded liability of $48.3 million. Staff will recommending to address paying down some of this liability during the FY 2017-18 mid-year discussion and analyzing a refinance of the liabilities after the annual actuarial report is issued by CalPERS in July 2018. Part of the strategy to wait on the refinancing is predicated on the investment gain CalPERS experienced at June 30, 2017. This total investment gain was 11.2% which is 3.7% above their target discount rate of 7.5% as of June 30, 2017. This investment gain of 3.7% will be reflected on the July 2018 actuarial report and will have the effect of reducing pension liabilities. A refinancing of an amortization from fifteen years to twenty years will be analyzed.

The Police Classic 1st Tier Plan has an unfunded liability of $53.4 million. Staff will recommending to address paying down some of this liability during the FY 2017-18 mid-year discussion. The same approach applied to Fire Classic will be taken with Police Classic 1st Tier. In addition, a potential pension obligation bond (POB) will be analyzed and presented to City Council in the later part of FY 2017-18 or early FY 2018-19. The pending Federal Tax Reform may impact the bond financing mechanisms utilized by municipalities. This will be analyzed if and when any tax reform is passed by Congress and signed into law by the President.

**Actions to-date City Council has taken to address the City’s pension liability with CalPERS**

City Council is commended on taking a proactive approach to address the City’s rising pension costs. Actively engaging the various options to reduce the City’s overall pension liabilities will result in saving millions of dollars going from City reserves towards CalPERS pension costs.

Here are some of the key strategic actions City Council has taken to help reduce pension liabilities and reduce annual costs:

1. June 20, 2017, City Council approved prepayment towards the City’s annual UAL payment obligation to CalPERS. **This saved the City $258,464.**

<table>
<thead>
<tr>
<th>CalPERS Plan</th>
<th>FY 2017-18 Annual Unfunded Liability Contribution (if paid in monthly installments)</th>
<th>Prepayment of Annual Unfunded Liability Contribution</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Safety</td>
<td>$5,517,777</td>
<td>$5,321,817</td>
<td>-$195,960</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$1,759,978</td>
<td>$1,697,474</td>
<td>-$62,504</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,277,755</strong></td>
<td><strong>$7,019,291</strong></td>
<td><strong>-$258,464</strong></td>
</tr>
</tbody>
</table>

At the time of the analysis for the prepayment option, the City’s overall internal investment portfolio was earning an annualized return of 1.09% (as of April 2017). The City’s portfolio return of 1.09% was significantly lower than the return CalPERS applied (3.55%) towards the City’s prepayment; resulting in a more effective use of City funds. Staff will continue to evaluate the annual UAL prepayment option to maximize the use of City funds.
2. With the adopted FY 2017-18 budget, City Council approved an advance payment towards the City’s UAL in the amount of $600,000. In the month of October 2017, staff made a payment in the amount of $599,528 towards the City’s unfunded pension liabilities. This action resulted in:

- **A reduction in the overall pension liabilities by $599,528**;
- **Saved the City $970,000 in interest payments to CalPERS**; and
- **A budgetary reduction to the annual UAL payment in FY 2018-19 in the amount of $41,000, with ongoing annual reductions to the UAL payment.**

3. On November 7, 2017, City Council approved a resolution authorizing participation in the Public Agency Retirement Services (PARS) section 115 Pension Trust Program. This action allowed the City to create a separate trust to "pre-fund" its CalPERS unfunded liability. This will provide the City with an alternative to sending funds to CalPERS that will allow for greater local control over assets, investment by a professional fund management team selected and monitored by the City, with future excess contributions transferred to CalPERS at the City’s discretion.

During the mid-year budget analysis and presentation, staff will evaluate a recommendation to fund the 115 pension trust with any available funds that may be identified.

**Staff recommendation**

Authorize City Manager to execute a fresh start “refinance” of the Miscellaneous Plan unfunded liabilities (UAL) with CalPERS from a 30-year amortization period to a 22-year amortization period, refinance the Public Safety Police 2nd tier Plan with CalPERS from a 30-year amortization period to a 10-year amortization period, and refinance the Public Safety Police PEPRA Plan unfunded liabilities (UAL) with CalPERS from a 30-year amortization period to a 10-year amortization period resulting in a total long term interest savings of $1,861,860 through FY 2046-47.

If City Council approves the refinancing as proposed by staff, the combined savings with the advance payment made in October 2017, will result in a total savings of $2.8 million in interest payments to CalPERS.
### Exhibit 1 - Miscellaneous Plan with UAL Advance Payment of $578,992 Factored In

#### Based on the August 2017 Actuarial report with the valuation date of June 30, 2016

<table>
<thead>
<tr>
<th>Fiscal Year (FY) at June 30</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-year (current amortization)</td>
<td>$2,087,978</td>
<td>$2,414,651</td>
<td>$2,627,562</td>
<td>$2,884,820</td>
<td>$3,096,466</td>
<td>$3,189,357</td>
<td>$3,285,039</td>
<td>$3,010,999</td>
</tr>
<tr>
<td>22-year (refinance)</td>
<td>2,335,199</td>
<td>2,405,255</td>
<td>2,477,413</td>
<td>2,551,736</td>
<td>2,628,288</td>
<td>2,707,136</td>
<td>2,788,350</td>
<td>2,872,001</td>
</tr>
<tr>
<td>Savings +/- (additional costs)</td>
<td>$(247,221)</td>
<td>9,396</td>
<td>150,149</td>
<td>333,084</td>
<td>468,178</td>
<td>482,221</td>
<td>496,689</td>
<td>138,998</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year (FY) at June 30</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>2030</th>
<th>2031</th>
<th>2032</th>
<th>2033</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-year (current amortization)</td>
<td>$3,127,777</td>
<td>$3,221,609</td>
<td>$3,293,973</td>
<td>$3,392,794</td>
<td>$3,494,577</td>
<td>$3,360,905</td>
<td>$3,224,245</td>
<td>$2,848,202</td>
</tr>
<tr>
<td>Savings +/- (additional costs)</td>
<td>$169,616</td>
<td>174,703</td>
<td>155,660</td>
<td>160,332</td>
<td>165,141</td>
<td>$(68,414)</td>
<td>$(307,954)</td>
<td>$(789,963)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year (FY) at June 30</th>
<th>2034</th>
<th>2035</th>
<th>2036</th>
<th>2037</th>
<th>2038</th>
<th>2039</th>
<th>2040</th>
<th>2041</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-year (current amortization)</td>
<td>$2,706,655</td>
<td>$2,536,017</td>
<td>$2,375,560</td>
<td>$2,454,161</td>
<td>$2,463,563</td>
<td>$2,537,471</td>
<td>$2,613,593</td>
<td>$1,900,828</td>
</tr>
<tr>
<td>22-year (refinance)</td>
<td>3,747,310</td>
<td>3,859,729</td>
<td>3,975,521</td>
<td>4,094,786</td>
<td>4,217,630</td>
<td>4,344,159</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings +/- (additional costs)</td>
<td>$(1,040,655)</td>
<td>$(1,323,712)</td>
<td>$(1,599,961)</td>
<td>$(1,640,625)</td>
<td>$(1,754,067)</td>
<td>$(1,806,688)</td>
<td>$2,613,593</td>
<td>$1,900,828</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year (FY) at June 30</th>
<th>2042</th>
<th>2043</th>
<th>2044</th>
<th>2045</th>
<th>2046</th>
<th>2047</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-year (current amortization)</td>
<td>$1,660,880</td>
<td>$1,467,066</td>
<td>$763,290</td>
<td>$437,121</td>
<td>$465,186</td>
<td>178,133</td>
<td>$73,120,478</td>
</tr>
<tr>
<td>22-year (refinance)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$71,309,474</td>
</tr>
<tr>
<td>Savings +/- (additional costs)</td>
<td>$1,660,880</td>
<td>$1,467,066</td>
<td>$763,290</td>
<td>$437,121</td>
<td>$465,186</td>
<td>178,133</td>
<td>$1,811,004</td>
</tr>
</tbody>
</table>
### Exhibit 2

<table>
<thead>
<tr>
<th></th>
<th>PEPRA Safety Police</th>
<th></th>
<th>Safety Police 2nd Tier</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Payment</td>
<td>Balance</td>
<td>Payment</td>
<td>Balance</td>
</tr>
<tr>
<td>6/30/2018</td>
<td>6,988</td>
<td></td>
<td>40,537</td>
<td></td>
</tr>
<tr>
<td>1 6/30/2019</td>
<td>862</td>
<td>6,602</td>
<td>5,002</td>
<td>38,296</td>
</tr>
<tr>
<td>2 6/30/2020</td>
<td>888</td>
<td>6,160</td>
<td>5,152</td>
<td>35,737</td>
</tr>
<tr>
<td>3 6/30/2021</td>
<td>915</td>
<td>5,660</td>
<td>5,307</td>
<td>32,832</td>
</tr>
<tr>
<td>4 6/30/2022</td>
<td>942</td>
<td>5,094</td>
<td>5,466</td>
<td>29,552</td>
</tr>
<tr>
<td>5 6/30/2023</td>
<td>971</td>
<td>4,459</td>
<td>5,630</td>
<td>25,864</td>
</tr>
<tr>
<td>6 6/30/2024</td>
<td>1,000</td>
<td>3,747</td>
<td>5,799</td>
<td>21,734</td>
</tr>
<tr>
<td>7 6/30/2025</td>
<td>1,030</td>
<td>2,952</td>
<td>5,973</td>
<td>17,124</td>
</tr>
<tr>
<td>8 6/30/2026</td>
<td>1,060</td>
<td>2,068</td>
<td>6,152</td>
<td>11,995</td>
</tr>
<tr>
<td>9 6/30/2027</td>
<td>1,092</td>
<td>1,086</td>
<td>6,336</td>
<td>6,302</td>
</tr>
<tr>
<td>10 6/30/2028</td>
<td>1,125</td>
<td>-</td>
<td>6,527</td>
<td>-</td>
</tr>
</tbody>
</table>
### CITY OF EL SEGUNDO

**Historical and Projected PERS Costs**

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual PERS Costs</th>
<th>Year-over-Year Increase or (Decrease) in the PERS Costs</th>
<th>Annual Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>664,936</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2002</td>
<td>905,702</td>
<td>240,766</td>
<td>36%</td>
</tr>
<tr>
<td>2003</td>
<td>1,063,700</td>
<td>157,998</td>
<td>17%</td>
</tr>
<tr>
<td>2004</td>
<td>2,500,941</td>
<td>1,437,240</td>
<td>135%</td>
</tr>
<tr>
<td>2005</td>
<td>4,215,007</td>
<td>1,714,067</td>
<td>69%</td>
</tr>
<tr>
<td>2006</td>
<td>4,880,222</td>
<td>665,214</td>
<td>16%</td>
</tr>
<tr>
<td>2007</td>
<td>4,956,679</td>
<td>76,458</td>
<td>2%</td>
</tr>
<tr>
<td>2008</td>
<td>6,749,223</td>
<td>1,792,544</td>
<td>36%</td>
</tr>
<tr>
<td>2009</td>
<td>7,562,132</td>
<td>812,909</td>
<td>12%</td>
</tr>
<tr>
<td>2010</td>
<td>7,478,263</td>
<td>(83,870)</td>
<td>-1%</td>
</tr>
<tr>
<td>2011</td>
<td>6,951,751</td>
<td>(526,512)</td>
<td>-7%</td>
</tr>
<tr>
<td>2012</td>
<td>7,651,424</td>
<td>699,673</td>
<td>10%</td>
</tr>
<tr>
<td>2013</td>
<td>7,897,860</td>
<td>246,436</td>
<td>3%</td>
</tr>
<tr>
<td>2014</td>
<td>8,951,121</td>
<td>1,053,261</td>
<td>13%</td>
</tr>
<tr>
<td>2015</td>
<td>9,821,077</td>
<td>869,956</td>
<td>10%</td>
</tr>
<tr>
<td>2016</td>
<td>10,049,281</td>
<td>228,203</td>
<td>2%</td>
</tr>
<tr>
<td>2017</td>
<td>10,596,497</td>
<td>547,216</td>
<td>5%</td>
</tr>
<tr>
<td>2018</td>
<td>11,269,657 *</td>
<td>673,160</td>
<td>6%</td>
</tr>
<tr>
<td>2019</td>
<td>12,979,000 *</td>
<td>1,709,343</td>
<td>15%</td>
</tr>
<tr>
<td>2020</td>
<td>14,834,000 *</td>
<td>1,855,000</td>
<td>14%</td>
</tr>
<tr>
<td>2021</td>
<td>17,083,000 *</td>
<td>2,249,000</td>
<td>15%</td>
</tr>
<tr>
<td>2022</td>
<td>18,717,000 *</td>
<td>1,634,000</td>
<td>10%</td>
</tr>
<tr>
<td>2023</td>
<td>20,257,000 *</td>
<td>1,540,000</td>
<td>8%</td>
</tr>
<tr>
<td>2024</td>
<td>20,864,710 ^</td>
<td>607,710</td>
<td>3%</td>
</tr>
<tr>
<td>2025</td>
<td>21,490,651 ^</td>
<td>625,941</td>
<td>3%</td>
</tr>
</tbody>
</table>

* Projections directly from CalPERS

^ Projections from City staff
AGENDA DESCRIPTION:
Consideration and possible action to receiving and file the Fiscal Year (FY) 2016-17 Unaudited Year-end Financial Review of the General Fund. (Fiscal Impact: none)

RECOMMENDED COUNCIL ACTION:
(1) Receive and File FY 2016-17 Unaudited Year-end Financial Review.
(2) Alternatively discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS: None

FISCAL IMPACT: None
Amount Budgeted: $0
Additional Appropriation: N/A
Account Number(s): None

STRATEGIC PLAN:
Goal: 5(b) Champion Economic Development and Fiscal Sustainability:
El Segundo approaches its work in a financially disciplined and responsible way

Objective: 1 The City will maintain a structurally balanced budget

2 The City will maintain a stable, efficient, and transparent financial environment

ORIGINATED BY: Joseph Lillio, Director of Finance
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

Fiscal Year 2016-2017 Year-end

General Fund Year-End Results
FY 2016-17 General Fund operations resulted in total revenues (unaudited) of $70,313,818, compared to the adopted budget of $67,836,559, resulting in a positive variance of $2,477,259. Total General Fund expenditures (unaudited) were $67,696,167, compared to the adopted budget of $69,532,096, resulting in a savings of $1,835,929. The additional revenues and the reduction in expenditures resulted in an increase to the September 30, 2017 fund balance of approximately $3.88 million, as reflected in Table 3 from the projected $15.2 million to $19 million.
Table 1 categorizes the various General Fund revenue sources and compares the FY 2016-17 adopted budget to the estimated year-end actuals (unaudited):

**Table 1 – FY 2016-17 Year-end Revenues – Budget v. Actual (unaudited)**

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>FY 2016-17 Adopted Budget</th>
<th>FY 2016-17 Year-End Actual (unaudited)</th>
<th>$ Change in Estimate</th>
<th>% Change in Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business License</td>
<td>$11,534,410</td>
<td>$11,447,994</td>
<td>$(86,416)</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Sales &amp; Use Tax</td>
<td>12,179,368</td>
<td>12,201,208</td>
<td>21,840</td>
<td>0.2%</td>
</tr>
<tr>
<td>Property Tax</td>
<td>7,094,993</td>
<td>7,642,088</td>
<td>547,095</td>
<td>7.7%</td>
</tr>
<tr>
<td>Transient Occupancy (TOT)</td>
<td>9,600,000</td>
<td>11,559,290</td>
<td>1,959,290</td>
<td>20.4%</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>4,833,259</td>
<td>5,338,620</td>
<td>505,361</td>
<td>10.5%</td>
</tr>
<tr>
<td>Utility User’s Taxes (UUT)</td>
<td>6,210,000</td>
<td>5,047,123</td>
<td>(1,162,877)</td>
<td>-18.7%</td>
</tr>
<tr>
<td>Franchise Tax</td>
<td>3,200,000</td>
<td>2,849,840</td>
<td>(350,160)</td>
<td>-10.9%</td>
</tr>
<tr>
<td>Cogeneration Electric</td>
<td>1,000,000</td>
<td>1,096,271</td>
<td>96,271</td>
<td>9.6%</td>
</tr>
<tr>
<td>License &amp; Permits</td>
<td>1,745,900</td>
<td>1,687,062</td>
<td>(58,838)</td>
<td>-3.4%</td>
</tr>
<tr>
<td>Fines &amp; Forfeitures</td>
<td>297,000</td>
<td>356,903</td>
<td>59,903</td>
<td>20.2%</td>
</tr>
<tr>
<td>Tax Resolution Agreement</td>
<td>6,250,000</td>
<td>6,589,528</td>
<td>339,528</td>
<td>5.4%</td>
</tr>
<tr>
<td>Interest on Investments</td>
<td>407,000</td>
<td>431,854</td>
<td>24,854</td>
<td>6.1%</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>3,484,629</td>
<td>4,066,037</td>
<td>581,408</td>
<td>16.7%</td>
</tr>
<tr>
<td><strong>Total General Fund Revenues, Net of Transfers</strong></td>
<td><strong>67,836,559</strong></td>
<td><strong>70,313,818</strong></td>
<td><strong>2,477,259</strong></td>
<td><strong>3.6%</strong></td>
</tr>
<tr>
<td>Transfers In</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total General Fund Revenues</strong></td>
<td><strong>$67,836,559</strong></td>
<td><strong>$70,313,818</strong></td>
<td><strong>$2,477,259</strong></td>
<td><strong>3.6%</strong></td>
</tr>
</tbody>
</table>

As noted in the table above, the major changes to estimates in revenues are as follows:

- **Sales & Use Tax** – Sales tax was on target with the budget.
- **Property Tax** – An increase in property values and a change in ownership of properties has contributed to a higher than anticipated property tax revenue.
- **T.O.T.** – The addition of two hotels in the City, an increase to the overall average nightly rates, the favorable economy for summer travel and the impact of Measure B contributed to an additional $1.96 million over the projected budget.
- **Charges for Services** – Various zoning and planning fees were up due to several one-time development projects coming in earlier than expected.
- **Cogeneration Electric** – Higher than anticipated production in power plant operations allowed for almost 10% additional revenue than originally forecasted.
- **Fines & Forfeitures** – Increased parking enforcement has resulted in additional parking fines and towing revenues.
- **Interest on Investments** – Favorable investment markets have brought in additional 6% in interests of various investments
Table 2: General Fund expenditure sources compares the FY 2016-17 adopted budget to the estimated year-end actuals (unaudited):

<table>
<thead>
<tr>
<th>Expenditure Source</th>
<th>FY 2016-2017 Adopted Budget</th>
<th>FY 2016-2017 Year-End Actuals (unaudited)</th>
<th>$ Change in Estimate</th>
<th>% Change in Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elected Officials</td>
<td>$1,020,301</td>
<td>$996,410</td>
<td>$(23,891)</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Administrative Support</td>
<td>5,913,158</td>
<td>5,763,248</td>
<td>$(149,910)</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Police</td>
<td>19,316,660</td>
<td>18,548,792</td>
<td>$(767,868)</td>
<td>-4.0%</td>
</tr>
<tr>
<td>Fire</td>
<td>14,847,587</td>
<td>14,472,730</td>
<td>$(374,857)</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Communications Center</td>
<td>1,448,200</td>
<td>1,701,636</td>
<td>253,436</td>
<td>17.5%</td>
</tr>
<tr>
<td>Planning/Building Safety</td>
<td>2,663,311</td>
<td>2,845,540</td>
<td>182,229</td>
<td>6.8%</td>
</tr>
<tr>
<td>Public Works</td>
<td>7,206,240</td>
<td>6,464,229</td>
<td>$(742,011)</td>
<td>-10.3%</td>
</tr>
<tr>
<td>Recreation and Parks</td>
<td>5,757,619</td>
<td>5,164,165</td>
<td>$(593,454)</td>
<td>-10.3%</td>
</tr>
<tr>
<td>Library</td>
<td>2,315,461</td>
<td>2,227,401</td>
<td>$(88,060)</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Nondepartment</td>
<td>6,383,559</td>
<td>5,980,204</td>
<td>$(403,355)</td>
<td>-6.3%</td>
</tr>
<tr>
<td>Total General Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures, Net of</td>
<td>66,872,096</td>
<td>64,164,355</td>
<td>$(2,707,741)</td>
<td>-4.0%</td>
</tr>
<tr>
<td>Transfers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers Out</td>
<td>2,660,000</td>
<td>3,531,812</td>
<td>871,812</td>
<td>32.8%</td>
</tr>
<tr>
<td>Total General Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures</td>
<td>$69,532,096</td>
<td>$67,696,167</td>
<td>$(2,114,188)</td>
<td>-2.6%</td>
</tr>
</tbody>
</table>

Table 3: Revised General Fund balance for Fiscal Year-end 2016-17

<table>
<thead>
<tr>
<th></th>
<th>Projected (Sept. 2017)</th>
<th>Estimated (unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Fund Balance at October 1, 2016</td>
<td>$16,430,950</td>
<td>$16,430,950</td>
</tr>
<tr>
<td>Plus Year-end revenues for FY 2016-17</td>
<td>67,836,000</td>
<td>70,313,818</td>
</tr>
<tr>
<td>Less Year-end expenditures for FY 2016-17</td>
<td>(69,100,000)</td>
<td>(67,696,167)</td>
</tr>
<tr>
<td>Unaudited Ending Fund Balance at September 30, 2017</td>
<td>$15,166,950</td>
<td>$19,048,601</td>
</tr>
</tbody>
</table>

Table 4 below represents the City’s General Fund balance and reserves. The fund balance is the amount of financial resources immediately available for use. The City also has a Council policy to maintain an 18% general fund financial reserve for the current year. The additional fund balance that is not assigned towards the required 18% reserve is referred to as "unassigned" fund balance. These unassigned funds can be used at the discretion of City Council. Staff will continue to monitor revenues and expenditures and reevaluate the funds in the unassigned fund balance during mid-year review. Staff will bring a discussion to Council, based on the City’s
newly adopted strategic plan, to set priorities on the potential uses of these funds.

Table 4: Revised General Fund balance for Fiscal Year-end 2017-18 (Unaudited)

<table>
<thead>
<tr>
<th>FY 2017-18</th>
<th>Estimated</th>
<th>Revised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Fund Balance at October 1, 2017</td>
<td>$15,166,950</td>
<td>$19,048,601</td>
</tr>
<tr>
<td>Plus adopted revenues for FY 2017-18</td>
<td>69,335,290</td>
<td>69,335,290</td>
</tr>
<tr>
<td>Less adopted expenditures for FY 2017-18</td>
<td>(69,216,880)</td>
<td>(69,216,880)</td>
</tr>
<tr>
<td>Less estimated continuing appropriations</td>
<td>-</td>
<td>(1,055,609)</td>
</tr>
<tr>
<td>Ending Fund Balance at September 30, 2018</td>
<td>$15,285,360</td>
<td>$18,111,402</td>
</tr>
<tr>
<td>Less assigned reserve requirement (18% of expenditures, excluding Transfers Out)</td>
<td>(12,459,038)</td>
<td>(12,608,258)</td>
</tr>
<tr>
<td>Unassigned General Fund Reserves</td>
<td>$2,826,322</td>
<td>$5,503,144</td>
</tr>
<tr>
<td>Less additional appropriations approved by City Council in the adopted FY 2017-18 budget</td>
<td>(2,690,000)</td>
<td>(2,690,000)</td>
</tr>
<tr>
<td>Unassigned GF reserves remaining</td>
<td>$136,322</td>
<td>$2,813,144</td>
</tr>
</tbody>
</table>

**Conclusion**

At the Department level, the City has been spending under budget primarily due to vacant positions that have resulted in salary and benefit savings. This is reflected in the FY 2016-17 unaudited year-end results of $67,696,167 compared to the budget of $69,532,096, respectively.

Once the FY 2016-17 financial audit is complete, the audited results will be presented to City Council in March 2018. The mid-year review of the current budget will take place in April 2018. During the mid-year review, staff will present to Council strategic uses for the unassigned General Fund reserves that fall in line with the City’s adopted Strategic Plan.
AGENDA DESCRIPTION:
Consideration and possible action regarding 1) Approval of a Memorandum of Understanding (Labor Agreement) between the City of El Segundo and the California Teamsters Public, Professional and Medical Employees Union, Local 911, Supervisory and Professional Employees’ Association (SPEA) bargaining unit 2) Adoption of a Resolution approving the Memorandum of Understanding, 3) adoption of a Resolution for CalPERS Employer Paid Member Contributions (EPMC) for the Supervisory and Professional Employees’ Association (SPEA) bargaining unit to increase the employee PERS Member Share; and 4) adoption of a Resolution updating the employer’s contribution under the Public Employees’ Medical and Hospital Care Act for the Supervisory and Professional Employees’ Association (SPEA) bargaining unit. (Fiscal Impact: Estimated Cost FY 2017/2018 of $315,450.00 for the term of this agreement ($420,600 annualized).

RECOMMENDED COUNCIL ACTION:
1. Approve the Agreement
2. Adopt the Resolution approving the Memorandum of Understanding
3. Adopt the Resolution for the Employer Paid Member Contribution for SPEA
4. Adopt the Resolution updating the Employer’s monthly medical contribution for SPEA
5. Alternatively, discuss and take other action related to this item

Strategic Plan:

**Goals 3 and 5** - Develop as a Choice Employer and Workforce and Champion Economic Development and Fiscal Sustainability.

**Objectives:** Employee retention, provide a competitive hiring environment, maintain stable and transparent financial environment.

ATTACHED SUPPORTING DOCUMENTS:
1. Resolution approving the Memorandum of Understanding between the City of El Segundo and SPEA.
2. Memorandum of Understanding – Exhibit “A”.
3. Resolution for CalPERS Employer Paid Member Contribution for SPEA.
4. Resolution updating the employer’s contribution under the Public Employees’ Medical and Hospital Care Act for SPEA.

FISCAL IMPACT:
Total Fiscal Impact: Estimated Savings FY 2018 of $420,600

**Amount Budgeted:**
**Additional Appropriation:** None
**Account Number(s):**

**ORIGINATED BY:** Lynn Lindberg, Human Resources Director
**REVIEWED BY:** Lynn Lindberg, Human Resources Director
BACKGROUND AND DISCUSSION

Staff and representatives of the California Teamsters Public, Professional and Medical Employees’ union, Local 911, Supervisory and Professional Employees Association (SPEA) bargaining unit began meeting and conferring pursuant to Sections 3500 et.seq. of the California Government Code, for purposes of obtaining a labor agreement. Agreement was reached on December 7, 2017.

The Agreement contains the following major provisions:


2. Employer Paid Member Contribution (EPMC) – Currently miscellaneous employees in this bargaining unit pay 4% of the member contribution. Effective the first pay period in January they will pay seven percent (7%). PERS requires that the City pass a Resolution for the EPMC payment for each group or class of employment. Attached to this staff report is the Resolution to implement the negotiated EPMC for this bargaining unit.

3. 9/80 Work Schedule Change – Effective January 6, 2017 SPEA members shall be assigned and commence working a 9/80 schedule.

