AGENDA
EL SEGUNDO CITY COUNCIL
WEST CONFERENCE ROOM – 350 MAIN STREET

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

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

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

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

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

MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, JANUARY 15, 2019 – 5:00 PM

5:00 P.M. SESSION

CALL TO ORDER

ROLL CALL

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

CLOSED SESSION:

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seg.) 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): -2- matters.


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

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

PUBLIC EMPLOYMENT (Gov’t Code § 54957) -1- matter

1. Position: City Manager Recruitment

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov’t Code §54956.8): -0- matters
CONFERENCE WITH CITY'S LABOR NEGOTIATOR (Gov't Code §54957.6): -6-
matters

1. **Employee Organizations**: Police Management Association; Police Support Services Employees Association; Supervisory, Professional Employees Association; City Employee Association; and Executive and Management/Confidential Employees (unrepresented groups).

   Agency Designated Representative: Irma Moisa Rodriquez, City Manager, Greg Carpenter and Human Resources Director.
AGENDA
EL SEGUNDO CITY COUNCIL
COUNCIL CHAMBERS - 350 Main Street

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REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, JANUARY 15, 2019 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER

INVOCATION – Pastor Bill Crawford, New City Church

PLEDGE OF ALLEGIANCE – Council Member Dr. Brann
PRESENTATIONS

a) Presentation – 2018 Holiday Parade Winners

b) Presentation – Seating and Dining Area, “Parklet”, to be installed in Downtown El Segundo.

c) Presentation – Police Chief Whalen to introduce Officer Kaitlin Ross.

ROLL CALL

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

CITY COUNCIL COMMENTS – (Related to Public Communications)

A. PROCEDURAL MOTIONS

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

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)
1. Consideration and possible action regarding Environmental Assessment No. EA-1232 and Zone Text Amendment No. ZTA 18-06 to allow massage establishments as a conditionally permitted use in the Commercial Center (C-4) zone. The adoption of this ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regs. § 15061(b)(3) because it consists only of minor revisions to existing zoning regulations and related procedures and can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment. (Applicant: Street Retail, Inc.)
(Fiscal Impact: None)
Recommendation – 1) Conduct a public hearing; 2) Take testimony and other evidence as presented; 3) Introduce an Ordinance amending the Municipal Code to allow massage establishments as a conditionally permitted use in the Commercial Center (C-4) zone; 4) Schedule second reading and adoption of the ordinance for February 5, 2019; 5) Alternatively, discuss and take other possible action related to this item.

2. Consideration and possible action regarding Environmental Assessment No. EA-1231, Zone Text Amendment No. ZTA 18-05 to amend Article A of Chapter 7 of Title 15 of the El Segundo Municipal Code related to the Medium Density Residential (MDR) overlay zone. This amendment will preserve the existing overlay while making important updates to bring it into compliance with the new Smoky Hollow Specific Plan.
(Fiscal Impact: None)
Recommendation – 1) Conduct a public hearing; 2) Take testimony and other evidence as presented; 3) Introduce an ordinance approving Environmental Assessment EA-1231 and amend the El Segundo Municipal Code related to the MDR overlay zone (ZTA 18-05); 4) Schedule second reading and adoption of the ordinance for February 5, 2019; 5) Alternatively, discuss and take other possible action related to this item.

C. UNFINISHED BUSINESS

3. Consideration and possible action to direct staff to enter into negotiations for an exclusive franchise to EDCO Waste & Recycling Services (EDCO) to provide automated residential and municipal solid waste hauling services.
(Fiscal Impact: Est. $7,620,000.00 over 7 years)
Recommendation – 1) Direct staff to enter into negotiations with EDCO for an exclusive 7-year franchise agreement in a form approved by the City Attorney, with annual estimated cost of $1,088,530; 2) Alternatively, discuss and take other action related to this item.
4. Rescission of Brown Act Commitment - In Accordance with Government Code Section 54960.2 (e), consideration and possible action to rescind the commitment made by the City Council on November 5, 2013, not to hold further closed session meetings regarding real property negotiations with regard to ESCenterCal, LLC’s (“CenterCal”) proposal to enter into a Ground Lease Agreement to lease the driving range portion of the Lakes Golf Course from the City for the purpose of developing a Topgolf facility. (Fiscal Impact: unknown – depends on whether legal proceedings are commenced.)

Recommendation – 1) Rescind the commitment made by the City Council on November 5, 2013, to not hold further closed session meetings regarding real property negotiations with regard to CenterCal’s proposal to enter into an Agreement to lease the driving range portion of the Lakes Golf Course from the City for the purpose of developing a Topgolf facility; 2) Alternatively, discuss and take other action related to this item.

5. Consideration and possible action regarding a discussion on the City’s accomplishments made towards addressing the California Public Employees Retirement System (CalPERS) rising annual costs and long-term liabilities.
(Fiscal Impact: $0)

Recommendation – 1) Consideration and possible action regarding a discussion on the City’s accomplishments made towards addressing the California Public Employees Retirement System (CalPERS) rising annual costs and long-term liabilities; 2) Alternatively, discuss and take other action related to this item.

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

6. Consideration and possible action to announce the appointment to the Economic Development Advisory Council and the Technology Committee
(Fiscal Impact: None)

Recommendation – 1) Announce the appointees.

7. Consideration and possible action to receive and file an informational update from the Information Systems Department and the Technology Committee regarding the projects completed in 2018.
(Fiscal Impact: None)

Recommendation – 1) Receive and file informational update and status report(s).

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.

8. Warrant Numbers 3024065 - 3024189 and 9000657 - 9000694 on Register No. 6a in the total amount of $371,439.52 and Wire Transfers from 12/10/18 - 12/16/18 in the total amount of $2,235,839.12. Warrant Numbers 3024190 - 3024261 and 9000695 - 9000698 on Register No. 6b in the total amount of $480,646.14 and Wire Transfers from 12/17/18 - 12/23/18 in the total amount of $713,244.71. Warrant Numbers 3024262 – 3024295 and 9000699 - 9000699 on Register No. 7a in the total amount of $251,771.54 and Wire Transfers from 12/24/18 – 12/30/18 in the total amount of $65,387.90. Warrant Numbers 3024296 – 3024395 on Register No. 7b in the total amount of $425,867.76 and Wire Transfers from 12/31/18 – 1/6/19 in the total amount of $10,894,193.70.