4. Salary Increase of 5% effective first pay period in January 2018.

5. Health Contribution – Effective February 1, 2017, the City’s monthly PEMHCA medical contribution shall increase from $1140.39 to $1200.00 which includes the PEMHCA minimum.

6. Medical Insurance opt out of $250.00 to be contributed to employees deferred compensation.

7. Insurance Cap for dental, optical and life insurance will increase to $184.25.

8. Holidays – Restored the Friday after Thanksgiving from list of observed holidays.

9. Leave Pay Outs – Effective the first pay period in March 2018, Sick, Vacation, Personal Leave/Floating Holidays and Compensatory leave shall be paid at the employee’s base salary hourly rate of pay.

10. Employee Tuition and Book reimbursement increased to maximum of $2,000 per calendar year.

11. Clean-up language includes the following:
   - Updated list of covered classifications and move to Appendix A
   - Incorporate ADD Pay Side Letter into MOU, with increase of eligible amount to 1,200.00
   - Incorporate PARS Side Letter into MOU
   - Convert sick and vacation days to hours
   - Corrected LTD benefit amount of $9,750
   - Revise overtime definition of workweek to conform to current work schedule
   - Clean up salary step advancement language
   - Move listing of classification
RESOLUTION NO. ________

A RESOLUTION APPROVING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF EL SEGUNDO, CALIFORNIA AND THE SUPERVISORY AND PROFESSIONAL EMPLOYEES’ ASSOCIATION (SPEA)

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

Section 1: Discussions which have taken place in the meet and confer process have resulted in a mutually agreeable Memorandum of Understanding between the City of El Segundo and this Bargaining Unit.

Section 2: Staff is authorized to implement all terms and conditions of the Memorandum of Understanding (entitled “agreement”) between the City of El Segundo and this Bargaining Unit on January 6, 2017. A copy of that agreement is attached as Exhibit “A” and is incorporated by reference.

Section 3: The City Clerk is directed to certify the adoption of this Resolution; record this Resolution in the book of the City’s original resolutions, and make a minute of this adoption of the Resolution in the City Council’s records and the minutes of this meeting.

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

PASSED AND ADOPTED this 19th day of December, 2017.

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 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 21st day of February, 2017, 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 21st day of February, 2017.

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
MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CITY OF EL SEGUNDO

AND

CALIFORNIA TEAMSTERS PUBLIC, PROFESSIONAL AND MEDICAL EMPLOYEES UNION, LOCAL 911 SUPERVISORY AND PROFESSIONAL EMPLOYEES' BARGAINING UNIT
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<td>7</td>
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<td>7</td>
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MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF EL SEGUNDO
AND
CALIFORNIA TEAMSTERS PUBLIC, PROFESSIONAL
AND MEDICAL EMPLOYEES UNION, LOCAL 911
SUPERVISORY AND PROFESSIONAL EMPLOYEES' BARGAINING UNIT

ARTICLE I - RECOGNITION

SECTION 1. Pursuant to the provisions of the City of El Segundo Resolution No. 3208, establishing procedures governing employer-employee organization relations, the City of El Segundo (hereinafter referred to as the 'City' and 'Employer' (interchangeably) has recognized the California Teamsters Public, Professional and Medical Employees Union, 911, an affiliate of the International Brotherhood of Teamsters (hereinafter referred to as the 'Union') as the exclusive representative of employees within the bargaining unit consisting of the classified positions listed in Appendix A – Bargaining Unit Classifications.

SECTION 2. The City recognizes the Union as the representative of the employees in the classifications and assignments set forth in Section 1, above, for the purpose of meeting the joint obligations of the City and Union as set forth within the Meyers-Millas-Brown Act, Government Code 3500 et seq.

SECTION 3. The term of this Memorandum of Understanding (MOU) shall commence on October 1, 2014 and end on September 30, 2018.

ARTICLE II - NON-DISCRIMINATION

Neither the City nor the Union shall discriminate against any employee because of race, color, age, creed, national origin, sex, handicap, medical condition, marital status, or union activities in any matter.

ARTICLE III - HEALTH AND WELFARE

SECTION 1. Health Insurance - Employees participate as members of the PERS administered Public Employees' Medical and Hospital Care Program. Employees have a choice of HMO and Indemnity medical coverage plans.

City Medical Contribution: Effective February 1, 2018, and for the term of this Agreement, the City will pay the Public Employees' Medical and Hospital Care Act (“PEMHCA”) minimum contribution required under Government Code section 22892. The City will contribute up to $1,200 per month toward an employee’s and his/her eligible dependent(s)’ medical costs. This maximum contribution includes the minimum PEMHCA contribution.

Any employee premium amounts above the maximum $1,200 City contribution will be paid by the employee through pre-tax payroll deduction.

Effective January 1, 2018, an employee who meets eligibility criteria may opt out of medical coverage and receive from the City $250 compensation monthly to be deposited in the employee’s deferred compensation plan account. This deferred compensation is not reportable compensation under
California Public Employees' Retirement System regulations. Employees who elect to opt out, must provide the City with proof of other medical coverage.

SECTION 2. Alternative Medical Plans - During the term of this agreement, the City may reopen the contract in order to consider alternatives to the PERS medical plan. The City agrees that it will only propose plans that provide for a cost-effective, comprehensive medical package for employees and their families (i.e., provides comparable benefits to current plan, including portability). There will be no change in insurance plans prior to January 2006 without agreement of the parties.

SECTION 3. Dental Insurance - The City provides fully paid dental insurance for the employee and all eligible dependents.

SECTION 4. Optical Insurance - The City provides fully paid optical insurance for the employee and all eligible dependents.

SECTION 5. Life Insurance - Employees are provided a fully paid $50,000 term life insurance policy. Additional coverage for self ($100,000 maximum) and for family members may be purchased at group rates by the individual employee.

SECTION 6. Insurance Cap - The City's aggregate contribution for current dental, optical and life insurance for the term of this agreement shall be set and fixed at $184.25 per month. The City shall provide optical benefits for each employee and the employee's dependents. Within the monthly contribution cap currently established for dental, optical and life insurance coverage, the City's monthly contributions toward dental and life insurance coverage for an employee shall be made after the City's full monthly vision benefit contribution for an employee and his/her dependents has been made.

SECTION 7. Long Term Disability Insurance (LTD) - The City provides employees with a fully paid long term disability insurance policy which allows continuance of 66-2/3% of the first $9,750 of the employee's monthly salary. The policy applies to non-job related occurrences and benefits are payable following a 60-day waiting period. The maximum benefit period varies on the basis of the employee's age at the time disability begins.

SECTION 8. Workers Compensation - The City provides employees who receive job related injuries that are compensable under California Worker's Compensation Laws 75% of their regular monthly salary for a period of up to one year.

SECTION 9. Flexible Spending Account - Pursuant to applicable federal laws, the City allows for payment of employee paid insurance premiums, non-reimbursed medical expenses and/or dependent care expenses with pre-tax dollars. Participation in the program is voluntary.

SECTION 10. Bereavement Leave - The present practice of granting three (3) working days of bereavement leave per incident shall be increased to forty (40) hours per incident in those circumstances where travel to a funeral or other memorial proceeding is 500 or more miles one way as measured from the El Segundo City Hall. Additionally, the definition of the immediate family whose funeral or memorial proceeding qualifies for use of bereavement leave, shall include the children, parents, siblings, grandparents of the employee, the employee's spouse or significant other.

SECTION 11. California State Disability Insurance (SDI) Program - The City has taken all the necessary administrative steps to provide Union employees with State Disability Insurance Program coverage through the California Employment Development Department. All actual costs
associated with participation in the State Disability Program will be the responsibility of Union employees.

ARTICLE IV - RETIREMENT

SECTION 1. (a) Effective November 8, 2000, employees participate in the Public Employees Retirement System (PERS) 2% at 55 Miscellaneous Plan.

(b) Tier II - As soon as practicable, the City shall amend its contract with the California Public Employees' Retirement System (CalPERS) to implement the 2%@60 retirement formula in accordance with Government Code Section 21353. This new formula shall apply to miscellaneous employees who are hired on or after the effective date of the CalPERS contract amendment and are otherwise not a "new employee" and/or "new member" of CalPERS under Government Code section 7522.04 of AB 340, also known as the California Pension Reform Act of 2013.

Effective January 1, 2013, new miscellaneous employees and/or members, as defined by AB 340, will be subject to the 2%@62 retirement formula as well as all other statutory requirements established by AB340.

(c) The Plan's retirement benefits are integrated with Social Security.

(d) Effective January 1, 1992, the City's contract with PERS was amended to include the single highest year retirement calculation option. The present City contract with PERS also calls for incremental yearly increases in the City contribution towards retirees' medical coverage (currently $375 per month) so that by 1995 the contribution for current employees and retirees will be equal.

(e) Effective the beginning of the first pay period in January 2018, and for the term of this agreement, miscellaneous employees defined as "classic" members by the California Pension Reform Act of 2013 (AB340) agree to pay the statutorily required employee contribution equal to seven percent (7%) (pre-tax) of compensation.

Simultaneously effective the same date, the base salary schedule for all members of the bargaining unit shall be increased five percent (5%) (applicable for all step levels). The new salary schedule is attached as Appendix G - Salary Schedule Effective First Pay Period of January 2018.

Effective January 1, 2013, "new employees" and/or "new members", as defined by AB 340, will be statutorily required to pay half of the normal cost of retirement benefits.

SECTION 2. Retiree Medical Insurance Contribution - A member of the Union will be eligible to receive the City-provided retiree medical insurance contribution towards the member's and his/her eligible dependent(s)' medical costs, which is equal to that available to Union members currently employed by the city, of up to $1,200 per month after a minimum of five (5) full years of service with the City of El Segundo. This maximum $1,200 per month contribution includes the PEMHCA minimum contribution required under Government Code section 22892.

With respect to current retirees, effective February 1, 2018, the City will pay on behalf of each current retiree up to $1,200 per month towards the retiree's and his/her eligible dependent(s)' medical costs.

SECTION 3. Deferred Compensation Plan - Employees are eligible to participate in the International City Management Association Retirement Corporation (ICMA-RC) and the Nationwide Retirement Solutions (NRS) Deferred Compensation Plans. Participation is voluntary and there is no City contribution to the plan.
SECTION 4. **Leave Payoff** - Employees retiring from the City service are paid the accumulated total of their unused vacation leave, personal floating holiday leave, compensatory leave, and sick leave, as provided for in this Agreement. Effective beginning of the first pay period in March 2018, leave payouts shall be paid at the employee's base salary hourly rate of pay.

SECTION 5. Government Code 20022(a)(1) provides that compensation for purposes of computing PERS retirement benefits includes remuneration paid in cash because of holidays, sick leave and vacation, as well as other remuneration furnished in payment for services. This MOU section memorializes that members of this unit have been contractually eligible to receive City paid cash equivalencies for vacation, sick leave and floating holidays accrued during the employee's final year of employment. Said members have also been eligible to receive a cash distribution equal to the monthly differential between $500.00 and the monthly amount designated by each member for funding health insurance and similar programs (herein referred to as an insurance differential.) Pursuant to City Council action in December 1991, the former management/confidential unit was modified, with members of this Supervisory Unit being removed from the then existing management/confidential unit. The classifications now contained within this Supervisory Unit being removed from the then existing management/confidential unit. The classifications now contained within this Supervisory Unit were included within the prior management/confidential unit and City contractual agreements prior to December 1, 1992 to provide the management/confidential unit members with payment for vacation, sick leave and floating holidays accrued during the final year of employment, as well as the above insurance differential, fully insured to the benefit of those classifications now within the Supervisory Unit.

On June 2, 1992, the City Council adopted the first Memorandum of Understanding between the City and the Supervisory Unit, with Article VII of said MOU providing in pertinent part that all wages, hours and terms and conditions of employment in full force and effect prior to the adoption of the MOU, are to remain in full force and effect and are to be set forth within a later document entitled a Comprehensive Memorandum of Understanding. As members of the prior management/confidential unit, those classifications within the Supervisory Unit were therefore subject to earlier Council determination providing the described paid remuneration for vacation, sick leave and floating holidays accrued during the final year of employment, as well as the above insurance differential, and the June 2, 1992 Memorandum of Understanding contractually signifies that said benefits are to remain in full force and effect unless and until altered pursuant to the meet and confer process. This "Comprehensive Memorandum of Understanding" thereby codifies pre-December 1992 contractual provision of the stated compensation benefits to unit members.

SECTION 6. **Public Agency Retirement System (PARS)** - Effective October 1, 2008, the City will contract with the Public Agency Retirement System (PARS) to provide an additional retirement benefit for eligible union employees. Eligible employees are those who are 1) 55 years of age or older, 2) have completed 15 years of continuous service with the City of El Segundo and 3) service or disability retire from the City of El Segundo. Eligible employees are entitled to receive the PARS .5 @ 55 retirement enhancement formula as a supplement to the City's 2% @ 55 Public Employees' Retirement System formula. This benefit will no longer be available to bargaining unit members who are both 1) hired and/or appointed to a position in the bargaining unit on or after October 1, 2012, and 2) not already a participant in the plan.

The City and the PARS participants have agreed 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, as detailed in the executed side letter "Public Agency Retirement System Retirement Enhancement Plan (PARS)" and in the City's November 3, 2015 Resolution.
adoption of "The City of El Segundo Public Agency Retirement System (PARS) retirement
Enhancement Plan (as Amended and Restated Effective October 31, 2015) ("Plan Amendment").

ARTICLE V - SICK LEAVE

SECTION 1. Employees accrue sick leave at a rate of eight (8) hours per month. The maximum
carryover of sick leave from November 30 to December 1 of each year is six hundred (600) hours.

City provides a one hundred percent (100%) payoff each December 10th of any accumulated sick
leave hours above the maximum carryover.

Employees who, on July 1, 1998, had an accumulated sick leave balance higher than six hundred
(600) hours will have a maximum carryover equal to their accumulated sick leave balance on that
date. No such maximum carryover can be greater than one thousand fifty-six (1056) hours. Should
an employee’s personal sick leave accrual limit drop below six hundred (600) hours, their future
maximum carryover shall not be allowed to exceed six hundred (600) hours.

Employees, with at least five (5) full years of service with the City, receive payment for one hundred
percent (100%) of their accumulated sick leave upon service retirement, disability retirement, or
death. Effective beginning of the first pay period in March 2018, leave payouts shall be paid at the
employee’s base salary hourly rate of pay.

SECTION 2. Annual Medical Examination - Employees are eligible for a fully paid comprehensive
medical examination each year.

The City currently utilizes Westchester Medical Group/Center for Heart and Health for the
examinations.

The results of the examination include extensive written documentation and feedback, fitness
consultation, recommended further testing and/or adjustments to current lifestyle practices and
ongoing monitoring.

Up to two (2) days of sick leave may be used each year for physical examinations.

SECTION 3. Sick Leave Usage for Family Care - Affected employees are eligible to utilize a
maximum of forty-eight (48) hours of sick leave per calendar year in order that care may be provided
to immediate family members suffering from illness or injury. The term "immediate family member"
shall exclusively include the children, parents, siblings, the grandparents of the employee, the
employee's spouse or significant other. "Immediate family member" shall also include mother-in-law
and father-in-law. The City shall require each affected employee utilizing sick leave for said purpose
to provide in writing a statement evidencing the facts justifying the use of sick leave in this regard.

SECTION 4. Catastrophic Illness Leave - An employee may transfer sick leave, vacation or
compensatory leave to a sick leave bank to be donated to an employee who is experiencing
catastrophic illness and has exhausted all personal sick leave. Such a transfer can be made on July
1 of each year or during additional designated times on forms provided by the City of El Segundo.
The City has the right to verify all catastrophic illnesses before donation from the sick leave bank.
ARTICLE VI - EMPLOYEE ASSISTANCE PROGRAM (EAP)

Provides confidential assistance, referrals, and counseling to the employee and members of the immediate family. The program is designed to provide professional assistance and support to help employees and their families resolve problems that affect their personal lives or job performance.

The City shall provide the basic level of service to employees at City cost. Basic level shall consist of three (3) sessions per member/per incident/per year. Employees may voluntarily enroll in the EAP/Outpatient tier at their own cost ($9.52/month).

ARTICLE VII - VACATION

SECTION 1.
Employees shall accumulate vacation leave as follows:

From commencement of the 1st year of service through and including completion of the 5th year of service: 96 hours;

From commencement of the 6th year of service through and including completion of the 10th year of service: 120 hours;

From commencement of the 11th year of service through and including completion of the 15th year of service: 144 hours;

From commencement of the 16th year of service and for all years of service thereafter: 176 hours.

SECTION 2. Employees may use their accrued vacation leave after six (6) months of employment.

SECTION 3. Maximum accumulation of vacation leave allowed is the equivalent of two (2) years of service accrual.

SECTION 4. Employees who have completed one year of service may receive cash payment in lieu of accrued vacation leave up to a maximum of 100% the annual accrual to which they are entitled by length of service. Effective beginning of the first pay period in March 2018, leave payouts shall be paid at the employee's base salary hourly rate of pay. Employees may exercise this option twice per calendar year.

SECTION 5. Employees shall receive payment for one hundred percent (100%) of their accumulated vacation leave upon service retirement, disability retirement, death, resignation, or termination. Effective on the beginning of the first pay period in March 2018, vacation leave payouts shall be paid at the employee's base salary hourly rate.

ARTICLE VIII - HOLIDAYS

SECTION 1. Employees shall receive the following holidays:

January 1st
The third Monday in January (Martin Luther King Jr. Day)
The third Monday in February (President's Day)
The last Monday in May (Memorial Day)
July 4th
The first Monday in September (Labor Day)
November 11th (Veteran's Day)
Thanksgiving Day
The Friday after Thanksgiving Day
December 24th
December 25th
December 31st

Holidays will be paid based on the employee’s assigned daily work schedule. For example, employees assigned to a 4/10 schedule will have holidays paid in ten (10) hour increments. Employees assigned to a 9/80 schedule will have holidays paid in nine (9) hour increments, unless the holiday falls on their assigned eight-hour scheduled work day in which case they will be paid eight hours of holiday pay.

In addition to the holidays enumerated above, each employee shall receive one day (10 hours for 4/10 scheduled employees; 9 hours for 9/80 scheduled employees) per calendar year as a Personal Leave/Floating Holiday. The Personal Leave/Floating Holiday shall be credited to the employee every January. Newly hired bargaining unit members shall also receive this personal leave day which may be used six (6) months after the employee’s initial appointment date.

SECTION 2. In the event any of the above holidays fall on a Sunday, it will be observed on the following Monday and City Hall will be closed.

SECTION 3. In the event any of the above holidays fall on a Friday or Saturday (or an employee’s otherwise regularly scheduled day off), the employee will receive a floating holiday consisting of a number of hours based on the employee’s assigned daily work schedule. For example, employees assigned to a 4/10 schedule will receive a floating holiday of ten (10) hours. Employees assigned to a 9/80 schedule will receive a floating holiday of nine (9) hours.

SECTION 4. Floating Holidays will be credited to the employee’s leave bank the pay period in which the holiday falls. Floating Holiday hours may not be carried over to the following calendar year. However, Floating Holiday hours credited in either November or December may be carried over to the next calendar year, but must be used by October 31st of the following year.

SECTION 5. Employees shall receive payment for one hundred percent (100%) of their accumulated Personal Leave/Floating Holiday leave upon service retirement, disability retirement, death, resignation, or termination. Effective beginning of the first pay period in March 2018, leave payouts shall be paid at the employee’s base salary hourly rate of pay.

ARTICLE IX - PROFESSIONAL DEVELOPMENT

Employees are reimbursed 100% of the cost of tuition and books to a maximum of $2,000 per calendar year for satisfactory completion of work related college courses. Requires prior written approval of department head and City Manager and requires a C average or better grade.

With the approval of the department head and/or City Manager, the City also pays the cost of an employee’s professional membership fees and conference, meeting and workshop attendance. Employees who participate in the program must sign the following agreement:

Educational Reimbursement - "I certify that I successfully completed the course(s),
receiving at least a grade of 'C' or better." (Attach copy of grade verification) Further, I agree to refund the City or have deducted from my final paycheck any educational reimbursement funds received under this program if I should leave the City's employment, voluntarily or through termination, with cause, within one year after completion of the course work for which I am to receive reimbursement, in accordance with the following schedule.

Below is the reimbursement schedule for the full months worked between course completion and resignation dates and the percentage of the total reimbursement to be refunded to the City.

<table>
<thead>
<tr>
<th>Month</th>
<th>Percentage</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>100%</td>
<td>7</td>
<td>50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2</td>
<td>100%</td>
<td>8</td>
<td>40%</td>
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</tr>
<tr>
<td>3</td>
<td>90%</td>
<td>9</td>
<td>30%</td>
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<td></td>
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</tr>
<tr>
<td>4</td>
<td>80%</td>
<td>10</td>
<td>20%</td>
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<tr>
<td>5</td>
<td>70%</td>
<td>11</td>
<td>10%</td>
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<td>60%</td>
<td>12</td>
<td>0%</td>
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</tr>
</tbody>
</table>

Probationary employees are not eligible to participate in this program.

ARTICLE X - COMPUTER LOAN PROGRAM

Employees are eligible to receive an interest-free loan not to exceed $4,000 for the purpose of purchasing personal computer hardware, software, ergonomically correct furniture and related equipment. Loans shall be repaid through payroll deductions over a three (3) year period. The City shall retain title, as security, to any equipment purchased through the program until the loan is fully paid off. After the fact financing shall be permitted upon the loan applicant receiving prior written approval from the Director of Finance. Outstanding loan balances must be paid off at the time an employee separates from the City. The Human Resources Department shall update Program guidelines periodically as necessitated by changes in technology or organizational requirements.

ARTICLE XI - SALARY

SECTION 1. **Salary Adjustments** - Effective beginning the first pay period in January 2018, the bargaining unit shall receive the salary increase (five percent (5%)) specified in Article IV, Section 1(e).

SECTION 2. **Accelerated Salary Step Advancement** - Employees who have yet to reach the top step of their salary range are eligible to receive an accelerated salary step advancement of up to 5% in a 12 month period upon recommendation and approval by the department head and City Manager. An accelerated salary advancement is intended to recognize an employee's job performance which consistently and uniquely exceeds normal expectations.

SECTION 3. **Direct Deposit** - The City shall electronically deposit employees' paychecks directly into a savings or checking account designated by the employee. Employees shall be responsible for providing the Finance Department with the correct transit routing number of their banking institution and the correct number of the account into which their paycheck will be deposited. Exceptions to this policy shall be granted upon an employee's written request to the Finance Director.

SECTION 4. **Use of Personal Vehicle on Official City Business** - Employees authorized to use a personal vehicle while on official City business will receive mileage reimbursement at the rate approved by the Internal Revenue Service. Use of a personal vehicle will not be authorized if a City motor pool vehicle is available to the employee. Under appropriate circumstances, Department
Heads may approve exceptions to the requirement to utilize available motor pool vehicles.

SECTION 5. Educational Incentive Pay - Eligible employees shall be entitled to receive educational incentive pay as shown below. Eligibility for educational incentive pay is limited to those employees who (a) are working in a job classification that does not require a bachelor's degree or higher degree to qualify for the classification, and (b) were awarded such degree from an accredited college or university in one of the majors of public administration, business administration, engineering, or other job-related major, which had been approved by the department head, in writing.

Educational Incentive Pay

Job Classifications Occupying Salary Grades 30S - 39S: $318.04/month
Job Classifications Occupying Salary Grades 40S - 49S: $407.11/month
Job Classifications Occupying Salary Grades 50S - 53S: $449.38/month

If during the term of this Memorandum of Understanding a job classification is assigned a salary grade higher than 53S, the flat dollar monthly amount of educational incentive pay for the employee shall be equivalent to five percent (5%) of the base salary E Step of the salary grade.

SECTION 6. Bilingual Pay - An employee who demonstrates conversational and written fluency in a language approved by their Department Head and who is assigned duties in which such language skills are regularly used, shall be entitled to bilingual pay as shown below.

The City will be responsible for utilizing a standardized, industry accepted test (such as Berlitz, Inc.) to determine an employee's qualifications for bilingual pay.

Bilingual Pay

Job Classifications Occupying Salary Grades 30S - 39S: $159.02/month
Job Classifications Occupying Salary Grades 40S - 49S: $203.56/month
Job Classifications Occupying Salary Grades 50S - 53S: $224.69/month

If during the term of this Memorandum of Understanding a job classification is assigned a salary grade higher than 53S, the flat dollar monthly amount of bilingual pay for the employee shall be equivalent to two and one-half percent (2.5%) of the base salary E Step of the salary grade.

SECTION 7. Longevity Pay - An employee who has completed twenty (20) years of continuous service with the City of El Segundo shall be entitled to longevity pay as shown below.

Longevity Pay

Job Classifications Occupying Salary Grades 30S - 39S: $318.04/month
Job Classifications Occupying Salary Grades 40S - 49S: $407.11/month
Job Classifications Occupying Salary Grades 50S - 53S: $449.38/month

If during the term of this Memorandum of Understanding a job classification is assigned a salary grade higher than 53S, the flat dollar monthly amount of longevity pay for the employee shall be equivalent to five percent (5%) of the base salary E Step of the salary grade.

SECTION 8. Certification Pay - Employees occupying the job classifications of Wastewater Supervisor and Water Supervisor shall be entitled to certification pay as shown below for obtaining and maintaining a certification above the level required on the City Council approved class specification. Eligible certifications will be determined by the employee's Department Head.
Certification Pay

Job Classifications Occupying Salary Grades 30S - 39S: $318.04/month
Job Classifications Occupying Salary Grades 40S - 49S: $407.11/month
Job Classifications Occupying Salary Grades 50S - 53S: $449.38/month

If during the term of this Memorandum of Understanding a job classification is assigned a salary grade higher than 53S, the flat dollar monthly amount of certification pay for the employee shall be equivalent to five percent (5%) of the base salary E Step of the salary grade.

SECTION 9. Salary Table Step Advancement

The advancement of an employee from Step A to Step B shall be on the beginning of the pay period immediately following satisfactory completion of his or her first six months' service. Advancement from Step B to Step C, from Step C to Step D, and from Step D to Step E, shall each occur on the beginning of the pay period immediately after completion of one year's satisfactory service in each of such classification.

A supervisor may recommend at any time to the department head that an employee receive an accelerated advancement to the next salary Step B, C, D, or E, based on exemplary job performance. If the department head concurs, he/she shall submit a written report on the prescribed form to the Director of Human Resources citing specific examples of work performed by the employee that consistently exceeds expectations and warrants approval of the next salary step prior to the employee's anniversary date. The Director of Human Resources shall submit the request along with a recommendation for action by the City Manager. An employee may receive more than one salary step advancement within a twelve (12) month period of time, if warranted. The accelerated salary advancement(s) shall not change the affected employee's anniversary date.

ARTICLE XII - UNIFORMS

Employees occupying the following job classifications shall have uniforms and footwear provided and replaced by the City:

Assistant Fire Marshal
Crime Prevention Analyst III
Emergency Management Coordinator
Environmental Safety Manager
Equipment Maintenance Supervisor
Facilities Maintenance Supervisor
Fire Marshal
Park Maintenance Supervisor
Police Records Supervisor
Principal Environmental Specialist
Senior Building Inspector
Street Maintenance Supervisor
Wastewater Supervisor
Water Supervisor

Department Heads will determine appropriate uniform and footwear for employees occupying Departmental job classifications. Style and cost will be determined solely by the City, with the Association provided the opportunity for information input. The determination of the City shall not be
subject to administrative or judicial appeal. Uniform cleaning services shall be provided by the City.

In addition, a Union member occupying the job classifications of Assistant Fire Marshal, Environmental Safety Manager, Principal Environmental Specialist, Fire Marshal, Crime Prevention Analyst II, Emergency Management Coordinator, Police Records Supervisor and Senior Building Inspector shall receive a uniform cleaning allowance of $400 per year.

ARTICLE XIII - OVERTIME

SECTION 1. Fair Labor Standards Act - Overtime Compensation

(a) Pursuant to the Fair Labor Standards Act, employees occupying the classifications and assignments described in Appendix A, are entitled to overtime pay at the rate of one and one-half (1.5) times their regular rate of pay for all hours worked in excess of forty (40) hours in a seven (7) day workweek, as defined in Article XVI, Section 9.

(b) Effective January 6, 2018, employees of this bargaining unit shall work a “9/80” schedule, which consists of eighty (80) scheduled hours in a 14-day (two-week) cycle where, (1) in one week the employee works four 9-hour workdays and one 8-hour workday, and (2) the subsequent week consists of four 9-hour workdays. For FLSA purposes the “work week” for FLSA overtime purposes shall be established as four hours into the shift of the eight-hour day and in such a manner that no consecutive seven-day (168 hour) period shall exceed 40 hours. The work week for employees working other than a Monday through Friday schedule shall be defined in such a manner as to comply with FLSA work period requirements.

SECTION 2. Definition of hours worked for overtime - Computation purposes

The following shall not be considered as time worked for purposes of computing entitlement to overtime compensation:

1. Meal breaks;
2. Utilization of paid or non-paid leaves of absence (including but not limited to vacation leave, sick leave, holiday leave, leave without pay, compensatory time off);
3. All travel time to and from the work site when responding to a regularly scheduled shift;
4. All time in off-duty voluntary training assignments (homework, study time, meal time, sleep, etc.).
5. All off-duty travel;
6. All time for personal preparation and clean up;
7. Any other time not deemed hours worked by the FLSA.
SECTION 3. Overtime Authorization

No employee shall be eligible for receipt of overtime compensation unless the working of overtime hours has been specifically authorized in advance by the employee’s supervisor.

SECTION 4. Affected employees shall be entitled to accumulate a maximum of eighty (80) hours of compensatory time off. Utilization of compensatory time off shall be subject to approval of the affected employee’s department head. Employees may opt to receive cash payment for accrued compensatory leave earned yearly. Employees shall receive payment for one hundred percent (100%) of their accumulated compensatory leave upon service retirement, disability retirement, death, resignation, or termination. Effective beginning of the first pay period in March 2018, leave payouts shall be paid at the employee’s base salary hourly rate of pay.

SECTION 5. Affected employees ordered by a supervisor to return to a designated worksite other than during the employee’s regularly scheduled hours of work and at a time not contiguous with said regularly scheduled hours of work, shall be provided a minimum of four (4) hours work time credit. Said minimum of four (4) hours shall then be included within the work period described in Section 1 for computation of overtime purposes.

ARTICLE XIV - GRIEVANCE PROCEDURE

SECTION 1. DEFINITION OF TERMS

A. Grievance - A grievance is a violation, misinterpretation or misapplication of a specific written departmental or agency rule or regulation or a specific provision of a memorandum of understanding. A grievance is distinct from an appeal in that it is a violation, misinterpretation or misapplication of a specific written departmental or agency rule and/or policy or a specific provision of a memorandum of understanding.

B. Grievant - A grievant is an employee or group of employees adversely affected by an act or omission of the agency.

C. Day - A day is a calendar day.

D. Immediate Supervisor - The first level supervisor of the grievant.

SECTION 2. TIME LIMITS

A. Compliance and Flexibility - With the written consent of both parties, the time limitation for any step may be extended or shortened.

B. Calculation of Time Limits - Time limits for appeal provided in each level shall begin the day following receipt of a written decision or appeal by the parties.

C. Failure to Meet Timeliness - Failure at any level of this procedure to communicate the decision on a grievance by the City within the specified time limits shall permit lodging an appeal at the next level of the procedure within the time allotted had the decision been given. If the grievance is not processed by the grievant or grievants in accordance with the time limits, the decision last made by the City shall be deemed final.
SECTION 3. PROCEDURE

Grievances will be processed following the procedures set forth below.

A. Level I - Within ten days of the date the employee reasonably knew or should have known of the incident giving rise to the grievance, the employee should make an effort to resolve the grievance informally with the employee's immediate supervisor. The supervisor shall hold discussions and attempt to resolve the grievance within five (5) days.

B. Level II - In the event such efforts do not produce a mutually satisfactory resolution, the grievant shall have ten (10) calendar days to file a formal written grievance after the employee's immediate supervisor is unable to resolve the grievance through the discussion process. Under no circumstances may a grievance be filed more than twenty-five (25) days from the date the employee knew or should have known of the incident giving rise to the grievance.

1. Procedure for Filing a Grievance -

In filing a grievance, the employee should set forth the following information:

a. The specific section of the departmental or agency rules or regulations allegedly violated, misinterpreted or misapplied.

b. The specific act or omission which gave rise to the alleged violation, misinterpretation or misapplication.

c. The date or dates on which the violation, misinterpretation or misapplication occurred.

d. What documents, witnesses or other evidence supports the grievant's position.

e. The remedy requested.

C. Level III - If the grievance is not resolved by the immediate supervisor the grievant may present the grievance in writing to the department head within five (5) days. The department head will respond in writing within ten (10) days.

D. Level IV - If the grievance is not resolved by the department head, the grievant may present the grievance in writing to the City Manager within five (5) working days. The City Manager or designee will conduct an informal hearing and render a decision. Each party shall have a right to present witnesses and evidence at the hearing. The conclusions and findings of this hearing shall be final.

SECTION 4. MATTERS EXCLUDED FROM THE GRIEVANCE PROCEDURE

A. The grievance procedure is not intended to be used for the purpose of resolving complaints, requests or changes in wages, hours or working conditions.

B. The procedure is not intended to be used to challenge the content of employee evaluations or performance reviews.
C. The procedure is not intended to be used to challenge the merits of a reclassification, lay-off, transfer, denial of reinstatement, or denial of a step or merit increase.

D. The procedure is not intended to be used in cases of reduction in pay, demotion, suspensions or a termination, but is subject to the formal appeal process as outlined in Ordinance 586.

SECTION 5. CONFERENCES

Grievants and City representatives, upon request, shall have the right to a conference at any level of the grievance procedure.

SECTION 6. EMPLOYEE APPEALS FROM DISCIPLINARY ACTIONS

A. Any permanent employee in the Classified Service who has been suspended, for a period of six (6) days or more, demoted, dismissed, or reduced in pay shall have a period of ten (10) days following written notification in which to file an appeal or answer the charges.

B. The employee shall forthwith be given in said written notification a statement of the extent and nature of any disciplinary action and a full explanation of the reasons for the action including specific information as to time and place of incidents.

C. Each disciplinary action shall automatically be given administrative review by the City Manager, immediately after the written notification, and the City Manager may countermand the disciplinary action or modify the discipline imposed prior to any hearing as hereinafter provided.

D. Appeals and requests for hearings shall be filed with the City Manager, and then immediately referred to the Los Angeles County Civil Service Commission or City Council, as the case may be.

E. The Commission shall have the right to refuse to hold a hearing in any case in which the appellant fails to present sufficient grounds to warrant a hearing.

F. Procedures for all hearings to be conducted by the County shall be in accordance with the Rules of the Los Angeles County Civil Service Commission.

ARTICLE XV - LAYOFF

SECTION 1. Grounds for Layoff - Whenever, in the judgment of the City Council, it becomes necessary to reduce the workforce because of a lack of funds, lack of work or reorganization, an employee may be laid off, reduced in classification or displaced by another employee. Such layoff, reduction or displacement shall result from action of the City Manager or his designee. Such action shall not entitle the laid off, reduced or displaced employee to a right of appeal. The City Manager shall recommend to the City Council each classification to be affected by any such change.

SECTION 2. Notice to Employees - An employee filling a full-time position shall be given fourteen (14) calendar days prior notice of layoff. Employees transferred, reduced or displaced shall be given five (5) calendar days' notice. The City Council may approve a reduction in the notice requirements,
if so recommended by the City Manager.

SECTION 3. **At-Will Employees** - The City Manager retains the right to layoff or alter the work assignment of the following employees at any time without notice or right of appeal: emergency employees, temporary or seasonal employees, part-time employees, original probationary employees, promotional probationary employees and employees designated as at-will. The promotional probationary employee shall revert to his/her previously held classification and position without loss of seniority.

SECTION 4. **Procedures for Layoff** - A permanent employee in a classification effected by a reduction in force shall be laid off based on seniority in City service; that is the employee with the least City service shall be laid off first, followed by the employee with the second least City service, etc. Seniority shall be determined by hire date.

SECTION 5. **Breaking Ties** - Provided that seniority, hiring date is equal retention points for job performance shall be credited on the basis of the average of the overall evaluation ratings for the last three (3) years in a classification, provided the last rating had been filed at least thirty (30) days prior to the date of the layoff notice. Retention points are as follows:

1. "Unsatisfactory" rating - 0 retention points.
2. "Improvement needed" rating - 6 retention points.
3. "Satisfactory" rating - 12 retention points.
5. "Outstanding" rating - 24 retention points.

SECTION 6. **Reduction to a Vacant Position** - An employee designated for layoff as a result of abolition of a position or classification may be offered appointment to a vacant position in a lower classification, if the employee is qualified by education and/or experience for such position. If there is more than one qualified employee eligible to be offered such appointment(s), the offer(s) shall be based on seniority, with the employee with the highest seniority offered the position first, then the next highest, etc. If the employees have the same seniority, then the procedure for breaking ties set forth above shall apply. An employee accepting such appointment shall be placed on the step for the lower classification most closely corresponding, but in no case higher, than to the salary step of his/her previously held position, and the employee will be assigned a new salary anniversary date on the effective date of the appointment.

SECTION 7. **Displacement Rights** - An employee designated for layoff as a result of abolition of a position or classification may displace (bump) an employee in a lower classification, if the employee previously held permanent status in such classification. An employee who is bumped shall be laid off in the same manner as an employee whose position or classification is abolished.

SECTION 8. **Salary Placement** - An employee who is assigned to a lower classification as a result of a displacement (bump) shall receive the compensation reflected by the step of the salary range of the new classification closest to the compensation of the employee in the previous classification, and the employee will also be assigned a new salary anniversary date on the effective date of the appointment. An employee accepting such appointment shall be placed on the step for the lower classification most closely corresponding, but in no case higher, than the salary step of his/her previously held position, and the employee will be assigned a new salary anniversary date on the effective date of the appointment. The employee shall, however, retain seniority while his/her name remains on a reemployment list or lists, as set forth in subsection 9.
SECTION 9. Reemployment List - The names of permanent employees who have been laid off under this section (including employees who bumped down) shall be placed, in order of seniority from highest to lowest, on a reemployment list for their classification or any lower classification for which the employee is qualified by education and/or experience. Persons on such lists shall retain eligibility for appointment there from for a period for three years from the date their names were placed on the list. As a vacancy within a classification or a lower related classification becomes available, the name appearing at the top for the list shall be offered the opportunity to fill the vacancy. The name of an individual selected from the list to fill the vacancy who refuses the re-employment offer shall be permanently removed from the re-employment list without right of appeal. Laid-off employees do not earn seniority credit or benefits while on the re-employment list.

SECTION 10. Rights upon Reemployment - If a person is reemployed by the City within three years, the employee's accumulated sick leave allowance, seniority and vacation accrual shall be reinstated. Employees should be placed on the same salary step previously held upon reemployment.

ARTICLE XVI - MISCELLANEOUS

SECTION 1. Credit Union - Employees are eligible to join the South Bay Credit Union.

SECTION 2. Temporary Assignment to Higher Classification - Where an employee is qualified for and is required for an appreciable period of time to serve temporarily in and have the responsibility for work in a higher class or position, when approved by the City Manager, such employee, while so assigned, shall receive the entrance salary rate of that class or whatever step thereof that is not less than five percent above his or her present rate, whichever is higher. For the purpose of this section, "appreciable period of time" is defined as ten consecutive working days (eight working days if on four/two plan) or longer.

SECTION 3. Rest Periods - All bargaining unit employees shall be provided a fifteen (15) minute rest-break near the mid-point of every four hours of scheduled work. In order to ensure that such affected employees are prepared to reconvene performance of their duties precisely at the conclusion of the fifteen (15) minute rest-break, such employees are encouraged to take their break within the building where they are regularly assigned or on the grounds immediately adjacent to the work assignment.

As it concerns lunch breaks, all affected employees are scheduled for either a thirty (30) or sixty (60) minute lunch break depending upon the work assignment. Said scheduling shall be in accord with pre-existing City practices and procedures.

Failure by an employee to utilize a rest or lunch break shall not result in any accumulation or other "banking" of said unused time, nor shall failure to utilize said rest or lunch break time result in conclusion of the employee's regularly scheduled work shift at a time earlier than scheduled nor shall any unused break time be utilized to extend a lunch break. However, in any instance where management mandates that a rest or lunch break not be taken because of the need to provide services to the City, then said additional work time shall be compensated in accord with this MOU, City Rules and Regulations and applicable statutory requirements. Additionally, in said circumstances, management does have the discretion to allow for early termination of an employee's regularly scheduled work hours in amounts of time equivalent to the missed breaks.
SECTION 4. Request for Reclassification Review

A. Basis for request - A bargaining unit employee or Union may make a request for reclassification once every two years, if an employee's job duties and responsibilities have become significantly different over the two-year period.

B. Processing of request - The request for reclassification review must be submitted by the employee or the Union to the employee's immediate supervisor. The employee's supervisor shall submit a written recommendation to the employee's Department Head concerning the merits of the reclassification review request. If the Department Head determines that the employee's job duties and responsibilities have significantly changed, the Director of Human Resources will initiate the reclassification review process.

Human Resources Department staff will have the responsibility to conduct the reclassification review process. However, if the Union and the City mutually agree, a consultant may be utilized at any step of the reclassification review process. The cost of the agreed upon Consultant will be paid by the City.

C. Components of reclassification review -

1. The employee requesting the reclassification review will provide information summarizing the scope and complexity of the duties and responsibilities of the position.

2. The employee requesting the reclassification review will be interviewed and observed at work to assess the validity of the information provided by the employee and to develop a full understanding of the job duties and responsibilities.

3. A salary survey will be performed comparing the employee's position with similar positions in the Cities of Culver City, Gardena, Hawthorne, Hermosa Beach, Inglewood, Los Angeles, Manhattan Beach, Redondo Beach, Santa Monica, Torrance, and the County of Los Angeles. For purposes of the salary survey, the mid-point of the City's current pay schedule will be compared to the midpoints of the surveyed public entities for positions with similar education and/or experience requirements. Variances of +/- 5% will be considered comparable to the prevailing rate.

D. Action by the Director of Human Resources - The completed reclassification survey and a draft job description shall be reviewed by the employee's supervisor and the Director of Human Resources. The Director shall then meet and confer with the Union on the results of the reclassification review. The Director shall then make his or her recommendation to the City Manager. The Director shall recommend to the City Manager the approval of any reclassification request that reflects a substantial change in the duties and responsibilities of the position.

E. Action by the City Council - All reclassifications must be approved by the City Council.

F. Effective date of reclassification - Any approved reclassification shall become effective the pay period following approval.

G. Challenge to decision on reclassification request - The Union may challenge the denial of the reclassification request by the Director of Human Resources, the City Manager or the City Council. Any challenge to the denial of the reclassification request will be governed by this section and not by Article XVI, Grievance Procedure. If a challenge is made, a new classification review will be completed by a neutral entity selected by mutual agreement of the Union and the City. The parties
agree to accept the conclusions reached by the neutral entity. The cost of the consultant's services will be shared equally by the Union and the City.

SECTION 5. Seniority - For the purpose of this Memorandum of Understanding, seniority shall be defined as a bargaining unit member's total, continuous employment in a position in the City's classified service. Total, continuous employment is that which is uninterrupted by separation and includes 1) actual time worked, 2) authorized leave of absence, both paid and unpaid, 3) family leave, 4) military leave and 5) industrial injury or illness leave. For purposes of this section, a leave of absence without pay is limited to a maximum of 90 continuous days.

SECTION 6. Standby Duty - Standby Duty is the time that employees, who have been released from duty, are specifically required by their supervisor to be available for return to duty when required by the City. During Standby Duty, employees are not required to remain at their City work station or any other specified location. Standby Duty employees are free to engage in personal business or activities. However, standby duty requires that employees:

1. Be ready to respond immediately.

2. Be reachable by paging device or telephone. The City, in its discretion, provide a paging device (e.g., a beeper) to an assigned Standby Duty employee.

3. Be able to report to work within one (1) hour of notification.

4. Refrain from activities which might impair their ability to perform assigned duties. This includes, but is not limited to, abstaining from the consumption of any alcoholic beverage and the use of any illegal drug or incapacitating medication.

5. Respond to any call back during the assigned standby period. As with any City equipment, any paging device assigned to an employee is the responsibility of the standby employee during the standby assignment. The employee is liable for loss or damage to the paging device which is caused by the employee's negligence or intentional acts.

Failure of an employee to comply with the provisions of standby duty may subject the employee to discipline, up to and including termination of employment with the City.

For each period of standby duty, employees shall be provided the choice of two (2) hours of compensatory time off or two (2) hours of paid time. A period of standby duty shall be defined as one (1) day, commencing at 0001 and ending at 2400.

An employee who uses sick leave or vacation leave during a standby period, occurring on or after September 9, 2000, shall not be provided any form of compensation for the standby period, unless the employee's department head approves, in writing, the provision of the normal standby period compensation.

SECTION 7. Jury Duty - Employees shall be entitled to a leave of absence for jury duty subject to compliance with all of the following conditions:

A. The employee must provide written notice of the expected jury duty to his or her supervisor as soon as possible, but in no case later than 14 calendar days before the beginning of the jury duty.
B. During the first two weeks of jury duty, an employee shall be entitled to receive his or her regular compensation.

C. For any portion of jury duty that extends beyond the first two weeks, such extended jury duty period shall be without regular pay.

D. Any compensation for the first two weeks of jury duty, except travel reimbursement pay, must be deposited with the Director of Human Resources.

E. While on jury duty, the employee must report to work during any portion of a day that the employee is relieved of jury duty for three or more consecutive hours. Employees relieved of jury duty for three or more consecutive hours may use accrued leave to take the rest of the day off, provided they have secured prior supervisory approval.

F. The employee must provide documentation of his or her daily attendance on jury duty.

G. However, notwithstanding Section C above, employees may access accrued vacation leave, sick leave and compensatory time, if jury duty extends beyond two weeks.

SECTION 8. Cell Phone Stipend - Employees in classifications which are currently issued a cell phone may elect not to be issued cell phones and instead receive an eighty dollar ($80) monthly stipend to offset the cost of utilizing their personal devices for work related purposes. Non-exempt employees shall not use their personal cell phones to perform any work on behalf of the City outside of normal working hours without prior supervisory approval. Employees who elect this option shall make their personal cell phones and cell phone records available for inspection by the City on the same terms and conditions as employees who are issued City cell phones.

SECTION 9. Assignment of Work Schedule

Effective the first day of the first pay period in January 2018, employees of this bargaining unit shall operate on a 9/80 work schedule. Employees shall typically be assigned a Monday through Friday 9/80 schedule. The City and SPEA membership agree that the membership may be split into “A” and “B” teams by their respective Department Heads, such that “A” and “B” teams work opposite Fridays and have opposite Fridays off.

Due to operational needs, the City may assign employees to operate a different 9/80 schedule if the change is intended to be permanent and the exercise of such right is not arbitrary, capricious, retaliatory, or discriminatory. The City shall provide SPEA and the employee with 30 days’ notice prior to the implementation of any change in the designated workweek. Such notification shall provide a description of the operational need for the proposed change.

The City shall not change an employee to any other schedule (five/forty or four/ten) without mutual written agreement by (1) the employee, (2) his or her Department Head, and (3) the SPEA Union Board.

ARTICLE XVII - DRUG-FREE WORKPLACE STATEMENT AND SUBSTANCE ABUSE POLICY, SMOKING POLICY, AND BREAK POLICY

The parties have met and conferred in good faith regarding the adoption of a revised drug-free workplace statement and substance abuse policy dated July 1, 2008, as well as a non-smoking policy and break policy and the same shall be implemented concurrent with adoption of this MOU.
ARTICLE XVIII - PERSONNEL FILE

SECTION 1. The official personnel file of each employee shall be maintained in the Human Resources Department. A unit member and/or a Union representative authorized by the member, in writing, may review or obtain copies of material from the employee’s file with the exception of material that includes ratings, reports or records which are obtained prior to the employment of the employee involved.

SECTION 2. Employees shall be provided any copies of derogatory material placed in their official file. Employees will be requested to acknowledge they received any derogatory material prior to it being placed in their personnel file.

SECTION 3. All customer or citizen letters of a positive nature and/or any City commendations, letters of achievements and recognition will be placed in the employee’s personnel file.

ARTICLE XIX - AGENCY SHOP AGREEMENT

Legislative Authority - The City of El Segundo (City) and California Teamsters Local 911 (Union) mutually understand and agree that in accordance with State of California law, per adoption of SB 739, and the Agency Shop election held January 2004, a majority of the full time, regular employees in classifications represented by the Union voted to be covered by an Agency Shop agreement. As a result of the Agency Shop election, as a condition of continued employment, this Agency Shop agreement hereby requires that all bargaining unit employees:

1. Elect to join the Union and pay union dues; or
2. Pay an agency fee for representation; or
3. With a religious exemption, pay a fee equal to the agency fee to be donated to selected charities.

Union Dues/Agency Fee Collection

Effective January 2004, the Finance Department shall deduct union dues, agency fee and religious exemption fees from all employees who have signed a written authorization and a copy of that authorization has been provided to the Finance Department. Employees on leave without pay or employees who earn a salary less than the union deduction shall not have union dues or agency fee deduction for that pay period.

The Union shall notify the City of any agency fee payer who elects to only pay fair share fees, the fee equal to direct representation costs as determined by the Union’s certified financial report. The Union shall notify the City of the amount of the fair share fee to be deducted from the fair share fee payer’s paycheck.

The Union shall set the dues amount pursuant to the International Brotherhood of Teamsters (IBT) constitution and notify in advance all affected employees and the City if the amount will change.

New Hire Notification

Effective January 2004, all new hires in this general bargaining unit shall be informed by Human Resources, at the time of hire, that an Agency Shop agreement is in effect for their classification. The employee shall be provided a copy of this agreement, the Memorandum of Understanding and a
form, mutually developed between the City and the Union that outlines the employee's choices under the Agency Shop agreement. The employee shall be provided thirty (30) calendar days from the date of hire to elect their choice and provide a signed copy of that choice to the Finance Department. The Union may request to meet with new hires at a time and place mutually agreed upon between the Department Head and the Union.

**Failure to Pay Dues/Fees**

Should an employee fail to make an election and provide the City a signed copy of the Agency Shop employee election form, the Union shall notify the City, requesting the employee be terminated from employment for failure to make an election. Within ten (10) working days of each new hire in the bargaining unit, the City shall notify the Union of all new hires, providing the Union the employee's name, classification and date of hire.

**Religious Exemption**

An employee who is a member of a bona fide religion, body or sect that has historically held conscientious objections to joining or financially supporting a union shall not be required, as a condition of employment, to join the union and pay union dues or pay an agency fee for representation.

An employee claiming religious exemption status shall be required to provide to the Union proof of affiliation with such a religious body or sect.

In lieu of union dues or agency fee, the employee claiming religious exemption shall be required to pay a fee equal to the Agency Fee, to a non-labor, non-religious charitable organization.

**Records**

On an annual basis, the Union shall provide the Human Resources Director with a copy of the Union's certified financial report. The City shall provide the Union a list of all unit members and dues paying status with each union dues check remitted to the Union.

**Rescission of Agreement**

The Agency Shop agreement may be rescinded at any time during the term of the Memorandum of Understanding by a majority vote of all employees in the bargaining unit. A request for such vote must be supported by a petition containing the signatures of at least thirty percent (30%) of the employees in the unit. The election shall be by secret ballot and conducted by California State Mediation and Conciliation and in accordance with state law.

**Indemnification**

The Union shall provide full protection to the City by indemnifying, defending and holding the City harmless from and against all claims and liabilities as a result of implementing and maintaining this agreement.
ARTICLE XX - CATASTROPHIC LEAVE BANK

Pursuant to the meet-and-confer process for 1997-98, it was agreed upon that effective July 1, 1997, or as soon thereafter as is possible, the City shall establish a Catastrophic Leave Bank for represented employees as follows:

1. PURPOSE

To establish a program whereby City employees may donate accumulated time to a catastrophic sick leave bank to be used by permanent, part-time and full-time employees who are incapacitated due to a catastrophic illness or injury.

2. DEFINITION

A catastrophic illness or injury is a chronic or long-term health condition that is incurable or so serious that, if not treated, it would likely result in a long period of incapacity.

3. PROCEDURES

A. There is established a joint-employer/employee committee composed of an individual from each recognized employee organization and a representative of City Administration charged with administering the Catastrophic Leave Bank.

B. Employees may transfer sick leave, vacation or compensatory leave to the Catastrophic Leave Bank to be donated to an employee who is experiencing catastrophic illness and has exhausted all personal sick leave. Such a transfer can be made on July 1 of each year on forms provided by the City of El Segundo. The employee to receive the donation will sign the "Request to Receive Donation" form allowing publication and distribution of information regarding his/her situation.

C. Sick leave, vacation and compensatory time leave donations will be made in increments of no less than one day. These will be hour for hour donations.

D. Employees must hold a minimum of one hundred (100) hours of accumulated illness/injury leave after a donation has been made.