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.


Recommendation – 1) Approval

10. Consideration and possible action to accept as complete the Storm Drain Pipe Abandonment on Eucalyptus Drive Project, Project No. PW 18-11. (Fiscal Impact: $101,000.00)

Recommendation – 1) Accept the work performed by Ramona, Inc. for the Storm Drain Pipe Abandonment on Eucalyptus Drive Project in the City of El Segundo; 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.

11. Consideration and possible action to accept as complete the FY 16/17 Sidewalk, Curb and Gutter Replacement Project. Project No. PW 17-19 (Fiscal Impact: $153,456.01)

Recommendation – 1) Accept the work as complete; 2) Authorize the City Clerk to file a Notice of Completion in the County Recorder’s office; 3) Alternatively, discuss and take other possible actions related to this item.
12. Consideration and possible action regarding approval of 1) Amendment to the Part Time employee rate schedule; 2) Approval of the revised classification job titles; 3) Ratification of interim compliance measure; 4) Adoption of Resolution approving the amendment to the Part Time rate schedule for Calendar Year 2019.
   (Fiscal Impact: None)
   Recommendation – 1) Approve the Part-Time/Hourly Classifications Salary Schedule; 2) Adopt the Resolution approving the Part-Time/Hourly Classifications Salary Schedule; 3) Ratify interim compliance measure; 4) Adopt the Resolution approving the Part-Time/Hourly Classification Salary Schedule; 5) Authorize the City Manager and/or Finance Director to take budgetary actions consistent with the adoption of the amended salary schedule; 6) Alternatively, discuss and take other possible actions related to this item.

13. Consideration and possible action regarding 1) Revocation of resolution 4656 containing outdated language regarding providing delegation of authority for making industrial disability determination recommendations to the City Manager or designee pursuant to Government Code § 21173. 2) Approval and adoption of a revised resolution incorporating updated language mandated by CalPERS regarding delegation of authority for industrial disability retirement recommendations, including when the City Manager will certify a determination and who is delegated to sign employer originated applications.
   (Fiscal Impact: None)
   Recommendation – 1) Approve the proposed revocation of resolution 4656; 2) Approve and adopt a new resolution incorporating updated language mandated by CalPERS regarding delegation of authority for industrial disability retirement recommendations; 3) Alternatively, discuss and take other possible actions related to this item.

F. NEW BUSINESS

G. REPORTS – CITY MANAGER

H. REPORTS – CITY ATTORNEY

I. REPORTS – CITY CLERK

J. REPORTS – CITY TREASURER

K. REPORTS – CITY COUNCIL MEMBERS
Council Member Pimentel –

Council Member Nicol –

Council Member Brann –

Mayor Pro Tem Pirsztuk –

Mayor Boyles –

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MEMORIALS –

CLOSED SESSION

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REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

ADJOURNMENT

POSTED:

DATE: 1.9.19

TIME: 2:05 pm

NAME: (Grace Weaver)
Presentation

2018 Holiday Parade Winners
Presentation

Seating and Dining Area "Parklet" to be installed in Downtown El Segundo.
Presentation

Police Chief Whalen to introduce Officer Kaitlin Ross.
AGENDA DESCRIPTION:
Consideration and possible action regarding Environmental Assessment No. EA-1232 and Zone Text Amendment No. ZTA 18-06 to allow massage establishments as a conditionally permitted use in the Commercial Center (C-4) zone. The adoption of this ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regs. § 15061(b)(3) because it consists only of minor revisions to existing zoning regulations and related procedures and can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment.
(Applicant: Street Retail, Inc.)

Fiscal Impact: None

RECOMMENDED COUNCIL ACTION:
1. Conduct a public hearing;
2. Take testimony and other evidence as presented;
3. Introduce an Ordinance amending the Municipal Code to allow massage establishments as a conditionally permitted use in the Commercial Center (C-4) zone;
4. Schedule second reading and adoption of the Ordinance for February 5, 2019; and/or
5. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Draft Ordinance
2. Planning Commission staff report, dated December 13, 2018

FISCAL IMPACT: None

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STRATEGIC PLAN:
Goal: El Segundo promotes economic growth and vitality for businesses and the community
Objective: 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

PREPARED BY: Paul Samaras, Principal Planner, AICP
REVIEWED BY: Gregg McClain, Planning Manager
Sam Lee, Planning & Building Safety Director
APPROVED BY: Greg Carpenter, City Manager
INTRODUCTION

The proposed zone text amendment will allow massage establishments in the C-4 zone subject to approval of a conditional use permit (CUP). This includes massage establishments operating independently, or in conjunction with a spa that offers other personal services. The applicant, Street Retail, Inc., owns the Plaza El Segundo and The Point shopping centers located near the intersection of Pacific Coast Highway and Rosecrans Avenue, in the C-4 zone. The intent of the proposed amendment is to permit a new use that will complement other permitted uses on the applicant’s properties. The additional use will also increase the applicant’s flexibility in selection of tenants and thereby further ensure the shopping center’s viability.

ENVIRONMENTAL ANALYSIS

The City finds that this ordinance does not have the potential to cause significant effects on the environment and, therefore, the project is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regs. § 15061(b)(3). The ordinance is exempt from further review, because it consists only of minor revisions to existing zoning regulations and related procedures. If adopted, the ordinance would allow one additional use in one zone in the City, and for that reason, the proposed Ordinance is an action that does not have the potential to cause significant effects on the environment.

BACKGROUND AND DISCUSSION

Current City regulations on massage establishments

The El Segundo Municipal Code (ESMC) currently permits massage establishments only in the Urban Mixed Use South (MU-S) zone subject to a CUP. The CUP process allows the City to review a proposed use on a case-by-case basis and impose conditions to ensure a use is compatible with surrounding uses and to reduce potential negative impacts.

In addition to the CUP process, ESMC Title 4 (Business Regulations) sets out specific additional requirements for massage establishments including: criminal background checks for massage establishment owners, State certification for all massage technicians employed in a massage establishment, minimum facility and operational requirements, and enforcement and revocation procedures. As a result, the CUP process in combination with the Title 4 requirements provide sufficient controls on massage establishments.