E. The donation of time is irrevocable. Should the recipient employee not use all of the donated time for the catastrophic illness or injury, any balance will remain in the Catastrophic Leave Bank to be administered by the committee and utilized for the next catastrophic leave situation.
For the Union:

Neil Sholander, Teamster’s Representative

John Gilmour

Michael McDaniel

Paul Samaras

Emma Johnson

12.18.17

Date

For the City of El Segundo:

Greg Carpenter, City Manager

Date

Note:

Bargaining Team Members for SPEA were:
Neil Sholander (Teamster’s Representative)
John Gilmour
Michael McDaniel
Paul Samaras
Maria Cerritos
Emma Johnson

Bargaining Team Members for the City were:
Irma Rodriguez Moisa, Attorney
Lynn Lindberg, Director of Human Resources
APPENDIX A
BARGAINING UNIT CLASSIFICATIONS

Accounting Supervisor
Administrative Analyst
Assistant Fire Marshal
Associate Engineer
Construction Coordinator (At-Will Position)
Crime Prevention Analyst II
Crime Prevention Analyst I
Deputy City Treasurer I
Economic Development Analyst (At-Will Position)
Emergency Management Coordinator
Environmental Safety Manager
Equipment Maintenance Supervisor
Facilities Maintenance Supervisor
Fire Marshal
GIS Analyst
Information Systems Developer
Information Systems Specialist
Librarian I
Park Maintenance Supervisor
Plan Check Engineer
Police Records Supervisor
Principal Environmental Specialist
Principal Planner
Program Coordinator
Project Specialist
Property Owner Coordinator (At-Will Position)
Purchasing Agent
Recreation Supervisor
Residential Sound Insulation Design Coordinator (At-Will Position)
Residential Sound Insulation Supervisor (At-Will Position)
Senior Accountant
Senior Administrative Analyst
Senior Building Inspector
Senior Engineering Associate
Senior Plan Check Engineer
Street Maintenance Supervisor
Technical Services Analyst
Wastewater Supervisor
Water Supervisor
Wellness Coordinator
APPENDIX B

HUMAN RESOURCES

DIRECTIVE TITLE: City Smoking Policy

Directive Policy/Procedure:

It is a policy of the City of El Segundo to prohibit smoking in City buildings, by the public and City employees, in all areas where it is felt that smoking will significantly infringe upon the rights of others, affecting both their health, safety and their ability to be productive.

This policy recognizes the health hazards of breathing "second hand" smoke, as reported by many reputable researchers, including the Surgeon General of the United States.

In accordance with Chapter 6.24 (Ordinance No. 1140) of the El Segundo Municipal Code, the following shall be strictly adhered to:

- Smoking shall be prohibited in all areas of City buildings, including the City Council Chamber, reception areas, lobbies, conference and meeting rooms, restrooms, lounges and lunchrooms, locker rooms and computer rooms.

- Smoking shall also be prohibited in any City-owned or City-operated vehicle.

All entrances to City buildings and all areas of City buildings which are regularly occupied by the public, shall be marked with signs reading: "Thank You for Not Smoking", "No Smoking", or the international sign for No Smoking. City vehicles will be similarly marked.

There shall be no ashtrays in City buildings.

Ashtrays located outside of City buildings shall be placed sufficiently away from entrances so that second hand smoke does not enter the building.

Enforcement of the provisions of this policy will be the responsibility of the Director of Human Resources/Risk Management, supported by City Department Heads or their designate.

Violations of the policy by City employees will result in appropriate progressive discipline.
APPENDIX C

City of El Segundo Substance Abuse Policy
July 1, 2008

PURPOSE

It is the Policy of the City of El Segundo (hereinafter “City”) to maintain a safe, healthful and productive work environment for all employees. The City is committed to maintaining a workplace free from the influence of alcohol and drugs. The City recognizes that drugs and alcohol hinder an employee’s ability to perform his or her duties safely and effectively, and desires to protect its employees and the public from such effects. Employees who abuse alcohol and drugs, on or off duty, tend to be less productive, less reliable, and prone to greater absenteeism. To these ends, the City will not tolerate any drug or alcohol use which could affect an employee’s ability to safely and effectively perform the functions of his or her particular job, or imperil the health and wellbeing of co-workers or the people of the City. (The term “employee” as used herein shall be considered synonymous with the term “volunteer”.)

Employees who think they may have an alcohol or drug usage problem are urged to voluntarily seek confidential assistance from the Employee Assistance Program. While the City will be supportive of those who seek help voluntarily or via “optional referral” (page 4), the City will be equally firm in identifying and disciplining those whose performance is affected by substance abuse and do not seek help.

Supervisors and Management employees will be trained to recognize signs and symptoms of drug abusers and to become involved in this review process. Alcohol or drug abuse will not be tolerated, and disciplinary action, up to and including termination, will be used as necessary to achieve the goal of a drug-free workplace.

This Policy provides guidelines for the detection and deterrence of alcohol and drug abuse. It also outlines the responsibilities of the City Supervisors, Management and employees.

In recognition of the public service responsibilities entrusted to ALL employees of the City, with knowledge that drugs and alcohol do hinder a person’s abilities to perform job duties safely and effectively, the following Policy against drug and alcohol abuse is hereby adopted by the City of El Segundo.
APPLICATION

This Policy, and/or certain provisions thereof, applies to all employees and certain applicants of the City. This Policy applies to alcohol and to all substances, drugs or medications, legal or illegal, which could impair an employee’s ability to effectively and safely perform the functions of the job.

The Drug-Free Workplace Act of 1988, effective March 18, 1989, requires most Federal contractors and all grant recipients (including the City of El Segundo) to implement a comprehensive Substance Abuse Policy. This Policy will comply with the requirements of the Act.

OBJECTIVE

It is the objective of this Policy to prevent the effects of substance abuse in the workplace. It is the policy of the City that employees shall not be under the influence as evidenced by the presence of a drug’s metabolite in the employee’s system or in possession of alcohol or drugs; nor possess, use, sell or provide alcohol or drugs while on City property, at work locations, while on duty or while specifically designated by a supervisor as being on call; nor have their ability to work impaired as a result of the use of alcohol or drugs. An employee shall be deemed to be “using” such substances if prohibited substance levels are in the employee’s blood, breath, saliva or urine when at the workplace, or when otherwise purporting to act in the course and scope of employment or while designated as being on call.

Use of medically prescribed medications and drugs is not necessarily a violation of this Policy, unless there is a failure by the employee to notify his/her Supervisor or Manager, before beginning work, when taking medications or drugs the employee knows or reasonably should know could interfere with the safe and effective performance of duties or operation of City equipment. Such malfeasance can result in discipline, up to and including termination. In the event there is a question regarding an employee’s ability to safely and effectively perform assigned duties while using such medications or drugs, clearance from a qualified physician may be required.

Upon a documented determination of reasonable suspicion that an employee is violating this Policy or the Drugfree Workplace Statement, and consistent with applicable State and Federal law as it from time to time exits; the City reserves the right to search, without employee consent, all areas and property which the City owns or
leases. Otherwise, the City may notify the appropriate law enforcement agency that an employee may have illegal drugs in his or her possession or in an area not owned or leased by the City.

Refusal to submit immediately to an alcohol and/or drug test when directed by City Management or law enforcement personnel may constitute insubordination and may be grounds for discipline, up to and including termination.

Employees reasonably believed to be under the influence of alcohol or drugs shall be prevented from engaging in further work and shall be detained for a reasonable time until he or she can be safely transported from the worksite.

CONDITION OF EMPLOYMENT

Compliance with the City of El Segundo Substance Abuse Policy is a condition of employment for all persons covered by this policy. Any violation of this Policy will be grounds for discipline, up to and including termination.

DEFINITIONS

Whenever the terms below are used in this Policy, they shall be defined as follows:

All Employees: “All Employees” for the purposes of this Policy, refers to all full-time and part-time employees, volunteers, police cadets, police explorers or police reserves.

City Management: The term “City Management” for the purposes of this Policy refers to the City Manager and his/her designee(s).

Management: The term “Management” for purposes of this Policy, refers to Senior Management, Management and any employee who serves in a supervisory capacity.

Controlled Substance: Any drugs that are classified by the Drug Enforcement Administration (DEA) into the five schedules or classes on the basis of their potential for abuse, accepted use, and accepted safety under medical supervision. A drug in any of these schedules identifies that it is “controlled” and determines the nature of the supervisory control that must be exercised.

Drug: The term “drug” shall refer to any substance, including alcohol, which, in the opinion of a competent medical professional, causes or may cause significant impairment of job performance, or which causes or may cause behavior that is a threat
to the safety of the affected employee or others on the job, whether or not controlled by
law or prescribed by a licensed medical practitioner.

**Employee Assistance Program (EAP):** The City's EAP is a program which
provides counseling and assistance to City employees and their family members.

**Medical Review Officer ("MRO"):** The City will designate a physician
knowledgeable in the medical use of drugs as defined herein, prescription drugs and the
pharmacology and toxicology of illegal drugs to act as the MRO. The primary
responsibility of the MRO is to review and interpret positive test results obtained through
the City's drug testing program, and, in so doing, to discuss the results with the
employee and to determine whether alternate medical explanations could account for a
positive test result.

**Optional Referral:** "Optional referral" is a process whereby in lieu of and/or in
conjunction with discipline, any employee of the City may be offered referral by his or
her Supervisor or Manager to an Employee Assistance Program ("EAP").

**Positive Alcohol Test:** Any urine, blood or breath test that shows the presence of
alcohol as specified in this Policy, without explanation sufficient pursuant to this Policy,
to render said test excusable.

**Positive Drug Test:** Any saliva, hair, urine, or blood that is sent to a lab which
reports the presence of controlled substances, as specified in this Policy, without
explanation sufficient pursuant to this Policy, to render said test excusable.

**Reasonable Suspicion:** "Reasonable suspicion" or "reasonable cause" is a belief
based upon facts gathered from the totality of the circumstances that would cause a
reasonable supervisor to suspect impaired performance or reduced job safety by an
employee on the job. Reasonable suspicion is not to be based upon unconfirmed
rumors, but shall be based upon individual observation by Supervisors or Managers
trained by the City to recognize the signs and symptoms of substance abuse. The
Supervisor or Manager is required to take into account other possible explanations for
observed behavior, such as illness, lack of sleep, fatigue, and reactions to noxious
fumes or smoke. The factors supporting the reasonable suspicion shall be documented
and recorded in a manner provided and approved by City Management. See attached
*Reasonable Suspicion Testing Checklist.*

A non-inclusive description of behavior that may constitute evidence of
reasonable suspicion is as follows:

Slurred speech;
Physical altercation;  
Verbal altercation;  
Possession of alcohol or drugs;  
Information obtained from a reliable person with personal knowledge as to an employee’s drug or alcohol use or possession;  
Disorientation or job impairment (inability to perform employee’s job in a routine manner);  
Odor of alcohol on breath;  
Unsteady gait or balance;  
Glassy eyes;  
Drowsiness;  
Euphoria;  
Mood swings  
Inattentiveness;  
Excitement or confusion;  
Irritability;  
Aggressiveness.

Rehabilitation Program: A “rehabilitation program” is a program, beyond that provided by the EAP, which is designed to assist an employee to become alcohol or drug free. The City can condition such an employee’s continuing City employment upon an agreement that the employee shall be drug and alcohol free during the entire period of employment. The cost of any rehabilitation program is borne by the employee, in conjunction with benefits afforded by any provider of available health and welfare benefits of which the employee is a subscriber.

Safety Sensitive Employee: A “safety sensitive employee” is an employee occupying, or applying for, any position in which the employee’s job involves special and obvious physical and ethical demands. These positions shall be designated by the City at its sole discretion, but shall include at least the following positions and/or assignments: 1) Any employee whose position requires the carrying of a firearm; 2) Firefighters; 3) Paramedics; 4) Heavy equipment/machine operators; 5) Police Officers; 6) Operators of vehicles; 7) Communications Operators; 8) Lifeguards; and 9) all personnel involved with Child Development/Child Care.
Security Sensitive Employee: A "security sensitive employee" is an employee occupying, or applying for, any position in which the employee is subject to special ethical demands relating to "confidential" or "classified" information affecting personnel, litigation, and administrative/City functions. These positions shall be designated by the City at its sole discretion, but shall include at least the following positions: 1) all clerical and secretarial employees in the City Manager’s Office, City Clerk’s office, Human Resources office, and Police Department, 2) all Senior Management and Management Personnel. Some employees may be subject to DOT testing and, in addition to the City’s policy, will be tested under those regulations.

Substance Abuse: "Substance abuse" shall include the use, by ingestion, inhalation, injection, or by any other means, drugs as defined herein, alcohol, illegal drugs, prescription drugs, or any other substance which, in the opinion of a competent medical professional, impairs an employee’s ability to perform safely and effectively the functions of his or her position, which increases the potential for accidents, absenteeism, substandard performance, poor employee morale, or which could damage the City’s reputation.

UNDER THE INFLUENCE

"Under the influence" for the purposes of this policy, refers to the presence of the metabolite of the controlled substance in the urine product at levels at or above those described in this Policy.

GENERAL PROVISIONS (EMPLOYEE RESPONSIBILITIES)

Since it is the City’s Policy to have a workplace free of the effects of drugs and alcohol, the following are prohibited when reporting to work, on breaks, during meal periods, when specifically designated as being on call, or when on City property:

A. For an employee to be impaired or be under the influence of any drug or drugs (including alcohol), while at the worksite or at any other time or place where the employee is purporting to act in the course and scope of his/her employment, whether inhaled, ingested, injected, or otherwise used by the employee on or off duty;

B. For an employee to inhale, ingest, inject or otherwise use any alcohol or drugs as defined herein. An employee shall be deemed to be "using" such substances if prohibited substance levels are in the
employee's system when at the workplace, or when otherwise purporting to act in the course and scope of employment, or while designated as being on call;

C. For an employee to sell, give, or provide any drugs (including alcohol) or drug paraphernalia to any person, including any other employee, either directly or indirectly through a third party;

D. For an employee while at the workplace or otherwise purporting to act in the course and scope of employment, to manufacture, transfer, possess, or purchase any drug or drugs (including alcohol);

E. For an employee to refuse to submit immediately to an alcohol and drug test when requested by a Manager or Supervisor responsible for enforcement of this Policy;

F. For an employee, before beginning work, to fail to notify his/her Supervisor or Manager when taking any over-the-counter medications or prescribed drugs which the employee knows or reasonably should know, may alter the employee's physical or mental ability, or the employees knows or reasonably should know may interfere with the safe and effective performance of the employee's duties;

G. For an employee to fail to provide within 24 hours of request bona fide verification of a current valid prescription for any potentially impairing drug or medication identified when a drug test is positive. The prescription must be in the employee's name and be within the time limits designated by the prescribing physician; and

H. For a "safety sensitive" employee, as defined herein, to fail to notify the City of any arrest or conviction pursuant to a criminal drug statute (including alcohol) within five days of the arrest or conviction.

SUPERVISORY TRAINING AND POLICY ENFORCEMENT

Supervisors and Management employees will be actively involved in the enforcement of this Policy and in the detection of substance abusers. To that end, they will be trained to recognize substance abuse and to comply with the mandates of this Policy. Supervisors and Management employees shall notify all affected employees of this Policy, and shall be held responsible for consistent adherence to and enforcement of this Policy.
DRUG TESTING

Drug Testing Defined: Drug and/or alcohol tests shall test for substances which could affect an employee's ability to effectively and safely perform the functions of his/her job. Drug groups which are the focus of screening include, but are not limited to, the following:

- Amphetamines/methamphetamines;
- Barbiturates;
- Benzodiazepines (Valium);
- Cocaine;
- Methadone;
- Methaqualone (quaaludes);
- Opiates (morphine, codeine, heroin);
- Phencyclidine (PCP);
- Propoxyphene (Darvon);
- Marijuana;
- Alcohol;
- Steroids (Anabolic) and Chorionic Gonadotropin, per H&S Code § 11056(f).

Upon implementation of this Policy, employees and certain applicants for employment will be required to submit to the following drug tests as applicable:

Reasonable Suspicion Testing

A. Supervisors and Management employees may order that an employee submit to a drug and/or alcohol test when they have a reasonable suspicion that an employee is intoxicated or under the influence of drugs or alcohol while on the job, or while specifically designated by a supervisor as being on call. Reasonable effort shall be made to have the testing order given by a supervisor or manager within the subject employee's department. For example, if a Police Department supervisor observes behavior indicative of reasonable suspicion to test a Public Works employee, reasonable steps given the precise circumstances, shall be undertaken to brief the appropriate Public Works supervisor. However, if the Public Works supervisor in this example is unable to later observe the factors constituting reasonable suspicion, the observations of the non-department supervisor shall suffice to allow either the department or non-department supervisor to order a test.
"Reasonable Suspicion" is a belief, based on objective facts, sufficient to lead a reasonably trained and prudent Supervisor or Management employee to suspect that an employee is under the influence of drugs or alcohol such that the employee's ability to perform the functions of the job is impaired or so that the employee's ability to perform his/her job safely is reduced. See attached Reasonable Suspicion Testing Checklist.

B. Any Supervisor or Management employee ordering an employee to submit to a drug and/or alcohol test must first document in writing the facts constituting reasonable suspicion that the employee in question is intoxicated or under the influence of drugs. Said documentation must be submitted to the Human Resources Director or his/her designee prior to any test being administered.

C. When a Supervisor or other Management employee has reasonable suspicion to believe that an employee is impaired by drugs or alcohol, the employee will be removed to a suitable location, which will ensure his or her privacy, will be interviewed and informed of the basis of the reasonable suspicion. Said interview shall be procedurally governed by any statues, ordinances, rules or regulations effecting such an employee interview. Where reasonably possible, said suspicion shall also be confirmed by a second supervisor or manager. Any statements made during the interview may be recorded, and may be used in any subsequent proceedings involving the employee. If the Supervisor or other Management employee still has a reasonable suspicion that the employee is still not drug free, the employee will be reminded of the City's Policy and ordered to submit to urine testing in accordance with the procedures established by this Policy (subject to concurrence in said order by the Human Resources Director and/or his designee). (It is recognized that drug screening by use of a "hair follicle" test has gained widespread support in the legal profession as constituting an accurate screening method. Accordingly, the City may, at its sole discretion, utilize said method. However, and in view of the relatively high cost of performing said test, the City is not compelled to use such a screening process.) If the employee agrees to comply with the order, he or she will be transported to a designated collection site. NO TEST SHALL BE ADMINISTERED, UNLESS THE HUMAN RESOURCES DIRECTOR OR HIS/HER DESIGNEE CONCURS IN WRITING IN THE DETERMINATION THAT REASONABLE SUSPICION EXISTS TO JUSTIFY A TEST AND THAT THE TEST SHALL BE GIVEN PURSUANT TO THIS POLICY.

Any Supervisor or Management employee encountering an employee who refuses an order to submit to a drug and/or alcohol test shall remind the employee of the
requirements and disciplinary consequences of breaching this Policy. Where there is reasonable suspicion that the employee may be under the influence of alcohol or drugs, the Supervisor or Management employee should attempt to detain the employee other than by use of force, for a reasonable time until the employee can be safely transported home.

D. Supervisors and Management employees shall not physically search the person of employees, nor shall they search the personal possessions of employees without the freely given consent of, and in the presence of, the employee.

E. Managers and Supervisors shall notify their Department Head or designee when they have reasonable suspicion to believe that an employee may have illegal drugs in his or her possession or in an area not jointly or fully controlled by the City. If the Department Head or designee concurs that there is reasonable suspicion of illegal drug possession, the Department head shall notify the appropriate law enforcement agency.

PRE-EMPLOYMENT TESTING

Certain Job Applicants – After a conditional job offer has been extended, the City has a special need to require a drug and alcohol test in accordance with the procedures established by this Policy for certain applicants being considered for hire to certain job classifications. These classifications include but are not limited to jobs that have a special (uncommon or unique) and obvious (conspicuous or usually discernible) physical or ethical demand, which, if comprised, could have adverse consequences upon public safety or national security, or jobs that can directly influence children. Said classification shall include those defined on page 5 as safety sensitive positions, those listed in Exhibit A, and additional positions, which may from time to time be created that fit into the general description defined herein. These applicants must take and pass a drug and alcohol test following their acceptance of an offer of employment that is conditioned upon passing a pre-employment physical and drug/alcohol test.

Confirmed Positive Results:
The Human Resources Director or his/her designee will maintain the security of reported confirmed positive test results. Confirmed positive results may be used by the City in any disciplinary action against the employee involved.
Consequences of Refusing to Take any Test Required by This Policy:
Failure of any employee to submit immediately to a substance test ordered in accordance with this Policy (or other test approved herein) will be considered a serious offense of insubordination and may result in discipline, up to and including termination.

Continuing Legal Validity of Testing Procedures:
In the event that future developments make it apparent that any approved drug testing procedures are unlawful, the City will cease to implement those procedures as are found to be unlawful.

EMPLOYEE ASSISTANCE PROGRAM
Early recognition and treatment of alcohol and drug abuse is important for successful rehabilitation, for economic return to the City, and for reduced personal, family and social disruption. The City encourages the earliest possible diagnosis and treatment for alcohol and drug abuse. However, the decision to seek diagnosis and accept treatment is primarily the individual employee’s responsibility. To assist employees in obtaining early voluntary treatment, the City has established an Employee Assistance Program (EAP). The EAP provides counseling and assistance to all City employees.

The Human Resources Department shall make information regarding such services available to all City employees.

Employees with alcohol or drug abuse problems should request the confidential assistance of the EAP. Employees may seek help without approval or even the knowledge of their Supervisor or Manager. The EAP will provide assistance on a confidential basis and will refer the employee to appropriate counseling or treatment services. Requesting assistance of the EAP in dealing with an alcohol or drug abuse problem shall not, in and of itself, jeopardize the employee’s continuing employment status with the City. However, requesting assistance of the EAP, whether it be voluntary or otherwise, does not immunize an employee from being subject to disciplinary action. In most instances, such requests will minimize exposure to disciplinary action.

Employees who undergo voluntary counseling or treatment pursuant to a referral by the EAP and who continue to work must meet all established standards of conduct and job performance.
Voluntary Self-Referral to Employee Assistance Program (EAP):

Assistance through the EAP program will be available on a self-referral basis as follows:

A. Prior to discovery of any violation of this Policy, any employee who believes that he or she has a substance abuse problem requiring treatment may voluntarily request assistance through the EAP either directly through the EAP provider, if direct referral is available, or through his or her supervisor;

B. To correctly and completely identify the nature of a substance abuse problem, an employee may be required by his or her Manager or Supervisor or the EAP provider to submit to a drug test prior to beginning counseling or treatment. The results of the test conducted by the EAP will not be reported to the Human Resources Director or the MRO. However, the EAP provider shall be authorized to advise the Human Resources Director, MRO, or the employee’s supervisor if in the sole opinion of the EAP provider, the employee is unfit to perform the duties of his/her position and attempts to perform said duties may result in serious safety risk to the City or to the public. The employer shall then be able to commence an investigation of the allegation;

C. If the EAP provider determines it is appropriate, the employee may be referred to a rehabilitation program. An employee referred to a rehabilitation program will be responsible, in conjunction with any provider of available health and welfare benefits, for the cost of the rehabilitation program;

D. Regardless of participation in the EAP program or a rehabilitation program, any employee found to be performing purportedly in the course and scope of employment while impaired by a drug or alcohol, or so impaired while specifically designated as being on call and as prohibited by this Policy, shall be subject to discipline, up to and including termination. Employees are, therefore, encouraged to request to be relieved from duty and be placed on a leave of absence during his or her participation in the EAP or rehabilitation program if the employee will not remain drug free during the program. The City will allow the employee to take one leave of thirty (30) calendar days or less and to charge accumulated sick leave or other leave credits while the employee participates in the EAP, rehabilitation or treatment program. If no leave credits are available to the employee, he or she may, if deemed necessary by Management, be placed on a leave of absence without pay for the duration of the EAP, rehabilitation or treatment program;
E. If an employee is experiencing performance problems or disciplinary action is contemplated or pending against the employee at the time a request for assistance is made, the request for assistance will be treated as a separate but possibly related issue. In no case will a request for assistance provide amnesty to an employee in a contemplated or pending disciplinary action. A request for assistance may, at the discretion of City Management, defer related pending or contemplated disciplinary action until completion of the treatment process;

F. An employee will suffer no loss of seniority by virtue of his or her participation in the EAP or rehabilitation program.

Optional Referral to Employee Assistance Program (EAP):
The City recognizes that assistance through the EAP, or rehabilitation, rather than disciplinary action, or possibly in conjunction with some forms of discipline, may be appropriate in certain circumstances. Referral to the EAP, rather than discipline, or along with lesser forms of discipline other than termination, may be made as follows:

A. Upon a first offense of a violation of this Policy, an employee will generally be given the option of referral to the EAP for completion of a prescribed rehabilitation program, rather than being terminated. The employee may be relieved of safety sensitive and/or security sensitive functions until completion of the rehabilitation program to the satisfaction of the rehabilitation counsel, return of a negative drug test, and signing of a Re-entry Agreement as discussed further below;

B. An employee subject to optional referral must agree to undertake and to complete successfully a course of treatment as deemed appropriate by the EAP and/or rehabilitation program counselor. Any employee refusing to agree to comply with an optional referral is subject to discipline, up to and including termination.

C. If an employee fails to conform to the requirements of the rehabilitation program and/or fails to successfully complete the program and/or fails to remain drug free, the employee may be terminated. As part of the terms of the optional referral, the employee agrees that the EAP provider and/or rehabilitation counselor will report to the employee’s Supervisor or Manager any failure on the part of the employee to cooperate in the rehabilitation program, or to progress through the program to the satisfaction of the counselor;

D. The City will allow the employee to take one leave of thirty (30) days or less and to charge accumulated sick leave or other leave credits while the employee
participates in the EAP, rehabilitation or treatment program. If no leave credits are available to the employee, he or she may, if deemed necessary by Management, be placed on a leave of absence without pay for the duration of the EAP, rehabilitation or treatment program;

E. An employee will not generally be offered referral to the EAP or rehabilitation in lieu of discipline for a second violation of this Policy;

F. An employee will suffer no loss of seniority by virtue of his or her participation in the EAP or rehabilitation program;

G. An employee who desires to return to work after an optional referral must agree to the terms of a Re-entry Agreement, the terms of which shall be established by the City in its sole discretion. That Agreement may include, but is not limited to, the following:

**Release to Work:** Submission of a Release to Work Statement, which is satisfactory to the City, from a medical or treatment specialist. Review and work release by the Medical Review Officer.

**Follow-up Care:** Submission of an after care and follow-up treatment plan with a counselor or specialist which would last a minimum of six (6) months, or longer, as specified by the counselor or specialist.

**Negative Drug Test:** Submission of a negative urine test (or hair follicle test), taken in accordance with the procedures established by the City.

**EMPLOYEE CONFIDENTIALITY**

**Information about Collection of Sample:**
Employees will be verbally notified of the purpose for collecting a sample prior to its collection for a drug test under this Policy. The collection of urine samples shall be done with all reasonable regard for the employee's privacy, but with all reasonable assurances taken that the sample being provided remains secure.

**Laboratory or Test Results:**
Laboratory reports or test results shall not appear in an employee's general personnel folder. Information of this nature will be contained in a separate confidential medical folder that will be securely kept under the control of the Human Resources Director. The reports or test results shall be disclosed to City Management on a strictly need-to-know basis, and to the tested employee. Disclosures, without employee
consent, may also occur when: (1) the information is compelled by law or by judicial or administrative process; 2) the information has been placed at issue in a formal dispute between the employer and employee; (3) the information is to be used in administering an employee benefit plan; and (4) the information is needed by medical personnel for the diagnosis or treatment of the patient who is unable or unwilling to authorize disclosure.

**Searches:**

The City shall not physically search the person of any employee. The appropriateness of any physical search will be left to the determination of the proper legal authorities. Any searches of employees' personal belongings may be done only pursuant to freely given consent, or as permitted by law. The City may search any property or area which is City owned or leased by the City. Employees are specifically notified that the following areas are not private, unless agree to otherwise in writing by the City: desks, file cabinets, work area, employee lounges, lunch area, restrooms, lockers and any other storage area. Searches of said City owned or lease areas shall be done either:

1. in the employee's presence, or
2. with the employee's consent, or
3. pursuant to a valid search warrant, or
4. where the employee has been notified that a search will be conducted.

**LABORATORY SELECTION AND MANAGEMENT** (These provisions are subject to necessary technical modification should hair follicle testing be utilized.)

**A.** The City shall utilize medical providers that are qualified to handle the collection of urine samples for the purpose of drug and/or alcohol testing. Although selection of such provider(s) shall be in the sole discretion of the City, the latter shall solicit the advice of recognized employee organizations regarding such selection.

**B.** The City shall utilize a laboratory that is properly licensed and SAMHSA certified and whose procedures comply with ongoing state and/or federal law.

**C.** There shall be two (2) urine samples collected and split in two separate containers. The laboratory that conducts the screening of the urine sample for drug and/or alcohol testing must confirm the positive test
results by testing the second sample using Gas Chromatography/Mass Spectrometry.

D. Samples collected under this procedure will only be tested to determine the presence of drugs and/or alcohol.

E. The employee shall have the right to have both the split sample tested by another licensed lab at his/her own expense. However, results of a test(s) conducted by a laboratory selected by the employee need not be given the same weight by the City as is given to the test results produced by the laboratory selected by the City for the initial examination and, the results of the lab selected by the employee shall not be a bar to the City of taking corrective action as set forth in this Policy. At its sole discretion, the City can require that a sample be submitted to a third analysis by a lab of the City's choice and at City expense, in cases where the City lab and the employee designated lab have produced inconsistent results. The impact of any such third analysis shall be determined by the City.

**Drug Screening Process:**

A. The first screening of the urine sample will be by the Enzyme Multiplied Immunoassay Technique (EMIT). If the first test is positive, the urine sample shall be submitted for a confirmation screening test.

B. The confirmation test will be by Gas Chromatography/Mass Spectrometry.

C. Only a positive result by the confirmation testing will be reported to the City of El Segundo by the MRO. Subject to the exceptional substance levels described below, it is the policy of the City of El Segundo that a test result indicative of any such level of alcohol or drug shall authorize the City to address said finding as described in this policy. However, the City's contact of professional criminalist and healthcare providers has lead to a recognition that certain minimal levels of specified drugs may be confirmed via the drug screening process described herein, yet from a medical and municipal policy implementation viewpoint, should not result in adverse consequences to the subject employee. The City's investigation has revealed that a variety of law enforcement agencies, criminalists and healthcare professionals, do acknowledge that certain specified drugs can exist in trace amounts within the body, without
causing impairment and/or without having been knowingly ingested. Therefore, a positive drug screen indicating the following drug levels shall not be indicative of a “positive” drug test. The following levels are approved by NIDA:

<table>
<thead>
<tr>
<th>Drug</th>
<th>EMIT Screening Cutoff</th>
<th>GC/MS Confirmation Cutoff</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. amphetamines/methamphetamines</td>
<td>1000 ng/ml</td>
<td>500 ng/ml</td>
</tr>
<tr>
<td>2. barbiturates</td>
<td>300</td>
<td>100</td>
</tr>
<tr>
<td>3. benzodiazepines (Valium tranquilizers)</td>
<td>300</td>
<td>150</td>
</tr>
<tr>
<td>4. cocaine metabolite</td>
<td>300</td>
<td>150</td>
</tr>
<tr>
<td>5. methadone</td>
<td>300</td>
<td>100</td>
</tr>
<tr>
<td>6. methaqualone</td>
<td>300</td>
<td>100</td>
</tr>
<tr>
<td>7. opiates (morphine, codeine, heroin)</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>8. phencyclidine (PCP)</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>9. propoxyphene (Darvon)</td>
<td>300</td>
<td>100</td>
</tr>
<tr>
<td>10. cannabinoid (THC)</td>
<td>50</td>
<td>15</td>
</tr>
<tr>
<td>11. steroids</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>12. alcohol (urine)</td>
<td>0.02%</td>
<td>0.02%</td>
</tr>
</tbody>
</table>

D. The remainder of the positive urine specimen(s) shall be retained frozen by the laboratory for one (1) year.

Sample Collection Procedure

A. Employees who are sent to the City’s medical facility for drug and/or alcohol testing shall provide a urine specimen that will be split into two bottles (samples A and B) according to the following collection procedures:

1. The employee shall be given two urine containers to take into the urine collection room.

2. The urine collection room shall contain a toilet and a sink. The toilet water is dyed blue and the hot water to the room is shut off by a control handle located outside of the room.

3. The employee shall leave his/her belongings in a locked room during the sample collection procedure.

4. The employee shall be allowed to dress in civilian clothing when providing the samples.

5. The employee, upon providing the urine samples, will hand the samples to the collector.

6. The collector will test the temperature of the samples to ensure they are between 90 and 100° Fahrenheit.

7. The collector will split the sample into two containers with a lid and tape, in view of the employee and that employee will then initial and date the
samples. One sample shall be marked "Sample A" and the second marked "Sample B."

8. The samples will then be placed into a plastic bag that is then sealed until it reaches the laboratory.

9. The collector will ask the employee to list any medications they are currently taking.

EDUCATION

The City will make adequate provisions for the education of its employees concerning the nature of and reasons for this Policy and the procedures established by the Policy. The City will make the possible disciplinary consequences of violation of this Policy known to all employees. The City will also distribute information to the employees which clearly explains the dangers and symptoms of substance abuse and the various techniques and alternatives available to deal with substance abuse. Communication shall remain open regarding these subjects.

Savings Clause

If any provision of this Policy is found to be unlawful, the remaining provisions which are not found to be unlawful will remain in full force and effect.

Employee Acknowledgement

I have read the City of El Segundo’s Substance Abuse Policy, been provided with a copy, and understand that I am subject to its provisions.

_____________________________  ______________________________
Date                           Employee’s Signature

_____________________________  ______________________________
Job Title                      Employee’s Name (Printed)

_____________________________
Date
DRUG-FREE WORKPLACE STATEMENT
July 25, 1994

1. PURPOSE

The Drug-Free Workplace Act of 1988, passed by Congress on October 21, 1988, requires all grant recipients to implement a comprehensive substance abuse policy. Under the Workplace Act, to be eligible to obtain a federal grant, an employer must certify to the granting agency that it will provide a drug-free workplace.

It is the intent of the City of El Segundo to maintain a safe, healthful and productive work environment for all employees. To accomplish this, the City will act to eliminate any drug abuse which increases the potential for accidents, absenteeism, below standard performance, poor employee morale or damage to the City's reputation. Everyone covered by this statement should be aware that violations of this policy may result in discipline, up to and including termination, a requirement that the employee participate in a drug assistance or rehabilitation program, and/or in not being hired.

Because it is widely recognized that drugs hinder one's ability to perform work safely, productively and effectively, the following statement is hereby adopted by the City of El Segundo.

2. STATEMENT

The City of El Segundo prohibits the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance, alcohol or other drug that the employee knows or reasonably should know could interfere with the safe and effective performance of duties or operation of City equipment in the workplace.

3. ACTIONS THAT WILL BE TAKEN AGAINST EMPLOYEES FOR VIOLATION OF THE PROHIBITIONS IN PARAGRAPH 2 ABOVE
In accord with the Substance Abuse Policy that accompanies and is incorporated by reference in this Statement, the City recognizes that aid through an Employee Assistance Program or rehabilitation program, rather than disciplinary action, or a combination of discipline and participation in an EAP or Rehabilitation program, may be appropriate in responding to employees who have violated either or both this Statement or the Substance Abuse Policy. Reference should be made by the employee to the Substance Abuse Policy, in order to be fully apprised of the range of options that may be utilized by the City in responding to violations of the Statement and/or Substance Abuse Policy. Of course, the City may determine that discipline alone is the appropriate manner by which to address violations of the Statement and/or Policy.

4. **CONDITION OF EMPLOYMENT**

   As a condition of employment, all employees will:

   a) abide by the terms of this statement; and

   b) notify the Human Resources Director or his/her designee of any drug related criminal statute conviction for a violation occurring in the workplace no later than five (5) days after the conviction. "Safety Sensitive" employees, as defined herein, shall also advise of a drug related arrest within said timeframe. (See Substance Abuse Policy for definition of terms used herein.)

5. **ACKNOWLEDGEMENT**

   I have read the City of El Segundo's Drug-Free Workplace Statement, have been provided with a copy, and understand that I am subject to its provisions.

   ________________________________       ________________________________
   Date                                             Employee's Signature

   ________________________________       ________________________________
   Job Title                                      Employee's Name (Printed)

   ________________________________
   Date
Exhibit A

City of El Segundo

Pre-Employment Drug Testing

1.) Police Officer

2.) Firefighter/Paramedic

3.) Dispatcher
   Supervising Dispatcher

4.) Job classifications with a requirement for a Class B or Class A Drivers License:
   - Street Maintenance Leadworker
   - Street Maintenance Worker II
   - Water Maintenance Worker II
   - Wastewater Maintenance Leadworker
   - Wastewater Maintenance Worker II
   - Equipment Mechanic II
   - Fire Equipment Mechanic
   - Tree Maintenance Worker
   - Recreation Leader IV (Shuttle, van and Dial-a-Ride Drivers)

5.) Lifeguarding Personnel

6.) Police Service Officer
   - Animal Control Assignment
   - Jailer Assignment
   - Court Liaison Assignment

7.) Crime Scene Investigators

8.) Police Assistants

9.) Police Records Supervisor

10.) Technical Service Analyst

11.) Police Chief and Fire Chief and laterals to Management Positions in both departments
12.) Deputy Fire Chief
13.) Recreation Coordinator (Aquatics)
     Recreation Coordinator (Teen Center)
14.) Recreation Supervisor
15.) Environmental Safety Manager
16.) Principal Environmental Specialist
17.) Fire Marshal
     Assistant Fire Marshal
18.) Facilities System Mechanic
19.) Facilities Maintenance Supervisor
20.) Building Inspector and Senior Building Inspector
21.) Fire Inspector
22.) Project Specialist
REASONABLE SUSPICION TESTING CHECKLIST

The following is a listing of observable behaviors that may be used prior to conducting a reasonable suspicion test.

Behavioral Observation Checklist

Name of Observed Employee: ________________________________
Name of Supervisor: __________________ Date: ________________
Witness: __________________________________________________

Check all those indicators or cues observed in the workplace:

Appearance:  

| Glassy eyes | Yes | No |
| Blank stare | Yes | No |
| Bloodshot eyes | Yes | No |
| Flushed face | Yes | No |
| Alcohol smell | Yes | No |
| Marijuana smell | Yes | No |
| Altered appearance | Yes | No |

Behavior:  

| Slurred speech | Yes | No |
| Confused speech | Yes | No |
| Staggering | Yes | No |
| Poor coordination | Yes | No |
| Tremors/shakes | Yes | No |

Mood:  

| Mood changes | Yes | No |
| Isolating | Yes | No |
| Nervousness | Yes | No |
| Belligerent | Yes | No |
| Aggressive | Yes | No |
| Unusually quiet | Yes | No |
| Unusually talkative | Yes | No |

Vigilance/Performance:  

| Confused | Yes | No |
| Disoriented | Yes | No |
| Drowsiness | Yes | No |
| Sleeping | Yes | No |
| Hearing things | Yes | No |
| Seeing things | Yes | No |
| Blackouts | Yes | No |

Signature of Supervisor: ______________________ Date: ________________

Signature of Employee: ______________________ Date: ________________

BDA 1 Jan 2003
City of El Segundo

Federal Rules
on
Alcohol and Other Drugs
and
Information for CDL Holders
City El Segundo

Federal Rules on Alcohol and Other Drugs:
Information for CDL Holders

Policy Statement

The City of El Segundo, "City", is committed to maintaining a safe and healthy working environment. This commitment is based on the City's obligation to protect the health and safety of its customers and employees, and includes taking the appropriate steps to maintain a workplace free from alcohol and other drug use.

The information contained in this document applies to employees who perform safety-sensitive functions as defined by Federal regulation. In addition to this document, safety-sensitive employees must comply with other City policies.

This document supersedes all previous policies, practices, or guidelines. It is not an employee contract and is not intended as one. As with any City document, it may be revised and is subject to modification at any time.

Compliance Statement


In addition to other prohibited conduct set forth in this document (below), employees should especially note that

The unlawful manufacture, distribution, dispensation, possession, concealment, use, sale, transfer, or purchase of a controlled substance on City-owned or -controlled property, or in City-owned or -leased vehicles, or on any property while "on the clock" or performing any City business, is strictly prohibited. Such action will be reported to the appropriate law enforcement officials.

Distribution

A copy of this document will be provided to all current safety-sensitive employees, and will be given to each person subsequently hired for or transferred to a covered position.

Written notice of the availability of this information will be provided to representatives of employee organizations.
1. CONTACT PERSON KNOWLEDGEABLE OF THE PROGRAM:

   Name: Bob Hyland  
   Interim Director of Human Resources  
   350 Main Street  
   El Segundo, CA 90245  
   310.524.2336  

   Laboratory: Quest Diagnostics  
   7600 Tyrone Ave.  
   Van Nuys, CA 91405  
   (800) 877-2520  

   Medical Review Officer (MRO):  
   Eleanor Gilbert, M.D.  
   1430 Main Street  
   Salt Lake City, UT 84115  
   888.249.4575  

2. COVERED EMPLOYEES:

   • All City employees who hold a commercial driver’s license (CDL) and who  
     drive a commercial motor vehicle (CMV) as part of their assigned duties,  
     whether regularly or on an as-needed basis shall be subject to the provisions  
     of the Federal Motor Carrier Safety Administration (FMCSA) regulations and  
     City policies included in this document. Firefighters are exempt from these  
     regulations.  

   • A CMV is a motor vehicle used to transport passengers or property that:  
     a. has a gross combination weight rating (GVWR) of 26,001 or more  
        pounds inclusive of a towed unit with a GVWR of more than 10,000  
        pounds;  
     b. has a gross vehicle weight rating of 26,001 or more pounds;  
     c. is designed to transport 16 or more people, including the driver; or  
     d. is of any size and is used in the transportation of materials found to be  
        hazardous for the purposes of the Hazardous Materials Transportation Act  
        and which require that the vehicle be placarded under the Hazardous  
        Materials regulations.  

3. FUNCTIONS AND PERIOD OF THE WORK DAY COVERED BY THE
PROGRAM:

Safety-sensitive functions performed by drivers include:

a. all time at an employer or shipper, plant, terminal, facility, or other property, or on any public property, waiting to be dispatched, unless the driver has been relieved from duty by the employer;

b. all time spent inspecting equipment as required by FMCSA regulation, or otherwise inspecting, servicing, or conditioning any CMV at any time;

c. all time spent at the driving controls of a CMV in operation;

d. all time, other than driving time, in or upon any CMV, except time spent resting in a sleeper berth;

e. all time loading or unloading a CMV, supervising or assisting in the loading or unloading, tending a vehicle being loaded or unloaded, remaining in readiness to operate the vehicle, or in giving or receiving receipts for shipments loaded or unloaded; and

f. all time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle.

For purposes of the substance abuse regulations, a driver is considered to be performing a safety-sensitive function during any period in which the driver is actually performing, ready to perform, or immediately available to perform any safety-sensitive function.

For example, an employee holds a CDL and is on call to drive a CMV at any time during his or her work day. Even though these functions might not be performed during his or her regular work day, he or she would be subject to testing the entire work day because he or she is immediately available to perform the functions of a driver.

Employees will only be tested for alcohol while they are at a work site.

4. PROHIBITED CONDUCT UNDER THE FMCSA REGULATIONS:
DRUG USE

Any unlawful use of a controlled substance (i.e., use without a valid medical explanation) is prohibited.

- Although the FMCSA only requires and authorizes testing for five drug classes (marijuana, cocaine, amphetamines, opiates, and phencyclidine), an employee cannot perform a safety-sensitive function if the employee has used any Schedule I controlled substance or other substance that renders the driver incapable of safely operating the vehicle.

ALCOHOL AND ALCOHOL USE

Definitions

- **Alcohol** is the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohols, including methyl or isopropyl alcohol.

- **Alcohol use** is the consumption of any beverage, mixture, or preparation, including any medication (prescribed or over-the-counter, intentional or unintentional), containing alcohol.

A. Alcohol Possession

- Covered employees may not possess any alcoholic beverage while on duty, except alcoholic beverages that are manifested and transported as part of a shipment.

B. Alcohol Concentration

Covered employees may not report for duty or remain on duty in a position requiring the performance of safety-sensitive functions while having an alcohol concentration of 0.04 or greater.

- FMCSA regulations also provide that an employee who has an alcohol concentration of 0.02 or greater but less than 0.04 cannot be permitted to perform safety-sensitive functions. It will therefore be a violation of City policy for any covered employee to report for duty or remain on duty with an alcohol concentration of 0.02 or greater.

C. Pre-Duty Use
Employees may not perform safety-sensitive duties within 4 hours after consuming alcohol.

On-call employees who are not at work, but could be called to perform safety-sensitive functions, are subject to the pre-duty alcohol prohibition (i.e., they would have to decline a call to work if acceptance would result in performing safety-sensitive duties within the 4 hours).

D. On-Duty Use

Covered employees may not consume alcohol in any form while performing safety-sensitive functions.

This prohibition also applies to covered employees who are at work and immediately available to perform safety-sensitive functions.

E. Use After an Accident

No covered employee required to take a post-accident test under FMCSA regulations shall use alcohol for 8 hours after the accident or until he or she has been given a post-accident test, whichever occurs first. (For employees required to undergo testing, see Post-Accident Testing, below.)

REFUSAL TO SUBMIT TO TESTING

Covered employees may not refuse to submit to a required drug or alcohol test. The City will not permit an employee who refuses to submit to such a test to perform or continue to perform safety-sensitive functions.

- Refusal to submit to testing means that the employee:

  - failed to provide adequate breath for alcohol testing or urine for drug testing after receiving notice of the requirement to be tested without a valid medical explanation for the failure, OR

  - engaged in conduct that clearly obstructs the testing process (including, but not limited to, specimen adulteration or substitution, spitting in a breath tube, refusing to sign block 2 on the breath alcohol testing form, etc.)

Refusal to submit to a pre-employment or return to duty test is not a violation of the FMCSA rule, but such a refusal will preclude the individual from performing safety-sensitive functions for a regulated employer.

5. CIRCUMSTANCES THAT REQUIRE TESTING:
Covered employees are subject to the following federally-mandated drug and alcohol tests:

A. **Pre-employment**

- Pre-employment drug testing is required before an employee performs a safety-sensitive function for the first time.

- The City must obtain a verified negative test result from the medical review officer before permitting the employee to perform any safety-sensitive duties.

B. **Post-Accident**

As soon as practicable after an accident, each surviving covered employee must undergo drug and alcohol testing if the accident was determined by the City to meet the following conditions:

- The occurrence involved a CMV operated on a public road in commerce AND the driver:
  - was performing a safety-sensitive function with respect to the vehicle if the accident involved a human **fatality**; OR
  - received a **citation** under State or local law for a moving traffic violation arising from the accident AND the accident involved:
    - bodily injury to any person who, as a result of the injury, immediately receives treatment away from the scene of the accident, OR
    - disabling damage to one or more motor vehicles incurred as a result of the accident, requiring the motor vehicle to be transported away from the scene by a tow truck or other motor vehicle.

A covered employee who is subject to post-accident testing will remain readily available for testing or may be deemed by the City to have refused to submit to testing.

- Attempts to conduct post-accident drug testing will cease 32 hours after the accident, even if no drug test has been conducted.

Attempts to conduct post-accident alcohol testing will cease 8 hours after the accident, even if no alcohol test has been conducted.

C. **Random**
• Covered employees will be selected for random drug and alcohol testing using a computer-based random selection program.

• Covered employees shall be subject to random drug and alcohol testing at rates not less than the minimum(s) required by regulation. Currently, the number of alcohol tests required each year is 10% of the number of covered employees. The number of required drug tests is 50% of the number of covered employees.

• Random tests will be spaced throughout the year and will be unannounced.

• Random testing may be conducted any time during any work shift, and may be conducted on any work day during the year.

• An employee might be selected more than once or not at all in any given year.

• Random alcohol tests will be conducted while the employee is performing safety-sensitive functions, just before the employee is to perform safety-sensitive functions, or just after the employee has ceased performing safety-sensitive functions.

• Employees notified of selection for random testing must proceed immediately to the testing site. Failure to immediately report for testing may be considered by the City to be a refusal to submit to testing.

D. **Reasonable Suspicion**

A covered employee must submit to a drug and/or alcohol test if the City has determined that reasonable suspicion exists that the employee has violated the drug use and/or alcohol misuse prohibitions.

This determination must be based on a trained supervisor's specific, contemporaneous, articulable observations concerning the appearance, behavior, speech or body odors of the employee. The observations regarding alcohol misuse must be made just before, during, or just after the employee's performance of safety-sensitive duties.

• Even if an alcohol test cannot be administered, no employee who is under the influence of or impaired by alcohol, as shown by physical, behavioral, speech, or performance indicators of alcohol misuse, should report for duty or remain on duty requiring the performance of safety-sensitive functions, nor will the City permit such an employee to report for or remain on duty, until a test can be administered and the result is below 0.02 or until the commencement of the employee's next duty period if at least 24 hours has elapsed.
Nothing in this section should be construed as limiting the City’s ability, based on the City’s independent authority, to take action against or impose other requirements on employees suspected of drug and/or alcohol use or misuse.

NOTE: In addition to testing required by FMCSA, employees may be subject to drug and/or alcohol testing under City policy for suspected substance abuse. Such testing will be accomplished based on criteria established by the City, and may include testing under circumstances other than those set forth in FMCSA’s regulation.

E. Return to Duty

Before a covered employee returns to duty in a safety-sensitive function after engaging in prohibited conduct, he or she must undergo a return to duty test.

The employee cannot perform a safety-sensitive function until an alcohol test result indicating an alcohol concentration of less than 0.02 and/or a verified negative drug test is obtained.

• An employee may be required to undergo both drug and alcohol return to duty testing after a violation (whether drug- or alcohol-related) if the substance abuse professional (SAP) determines that testing for both is necessary for that particular employee.

F. Follow-Up

DOT regulations require employees who have tested positive to be referred to a Substance Abuse Professional (SAP) for evaluation and recommended treatment including follow up testing and removed from the DOT covered safety sensitive position. Any employee who has a positive test may result in discipline up to and including termination.

Each covered employee, who has been identified by a SAP as needing assistance in resolving a problem with drug use or alcohol misuse and who has returned to duty performing a safety-sensitive function, will be subject to follow-up testing.

Follow-up tests will be unannounced and at least 6 tests must be conducted in the first 12 months after the employee is back on the job. Follow-up testing may continue for up to 60 months.

The schedule for follow-up drug and/or alcohol testing is established by a SAP.
• An employee may be required to undergo both drug and alcohol follow-up testing after a violation (whether drug- or alcohol-related) if the SAP determines that testing for both is necessary for that particular employee.
6. PROCEDURES FOR DRUG AND ALCOHOL TESTING

A. Drug Testing

i. Collection

- All drug testing is conducted by analysis of a urine specimen. The specimen collection process is designed to protect employee privacy and individual dignity. Each urine specimen collected will be subdivided into two portions (called "primary" and "split"; see below for more on split specimens).

- Professional collectors are used to collect the specimens, and all specimens are sent to a laboratory certified by the Department of Health and Human Services. The collector must verify the donor’s identification, and can be required to provide his/her identification to the donor on request.

- Chain of custody is maintained on the specimen from the time of collection throughout the analysis to ensure that the results are attributed to the correct employee and that the specimen is properly handled.

 NOTE: If the employee cannot provide sufficient urine for testing, he or she must undergo a medical examination to determine if there is a medical condition that caused the inability to provide a specimen or if the employee refused to submit to testing.

ii. Specimen Analysis

- Each specimen is screened by the laboratory. If the screening test does not indicate that drug(s) might be present at or above the cut-off level established by the Department of Transportation (DOT), the specimen is reported as negative to the Medical Review Officer (MRO).

- If the screening test indicated drug(s) might be present, the specimen undergoes confirmatory testing using gas chromatography/mass spectrometry. Only if the GC/MS test indicates that the specimen is positive at or above the DOT drug cut-off levels is the result reported as a confirmed positive to the MRO.

iii. Medical Review Officer

- The MRO is a licensed physician who is responsible for receiving laboratory results. The MRO has knowledge of substance abuse disorders and appropriate training to interpret and evaluate a confirmed positive test result.
• Negative laboratory test results are reviewed by the MRO or staff for administrative purposes (to ensure the documents are complete and accurate), and subsequently reported to the City as verified negative test results.

• A test result confirmed as positive by the laboratory does not automatically identify the employee as an illegal drug user. The MRO review is intended to determine if there is an alternate legitimate medical explanation for the test result.

• The MRO evaluation can include conducting a medical interview with the specimen donor, review of the donor’s medical history and other biomedical factors, and review of records made available to the MRO by the donor.

• The MRO or his/her staff must contact the donor to obtain any relevant medical information. When necessary, the City will assist in contacting the donor. In most cases, the MRO must talk directly to the donor before verifying a positive test; however, there are some circumstances under which the test can be verified as positive without such contact. These are:
  
  № The donor declines to talk to the MRO about the test;

  № Neither the MRO nor the City, after making all reasonable efforts, has been able to contact the employee within 14 days of the date on which the MRO received the confirmed positive test result from the laboratory;

  № The City contacted the donor and more than 5 days has passed since the donor was told to contact the MRO;

  NOTE: If a test is verified positive without contact under the latter 2 circumstances, the donor may present to the MRO information documenting that serious illness, injury, or other circumstances unavoidably prevented the employee from being contacted by the MRO or designated employer representative or from contacting the MRO within the times provided.

• Once the MRO completes the verification process, the result is reported to the City. A test for which no medical explanation was provided will be reported as verified positive. If the donor presented an acceptable explanation for the result, it will be reported as verified negative to the City.

• Under limited circumstances, and only after appropriate warnings have been given by the MRO to the donor, the MRO may reveal other medical information about the donor if the MRO feels that safety might be affected by the donor’s condition or drug use.

  iv. Split Specimen Analysis

• At the time the MRO tells the donor that the specimen has been confirmed as positive by the laboratory, the MRO will also advise the donor of the right to
obtain an analysis of the split specimen at a second laboratory that has been designated by the City.

- The donor has until 72 hours after the donor has been advised that the MRO has verified the test as positive to compel the analysis of the split specimen.

- The City will be responsible for the costs of collecting the split specimen and for analysis of the primary specimen and the split specimen.

- If the split specimen is inadequate or unsuitable for testing, unavailable, or if it fails to reconfirm the presence of the drug at the level of detection, the entire test will be canceled.