C-4 zone regulations

The C-4 zone was applied to this area of the City approximately 15 years ago and it enabled the development of the Plaza El Segundo and The Point shopping centers. The zone was intended to serve as a regional retail sales center and the types of permitted uses were limited. However in 2017, the City Council amended the Municipal Code to substantially expand the range of permitted uses. As a result, the C-4 zone today permits various commercial uses including retail sales, personal services, fitness centers, financial institutions, general and medical offices, and public assembly uses (ESMC Section 15-5G-2). This change of policy was in response to the overall retail market trends and shopping centers in particular.
If approved, the proposed zone text amendment will permit massage establishments in the C-4 zone subject to a CUP and the provisions of ESMC Title 4-10, mentioned above. Massage establishments are similar to other personal service uses permitted in the C-4 zone and compatible with uses such as fitness facilities, offices, and retail sales. They will add to the mixed-use nature of the C-4 zone and the existing shopping centers, which is mutually beneficial for all businesses permitted in the area as patrons of one business are likely to patronize other businesses in the same center. This interaction among uses improves their viability and the potential tax revenues for the City while potentially reducing the traffic trips.

Planning Commission review

On December 13, 2018, the Planning Commission conducted a public hearing and heard testimony from the applicant’s representative and another member of the public. The applicant’s representative stated that a massage business had previously expressed interest in locating at Plaza El Segundo, but it was not a permitted use in the zone. However, he was confident that a similar business would locate at the center in the future, if the proposed zone text amendment is approved. After discussing the issue, the Planning Commission voted 5-0 to adopt Resolution No. 2854 recommending City Council approval of a draft ordinance to allow massage establishments as a conditionally permitted use in the Commercial Center (C-4) zone.

Zone Text Amendment Findings

ESMC Section 15-1-1 (Purpose, Title) states that Title 15 is the primary tool for implementation of the goals, objectives, and policies of the El Segundo General Plan. Accordingly, the City Council must find that the proposed Zone Text Amendment is consistent with those goals, objectives, and policies. The Planning Commission determined there is substantial evidence in the record to support the findings required for the City Council to approve the proposed amendment.

Pursuant to ESMC Title 15, Chapter 26 (Amendments), in order to approve the proposed amendments, the City Council must find that the amendments are necessary to carry out the general purpose of ESMC Title 15. The purpose of this Title (ESMC §15-1-1) is to serve the public health, safety, and general welfare and to provide economic and social advantages resulting from an orderly planned use of land resources. The Planning Commission determined that the City Council can make the findings to approve of the proposed amendment. The findings are discussed in the draft ordinance.
ORDINANCE NO. ___

AN ORDINANCE APPROVING ENVIRONMENTAL ASSESSMENT NO. EA 1232 AND ZONE TEXT AMENDMENT NO. ZTA 18-06 AMENDING THE EL SEGUNDO MUNICIPAL CODE TO PERMIT MASSAGE ESTABLISHMENTS AS A CONDITIONALLY PERMITTED USE IN THE COMMERCIAL CENTER (C-4) ZONE.

The City Council of the city of El Segundo does ordain as follows:

SECTION 1: The Council finds and declares as follows:

A. On October 15, 2018, Street Retail, Inc. filed an application for an Environmental Assessment and a Zone Text Amendment to permit massage establishments as a conditionally permitted use in the C-4 (Commercial Center) zone;

B. On December 13, 2018, the Planning Commission held a public hearing to receive public testimony and other evidence regarding the application including information provided to the Planning Commission by city staff; and, adopted Resolution No. 2854 recommending that the City Council approve the application;

C. On ________, 2019, the City Council held a public hearing and considered the information provided by City staff and public testimony regarding this Ordinance; and

D. This Ordinance and its findings are made based upon the entire administrative record including testimony and evidence presented to the City Council at its ________, 2019 hearing and the staff report submitted by the Planning and Building Safety Department.

SECTION 2: Factual Findings and Conclusions. The City Council finds that this ordinance amends the uses subject to a conditional use permit in the C-4 zone to include massage establishments.

SECTION 3: General Plan Findings. As required under Government Code Section 65860, the ESMC amendments in the ordinance are consistent with the El Segundo General Plan as follows:

A. The ordinance is consistent with Goal LU4 of the General Plan Land Use Element in that it will permit a new commercial use, such as massage establishments, which will help provide a stable tax base by promoting a
mixed-use environment in the C-4 zone and.

B. The ordinance is consistent with Objective LU4-4 of the General Land Use Element in that it will permit a new use in an existing commercial area and create a more synergistic mix of uses, which has the potential to maximize economic benefit and reduce traffic impacts.

C. The ordinance is consistent with Objective ED1-2 of the General Plan Economic Development Element in that would permit a new use in the C-4 zone, which promotes the diversification of the City’s retail and commercial base.

D. Considering all of its aspects, this ordinance will further the objectives and policies of the general plan and will not obstruct their attainment.

SECTION 4: Zone Text Amendment Findings. In accordance with ESMC Chapter 15-26 (Amendments), and based on the findings set forth in Section 2, the ordinance is consistent with and necessary to carry out the purpose of the ESMC as follows:

A. The ordinance is consistent with the purpose of the ESMC, which is to serve the public health, safety, and general welfare and to provide the economic and social advantages resulting from an orderly planned use of land resources.

B. The ordinance is necessary to facilitate the development process and ensure the orderly location of uses in the City.

SECTION 5: Environmental Assessment. Pursuant to the provisions of the California Environmental Quality Act, Public Resources Code Sections 21000, et seq. (“CEQA”), and the regulations promulgated thereunder (14 California Code of Regulations §§ 15000, et seq., the “State CEQA Guidelines”), the ordinance is exempt from further review (CEQA Section 15061), because it consists only of minor revisions to existing zoning regulations and related procedures and does not have the potential for causing a significant effect on the environment.

SECTION 6: ESMC § 15-5G-2 (Commercial Center (C-4) zone uses subject to conditional use permit) is amended as follows:

The following uses are allowed subject to obtaining a conditional use permit, as provided by chapter 23 of this title:

A. Micro-brewery with a tasting room and/or dining.

B. On site sale and consumption of alcohol at bars and wine tasting rooms.
C. Other similar uses approved by the Director, as provided by chapter 23 of this title. **Massage establishments that meet the requirements of title 4, chapter 10 of this Code and any other requirements imposed by law.**

D. **Other similar uses approved by the Director, as provided by chapter 23 of this title.**

**SECTION 7: 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 8: ENFORCEABILITY.** Repeal of any provision of the ESMC 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 9: VALIDITY OF PREVIOUS CODE SECTIONS.** If this entire ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the ESMC or other city ordinance by this ordinance will be rendered void and cause such previous ESMC provision or other the city ordinance to remain in full force and effect for all purposes.