**Alcohol Testing**

1. **Breath Analysis**

   - All testing is conducted using evidential breath testing devices (EBTs) operated by trained breath alcohol technicians (BATs).

   - The BAT must verify the identification of each employee and must provide positive identification to the employee on request. The BAT will also explain the testing process to the employee.

   - Each test will begin with a screening test. If the result is below 0.02, the test result is negative and testing is complete. If the test result is 0.02 or greater, a confirmation test must be conducted.

   - The confirmation test must be conducted after a 15 minute wait (starting from the time of the screening test) during which the employee is watched and instructed not to eat, drink, put anything in his or her mouth, or, to the extent possible, belch. Testing will be conducted even if the employee ignores this instruction, however.

   - The confirmation test result determines the consequences of the test under the FMCSA regulation.

2. **Invalid Tests**

   - By regulation, a breath alcohol test is invalid under the following circumstances:

     - The EBT does not pass its next external calibration check (this invalidates all test results of 0.02 or greater on tests conducted since the last valid external calibration test; it does not invalidate negative tests).

     - The BAT does not observe the minimum 15-minute waiting period prior to the confirmation test.
The BAT does not perform an air blank of the EBT before a confirmation test, or such an air blank does not result in a reading of 0.00.

The BAT does not sign the form.

The BAT fails to note in the “Remarks” section of the form that the employee has failed or refused to sign the form after the test has been conducted.

An EBT fails to print a confirmation test result.

The sequential test number or alcohol concentration displayed on the EBT is not the same as the sequential test number or alcohol concentration on the printed result.

NOTE: If the employee cannot provide adequate breath, he or she must undergo a medical examination to determine if there is a medical condition that caused the inability to provide breath or if the employee refused to submit to testing.

7. SUBSTANCE ABUSE PROGRAM RECORDS

Employee records pertaining to the FMCSA-mandated substance abuse prevention program, including those pertaining to drug and alcohol testing, will be maintained in a secure location with controlled access.

- Records will be promptly released to the employee, or a person identified by the employee (including subsequent employers), upon written request of the employee. This release of information will not be contingent upon payment for records other than those specifically requested.

- These records will be released to the Secretary of Transportation upon request of DOT or FMCSA, and to the National Transportation Safety Board when requested as part of an accident investigation.

- These records will be released to the employee or a decision maker in a lawsuit, grievance, or other proceeding initiated by or on behalf of the individual and arising out of a determination that the employee engaged in prohibited conduct.
8. CONSEQUENCES FOR VIOLATING THE FMCSA RULES:

Removal From Safety-Sensitive Functions

Covered employees are prohibited from performing safety-sensitive functions if they have engaged in prohibited conduct under the FMCSA rule or another DOT agency’s substance abuse prevention rule (including refusal to submit to random, reasonable suspicion, post-accident, or follow-up testing). Employees with a confirmed positive drug or alcohol test or who refuse to test will be subject to discipline up to and including termination.

Information Regarding Assistance

- Each employee who has engaged in prohibited drug or alcohol use or has refused to submit to a required test shall be advised of the resources available for evaluating and assisting the employee in resolving problems associated with drug or alcohol use.

- This information will include the names, addresses, and telephone numbers of substance abuse professionals and counseling and treatment programs.

The following sources can also offer assistance:

- Community mental health centers
- Family service agencies
- Private physicians and therapists
- Local hospitals
- Specialized treatment centers for alcoholism and other drug use

- Telephone hotlines, including:
  - 1-800-ALCOHOL A referral hotline for persons with alcohol problems
  - 1-800-COCAINEM A referral hotline for persons using cocaine
  - 1-800-662-HELP A national hotline referral service, Center for Substance Abuse Treatment, Dept. of Health and Human Services
  - 1-800-344-2666 Al-Anon, for family and friends of alcoholics
  - 1-800-766-6779 Marijuana Anonymous referral hotline
  - 1-818-773-9999 Narcotics Anonymous referral hotline (not toll-free)
  - 1-212-870-3400 Alcoholics Anonymous World Headquarters (not toll-free)
Required Evaluations and Testing

DOT regulations require employees who have tested positive for alcohol or drugs or refused to test to be referred to a SAP for evaluation and recommended treatment including follow up testing. Before an employee can return to performing safety sensitive duties for another employer, they must complete the provisions of this section. It is the employee’s responsibility to complete these requirements and if not completed may result in discipline up to and including termination.

No covered employee who has had a verified positive drug test, has violated the rules on alcohol misuse, or has refused to submit to testing can perform any safety-sensitive function unless and until that employee has:

1. Been evaluated by a SAP to determine whether the employee is in need of assistance in resolving problems related to alcohol use.

2. Completed any treatment recommended by the SAP;

3. Been evaluated by a SAP to ensure that the employee has properly followed the treatment program; and

4. Undergone required return to duty testing.

The SAP must be a licensed physician (medical doctor or doctor of osteopathy) or licensed or certified psychologist, social worker, employee assistance professional, or addiction counselor (certified by the ICRC or NAADACC) with knowledge of and clinical experience in the diagnosis and treatment of disorders related to alcohol and drug use and abuse.

9. CONSEQUENCE FOR HAVING AN ALCOHOL CONCENTRATION OF 0.02 OR GREATER BUT LESS THAN 0.04

If a covered employee is found to have an alcohol concentration of 0.02 or greater but less than 0.04, that employee will be immediately removed from performing safety-sensitive functions and may result in discipline up to and including termination.
CERTIFICATE OF RECEIPT

I, the undersigned employee, certify that I have received a copy of policy material on the misuse of alcohol and use of controlled substances as required by the Federal Motor Carrier Safety Administration (49 CFR 382.601(d)).

______________________________  ______________________
Employee’s printed name            Date

______________________________
Employee’s signature
# REASONABLE Suspicion Testing Checklist

The following is a listing of observable behaviors that may be used prior to conducting a reasonable suspicion test.

## Behavioral Observation Checklist

Name of Observed Employee: 

Name of Supervisor: __________________________ Date: __________

Witness: ___________________________________________________________________________

Check all those indicators or cues observed in the workplace:

### Appearance:

<table>
<thead>
<tr>
<th>Appearance</th>
<th>Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glassy eyes</td>
<td>Slurred speech</td>
</tr>
<tr>
<td>Blank stare</td>
<td>Confused speech</td>
</tr>
<tr>
<td>Bloodshot eyes</td>
<td>Staggering</td>
</tr>
<tr>
<td>Flushed face</td>
<td>Poor coordination</td>
</tr>
<tr>
<td>Alcohol smell</td>
<td>Tremors/shakes</td>
</tr>
<tr>
<td>Marijuana smell</td>
<td></td>
</tr>
<tr>
<td>Altered appearance</td>
<td></td>
</tr>
</tbody>
</table>

**Signature of Supervisor:** __________________________ Date: __________

### Mood:

<table>
<thead>
<tr>
<th>Mood changes</th>
<th>Confused</th>
</tr>
</thead>
<tbody>
<tr>
<td>Isolating</td>
<td>Disoriented</td>
</tr>
<tr>
<td>Nervousness</td>
<td>Drowsiness</td>
</tr>
<tr>
<td>Belligerent</td>
<td>Sleeping</td>
</tr>
<tr>
<td>Aggressive</td>
<td>Hearing things</td>
</tr>
<tr>
<td>Unusually quiet</td>
<td>Seeing things</td>
</tr>
<tr>
<td>Unusually talkative</td>
<td>Blackouts</td>
</tr>
</tbody>
</table>

**Signature of Employee:** __________________________ Date: __________

BDA 1Jan 2003
INCIDENT/PERFORMANCE REPORT

The following is an example of an incident/performance report. Use this report to record any incidents, workplace performance or workplace behavior problems. In situations where the circumstances are severe enough to warrant a post-incident or for-cause drug test this document must be completed within 24 hours of the time the incident occurred and the testing was initiated.

Employee’s name __________________________ Date of incident __________________________

Time of incident __________ Location of Incident __________________________

Describe the incident in detail __________________________________________

________________________________________

________________________________________

________________________________________

(If additional space is needed please use the back of this page and check here. Yes ________ )

Please list all witnesses to the behavior or incident:

________________________________________

________________________________________

________________________________________

________________________________________

Did you discuss the incident/or behavior with the employee? Yes ________ No ________

Remarks:

________________________________________

________________________________________

________________________________________

Signature of Supervisor __________________________ Date __________________________

Signature of Employee __________________________ Date __________________________

Signature of Witness __________________________ Date __________________________

BOA Jan 2003
City of El Segundo

CATASTROPHIC LEAVE BANK POLICY

Effective: July 1996 (rev. 2009)

The Catastrophic Leave Bank Policy was negotiated in 1995 between the City, General Employees’ Association, Police Officers’ Association, and Supervisory and Professional Employees’ Association. The purpose of the policy is to allow city employees the voluntary option of donating a portion of their accumulated leave time into a Catastrophic Sick Leave Bank. Bank leave hours will be used for the sole purpose of assisting permanent, full-time and part-time employees incapacitated due to a catastrophic illness or injury and still require paid leave time after exhausting all their other accumulated leaves. Employees eligible for State Disability Insurance (SDI) may use catastrophic leave hours to supplement to their SDI benefits, but are prohibited from using catastrophic leave hours in lieu of SDI. The intent of this policy is to provide eligible city employees a form of “long-term disability coverage” while they undergo treatment and/or convalescence.

I. Definition of a Catastrophic Illness or Injury:

A catastrophic illness or injury is a chronic or long-term health condition that is incurable, or so serious that, if not treated, would likely result in a long period of incapacity.

II. Eligible Employees for Donation and Program Usage:

A. Any permanent full-time or part-time city employee may donate to, or make requests for use of leave bank hours. Employees donating accumulated leave time must retain a minimum of 100 leave hours AFTER their donation has been made AND must complete a Catastrophic Leave Time Donation Request Form prior to donating any accumulated leave time. Employees, or their designated representative, requesting use of the Leave Bank must complete a Request to Receive Catastrophic Leave Time Form as soon as possible, prior to, or within a reasonable time frame after a catastrophic illness or injury. Completed forms must be submitted to the Director of Finance or his/her designee.

B. Forms are available from the Human Resources Department. The Human Resources Department will maintain all Catastrophic Leave Policy materials.

C. Employees eligible for State Disability Insurance (SDI) may use leave hours as a supplement to their SDI benefits in order to receive full pay while incapacitated. Catastrophic Leave Hours may not be used in lieu of SDI benefits and are not intended to replace SDI benefits, or any other established Long-Term or Short-Term Disability Insurance (LTD/STD). Employees receiving SDI benefits will be required to provide a copy of their SDI application and first SDI check to the Catastrophic Leave Committee, along with their “Request to Receive Catastrophic Leave Time” form.
III. **Policy Procedures:**

A. **ADMINISTRATION** - This bank will be administered by a joint employer/employee committee composed of representatives from each participating, recognized employee association. Should employee association representation be unavailable, the bank will be administered by the Human Resources Department and the Finance Department management staff. The Catastrophic Leave Bank cap shall be the equivalent of two (2) years leave time.

B. **DONATION REQUESTS** - July 1 of each calendar year, eligible employees may transfer accrued sick leave, vacation or compensatory leave time for donation to an employee, or employees experiencing catastrophic illness/injury and have who exhausted all other personal leaves. Donated time can only be made in increments of four (4) hours. Transfer requests must be made by the payroll period prior to July 1. Should recipient employees not use all their allocated donated time, any balance will remain in the bank for future utilizations.

C. Transfer requests will be reviewed by the Catastrophic Leave Committee for approval and for verification that the donating employee maintains the required minimum 100 leave hours after his or her donation.

D. Donations of accumulated time are irrevocable.
City of El Segundo

REQUEST TO RECEIVE CATASTROPHIC LEAVE TIME

This form is to be completed by eligible city employees who are incapacitated due to a catastrophic illness or injury, and wish to receive additional leave time in accordance with the Catastrophic Leave Policy. Utilization of the Catastrophic Leave Bank is predicated on the requesting employee exhausting all of his/her accumulated leave balances, and being in need of additional leave time, due to his/her incapacitation. The purpose of this form is to obtain sufficient information for review and determination by the Catastrophic Leave Policy Committee. The purpose of this form is NOT to be intrusive into the personal/private issues of the requesting employee. All information is considered confidential, and will be retained by the Human Resources Department.

Name: ___________________________ Date: ___________________________

Position: ___________________________ Department: ___________________________

Employment Status:

____ Permanent Full-Time  ____ Permanent Part-Time

I. Please describe why you are requesting use of the Catastrophic Leave Bank, including specific information as to the nature of your catastrophic illness/injury (NOTE: Verification of illness/injury by a medical professional may be required by the Catastrophic Leave Committee).

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

II. How much donated leave time do you estimate you may need?

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

III. Are you eligible for, or are you currently receiving, State Disability Insurance (SDI)? If “yes,” give estimation of leave hours you need to supplement your SDI benefits.

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________
I, ____________________________, agree to allow this information to be released to those employees involved in the administration of the Catastrophic Leave Policy. While this information is considered private, I acknowledge and accept without condition that the information provided is not guaranteed absolute confidentiality.

Signature of Requesting Employee

Date
## CITY OF EL SEGUNDO

INJURY AND ILLNESS PREVENTION PROGRAM

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CITY OF EL SEGUNDO
INJURY AND ILLNESS PREVENTION PROGRAM

The City of El Segundo is firmly committed to maintaining a safe and healthful working environment. To achieve this goal, the City has implemented a comprehensive Injury and Illness Prevention Program. This program is maintained in the Human Resources Division, Administrative Services Department and is available for your review.

The Injury and Illness Prevention Program herein has been adopted and implemented in compliance with California Labor Code Section 6401.7 (SB198) and General Industry Safety Order Section 3203. The person responsible for implementing the program is Bret Plumlee, Director of Administrative Services, Administrative Services Department. The person named herein shall have authority and responsibility for implementation of the program including general direction of employee and supervisor training programs and communication; monitoring and enforcement of employee compliance; evaluation and investigation of accidents and hazards; conducting and/or monitoring scheduled and periodic inspections; developing methods for abating work place hazards; and insuring that work place hazards are abated in a timely and effective manner. Certain corresponding duties herein may be conducted by other members of management or employees at the direction, and under the supervision of the responsible person above.

MANAGERS
Managers have the responsibility to enforce safety rules. In effectively executing their safety responsibilities, managers will:

1. Familiarize themselves with the safety program and ensure its effective implementation.
2. Be aware of all safety considerations when introducing a new process, procedure, machine or material to the work place and to provide timely notice of such action to the Human Resources Division.
3. Give maximum support to all programs and committees whose function is to promote safety and health.
4. Actively participate in safety committees as required.
5. Review all accidents that involve injury as well as “near misses.” They must also ensure that proper reports are completed and appropriate action is taken to prevent repetition.
6. Encourage employees to report work place hazards, emphasizing that it may be done with no fear of reprisal, and that it is a basic requirement of the job.

SUPERVISORS
Supervisors are the foundation of the safety program. Their responsibilities will be to:

1. Familiarize themselves with City and department safety policies, programs and procedures.
2. Provide and document complete safety training to employees prior to the assignment of duties.
3. Consistently and fairly enforce and follow all City and Department safety rules.
4. Investigate all accidents that cause injury (as well as “near misses”) to determine cause, then take action to prevent repetition.
5. See that all injuries, no matter how minor are treated immediately and referred to the Human Resources Division, Administrative Services Department.
6. Routinely and on a scheduled basis inspect work areas to detect unsafe conditions and work practices. Utilize City and Department self-inspection checklists as required for documentation.
7. Encourage employees to report workplace hazards, emphasizing that it may be done with no fear of reprisal, and that it is a basic requirement of the job.

**EMPLOYEES**

Employee responsibilities for safety will include the following:

1. Adhere to all City and Department rules and regulations.
2. Wear appropriate safety equipment required as a condition of employment.
3. Maintain equipment in good condition, with all safety guards in place when in operation.
4. Report all injuries, no matter how minor, immediately to a supervisor.
5. Encourage co-workers to work safely.
6. Report unsafe acts, work practices, and conditions following the procedures outlined in Part 2 of this Injury and Illness Prevention Program.

All employees of the City are responsible for working safely and maintaining a safe and healthful work environment. Such responsibility includes keeping work areas neat and clean to reduce the chances of accidents and injuries. Each employee is responsible for keeping his or her work area neat and orderly. Good housekeeping is an integral part of any effective safety program. Keeping work areas neat and clean reduces the chance of accidents and injuries. Well-organized work areas also increase the ability of employees to perform their jobs efficiently. Housekeeping inspections will be conducted in each department on a regular basis.

**PART 1: SYSTEM FOR ENSURING EMPLOYEE COMPLIANCE**

At the time of initial employment and at other periodic intervals, employees are notified through the employer's safety handbook and other written communications, verbally and by various other methods that compliance with established and/or common sense safe and healthy work practices, whether written or unwritten, is a mandatory condition of employment. Employees who fail to adhere to job safety standards (including attending all required training) are subject to disciplinary action, including, but not limited to, verbal reprimands, written warnings, suspension, and discharge. Furthermore, no single disciplinary action shall set a precedent for any other disciplinary action relating to a safety or health violation that may be perceived to be of a like or similar nature.

From time-to-time, employees may be recognized for their compliance with safety and health standards and/or continuation of work without injury or incident by means of special notice or award.

**PART 2: SYSTEM FOR COMMUNICATING WITH EMPLOYEES**

At the time of initial and at other intervals, employees are notified verbally, through the employer's safety handbook and other written communications, and/or by various other methods of applicable safe work practices and working conditions, and that all employees have the right and obligation to report any work-related injury or unsafe condition or hazard without fear of reprisal or threat of job security. Such information may be submitted using a standard form or otherwise in writing (signed or anonymous), or verbally to the employee's supervisor or any other member of management, or directly to the appropriate federal, state, or local governmental agency.

The City Safety and Health Committee will be representative of all City departments and will be made up of management, supervisors and/or rank and file employees. The Committee will:

1. Meet regularly, but not less than quarterly;
2. Prepare and make available to the affected employees, written records of the safety and health issues discussed at the Committee meetings and maintained for review for Cal-OSHA upon request;
3. Review results of the periodic, scheduled worksite inspections;
4. Review investigations of occupational accidents and causes of incidents resulting in occupational injury, occupational illness, or exposure to hazardous substances and, where appropriate, submit suggestions to management for the prevention of future incidents;

5. Review investigations of alleged hazardous conditions brought to the attention of any Committee member. When determined necessary by the Committee, the Committee may conduct its own inspection and investigation to assist in remedial solutions;

6. Submit recommendations to assist in the evaluation of employee safety suggestions; and

7. Upon request from Cal-OSHA verifies abatement action taken by the employer to abate citations issued by Cal-OSHA; and

8. Develop methods, procedures and incentives designed to recognize employees who follow safe and healthful work practices.

PART 3: SYSTEM FOR IDENTIFYING/EVALUATING HAZARDS

Work place hazards are identified and evaluated through review of information concerning potential safety and health hazards provided by state and federal occupational safety and health agencies, suppliers and manufacturers of materials used in operations of the employer (MSDS), and manufacturers of equipment used by the employer; analysis of the steps involved in the work process and the potential hazards associated therewith; review of accidents, injuries, and illnesses (including "near misses" and which have occurred in the work place; reviewing and responding to all health and safety complaints and suggestions from employees; reviewing of applicable laws and regulation; and regularly scheduled and periodic inspections of the work place. Inspections are conducted whenever new substances, processes, procedures, or equipment are introduced that represent an occupational hazard; whenever the employer is made aware of a new or previously unrecognized hazard, and at other frequencies determined by the level of hazard associated with the site or process. In addition to scheduled inspections and ongoing review, the Director of Administrative Services will arrange for unscheduled and unannounced surprise inspections. The list of subjects for these inspections will be chosen randomly but with particular emphasis placed on previously identified hazardous conditions in the work place and general housekeeping. Records of inspections, including the date of inspection, identification of the area or process inspected, person conducting the inspection, findings of the inspection, and required actions are retained for a minimum period of three years.

Individual records of training, including date of training, type of training, and training providers are retained in the employee's personnel file for a minimum of three years except for shorter period as otherwise allowed by law.

All managers, supervisors and employee should also engage in daily, ongoing monitoring and inspection of their specific work areas.

PART 4: INJURY/ILLNESS INVESTIGATION PROCEDURES

Occupational injuries and illnesses are documented on a comprehensive report of accident and are investigated by management to determine what tools, equipment, job site or building condition, etc. may have caused or contributed to the incident; what action of the affected employee caused or contributed to the injury or illness; and what action has been taken or will be taken to prevent recurrence. In cases where corrective action is required, specific persons are assigned the responsibility of so doing and follow up is made to assure that appropriate action has been completed. Standardized forms are used to organize and document the investigation and completed actions. Copies of all forms are available in the Human Resources Division, Administrative Services Department.

PART 5: SYSTEM FOR CORRECTING UNSAFE WORKING CONDITIONS

At such time that unsafe or unhealthy conditions, work practices or work procedures are discovered, employees are removed from the area if applicable because of the level of hazard and appropriate immediate actions are directed by management to correct the hazard and mitigate the potential damage to person or property. Procedures include documented investigation of the cause and/or source of the hazard,
identification of corrective actions needed, assignment of persons responsible for the completion of specific remedial actions, and follow up for compliance. Training and/or retraining of affected employees is provided as applicable.

As referenced above if the identified work place hazard involves an imminent risk of significant or substantial physical injury or death, City policy dictates that steps will be taken to correct the situation immediately. If the work place hazard does not involve such an imminent risk, corrective actions will be taken as soon as possible and no later than 15 days after the City or individual becomes aware of its presence.

PART 6: TRAINING AND INSTRUCTION PROCEDURES

At the time of initial employment; when employees are given new job assignments for which training has not previously been given; when new substances, processes, procedures, or equipment are introduced that represent a new hazard; when the employer is made aware of a new or previously unrecognized hazard; and at other intervals designated by management, employees are trained in applicable safe and healthy work practices in groups or individually through distribution and review of the employer’s safety handbook and its supplements; through other written communications, posters, booklets, etc.; and by various other methods as applicable to providing instruction in a form readily understandable by the affected employee or group of employees. Supervisory personnel will also receive training and instruction designed to insure their familiarization with the work place safety and health hazards to which employees under their direction and control may be exposed.

Safety or “Tailgate” meetings will be conducted by department managers or supervisors on a regularly scheduled and as needed basis. During these meetings the manager or supervisor shall discuss with the employees under his/her direct supervision such issues as new hazards that have been introduced or discovered in the work place; causes of recent accidents or injuries and the methods adopted by the City to prevent similar incidents in the future; and any health and safety issue defined by the manager or supervisor to require discussion and reinforcement. All safety meetings will be documented on the appropriate form.

PART 7: EMERGENCIES

In addition to the City’s written Injury and Illness Prevention Program, the City’s Police and Fire departments have written plans related to emergency and disaster preparedness and response, fire prevention, and environmental and hazardous materials.
OSHA DIGEST

DIGEST OF SENATE BILL 198 AND RELATED REGULATIONS

On October 3, 1989, Senate Bill #198 became effective and made several changes to the California Labor Code dealing with worker safety. The most significant was the requirement for ALL employers to implement a WRITTEN injury and illness prevention program. The bill required the Cal/OSHA Standards Board to adopt specific standards regarding criteria to be included in these written programs. The bill amended Labor Code Section 6401.7 as follows:

6401.7 Injury Prevention Program (Amended October 2, 1989)

(a) Every employer shall establish, implement, and maintain an effective injury prevention program. The program shall be written and shall include, but not be limited to, the following elements:

(1) Identification of the person or persons responsible for implementing the program.

(2) The employer’s system for identifying and evaluating work-place hazards, including scheduled periodic inspections to identify unsafe conditions and practices.

(3) The employer’s methods and procedures for correcting unsafe or unhealthy conditions and work practices in a timely manner.

(4) An occupational health and safety training program designed to instruct employees in general safe and healthy work practices and to provide specific instruction with respect to hazards specific to each employee’s job assignment.

(5) The employer’s system for communicating with employees on occupational health and safety matters, including provisions designed to encourage employees to inform the employer of hazards at the worksite without fear of reprisal.

(6) The employer’s system for ensuring that employees comply with safe and healthy work practices, which may include disciplinary action.

(b) The employer shall correct unsafe and unhealthy conditions and work practices in a timely manner based on the severity of the hazard.

(c) The employer shall train all employees when the training program is first established, all new employees, and all employees given a new job assignment, and shall train employees whenever new substances, processes, procedures, or equipment are introduced to the workplace and represent a new hazard, and whenever the employer receives notification of a new or previously unrecognized hazard.

(d) The employers shall keep appropriate records of steps taken to implement and maintain the program.

(e) The standards board shall adopt a standard setting forth the employer’s duties under this section, on or before January 1, 1991, consistent with the requirements specified in subdivision (a), (b), (c), and (d). The Standards Board, in adopting the standard, shall include substantial compliance criteria for use in evaluating an employer’s injury prevention program. The board may adopt less stringent criteria for employers with few employees and for employers in industries with insignificant occupational safety hazards.

(f) The standard adopted pursuant to subdivision (e) shall specifically permit employer and employee
occupational safety and health committees to be included in the employer's injury prevention program. The board shall establish criteria for use in evaluating employer and employee occupational safety and health committees. The criteria shall include minimum duties, including the following:

(1) Review of the employer's (A) periodic, scheduled worksite inspections, (B) investigation of causes of incidents resulting in injury, illness, or exposure to hazardous substances, and (C) investigation of any alleged hazardous condition brought to the attention of any committee member. When determined necessary by the committee, the committee may conduct its own inspections and investigations.

(2) Upon request from the division, verification of abatement action taken by the employer as specified in division citations.

If an employer's occupational safety and health committee meets the criteria established by the board, it shall be presumed to be in substantial compliance with paragraph (5) of subdivision (a).

(g) The division shall adopt regulations specifying the procedures for selecting employee representatives for employer-employee occupational health and safety committees when these procedures are not specified in an applicable collective bargaining agreement. No employee or employee organization shall be held liable for any act or omission in connection with a health and safety committee.

SB #198 also amended other sections of the Labor Code so that every inspection by Cal/OSHA must include an evaluation of the employer's written injury and illness prevention program and that employers who do not have an operative program will not be entitled to downward penalty adjustments for serious or non-serious violations because of a previous "good history" safety record.

**General Industry Safety Order**

As required by SB #198, the Cal/OSHA Standards Board issued its final administrative regulations on December 13, 1990 and submitted them to the California Office of Administrative Law (OAL) for approval. OAL approved the regulations on January 16, 1991. The new regulations adopted by the Standard Board resulted in the following revision to Section 3203 of the California Code of Regulations, Title 8 (Industrial Relations). It is the title that establishes the state's General Industry Safety Orders with which employers must comply.

**Section 3203. Injury and Illness Prevention Program**

(a) Effective July 1, 1991, every employer shall establish, implement, and maintain an effective Injury and Illness Prevention Program. The Program shall be in writing and shall, at minimum:

(1) Identify the person or persons with authority and responsibility for implementing the Program.