**SECTION 10: SEVERABILITY.** If any part of this ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this ordinance are severable.

**SECTION 11:** 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 a summary thereof to be published or posted in accordance with California law.
SECTION 12: This Ordinance will go into effect and be in full force and effect on the thirty-first (31st) day after its passage and adoption.

PASSED AND ADOPTED this ___ day of __________, 2019.

______________________________
Drew Boyles, 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 __________ 2019, 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 __________, 2019, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
Tracy Weaver, City Clerk
AGENDA DESCRIPTION:
Consideration and possible action regarding recommending City Council approval of Environmental Assessment No. EA-1232 and Zone Text Amendment No. ZTA 18-06 to allow massage establishments as a conditionally permitted use in the Commercial Center (C-4) zone.

(Applicant: Street Retail, Inc.).

RECOMMENDED PLANNING COMMISSION ACTION: Staff recommends that the Planning Commission open the public hearing and take public testimony on the proposed project, close the public hearing and consider the evidence, and adopt Resolution No. 2854 recommending that the City Council approve Environmental Assessment No. EA-1232 and Zone Text Amendment No. ZTA 18-06.

ATTACHED SUPPORTING DOCUMENTS:

1. Draft Planning Commission Resolution No. 2854
2. Draft Ordinance
3. El Segundo Municipal Code (ESMC) Title 4, Chapter 10 (Massage Establishments)

ORIGINATED BY: Paul Samaras, Principal Planner
REVIEWED BY: Gregg McClain, Planning Manager
APPROVED BY: Sam Lee, Director of Planning and Building Safety

INTRODUCTION

The proposed zone text amendment would allow massage establishments in the C-4 zone subject to approval of a conditional use permit. The applicant for this zone text amendment is the property owner of the Plaza El Segundo and The Point shopping centers located near the intersection of Pacific Coast Highway and Rosecrans Avenue. The intent of the proposed amendment is to permit a new use that would complement other permitted uses in the C-4 zone. The additional use will increase the applicant’s flexibility in selection of tenants and thereby further ensure the shopping center’s viability.

BACKGROUND AND DISCUSSION

Background

The C-4 zone covers approximately 86 acres of land, 52 of which have been developed as the Plaza El Segundo and The Point shopping centers. The remaining portion of the C-4 zone consists of vacant land, some fronting along Rosecrans Avenue (former Air Products site) and some that is landlocked between the Burlington Northern Santa Fe and Union Pacific railroads.
The C-4 zone was initially intended to be a retail sales area in the City. In 2017, the City Council amended the Municipal Code to expand the range of uses permitted in the zone. As a result, the C-4 zone currently permits various commercial uses including retail sales, personal services, fitness centers, financial institutions, general and medical offices, and public assembly uses (ESMC Section 15-5G-2). This change of policy was in response to the overall retail market trends and shopping centers in particular.

City regulations regarding massage establishments
The municipal code addresses massage establishments in Title 15 (Zoning Regulations) and Title 4 (Business Regulations and Licensing). Title 15 determines whether and where massage establishments are a permitted use in the City and Title 4 determines business tax levels and any special business permit requirements.

Title 15 lists massage establishments as a conditionally permitted use only in the Urban Mixed Use South (MU-S) zone, subject to the provisions and permit requirements of ESMC Title 4 and applicable State regulations.

Title 4, Chapter 10 sets administrative policies and requirements for issuing massage establishment permits (See Exhibit 2). The Chapter's provisions cover several areas including California Massage Therapy Council (CAMTC) certifications for massage technicians, background checks, minimum facility and operational requirements, enforcement and permit revocation provisions.

State regulations regarding massage establishments
California Business and Professions Code sections 4600 et seq. (Massage Therapy Act) regulates massage establishments. The Massage Therapy Act sets the minimum requirements for certification and established the CAMTC to issue certificates to qualified massage professionals. The intent of the law was to enable consumers and local governments to more easily identify certified massage professionals. In addition, the law also permits local government to impose reasonable conditions on the issuance of massage establishment permits, such as the conditions included in ESMC Chapter 4-10.

Discussion

If approved, the proposed zone text amendment will permit massage establishments in the C-4 zone subject to approval of a conditional use permit, the provisions of ESMC Chapter 4-10, and applicable State regulations. This use is similar to other personal service uses permitted in the C-4 zone and compatible with uses such as fitness facilities, offices, and retail sales uses. It will add to the mixed-use nature of the C-4 zone and the existing shopping centers, which is mutually beneficial to all the businesses permitted in the area because patrons of one business are more likely to patronize other businesses in the same center. This interaction among uses improves their viability and the potential tax revenues for the City while potentially reducing the traffic trips. At the same time, the use will be subject to conditions of approval and operational requirements to limit negative impacts and to ensure it is compatible with the surrounding uses.

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1 Full text of the Massage Therapy Act - http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?division=2.&chapter=10.5.&lawCode=BPC
General Plan and Zoning Consistency

Consistency with the El Segundo General Plan
ESMC Section 15-1-1 (Purpose, Title) states that Title 15 is the primary tool for implementation of the goals, objectives, and policies of the El Segundo General Plan. Accordingly, the Planning Commission must find that the proposed Zone Text Amendment is consistent with those goals, objectives, and policies. Planning staff believes there is substantial evidence in the record to support the findings required for the Planning Commission to recommend City Council approval of the proposed amendment. The findings are discussed further in the proposed resolution.

Consistency with the El Segundo Municipal Code.
Pursuant to ESMC Title 15, Chapter 26 (Amendments), in order to recommend City Council approval of the proposed amendment, the Planning Commission must find that the amendment is necessary to carry out the general purpose of ESMC Title 15. The purpose of this Title (ESMC §15-1-1) is to serve the public health, safety, and general welfare and to provide economic and social advantages resulting from an orderly planned use of land resources. Planning staff believes there is substantial evidence in the record to support the findings required for the Planning Commission to recommend City Council approval of the proposed amendment. The findings are discussed further in the proposed resolution.

ENVIRONMENTAL REVIEW

Pursuant to the provisions of the California Environmental Quality Act, Public Resources Code Sections 21000, et seq. ("CEQA"), and the regulations promulgated thereunder (14 California Code of Regulations §§ 15000, et seq., the "State CEQA Guidelines"), the proposed ordinance is exempt from further review, because it consists only of minor revisions to existing zoning regulations and related procedures. If adopted, the ordinance would allow one additional use in one zone in the City, and for that reason, the proposed Ordinance is an action that does not have the potential to cause significant effects on the environment.

RECOMMENDATION

Staff recommend that the Planning Commission adopt Resolution No. 2854 recommending that the City Council approve Environmental Assessment (EA) No. EA-1232 and Zone Text Amendment (ZTA) No. 18-06.
RESOLUTION NO. 2854

A RESOLUTION OF THE EL SEGUNDO PLANNING COMMISSION RECOMMENDING THAT THE CITY COUNCIL APPROVE ENVIRONMENTAL ASSESSMENT NO. EA-1232 AND ZONE TEXT AMENDMENT NO. ZTA 18-06 AMENDING THE EL SEGUNDO MUNICIPAL CODE TO PERMIT MASSAGE ESTABLISHMENTS AS A CONDITIONALLY PERMITTED USE IN THE COMMERCIAL CENTER (C-4) ZONE

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

SECTION 1: The Planning Commission finds and declares that:

A. On October 15, 2018, Street Retail, Inc. filed an application for an Environmental Assessment and a Zone Text Amendment to permit massage establishments as a conditionally permitted use in the C-4 (Commercial Center) zone;

B. On December 13, 2018, the Planning Commission held a public hearing to receive public testimony and other evidence regarding the application including information provided to the Planning Commission by city staff;

C. This Resolution and its findings are made based upon the evidence presented to the Commission at its December 13, 2018, hearing including the staff report submitted by the Planning and Building Safety Department.

SECTION 2: Factual Findings and Conclusions. The Commission finds that implementing the proposed ordinance will amend the uses subject to a conditional use permit in the C-4 zone to include massage establishments.

SECTION 3: General Plan Findings. As required under Government Code § 65860, the ESMC amendments proposed by the project are consistent with the El Segundo General Plan as follows:

A. The ordinance is consistent with Goal LU4 of the General Plan Land Use Element in that it will permit a new commercial use, such as massage establishments, which will help provide a stable tax base by promoting a mixed-use environment in the C-4 zone and.

B. The ordinance is consistent with Objective LU4-4 of the General Land Use Element in that it will permit a new use in an existing commercial area and create a more synergistic mix of uses, which has the potential to maximize economic benefit and reduce traffic impacts.

C. The ordinance is consistent with Objective ED1-2 of the General Plan Economic Development Element in that would permit a new use in the C-4 zone, which promotes the diversification of the City’s retail and commercial
base.

D. Considering all of its aspects, the proposed project will further the objectives and policies of the general plan and will not obstruct their attainment.

SECTION 4: Zone Text Amendment Findings. In accordance with ESMC Chapter 15-26 (Amendments), and based on the findings set forth in Section 2, the proposed ordinance is consistent with and necessary to carry out the purpose of the ESMC as follows:

A. The ordinance is consistent with the purpose of the ESMC, which is to serve the public health, safety, and general welfare and to provide the economic and social advantages resulting from an orderly planned use of land resources.

B. The ordinance is necessary to facilitate the development process and ensure the orderly location of uses in the City.

SECTION 5: Environmental Assessment. Pursuant to the provisions of the California Environmental Quality Act, Public Resources Code Sections 21000, et seq. ("CEQA"), and the regulations promulgated thereunder (14 California Code of Regulations §§ 15000, et seq., the "State CEQA Guidelines"), the proposed ordinance is exempt from further review (CEQA Section 15061), because it consists only of minor revisions to existing zoning regulations and related procedures and does not have the potential for causing a significant effect on the environment.

SECTION 7: Recommendation. The Planning Commission recommends the City Council adopt the Ordinance in a form substantially similar to the draft attached as Exhibit A.

SECTION 8: Reliance on Record. Each and every one of the findings and determination in this Resolution are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the Planning Commission in all respects.

SECTION 9: Limitations. The Planning Commission's analysis and evaluation of the project is based on information available at the time of the decision. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. In all instances, best efforts have been made to form accurate assumptions.

SECTION 10: This Resolution will remain effective until superseded by a subsequent resolution.
SECTION 11: The Commission secretary is directed to mail a copy of this Resolution to any person requesting a copy.
SECTION 12: This Resolution may be appealed within 10 calendar days after its adoption. All appeals must be in writing and filed with the City Clerk within this time period. Failure to file a timely written appeal will constitute a waiver of any right of appeal.

PASSED AND ADOPTED this ____ day of _________ 2018.

__________________________
Ryan Baldino, Chair
City of El Segundo Planning Commission

ATTEST:

__________________________
Sam Lee, Secretary

Baldino -
Newman -
Nicol -
Hoeschler -
Wingate -

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

By: ________________________
    David King, Assistant City Attorney
ORDINANCE NO. ___

AN ORDINANCE APPROVING ENVIRONMENTAL ASSESSMENT NO. EA 1232 AND ZONE TEXT AMENDMENT NO. ZTA 18-06 AMENDING THE EL SEGUNDO MUNICIPAL CODE TO PERMIT MASSAGE ESTABLISHMENTS AS A CONDITIONALLY PERMITTED USE IN THE COMMERCIAL CENTER (C-4) ZONE.

The City Council of the city of El Segundo does ordain as follows:

SECTION 1: The Council finds and declares as follows:

A. On October 15, 2018, Street Retail, Inc. filed an application for an Environmental Assessment and a Zone Text Amendment to permit massage establishments as a conditionally permitted use in the C-4 (Commercial Center) zone;

B. On December 13, 2018, the Planning Commission held a public hearing to receive public testimony and other evidence regarding the application including information provided to the Planning Commission by city staff; and, adopted Resolution No. 2854 recommending that the City Council approve the application;

C. On ____________, 2019, the City Council held a public hearing and considered the information provided by City staff and public testimony regarding this Ordinance; and

D. This Ordinance and its findings are made based upon the entire administrative record including testimony and evidence presented to the City Council at its ____________, 2019 hearing and the staff report submitted by the Planning and Building Safety Department.

SECTION 2: Factual Findings and Conclusions. The City Council finds that this ordinance amends the uses subject to a conditional use permit in the C-4 zone to include massage establishments.