(2) Include a system for ensuring that employees comply with safe and healthy work practices. Substantial compliance with this provision includes recognition of employees who follow safe and healthful work practices, training and retraining programs, disciplinary actions, or any other such means that ensures employee compliance with safe and healthful work practices.

(3) Include a system for communicating with employees in a form readily understandable by all affected employees on matters relating to occupational safety and health, including provisions designed to encourage employees to inform the employer of hazards at the worksite without fear of reprisal. Substantial compliance with this provision includes meetings, training programs, posting, written communications, a system of anonymous notification by employees about hazards, labor/management safety and health committees, or any other means that ensures communication with employees.

**Exception:** Employers having fewer than 10 employees shall be permitted to communicate to and instruct employees orally in general safe work practices with specific instructions with respect to hazards unique to the employees'
job assignment as compliance with (a)(3).

(4) Include procedures for identifying and evaluating workplace hazards including scheduled periodic inspections to identify unsafe conditions and work practices. Inspections shall be made to identify and evaluate hazards:

(A) When the Program is first established;

Exception: Those employers having in place on July 1, 1991, a written Injury and Illness Prevention Program complying with previously existing Section 3203.

(B) Whenever new substances, processes, procedures, or equipment are introduced to the workplace that represent a new occupational safety and health hazard; and

(C) Whenever the employer is made aware of a new or previously unrecognized hazard.

(5) Include a procedure to investigate occupational injury or occupational illness.

(6) Include methods and/or procedures for correcting unsafe or unhealthy conditions, work practices and work procedures in a timely manner based on the severity of the hazard:

(A) When observed or discovered: and,

(B) When an imminent hazard exists which cannot be immediately abated without endangering employee(s) and/or property, remove all exposed personnel from the area except those necessary to correct the existing condition. Employees necessary to correct the hazardous condition shall be provided the necessary safeguards.

(7) Provide training and instruction:

(A) When the Program is first established;

Exception: Employers having in place on July 1, 1991, a written Injury and Illness Prevention Program complying with the previously existing Accident Prevention Program in Section 3203.

(B) To all new employees;

(C) To all employees given new job assignments for which training has not previously been received;

(D) Whenever new substances, processes, procedures or equipment are introduced to the workplace and represent a new hazard;

(E) Whenever the employer is made aware of a new or previously unrecognized hazard; and,

(F) For supervisors to familiarize them with the safety and health hazards to which employees under their immediate direction and control may be exposed.

(b) Records of the steps taken to implement and maintaining the Program shall include:

(1) Records of scheduled and periodic inspections required by subsection (a)(4) to identify unsafe conditions and work practices, including person(s) conducting the inspection, the unsafe conditions and work practices that have been identified and action taken to correct the identified unsafe conditions and work practices. These records shall be maintained for three (3) years; and

Exception: Employers with fewer than 10 employees may elect to maintain the inspection records only until the hazard is corrected.
(2) Documentation of safety and health training required by subsection (a)(7) for each employee, including employee name or other identifier, training dates, type(s) of training, and training providers. This documentation shall be maintained for three (3) years.

Exception No. 1: Employers with fewer than 10 employees can substantially comply with the documentation provision by maintaining a log of instructions provided to the employee with respect to the hazards unique to the employees job assignment when first hired or assigned new duties.

Exception No. 2: Training records of employees who have worked for less than one (1) year for the employer need not be retained beyond the term of employment if they are provided to the employee upon termination of employment.

(c) Employers who elect to use a labor/management safety and health committee to comply with the communication requirements of subsection (a)(3) of this section shall be presumed to be in substantial compliance with subsection (a)(d) if the committee:

(1) Meets regularly, but not less than quarterly;
(2) Prepares and makes available to the affected employees, written records of the safety and health issues discussed and, maintained for review by the Division upon request;
(3) Reviews results of the periodic, scheduled worksite inspections;
(4) Reviews investigations of occupational accidents and causes of incidents resulting in occupational injury, occupational illness, or exposure to hazardous substances and, where appropriate, submits suggestions to management for the prevention of future incidents;
(5) Reviews investigations of alleged hazardous conditions brought to the attention of any committee member. When determined necessary by the committee, the committee may conduct its own inspection and investigation to assist in remedial solutions;
(6) Submits recommendations to assist in the evaluation of employee safety suggestions; and
(7) Upon request from the Division, verifies abatement action taken by the employer to abate citations issued by the Division

---------------------------SUMMARY---------------------------

Every employer in California must have an injury and illness prevention program in compliance with SB #198 or be subject to Cal/OSHA fines for regulatory violations of up to $2,000. In summary, the program MUST BE IN WRITING and identify the person responsible for its implementation. In addition, it must contain the following elements:

(1) A system to ensure that employees comply with safe practices.
(2) A system for communicating with employees about safety matters and their right to report unsafe work practices or conditions without fear of reprisal.
(3) A system for identifying and evaluating workplace hazards, including a record keeping system of periodic inspections, unsafe conditions noted, and corrective actions taken.
(4) A system for investigating occupational injuries and illnesses.
(5) A system for correcting unsafe conditions in timely manner based on the severity of the hazard.
(6) Training and instruction to employees and supervisors including detailed documentation of such training.
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RESOLUTION NO._______

A RESOLUTION FOR EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC) FOR THE SUPERVISORY AND PROFESSIONAL EMPLOYEE’S ASSOCIATION (SPEA)

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

Section 1: The City Council finds and declares as follows:

A. The City Council of the City of El Segundo has the authority to implement Government Code Section 20691;

B. The City of El Segundo has a written labor policy or agreement which specifically provides for the normal member contributions to not be paid by the employer;

C. One of the steps in the procedures to implement Section 20691 is the adoption by the City Council of the City of El Segundo of a Resolution to commence said Employer Paid Member Contributions (EPMC);

D. The City Council of the City of El Segundo has identified the following conditions for the purpose of its election to pay EPMC:

- This benefit shall apply to all “Classic” employees of the Police Support Services Association

- This benefit shall consist of Employer paying 0% of the normal member contributions as EPMC

- The Employee will pay 7% of the normal member contributions

- The effective date of this Resolution shall be the pay period beginning January 6, 2018.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of El Segundo elects to pay EPMC, as set forth above.

Section 2: The City Clerk is directed to certify the adoption of this Resolution; record this Resolution in the book of the City’s original resolutions; and make a minute of the adoption of the Resolution in the City Council’s records and the minutes of this meeting.

Section 3: This Resolution will become effective immediately upon adoption.
PASSED AND ADOPTED this ___th__ day of ___April___, 2017.

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 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 7th day of February, 2017, 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 21st day of February, 2017.

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 NO. _______
A RESOLUTION FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT FOR THE CALIFORNIA TEAMSTERS PUBLIC, PROFESSIONAL AND MEDICAL EMPLOYEES UNION, LOCAL 911, SUPERVISORY AND PROFESSIONAL EMPLOYEES' ASSOCIATION (SPEA)

WHEREAS, (1) The City of El Segundo is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act") for participation by members of the California Teamsters Public, Professional and Medical Employees Union, Local 911, Supervisory and Professional Employees' Association (SPEA).

WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and

WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and

RESOLVED, (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of $1,200.00 per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further

RESOLVED, (b) The City of El Segundo has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (c) That the participation of the employees and annuitants of The City of El Segundo shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that the City of El Segundo would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.

RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct the City Clerk to file with the Board a verified copy of this resolution, and to perform on behalf of the City of El Segundo all functions required of it under the Act.

RESOLVED, (e) Under Government Code Section 22892, this Resolution will become effective February 1, 2017 and will remain effective unless repealed or superseded.
Resolution No. _____ PASSED, APPROVED AND ADOPTED this 7th day of March, 2017.

Suzanne Fuentes, Mayor

ATTEST:

Tracey Weaver, City Clerk

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney
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 7th day of March, 2017, 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 7th day of March, 2017.

Tracy Weaver, City Clerk
of the City of El Segundo,
California
AGENDA DESCRIPTION:
Consideration and possible action to receive and file a presentation on the City’s customer satisfaction survey results that were conducted with residents and businesses which were based on the Net Promoter Score methodology and part of the City’s strategic work plan. (Fiscal Impact $15,000)

RECOMMENDED COUNCIL ACTION:
1. City Council receive and file a presentation on the City’s customer satisfaction survey.
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Residential Survey Presentation
2. Business Survey Presentation

FISCAL IMPACT:

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STRATEGIC PLAN:
Goal: 5(b) Champion Economic Development and Fiscal Sustainability:
El Segundo approaches its work in a financially disciplined and responsible way

Objective: 2 The City will maintain a stable, efficient, and transparent financial environment

PREPARED BY: Joseph Lillio, Director of Finance
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND:
During the FY 2016-17 strategic planning sessions, City Council asked staff to look into conducting a citizen and business satisfaction survey. On January 17, 2017, Council was presented a draft customer satisfaction survey for review. Council provided feedback to develop the customer satisfaction survey to align the survey with the concept of the Net Promoter Score (NPS). The NPS provides the core measurement for customer experience. In order to calculate the City’s NPS, the survey will use the answer to a key question, using a 0-10 scale.

The NPS question for the residential survey was: On a scale of 0 to 10, where 10 is very likely, 5 in neutral and 0 is very unlikely, based on your personal experiences, how likely would you
recommend the City of El Segundo to a friend or family member considering moving to the area?

The NPS question for the business survey was: On a scale of 0 to 10, where 10 is very likely, 5 in neutral and 0 is very unlikely, based on your companies experiences, how likely would you recommend the City of El Segundo to a business associate or colleague?

Respondents are grouped as follows:

- **Promoters** (score 9-10) are loyal enthusiasts who will keep engaging and refer others, fueling possible growth.
- **Passives** (score 7-8) are satisfied but unenthusiastic customers who are vulnerable to alternative offerings.
- **Detractors** (score 0-6) are unhappy customers who can damage your brand and impede growth through negative word-of-mouth.

Subtracting the percentage of Detractors from the percentage of Promoters yields the Net Promoter Score, which can range from a low of -100 (if every customer is a Detractor) to a high of 100 (if every customer is a Promoter).

\[
\text{Net Promoter Score} = \% \text{ Promoters} - \% \text{ Detractors}
\]

**Purpose and Objectives for the Residential Survey**
This study was conducted primarily to assess customer satisfaction with City of El Segundo’s public services. The study was designed to survey City of El Segundo’s residents.

Specific objectives included the following:
- Assess customer satisfaction with multiple attributes.
- Measure City of El Segundo’s image and general reputation.
- Record customer opinions as to how City of El Segundo can serve them better.
- Assess the extent of customer loyalty based on the Net Promoter process.
- Provide a framework to build an integrated Customer Satisfaction.

**Results and Key Findings in the Residential Survey**
The City’s residential Net Promoter Score was 59%. Promoters 70% - Detractors 11% = NPS of 59%. A Net Promoter Score of 59% is very respectable given that secondary research suggests cities using NPS will score in the range of 23% to 28%.
The City of El Segundo will develop plans to address the key areas of concerns as identified in the survey by Residents, also referred to as Detractors (those giving scores of 6 or less). The comments of the individual Detractors and Passives provide specific guidance.

In addition to asking the NPS question, the survey also asked more specific questions soliciting resident perceptions on particular areas of City operations: Police, Fire, Recreation & Parks, Library services, City infrastructure, Utility Billing, and City Council. These questions were scored on a response scale of: Very Dissatisfied (1), Dissatisfied (2), Neutral (3), Satisfied (4) or Very Satisfied (5).

The following areas are viewed as modest strengths by the majority of Residents: (4.00 to 4.33)
  • Availability & Responsiveness of Police Department
  • Resources and services provided by the Public Library
  • Quality of Recreation and Parks Program offered
  • Responsiveness, knowledge and competency of Fire & Paramedic services
  • Maintenance and upkeep of Recreation and Parks facilities

Ideally we would like these scores to rise to above 4.33, which would most likely occur if some of the NPS issues with individual Residents were addressed.

There are three areas which represent an Issue & Opportunity due to their mean scores coming in below 4.00:
  • Condition of City Infrastructure: streets, sidewalks and public facilities
  • Responsiveness and overall vision of City Council
  • Water and Sewer Billing Department Customer Service (complaint handling & responsiveness)

Detractors were most concerned with effective use of money, improvement of infrastructure, and the desire among some to slow down growth.

**Purpose and Objectives for the Business Survey**

This study was conducted primarily to assess customer satisfaction with the City of El Segundo’s products and services. The study was designed to survey a cross section of City of El Segundo’s customers; however, concentrating on key or target accounts. This survey and its measures are benchmarked to the Malcolm Baldrige National Quality Award.

Specific objectives included the following:
  • Assess customer satisfaction with multiple attributes.
  • Measure City of El Segundo’s image and general reputation.
  • Assess the distinctive competence of City of El Segundo.
  • Record customer opinions as to how City of El Segundo can serve them better.
  • Assess the extent of customer loyalty.
  • Provide a framework to build an integrated Customer Satisfaction and Value Measurement System.

**Results and Key Findings in the Residential Survey**
The following areas are viewed as modest strengths by the majority of businesses: (4.00 to 4.33)
services

- Availability & Responsiveness of Police Department

Ideally, we would like these scores to rise to above 4.33, which would most likely occur if some of the NPS issues with individual businesses were addressed.

There are three areas which represent an Issue & Opportunity due to their mean scores coming in below 4.00:

- Business Development and Attraction policies
- Responsiveness, knowledge and competency of working with the Planning and Building Safety Department for plan checks, permits or inspection services
- City Zoning Policies

The primary issue among Detractors is their perception that the City is not business-friendly in many of their transactions/experiences. The term Business-Friendly can easily become a catch-all phrase. The real issue for the city is to get to the root causes of individual concerns raised among the Detractors and, to a lesser extent, the Passives.

The City executive team will develop a plan to address the areas in the residential and business surveys that have a mean score below 4.0 and are considered NPS detractors or areas of “issues and opportunities”. The executive staff will present the plan of action to the City Council at a subsequent Council meeting and incorporate these actions into the FY 2017-18 strategic work plan.
Customer Satisfaction Survey Report
For
City of El Segundo – Residents
Reporting Period: December 2017
Foreword

This report presents the findings from a Net Promoter/Customer Experience Survey commissioned by City of El Segundo. Quality Solutions, Inc. designed the survey. Data collection, analysis, interpretation, and reporting were also performed by Quality Solutions, Inc.

Quality Solutions, Inc. provides customer Satisfaction Measurement and Management Systems and consultation services for companies seeking a competitive advantage through the practical application of value added management and continuous improvement strategies. It further provides Business Process Redesign, Quality Management Systems development, and consulting services to assist Residents to improve their customer satisfaction, operational performance and financial results.

This study was managed by John D. Dickey, President, Quality Solutions, Inc. and implemented through the assistance of the staff of Quality Solutions, Inc. The assistance and cooperation from everyone from City of El Segundo has been greatly appreciated.
Executive Summary

Purpose and Objectives

This study was conducted primarily to assess customer satisfaction with City of El Segundo’s public services. The study was designed to survey City of El Segundo’s residents.

Specific objectives included the following:

• Assess customer satisfaction with multiple attributes.

• Measure City of El Segundo’s image and general reputation.

• Record customer opinions as to how City of El Segundo can serve them better.

• Assess the extent of customer loyalty based on the Net Promoter process.

• Provide a framework to build an integrated Customer Satisfaction.
Customer Satisfaction Survey 2017

Key Findings

Methodology

Web surveys were conducted with Residents within the City of El Segundo. Respondents were selected from the master survey list supplied by City of El Segundo. A final sample of customers was obtained. We sent 1,040 invitations, 121 were undeliverable for a total of 919 sent out. We had a 22% response rate or 202 total responses. Mail surveys were also sent out from the City of El Segundo offices. A total of 142 residents responded via mail. A total of 344 residents responded to some portion of the survey. There were 335 responses to the Net Promoter Score question.

Results

As we have discussed in the past, Net Promoter Score is a tool to measure customer loyalty and the predictive indicators for customer defection. In case study after case study, companies with higher NPS scores generally are more profitable than their competition.

The City of El Segundo’s NPS score is 59%. This is a respectable score given the fact that secondary research indicates scores are typically lower for public institutions. When compared with the private sector the score is much lower than the best companies who range between 60 and 75%.

Targeted action plans should also be developed for select companies who make up the Detractor Residents.

The detailed responses will be provided as part of this report in a separate file. City Managers are encouraged to examine this raw feedback in more detail.
Key Findings

The following areas are viewed as modest strengths by the majority of Residents: (4.00 to 4.33)

- Availability & Responsiveness of Police Department
- Resources and services provided by the Public Library
- Quality of Recreation and Parks Program offered
- Responsiveness, knowledge and competency of Fire & Paramedic services
- Maintenance and upkeep of Recreation and Parks facilities

Ideally we would like these scores to rise to above 4.33, which would most likely occur if some of the NPS issues with individual Residents were addressed.

There are three areas which represent an Issue & Opportunity due to their mean scores coming in below 4.00)

- Condition of City Infrastructure: streets, sidewalks and public facilities
- Responsiveness and overall vision of City Council
- Water and Sewer Billing Department Customer Service (complaint handling & responsiveness)

Detractors were most concerned with effective use of money, improvement of public works, and the desire among some to slow down growth.
Executive Summary (cont.)

Questionnaire Design

The questionnaire was designed to meet the research objectives described earlier in this report. Selection of specific items, wording and scale construction was performed following discussions with City of El Segundo’ executives. The final version of the survey instrument was approved by City of El Segundo before it was administered to a representative sample of customers. A copy of the survey form can be found in the Appendices. Data from the survey was coded and analyzed without direct linkage to individual respondents to further ensure anonymity of the respondents.

Data Collection

All customers on the master list were invited by email to participate in a web survey. A mail survey was also conducted for those residents without email addresses.

Customer Satisfaction Measurement

Customer satisfaction was measured for specific product and service attributes, ranging from City Zoning Policies to Availability & Responsiveness of Police Department. The complete list of attributes appears in the survey form.
Executive Summary (cont.)

Satisfaction was then assessed by asking respondents to rate, on a 5-point scale, how satisfied they were with City of El Segundo on each attribute.

**Measurement Scales:**

– **Satisfaction Scale:** 5 = very satisfied, 4 = satisfied, 3 = neutral, 2 = dissatisfied, 1 = very dissatisfied
  - Mean scores were analyzed. A mean score of 4.00 or greater is viewed as a strength.
  - A mean score of 3.75 or less is viewed as an opportunity for improvement.
# Customer Satisfaction Improvement Plan 2017

For City of El Segundo - Residents

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Measuring your Net Promoter Score™

Promoters are your customers who are so enthusiastic about your company or brand that they buy more than the average customer and delight in referring your business to their friends, peers, and colleagues. These customers give you a rating of 9 or 10.

Customers who give you a rating of 7 or 8 are Passive customers. They may become Promoters if you improve your product, service or overall customer experience, but for now they do not factor into the Net Promoter Score.

Detractors feel mistreated, abused, and hurt. Their experience is going to drive them to cut back what they purchase from you and switch to your competition. They are also not shy about sharing with others their plight and warning current and potential customers to stay away from your company. Detractors are customers who give ratings of 6 or lower.

Your Net Promoter Score is calculated by subtracting the percentage of Detractors from Promoters to get an overall NPS as number as shown below:

% of Promoters - % of Detractors = Net Promoter Score (NPS)

Example:
Promoters = 56%
Passives = 36%
Detractors = 8%
Net Promoter Score: 56% - 8% = 48%

NPS Methodology

We begin with the ultimate question. “How likely would you be to recommend this company to a friend or colleague?” Respondents are asked to respond using a 0 to 10 scale where 5 is neutral. An effective Net Promoter process is not simply based on asking customers a single question and ending the survey. It is important to understand why each respondent gave you the score they did. Understanding what needs to be improved (or specific actions taken) to raise your score to a 9 or 10 gives you actionable information which can be targeted for corrective action or process improvement. Understanding why a customer gave you a 9 or 10 helps you to better understand your core competencies. Our qualitative analysis of follow-up comments from Promoter, Passives, and Detractors is the key to increasing customer loyalty and profitable growth.
City of El Segundo

City of El Segundo - Resident Net Promoter Score

Promoters 70% - 11% Detractors = NPS of 59%

A Net Promoter Score of 59% is very respectable given that secondary research suggests that cities using NPS will score in the range of 23 to 28%.

The City of El Segundo needs to develop plans to address some of the concerns of the Resident Detractors (those giving scores of 6 or less).

Some effort should also be made to address some of the concerns of the Passives (scores of 7 & 8).

The comments of the individual Detractors and Passives provide specific guidance.

Each comment should be reviewed independently. NPS is a customer centric process; meaning that action plans address individual customer concerns. It is important that each of these Residents are contacted for follow-up and attempts made to address their concerns.
These areas represent significant opportunities for improvement among Passives and Detractors. Individual comments follow for Passive and Detractors.
City of El Segundo

City of El Segundo - Residents
Net Promoter Score Dashboard

Loyalty Drivers

- Maintenance and upkeep of Recreation and Parks facilities
- Quality of Recreation and Parks Program offered
- Resources and services provided by the Public Library
- Responsiveness, knowledge and competency of Fire & Paramedic services
- Availability & Responsiveness of Police Department
- Condition of City Infrastructure: streets, sidewalks and public facilities
- Water and Sewer billing Department Customer Service (complaint handling & responsiveness)
- Responsiveness and overall vision of City Council
- Loyalty Drivers

Detractor Comments

- Improve Public Works/Infrastructure
- Not trying to accommodate growth in El Segundo
- Affordable golf courses
- Not being able to sell small businesses
- Other

Percent of Total

City of El Segundo

Customer Satisfaction Survey 2017
## Satisfaction Data Summary

**Exhibit 2.1 - Resident Respondents**

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Importance</th>
<th>Satisfaction City of El Segundo Residents</th>
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</thead>
<tbody>
<tr>
<td>Condition of City Infrastructure: streets, sidewalks and public facilities</td>
<td>0.42</td>
<td>3.55</td>
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<tr>
<td>Responsiveness and overall vision of City Council</td>
<td>0.36</td>
<td>3.29</td>
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<tr>
<td>Availability &amp; Responsiveness of Police Department</td>
<td>0.32</td>
<td>4.42</td>
</tr>
<tr>
<td>Water and Sewer Billing Department Customer Service (complaint handling &amp; responsiveness)</td>
<td>0.28</td>
<td>3.71</td>
</tr>
<tr>
<td>Resources and services provided by the Public Library</td>
<td>0.27</td>
<td>4.18</td>
</tr>
<tr>
<td>Quality of Recreation and Parks Program offered</td>
<td>0.26</td>
<td>4.13</td>
</tr>
<tr>
<td>Responsiveness, knowledge and competency of Fire &amp; Paramedic services</td>
<td>0.26</td>
<td>4.59</td>
</tr>
<tr>
<td>Maintenance and upkeep of Recreation and Parks facilities</td>
<td>0.22</td>
<td>4.08</td>
</tr>
</tbody>
</table>
Strengths:

Availability & Responsiveness of Police Department
Resources and services provided by the Public Library
Quality of Recreation and Parks Program offered
Responsiveness, knowledge and competency of Fire & Paramedic services
Maintenance and upkeep of Recreation and Parks facilities

Issues & Opportunities:

Condition of City Infrastructure: streets, sidewalks and public facilities
Responsiveness and overall vision of City Council
Water and Sewer Billing Department Customer Service (complaint handling & responsiveness)
On a scale of 0 to 10, where 10 is Very Likely, 5 is Neutral and 0 is Very Unlikely, based on your experiences, how likely would you recommend the City of El Segundo to a friend or family member considering moving to the area?

What should the city improve upon in order to earn a higher score?
For the attributes below, we will use a scale of Very Satisfied, Satisfied, Neutral, Dissatisfied and Very Dissatisfied.

Based on your company’s experience, how satisfied are you with the following?

<table>
<thead>
<tr>
<th></th>
<th>Very Dissatisfied</th>
<th>Dissatisfied</th>
<th>Neutral</th>
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<tr>
<td>Maintenance and upkeep of Recreation and Parks</td>
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<td>Resources and services provided by the Public</td>
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<td>Council</td>
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Customer Satisfaction Survey Report

For

City of El Segundo – Businesses

Reporting Period: November 2017
Foreword

This report presents the findings from a Net Promoter / Customer Experience Survey commissioned by City of El Segundo. Quality Solutions, Inc. designed the survey. Data collection, analysis, interpretation, and reporting were also performed by Quality Solutions, Inc.

Quality Solutions, Inc. provides customer Satisfaction Measurement and Management Systems and consultation services for companies seeking a competitive advantage through the practical application of value added management and continuous improvement strategies. It further provides Business Process Redesign, Quality Management Systems development, and consulting services to assist businesses to improve their customer satisfaction, operational performance and financial results.

This study was managed by John D. Dickey, President, Quality Solutions, Inc. and implemented through the assistance of the staff of Quality Solutions, Inc. The assistance and cooperation from everyone from City of El Segundo has been greatly appreciated.
Executive Summary

Purpose and Objectives

This study was conducted primarily to assess customer satisfaction with City of El Segundo’s products, sales and service. The study was designed to survey a cross section of City of El Segundo’s customers; however, concentrating on key or target accounts. This survey and its measures are benchmarked to the Malcolm Baldrige National Quality Award.

Specific objectives included the following:

• Assess customer satisfaction with multiple attributes.

• Measure City of El Segundo’s image and general reputation.

• Assess the distinctive competence of City of El Segundo.

• Record customer opinions as to how City of El Segundo can serve them better.

• Assess the extent of customer loyalty.

• Provide a framework to build an integrated Customer Satisfaction and Value Measurement System.
Executive Summary (cont.)

**Key Findings**

**Methodology**

Web surveys were conducted with businesses within the City of El Segundo. Respondents were selected from the master survey list supplied by City of El Segundo. A final sample of customers was obtained. We sent 2641 invitations, 958 were undeliverable for a total of 1658 sent out. We had a 12% response rate or 202 total responses.

**Results**

As we have discussed in the past, Net Promoter Score is a tool to measure customer loyalty and the predictive indicators for customer defection. In case study after case study, companies with higher NPS scores generally are more profitable than their competition.

The City of El Segundo’s NPS score is 32%. This is a respectable score given the fact that secondary research indicates scores are typically lower for public institutions. When compared with the private sector the score is much lower than the best companies who range between 60 and 75%.

Targeted action plans should also be developed for select companies who make up the Detractor businesses.

The detailed responses will be provided as part of this report in a separate file. City Managers are encouraged to examine this raw feedback in more detail.
Executive Summary (cont.)

**Key Findings**

The following areas are viewed as modest strengths by the majority of businesses: (4.00 to 4.33)

- Business License Renewal Process
- Responsiveness, knowledge and competency of Fire Department & Field Inspection services
- Availability & Responsiveness of Police Department

Ideally, we would like these scores to rise to above 4.33, which would most likely occur if some of the NPS issues with individual businesses were addressed.