SECTION 3: General Plan Findings. As required under Government Code Section 65860, the ESMC amendments in the ordinance are consistent with the El Segundo General Plan as follows:

A. The ordinance is consistent with Goal LU4 of the General Plan Land Use Element in that it will permit a new commercial use, such as massage establishments, which will help provide a stable tax base by promoting a
mixed-use environment in the C-4 zone and.

B. The ordinance is consistent with Objective LU4-4 of the General Land Use Element in that it will permit a new use in an existing commercial area and create a more synergistic mix of uses, which has the potential to maximize economic benefit and reduce traffic impacts.

C. The ordinance is consistent with Objective ED1-2 of the General Plan Economic Development Element in that would permit a new use in the C-4 zone, which promotes the diversification of the City’s retail and commercial base.

D. Considering all of its aspects, this ordinance will further the objectives and policies of the general plan and will not obstruct their attainment.

SECTION 4: Zone Text Amendment Findings. In accordance with ESMC Chapter 15-26 (Amendments), and based on the findings set forth in Section 2, the ordinance is consistent with and necessary to carry out the purpose of the ESMC as follows:

A. The ordinance is consistent with the purpose of the ESMC, which is to serve the public health, safety, and general welfare and to provide the economic and social advantages resulting from an orderly planned use of land resources.

B. The ordinance is necessary to facilitate the development process and ensure the orderly location of uses in the City.

SECTION 5: Environmental Assessment. Pursuant to the provisions of the California Environmental Quality Act, Public Resources Code Sections 21000, et seq. ("CEQA"), and the regulations promulgated thereunder (14 California Code of Regulations §§ 15000, et seq., the "State CEQA Guidelines"), the ordinance is exempt from further review (CEQA Section 15061), because it consists only of minor revisions to existing zoning regulations and related procedures and does not have the potential for causing a significant effect on the environment.

SECTION 6: ESMC § 15-5G-2 (Commercial Center (C-4) zone uses subject to conditional use permit) is amended as follows:

The following uses are allowed subject to obtaining a conditional use permit, as provided by chapter 23 of this title:

A. Micro-brewery with a tasting room and/or dining.

B. On site sale and consumption of alcohol at bars and wine tasting rooms.
C. Other similar uses approved by the Director, as provided by chapter 23 of this title. Massage establishments that meet the requirements of title 4, chapter 10 of this Code and any other requirements imposed by law.

D. Other similar uses approved by the Director, as provided by chapter 23 of this title.

SECTION 7: 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 8: ENFORCEABILITY. Repeal of any provision of the ESMC 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 9: VALIDITY OF PREVIOUS CODE SECTIONS. If this entire ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the ESMC or other city ordinance by this ordinance will be rendered void and cause such previous ESMC provision or other the city ordinance to remain in full force and effect for all purposes.

SECTION 10: SEVERABILITY. If any part of this ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this ordinance are severable.

SECTION 11: 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 a summary thereof to be published or posted in accordance with California law.
SECTION 12: This Ordinance will go into effect and be in full force and effect on the thirty-first (31st) day after its passage and adoption.

PASSED AND ADOPTED this ___ day of ____________, 2019.

__________________________
Drew Boyles, 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 ___________, 2019, 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 ___________, 2019, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

__________________________
Tracy Weaver, City Clerk
Chapter 10
MASSAGE ESTABLISHMENTS

4-10-1: PURPOSE:

4-10-2: DEFINITIONS:

4-10-3: ADMINISTRATION:

4-10-4: CERTIFICATIONS REQUIRED:

4-10-5: PERMIT REQUIRED:

4-10-6: BUSINESS LICENSE REQUIRED:

4-10-7: MASSAGE ESTABLISHMENT OWNER BACKGROUND CHECK REQUIRED:

4-10-8: ADDITIONAL REQUIREMENTS:

4-10-9: DISPLAY OF PERMIT:

4-10-10: MASSAGE TECHNICIAN CERTIFICATES REQUIRED:

4-10-11: PROHIBITED CONDUCT:

4-10-12: FACILITIES AND OPERATIONS:

4-10-13: EXCEPTIONS:

4-10-14: PUBLIC NUISANCE ABATEMENT:

4-10-15: REVOCATION:

4-10-16: CIVIL LIABILITY AND PENALTIES:

4-10-17: APPEAL:

4-10-1: PURPOSE:

A. This chapter establishes new permitting standards intended to comply with California law and establish zoning, business licensing, and health and safety guidelines for massage establishments.

B. This chapter is not intended to be exclusive and compliance will not excuse noncompliance with any state or local laws or regulations that are uniformly applied to other professional or personal services businesses including, without limitation, all zoning applications; business license regulations; building, fire, electrical, and plumbing codes; and health and safety code laws and regulations applicable to professional or personal services businesses.

C. This chapter establishes a local regulatory system that allows only state certified massage therapists and massage practitioners to operate within the city. This chapter is also intended to allow the city to exercise broad control over land use in regulating massage establishments and to impose and enforce reasonable and necessary fees and regulations, in keeping with the requirements of existing law, while being mindful of the need to protect legitimate business owners and massage professionals. (Ord. 1504, 2-17-2015)

4-10-2: DEFINITIONS:

Unless the contrary is stated or clearly appears from the context, the following definitions govern the construction of the words and phrases used in this chapter. Words and phrases not defined by this chapter have the meaning set forth elsewhere in this code, the Business And Professions Code, or Government Code.
CALIFORNIA MASSAGE THERAPY COUNCIL (CAMTC): The California massage therapy council created pursuant to Business And Professions Code section 4600 et seq.

CERTIFIED MASSAGE PRACTITIONER: A person who is currently certified as a massage practitioner by the CAMTC, and who administers massage for compensation.

CERTIFIED MASSAGE THERAPIST: A person who is currently certified as a massage therapist by the CAMTC, and who administers massage for compensation.

CITY: The city of El Segundo.

DIRECTOR: The planning manager or such other person designated by the city manager.

MASSAGE: Any method of pressure on, or friction against, or stroking, kneading, rubbing, tapping, pounding, vibrating or stimulating the external parts of the human body with the hands or with the aid of any mechanical or electrical apparatus, or other appliances or devices, with or without such supplementary aids as rubbing alcohol, liniment, antiseptic, oil, powder, cream, lotion, ointment or other similar preparations.

MASSAGE ESTABLISHMENT: Means and includes any massage establishment, parlor, or any room, place or institution where massage is given or administered by a massage technician as the primary service of the business establishment.

MASSAGE TECHNICIAN: Any person, who gives, performs or administers to another person a massage for any form of consideration.

PERSON: Means and includes person(s), firms, corporations, partnerships, associations or other forms of business organization or group.

SPECIFIED ANATOMICAL AREAS: Means and includes any of the following human anatomical areas: genitals, pubic regions, anuses or female breasts below a point immediately above the top of the areola.

SPECIFIED SEXUAL ACTIVITIES: Means and includes all of the following:

A. Fondling or other erotic touching of specified anatomical areas;

B. Sex acts including, without limitation, intercourse, oral copulation, or sodomy;

C. Masturbation; or

D. Excretory functions as part of or in connection with any specified sexual activity listed in this definition. (Ord. 1504, 2-17-2015)

4-10-3: ADMINISTRATION:

The director is authorized to administer this chapter and to promulgate administrative policies and procedures required to implement the regulations set forth in this chapter. (Ord. 1476, 2-5-2013)
4-10-4: CERTIFICATIONS REQUIRED:

A. Massage Establishment: It is unlawful for any person to own, operate or maintain a massage establishment unless all massage technicians employed by the massage establishment hold a current, valid certification from the CAMTC as a massage practitioner or massage therapist.

B. Massage Technician: It is unlawful for any person to engage in, or carry on the business or activities of a massage technician without a certification from the CAMTC as a massage practitioner or massage therapist.

C. Off Premises Massage Service: It is unlawful for any person to own, operate, or maintain an off premises massage service in the city unless all massage technicians employed by the off premises massage service hold a current, valid certification from the CAMTC as a certified massage practitioner or certified massage therapist. (Ord. 1476, 2-5-2013)

4-10-5: PERMIT REQUIRED:

Every person conducting, managing, operating, owning or in control of a massage establishment or any other place that is open to the public or is a private club, where facial massages, fomentations, massages, electric or magnetic treatments, or alcohol rubs are administered or given, or any public bathing place, which has in connection therewith a steam room, dry or hot room plunge, swimming pool, shower, bath, or sleeping accommodations, must obtain a conditional use permit. A conditional use permit issued pursuant to this section must include, as a condition of approval, a requirement that the permittee notify the city of any change in ownership. (Ord. 1504, 2-17-2015)

4-10-6: BUSINESS LICENSE REQUIRED:

Before operating any massage establishment or becoming engaged in the occupation of a massage practitioner or massage technician, the individual proposing to conduct the business must obtain the required business license to do so and, in addition, unless otherwise specified, is subject to each and all of the terms, conditions and provisions of this chapter. A business license is not transferable. (Ord. 1504, 2-17-2015)

4-10-7: MASSAGE ESTABLISHMENT OWNER BACKGROUND CHECK REQUIRED:

A. Any person, association, partnership, or corporation desiring to operate a massage establishment, that will own five percent (5%) or more of the massage establishment, and that is not a certified massage practitioner or certified massage therapist, must make an application to the director for an investigation of the applicant's background and history. A nonrefundable fee, in an amount set by resolution, must accompany the submission of each application to defray the cost of investigation, inspection and enforcement of this chapter. An annual nonrefundable renewal fee will also be charged to defray associated costs of investigation, inspection and enforcement.

B. Each applicant for a background check must submit the following information:
   1. The full true name and any other names used by the applicant.
   2. The present address and telephone number of the applicant.
   3. Driver's license number and social security number.
   4. The proposed address of the massage establishment.
5. Each residence and business address of the applicant for the three (3) years immediately preceding the date of the application, and the inclusive dates for such address.
6. Written proof that the applicant is at least eighteen (18) years of age.
7. Applicant's height, weight, and color of eyes and hair.
8. Two (2) photographs of the applicant at least two inches by two inches (2" x 2") taken within four (4) months preceding the date of the application.
9. Applicant's business, occupation and employment history for the ten (10) years immediately preceding the date of application.
10. The business license or permit history of the applicant, including whether such applicant has ever had any license or permit issued by any agency or board, city, county or state revoked or suspended, or has had any professional or vocational license or permit revoked or suspended and the reason(s) for the revocation.
11. All criminal convictions for any of the offenses set forth in this chapter, and a statement of the dates and places of such convictions.
12. If the applicant is a corporation, the name of the corporation must be set forth exactly as shown in the articles of incorporation or charter, together with the state and date of incorporation and names and residence addresses of each of its current officers and directors, and each stockholder holding more than five percent (5%) of the stock of the corporation. If the applicant is a partnership, the application must set forth the names and residence addresses of each of the partners, including the limited partners. If the applicant is a limited partnership, it must furnish a copy of its certificate of limited partnership filed with the county clerk. If one or more partners is a corporation, the provisions of this section pertaining to corporate applicants will apply. The applicant corporation or partnership must designate one of its officers or general partners to act as its responsible managing officer. Such person must complete and sign all application forms required of any individual applicant under this chapter, but only one application fee will be charged.
13. The name and address of the owner and lessor of the real property upon or in which the massage establishment is to be operated, and a copy of the lease or rental agreement. If the applicant is not the legal owner of the property, a notarized acknowledgment from the owner of the property that a massage establishment will be located on his or her property is required for each massage establishment permit location.
14. The full true names and other names used, the present addresses and telephone numbers, driver's license numbers, and social security numbers, and state certificates from the CAMTC or transitional licenses for all massage technicians who will be working as employees or independent contractors at each massage establishment permit location. The applicant must provide the director with any changes in the massage technicians that work at the massage establishment during the permit period within ten (10) working days of each change.
15. The director may require the applicant to furnish fingerprints when needed for the purpose of verifying identification.
16. Such other identification and information as may be required by the director in order to verify the information to be included in the application.