There are three areas which represent an Issue & Opportunity due to their mean scores coming in below 4.00)

- Business Development and Attraction policies
- Responsiveness, knowledge and competency of working with the Planning and Building Safety Department for plan checks, permits or inspection services
- City Zoning Policies

The primary issue among Detractors is their perception that the City is not business-friendly in many of their transactions/experiences. The term Business-Friendly can easily become a catch-all phrase. The real issue for the city is to get to the root causes of individual concerns raised among the Detractors and, to a lesser extent, the Passives.
Executive Summary (cont.)

Questionnaire Design

The questionnaire was designed to meet the research objectives described earlier in this report. Selection of specific items, wording and scale construction was performed following discussions with City of El Segundo’ executives. The final version of the survey instrument was approved by City of El Segundo before it was administered to a representative sample of customers. A copy of the survey form can be found in the Appendices. Data from the survey was coded and analyzed without direct linkage to individual respondents to further ensure anonymity of the respondents.

Data Collection

All customers on the master list were invited by email to participate in a web survey.

Customer Satisfaction Measurement

Customer satisfaction was measured for specific product and service attributes, ranging from City Zoning Policies to Availability & Responsiveness of Police Department. The complete list of attributes appears in the survey form.
Satisfaction was then assessed by asking respondents to rate, on a 5-point scale, how satisfied they were with City of El Segundo on each attribute.

**Measurement Scales:**

- **Satisfaction Scale:** 5 = very satisfied, 4 = satisfied, 3 = neutral, 2 = dissatisfied, 1 = very dissatisfied
  - Mean scores were analyzed. A mean score of 4.00 or greater is viewed as a strength.
  - A mean score of 3.75 or less is viewed as an opportunity for improvement.
# Customer Satisfaction Improvement Plan 2017

*For City of El Segundo - Businesses*

<table>
<thead>
<tr>
<th>Key Action Item &amp; Process Owner</th>
<th>Causes Contributing to Current Level of Performance</th>
<th>Requirements for Improvement – Steps</th>
<th>Date step to be Completed &amp; by Whom</th>
<th>Key Performance Indicators and Goals</th>
<th>Status-Comments-Results</th>
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Measuring your Net Promoter Score™

Promoters are your customers who are so enthusiastic about your company or brand that they buy more than the average customer and delight in referring your business to their friends, peers, and colleagues. These customers give you a rating of 9 or 10.

Customers who give you a rating of 7 or 8 are Passive customers. They may become Promoters if you improve your product, service or overall customer experience, but for now they do not factor into the Net Promoter Score.

Detractors feel mistreated, abused, and hurt. Their experience is going to drive them to cut back what they purchase from you and switch to your competition. They are also not shy about sharing with others their plight and warning current and potential customers to stay away from your company. Detractors are customers who give ratings of 6 or lower.

Your Net Promoter Score is calculated by subtracting the percentage of Detractors from Promoters to get an overall NPS as number as shown below:

% of Promoters - % of Detractors = Net Promoter Score (NPS)

**Example:**
- Promoters = 56%
- Passives = 36%
- Detractors = 8%
- Net Promoter Score: 56% - 8% = 48%

**NPS Methodology**

We begin with the ultimate question. “How likely would you be to recommend this company to a friend or colleague?” Respondents are asked to respond using a 0 to 10 scale where 5 is neutral. An effective Net Promoter process is not simply based on asking customers a single question and ending the survey. It is important to understand why each respondent gave you the score they did. Understanding what needs to be improved (or specific actions taken) to raise your score to a 9 or 10 gives you actionable information which can be targeted for corrective action or process improvement. Understanding why a customer gave you a 9 or 10 helps you to better understand your core competencies. Our qualitative analysis of follow-up comments from Promoter, Passives, and Detractors is the key to increasing customer loyalty and profitable growth.
A Net Promoter Score of 32% is very respectable given that secondary research suggests that cities using NPS will score in the range of 23 to 28%.

The City of El Segundo needs to develop plans to address some of the concerns of the Business Detractors (Those giving scores of 6 or less).

This process of gaining more Promoters is not an academic exercise, it directly correlates to customer’s purchase/repurchase intentions. Loyal customers/businesses will buy more, buy more often, and are more likely to purchase other products and services from you. This will relate to greater business activity and development within the community. Lastly, their referrals are not simply to colleagues outside of their business, it can be from within. This leads to the transfer of businesses to El Segundo.

There are 37 comments among the detractors. Each comment should be reviewed independently. NPS is a customer centric process; meaning that action plans address individual customer concerns. It is important that each of these businesses are contacted for follow-up and attempts made to address their concerns.
City of El Segundo

Loyalty Drivers

Responsiveness, knowledge and competency of working with the Planning and Building Safety Department for plan checks, permits, or inspection services

City Zoning Policies

Business Development and Attraction policies

Responsiveness, knowledge and competency of Fire Department & Field Inspection services

Business License Renewal Process

Availability & Responsiveness of Police Department
These areas represent significant opportunities for improvement among Passives and Detractors. Individual comments follow for Passive and Detractors.
City of El Segundo

City of El Segundo – Businesses
Net Promoter Score Dashboard

Customer Satisfaction Survey 2017

Loyalty Drivers

Responsiveness, knowledge and competency of working with the Planning and Building Safety Department for plan checks, permits, or inspection services

Business License Renewal Process
City Zoning Policies
Business Development and Attraction policies
Availability & Responsiveness of Police Department

Detractor Comments

Percent of Total

Downtown, City Staff
Planning and Building Safety, Dept.
Business Friendly Business Retention, City Council
Counter, High Lease Rates
Parking, Residential Staff responsiveness, Support, Residents, Technology
Very Satisfied by gave a 6 score

Quality Solutions, Inc.
# Satisfaction Data Summary

**Exhibit 2.1 - Respondents**

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Importance</th>
<th>n= 202</th>
<th>Satisfaction City of El Segundo Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Development and Attraction policies</td>
<td>0.51</td>
<td>3.67</td>
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<tr>
<td>Responsiveness, knowledge and competency of working with the Planning and Building Safety Department for plan checks, permits or inspection services</td>
<td>0.50</td>
<td>3.58</td>
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<tr>
<td>Business License Renewal Process</td>
<td>0.43</td>
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<tr>
<td>City Zoning Policies</td>
<td>0.39</td>
<td>3.49</td>
<td></td>
</tr>
<tr>
<td>Responsiveness, knowledge and competency of Fire Department &amp; Field Inspection services</td>
<td>0.29</td>
<td>4.18</td>
<td></td>
</tr>
<tr>
<td>Availability &amp; Responsiveness of Police Department</td>
<td>0.24</td>
<td>4.24</td>
<td></td>
</tr>
</tbody>
</table>

**Strengths:**

- Business License Renewal Process
- Responsiveness, knowledge and competency of Fire Department & Field Inspection services
- Availability & Responsiveness of Police Department

**Issues & Opportunities:**

- Business Development and Attraction policies
- and Building Safety Department for plan checks, permits or inspection services
- City Zoning Policies
Customer Opinions about the City of El Segundo

Exhibit 3.1 - Opinion Question A - All Respondents
"Based on your scores above, what should the city focus their attention on most and why?"

Response to Question

A fiber optic Wi-Fi system open to all business so they can interact with each other easier through conference calling.

All the departments seem to be very responsive.

Allowing a huge ill-designed monstrosity built next to my house blocking the southern sky is something that defies words or an explanation. Allowing student drop off on the residential side of a street should be illegal.

As a homeowner, I've easily and efficiently obtained permits and dog licenses and I've worked with police and fire on CERT training and also their awareness of athlete's Road ID wrist bands (to give first responders information when the athlete can't). Everyone has been wonderful. Now add to that the ease of getting my business license every year and the fact that I can work from home because I don't have clients coming to my house. This is the very best place to live and work.

Business development and attraction, i.e., new businesses like TopGolf El Segundo are a definite must in order to step forward!

I think the City needs to focus on all of these categories equally. The City's attention to each of them has given the City a good reputation.

It seems if your a business, it’s carte blanche. If you’re a resident, I feel we are secondary commodities.

Keep it up.

Making sure that my name is spelled correctly on things mailed to me. The most recent thing I got from the city was addressed to Jeremy Branson, not Jeremy Brunson. I don’t understand how that could have changed. My business license renewal letters are addressed to the correct person.

Not in a position to answer.
Response to Question

On the building and safety side, very satisfied. Some of the architects we work with want a more cooperative Planning Department to help push projects along and cut through red tape.

Online business license renewal.

Online business renewal process.

Parking problem on north side (parking permits are not the answers).

Planning/Zoning Policies. El Segundo seems to be growing extremely fast. I hope that they are considering the traffic ramifications of all of the new development.

Planning: so people don't end up with giant box-like monoliths being built next door blocking the southern sky making solar not possible. Also, we should change our name to El Denudo the way all the trees are being removed. By the way, we do have the money to re-auger the holes where the tiny trees were planted on Richmond and plant perhaps much larger shade trees like Chinese Elm - it’s such a disaster what happened up there.

Smokey Hollow parking is really a problem. Must find a way to resolve this and promote upgrading older existing buildings.

Still too new to the area to judge.

The business renewal process should be easier and available to renew online.

The Lakes, put it to a vote with the people. If we have an opportunity to make money, then let’s do it. Fix it up like a real business or club.

The new pools and new places for our athletes to practice.

The traffic that has now taken over Grand Blvd West of Sepulveda. Every person from Northrup is now cutting through on Main Street to get to the 105.
Customer Opinions about the City of El Segundo

Exhibit 3.1 - Opinion Question A - All Respondents
"Based on your scores above, what should the city focus their attention on most and why?"

Response to Question

We haven't had any interaction with the first four departments or questions.
We haven't needed any services except Business License Renewal Process, but have heard they are fantastic!
We've not yet experienced a couple of the items listed above, so we marked Neutral.
By hiring permanent building and safety personnel, contractors can build a relationship with the staff which makes things work much more productively.
Continuing their excellent level of service.
Create a vision plan and update general plan for the City. Include large corporations in updating infrastructure of the city.
  Turn El Segundo into a sustainable city with bike paths and beach access. Create pedestrian bridges over PCH and connect west and east.
Deregulation.
Exploring into the old Zoning policies and revising the policies that do not represent today's uses and incentives.
I don't know. For the answers where I put neutral, I have never worked with those services.
I know more about the city counsel and officials in the other cities I do business with (Manhattan Beach & P.V.E.) then I do with the city where my physical business is located. Big businesses can sometimes "squeeze" out the little guy. If there is a small business counsel or lunches or something, I am unaware. For example, I currently have questions about different ways to grow our business at our facility on Alaska Ave., but have no idea where to start.
I only have experience renewing a business license.
On a scale of 0 to 10, where 10 is Very Likely, 5 is Neutral and 0 is Very Unlikely, based on your company’s experiences, how likely would you recommend the City of El Segundo to a business associate or colleague?

What should the city improve upon in order to earn a higher score?
On a scale of 0 to 10, where 10 is Very Likely, 5 is Neutral and 0 is Very Unlikely, based on your company’s experiences, how likely would you recommend the City of El Segundo to a business associate or colleague?

<table>
<thead>
<tr>
<th>Not at all likely</th>
<th>0</th>
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<th>2</th>
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<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>Extremely likely</th>
</tr>
</thead>
</table>

What has the City of El Segundo done to earn your loyalty?

[Blank space for input]
For the attributes below, we will use a scale of Very Satisfied, Satisfied, Neutral, Dissatisfied and Very Dissatisfied.

Based on your company's experience, how satisfied are you with the following?

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Very Dissatisfied</th>
<th>Dissatisfied</th>
<th>Neutral</th>
<th>Satisfied</th>
<th>Very Satisfied</th>
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<tr>
<td>Responsiveness, knowledge and competency of working with the Planning and Building Safety Department for plan checks, permits, or inspection services</td>
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<td>City Zoning Policies</td>
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<tr>
<td>Business License Renewal Process</td>
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</table>

Based on your scores above, what should the city focus their attention on most and why?
AGENDA DESCRIPTION:

Consideration and possible action regarding adoption of an ordinance to take effect immediately establishing the date of the 2022 General Municipal Election and adoption of a revised resolution calling the April 10, 2018 General Municipal Election.
(Fiscal Impact: N/A)

RECOMMENDED COUNCIL ACTION:

1) Direct staff whether the 2022 General Municipal Election and subsequent City elections should be held in either March or November;
2) Adopt an ordinance to take effect immediately establishing the election date for the General Municipal Election;
3) Adopt a revised resolution calling the April 10, 2018 Election; and/or
4) Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

1) Proposed Ordinance
2) Proposed Revised Resolution Calling Election
3) Senate Bill 568

FISCAL IMPACT: Included in adopted Fiscal Year 2017/2018 Budget

Amount Budgeted: $94,700
Additional Appropriation: No
Account Number(s): 001-400-1302-various

STRATEGIC PLAN:

Goal: El Segundo’s engagement with the community ensures excellence
Objective: The City is transparent regarding services and performance

ORIGINATED BY: Mona Shilling, Deputy City Clerk II
APPROVED BY: Tracy Weaver, City Clerk
REVIEWED BY: City Attorney’s Office
REVIEWED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

On September 1, 2015, Governor Brown signed into law Senate Bill No. 415 (Hueso) regarding consolidation of municipal elections with statewide elections. Commencing January 1, 2018, SB 415 requires certain political subdivisions, as defined, to hold an election on a statewide election
date no later than November 8, 2022. Under SB 415, those political subdivisions that hold their general municipal elections on a non-statewide general election date may continue to do so between now and 2022, provided they adopt a plan to consolidate, and the plan is adopted by January 1, 2018.

In response to SB 415, on September 5, 2017, the City Council considered when to schedule the City’s upcoming General Municipal Elections. At the time of the meeting, the City Council had two options: either June or November of even-numbered years, because those were the “statewide general elections” provided for in state law. The City Clerk and staff recommended November for various reasons, one of them being pending legislation to move the June statewide election to a different month of even-numbered years. However at the meeting, the City Council introduced an ordinance establishing the General Municipal Election in June starting in 2022.

Separately, the Governor signed SB 568 (Lara) into law on September 27, 2017. SB 568 takes effect in 2019. SB 568 (attached) changes the dates of the statewide general election. Starting in 2019, those will be the first Tuesday after the first Monday in March in each even-numbered year or the first Tuesday after the first Monday in November in each even-numbered year.

Because the legislation eliminates June as a statewide election date starting in 2019, staff is recommending that the City Council adopt an ordinance establishing either March or November in even-numbered years as the City’s General Municipal Election, starting in 2022. The Council has the option of making the change effective in the 2020 election, but in light of past Council discussions, and because such a change would impact the terms of three of the current City Council members, staff have drafted the proposed ordinance so that the change to the election date would occur starting in 2022. Because state law allows ordinances relating to an election to take effect immediately, if adopted, the proposed ordinance would take effect immediately (Gov. Code § 36937).

Lastly, on December 5, 2017, the City Council adopted three resolutions which called for the General Municipal Election for two (2) Council Members seats to be held April 10, 2018. The resolution calling the election listed the term of the Council members as ending in June 2022, which was consistent with the ordinance previously adopted by Council. However, in light of SB 568, staff is recommending that the City Council adopted a revised resolution which will set the term as either ending in March or November 2022.

RECOMMENDATION:

Staff is recommending that the City Council (1) adopt an ordinance to take effect immediately establishing the date of the City’s General Municipal Election as either March or November starting in 2022 and (2) adopt a revised resolution calling the General Municipal Election to be held April 10, 2018.
ORDINANCE NO. ____

AN ORDINANCE ESTABLISHING THE DATE OF THE CITY’S GENERAL MUNICIPAL ELECTION TO THE FIRST TUESDAY AFTER THE FIRST MONDAY IN ________ OF EVEN-NUMBERED YEARS BEGINNING IN _______ 2022; AMENDING TITLE 1 OF THE EL SEGUNDO MUNICIPAL CODE; REQUESTING CONSOLIDATION WITH LOS ANGELES COUNTY PURSUANT TO ELECTIONS CODE SECTION 10403; AND REPEALING ORDINANCE NO. 1557.

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

SECTION 1: The City Council finds and declares as follows:

A. The general municipal elections for the City of El Segundo are currently held the second Tuesday of April in each even-numbered year;

B. Government Code § 14052 prohibits a city from holding an election other than on a statewide election date, if holding an election on a non-concurrent date has previously resulted in voter turnout for a regularly scheduled election in that city, being at least 25% less than the average voter turnout within the city for the previous four statewide general elections;

C. The City did not meet the qualifying criteria to continue to conduct stand-alone elections and is legally required to move its elections to the date of the statewide general election;

D. On September 27, 2017, the Governor signed Senate Bill 568 (Lara) into law; starting in 2019, statewide election dates will be in March and November in each even-numbered year;

E. The City desires to change its municipal election to the first Tuesday after the first Monday in ________ in even-numbered years starting in 2022, an established election date listed in Elections Code § 1000 and the date of the statewide general election;

F. In order to accomplish the change in election date, the term of City Council Members elected in April 2018, who would otherwise be up for election in April 2022, would instead expire in ____________ 2022.

SECTION 2: Environmental Assessment. Adoption of the proposed Ordinance is statutorily exempt from further environmental review under the California Environmental Quality Act (California Public Resources Code §§21000, et seq., “CEQA”) and CEQA Guidelines (14 California Code of Regulations §§15000, et seq.), because the proposed Ordinance would amend the El Segundo Municipal Code as far as timing of the City’s election, and it can be seen with certainty that there is no possibility that the Ordinance will have a significant effect on the environment.
SECTION 3: ESMC Title 1 (Administration and Personnel), Chapter 4A (Elections), is amended as follows:

Chapter 4A: ELECTIONS.

Section 1-4A-1: Beginning in __________ 2022, general municipal elections for the election of Council members, the City Clerk and the City Treasurer, and for such purposes as the City Council may prescribe, will be held in the City on the first Tuesday after the first Monday in __________ in each even-numbered year.

SECTION 4: Adjustment of Terms of Office. In accordance with Elections Code §§ 1301 and 10403.5(d), due to the change of election date, the terms of office of those members of the City Council elected in April 2018, whose terms would previously have expired in April 2022, will instead expire at the Council meeting after receipt of the certification of the results of the __________ 2022 General Municipal Election and upon administration of oaths of office.

SECTION 5: Consolidated Election. Pursuant to Elections Code § 1301, the City Council requests the County of Los Angeles approve consolidation of the City’s __________ City Council election with the statewide general election conducted by the County in __________ of each even-numbered year.

SECTION 6: Notice to Voters. Pursuant to Elections Code § 10403.5, within 30 days after this Ordinance becomes effective, the City Clerk must cause a notice to be mailed to all registered voters of the City of El Segundo (pursuant to the last report of registration by the County Clerk to the Secretary of State) informing the voters of the change in the election date. The notice must also inform the voters that as a result in the change in election date, elected city officeholders’ terms in office will be changed.

SECTION 7: Date of the First City Council Election in __________. If this Ordinance becomes effective, the first City Council election to be held in __________ will be __________ 2022.

SECTION 8: Request to the County. The City Clerk is directed to forward, without delay, a certified copy of this Ordinance to the Los Angeles County Board of Supervisors and the County Election Department.

SECTION 9: Ordinance No. 1557, adopted by the City Council on October 3, 2017, is hereby repealed.

SECTION 10: Construction. This ordinance must be broadly construed in order to achieve the purposes stated in this ordinance. It is the City Council’s intent that the provisions of this ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this ordinance.
SECTION 11: 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 12: 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 15 days after the passage and adoption of this ordinance, cause it to be published or posted in accordance with California law.

SECTION 13: Pursuant to Government Code § 36937(a), this Ordinance takes effect immediately upon adoption.

PASSED AND ADOPTED this ___ day of ____________, 2017.

______________________________
Suzanne Fuentes, Mayor

ATTEST:

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 Ordinance No. ___ was duly introduced by said City Council at a regular meeting held on the ___ day of ____________, 2017, 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 ____________, 2017, 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
RESOLUTION NO.

A RESOLUTION CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, APRIL 10, 2018, FOR THE ELECTION OF TWO MEMBERS OF THE CITY COUNCIL, PURSUANT TO ELECTIONS CODE § 1301, AND RESCINDING RESOLUTION NO. 5060

The City Council of the city of El Segundo resolves as follows:

SECTION 1: The City Council finds and declares as follows:

A. General municipal elections for the City of El Segundo have historically been held the second Tuesday of April in each even-numbered year;

B. In accordance with Government Code § 14052 and SB 568 (Lara), on December 19, 2017, the City Council adopted Ordinance No. ______, which changed its General Municipal Election to the first Tuesday after the first Monday in _______ in each even-numbered year, starting in 2022;

C. Ordinance No. ______ also adjusted the terms of office of those members of the City Council elected in April 2018 accordingly.

SECTION 2: Pursuant to Elections Code § 1301, the City Council calls for a general municipal election to be held in the City of El Segundo on Tuesday, April 10, 2018, for the purpose of electing two members of the City Council, whose terms will expire after the _______ 2022 General Municipal Election and receipt of the results and administration of oaths of office at a regularly scheduled City Council meeting. The exact form of the question to be voted on at the election as it should appear on the ballot is as follows:

"FOR MEMBER OF THE CITY COUNCIL- Vote for no more than two"

SECTION 3: The polls will open at 7 a.m. on election day and remain open until 8 p.m., except as provided in the California Elections Code § 14401.

SECTION 4: The City Council Chamber, 350 Main Street, El Segundo, is designated the Central Counting Place where all ballots of the election will be tallied.

SECTION 5: The City Clerk is authorized to canvass the returns of the Municipal Election. The election will be held in all respects as if there were only one election, and only one form of ballot will be used.

SECTION 6: The City Clerk is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 7: Resolution No. 5060, adopted by the City Council on December 5, 2017, is hereby rescinded.

SECTION 8: This Resolution will become effective immediately upon adoption.
PASSED AND ADOPTED this 19th day of December, 2017.

__________________________ Suzanne Fuentes, Mayor

ATTEST:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney
Senate Bill No. 568

CHAPTER 335

An act to amend, repeal, and add Sections 316, 340, 1000, 1001, 1201, and 1202 of the Elections Code, relating to elections.

[Approved by Governor September 27, 2017. Filed with Secretary of State September 27, 2017.]

LEGISLATIVE COUNSEL’S DIGEST

SB 568, Lara. Primary elections: election date.

Existing law requires that the statewide direct primary be held on the first Tuesday after the first Monday in June in each even-numbered year. Existing law requires that the presidential primary be held on the first Tuesday after the first Monday in June in any year that is evenly divisible by the number 4, and requires that the presidential primary be consolidated with the statewide direct primary held in that year.

This bill would, beginning in 2019, change the date of the statewide direct primary and the presidential primary to the first Tuesday after the first Monday in March and would continue the requirement that those elections be consolidated.

The people of the State of California do enact as follows:

SECTION 1. Section 316 of the Elections Code is amended to read:

316. (a) “Direct primary” is the primary election held on the first Tuesday after the first Monday in June in each even-numbered year, to nominate candidates to be voted for at the ensuing general election or to elect members of a party central committee.

(b) This section shall remain in effect only until January 1, 2019, and as of that date is repealed.

SEC. 2. Section 316 is added to the Elections Code, to read:

316. (a) “Direct primary” is the primary election held on the first Tuesday after the first Monday in March in each even-numbered year.

(b) This section shall become operative January 1, 2019.

SEC. 3. Section 340 of the Elections Code is amended to read:

340. (a) “Presidential primary” is the primary election that is held on the first Tuesday after the first Monday in June in any year that is evenly divisible by the number four, and at which delegations to national party conventions are to be chosen.

(b) This section shall remain in effect only until January 1, 2019, and as of that date is repealed.

SEC. 4. Section 340 is added to the Elections Code, to read:
340. (a) "Presidential primary" is the primary election that is held on the first Tuesday after the first Monday in March of any year that is evenly divisible by four.

(b) This section shall become operative January 1, 2019.

SEC. 5. Section 1000 of the Elections Code is amended to read:

1000. The established election dates are as follows:

(a) The second Tuesday of April in each even-numbered year.

(b) The first Tuesday after the first Monday in March of each odd-numbered year.

(c) The first Tuesday after the first Monday in June in each year.

(d) The first Tuesday after the first Monday in November of each year.

(e) This section shall remain in effect only until January 1, 2019, and as of that date is repealed.

SEC. 6. Section 1000 is added to the Elections Code, to read:

1000. The established election dates are as follows:

(a) The second Tuesday of April in each even-numbered year.

(b) The first Tuesday after the first Monday in March of each odd-numbered year.

(c) The first Tuesday after the first Monday in November of each year.

(d) The first Tuesday after the first Monday in March in each even-numbered year.

(e) This section shall become operative January 1, 2019.

SEC. 7. Section 1001 of the Elections Code is amended to read:

1001. (a) Elections held in June and November of each even-numbered year are statewide elections and the dates of those elections are statewide election dates.

(b) This section shall remain in effect only until January 1, 2019, and as of that date is repealed.

SEC. 8. Section 1001 is added to the Elections Code, to read:

1001. The following are statewide elections and their dates are statewide election dates:

(a) An election held in November of an even-numbered year.

(b) An election held in March of an even-numbered year.

(c) This section shall become operative January 1, 2019.

SEC. 9. Section 1201 of the Elections Code is amended to read:

1201. (a) The statewide direct primary shall be held on the first Tuesday after the first Monday in June of each even-numbered year.

(b) This section shall remain in effect only until January 1, 2019, and as of that date is repealed.

SEC. 10. Section 1201 is added to the Elections Code, to read:

1201. (a) The statewide direct primary shall be held on the first Tuesday after the first Monday in March of each even-numbered year.

(b) This section shall become operative January 1, 2019.

SEC. 11. Section 1202 of the Elections Code is amended to read:

1202. (a) The presidential primary shall be held on the first Tuesday after the first Monday in June in any year that is evenly divisible by the
number four, and shall be consolidated with the statewide direct primary held in that year.

(b) This section shall remain in effect only until January 1, 2019, and as of that date is repealed.

SEC. 12. Section 1202 is added to the Elections Code, to read:

1202. (a) The presidential primary shall be consolidated with the statewide direct primary in any year that is evenly divisible by four, and the consolidated primary shall be held on the first Tuesday after the first Monday in March.

(b) This section shall become operative January 1, 2019.
AGENDA DESCRIPTION:
Consideration and possible action regarding the annual request of Mr. S. Claus for variances from the Municipal Code.

RECOMMENDED COUNCIL ACTION:
Approve request by Mr. S. Claus for a waiver of the permits required for doing business within the City of El Segundo as follows:

1. The use of air rights and waiver of the Santa Monica Radial 160 R procedure;
2. Grant a free business license for a non-profit organization;
3. Waiver of the Noise Ordinance to permit the sound of bells;
4. Waiver of the Trespass Ordinance including dealing with trespassing animals;
5. Waiver of the ordinance on Animal Regulations.

FISCAL IMPACT: None
Additional Appropriation: N/A
Account Number(s):

REVIEWED BY: Mayor Suzanne Fuentes
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
Were Mr. S. Claus required to take the time to obtain all of the necessary permits, there would be many unhappy boys and girls in El Segundo. In order to expedite the timely delivery of presents, Council should waive the fees and permits required.