C. The city is allowed a reasonable time, not to exceed sixty (60) days, in which to investigate the information on the application. During the investigation of the background information, a city representative including, without limitation, a member of the police department, fire department, building and safety department, planning department, or any authorized representative thereof, may inspect, with or without notice during regular business hours, the proposed place of business to determine whether it conforms to the requirements of this chapter. Upon completion of the inspection, the city representative must inform the director in writing of the findings of the inspection.
D. Background clearance will be issued, within sixty (60) days of receipt of the application, to any applicant who has furnished all of the information required by this section in the application for such license, provided:

1. The applicant has not made a material false statement in the application and that all massage technicians who will be working as employees or independent contractors at each massage establishment permit location possesses certification from the CAMTC as a massage practitioner or massage therapist;

2. The applicant, if an individual, or in the case of an applicant which is a corporation or partnership, any of its officers, directors, holders of five percent (5%) or more of the corporation's stock, has not, within five (5) years immediately preceding the date of the filing of the application been convicted in a court of competent jurisdiction of any of the following offenses: Penal Code sections 243.4; 261; 266a through 266j; 267; 314 to 316; 318; or 647(a, b, d); any offense requiring registration under Penal Code section 290 or Health And Safety Code section 11590; or any felony offense involving the possession, possession for sale, sale, transportation, furnishing, or giving away of a controlled substance specified in Health And Safety Code sections 11054 to 11058, as amended; or any offense in another state which, if committed in California, would have been punishable as one or more of the heretofore mentioned offenses; or any offense involving the use of force or violence upon the person of another; or any offense involving theft, embezzlement or moral turpitude;

3. The applicant is at least eighteen (18) years of age; and

4. The applicant has not had a massage technician, massage establishment, escort service, nude entertainment, nude photo studio or similar type of license or permit suspended within one year or revoked within three (3) years immediately preceding the date of the filing of the application, unless the applicant can show a material change in circumstances or that mitigating circumstances exist since the revocation or suspension. (Ord. 1476, 2-5-2013; amd. Ord. 1504, 2-17-2015)

4-10-8: ADDITIONAL REQUIREMENTS:

Before operating a massage establishment in the city, massage establishment owners must comply with all applicable codes adopted by the city, including, without limitation, the building, electrical, and plumbing codes. (Ord. 1476, 2-5-2013; amd. Ord. 1504, 2-17-2015)

4-10-9: DISPLAY OF PERMIT:

Any owner of a massage establishment or off premises massage service must display the CAMTC certificates for all massage technicians prominently in a conspicuous place, capable of being viewed by customers or city representatives, at every location where massage is performed or conducted, and carry photo identification card while on the premises of the massage establishment and/or performing massage services. For off premises massage services, massage workers must also carry a copy of their CAMTC certificate and photo identification card and display it to customers upon request. Any advertising for a massage technician must include the name under which he or she is certified and his or her certificate number. (Ord. 1476, 2-5-2013; amd. Ord. 1504, 2-17-2015)

4-10-10: MASSAGE TECHNICIAN CERTIFICATES REQUIRED:

It is unlawful for owners of massage establishments or off site massage services to allow any person to perform massage that is not a certified massage therapist or certified massage practitioner. (Ord. 1476, 2-5-2013; amd. Ord. 1504, 2-17-2015)
4-10-11: PROHIBITED CONDUCT:

It is unlawful for owners of massage establishments or off premises massage services, or massage technicians, to conduct or allow any of the following activities:

A. It is unlawful for any massage technician or any other employee working in a massage establishment or for an off premises massage service, or customers, patrons, or guests of the establishment or service, to engage in any specified sexual activities upon the premises of the massage establishment or the off premises massage location.

B. It is unlawful for any massage technician or other employee of a massage establishment to expose specified anatomical areas in the presence of any patron, customer, or guest.

C. In the course of administering the massage, it is unlawful for any massage technician or other massage establishment employee to make intentional physical contact with the specified anatomical areas of any customer, patron or guest. (Ord. 1476, 2-5-2013; amd. Ord. 1504, 2-17-2015)

4-10-12: FACILITIES AND OPERATIONS:

It is unlawful for any massage establishment to operate unless the massage establishment premises and operation comply with the following minimum requirements:

A. Signs: A readable sign must be posted at the main entrance identifying the establishment as a massage establishment, provided, however, that all such signs must otherwise comply with the sign requirements of this code.

B. Lighting: Minimum lighting must be provided in accordance with the California building code, as adopted by this code, and, in addition, at least one unobstructed artificial light of not less than nine hundred (900) lumens must be provided in each enclosed room or booth where massage services are being performed on a patron.

C. Ventilation: Minimum ventilation must be provided in accordance with the California building code, as adopted by this code.

D. Disinfection Of Instruments: Instruments used for massage must be disinfected before each use. Where instruments for massage are employed, adequate quantities of supplies for disinfection must be available during all hours of operation.

E. Water: Hot and cold running water must be provided at all times.

F. Linen Storage: Closed cabinets must be utilized for the storage of clean towels and linen. After use, towels and linen must be removed and stored in a separate container until laundered.

G. Sanitary Conditions: All walls, ceilings, floors, steam and vapor rooms, and all other physical facilities for the massage establishment must be kept in good repair and be maintained in a clean and sanitary condition.

H. Clean Linen: Clean and sanitary towels and linens must be provided for patrons receiving massage services. No common use of towels or linens is permitted.
I. Compliance With Laws: The premises to be used must at all times comply with all applicable state and local laws and regulations.

J. Use Of Massage Rooms: Any room in which a massage establishment provides massage services may not be used for residential sleeping purposes.

K. Register Of Technicians; Business License: A register of all individuals employed as massage technicians, and copies of their current CAMTC certifications and the massage establishment owner's business license, must be maintained and available for inspection at all times during regular business hours.

L. Certified Employee Only Areas: Each person present in any area of the massage establishment outside the waiting area or other areas open to any member of the public must be a certified massage practitioner or certified massage therapist or the massage establishment owner.

M. Display Of Permits And Certifications: The permits and certifications required by this chapter must be displayed in an open and conspicuous public place on the premises. (Ord. 1476, 2-5-2013; amd. Ord. 1504, 2-17-2015)

4-10-13: EXCEPTIONS:

This chapter does not apply to the following classes of individuals, and no CAMTC certification is required of such persons, while engaged in the performance of the duties of their respective professions:

A. Acupuncturists who are duly certified to practice their profession in the state of California.

B. Barbers, beauticians, and cosmetologists with respect to scalp, feet, hands, and face massages, who are duly permitted pursuant to Business And Professions Code section 7301 et seq., in accordance with the limitations of their permits.

C. Nurses who are registered as such under the laws of the state of California.

D. Physicians, surgeons, chiropractors, osteopaths, or physical therapists who are duly permitted to practice their respective professions in the state of California, or provide professional services in lawful compliance with Corporations Code section 13401(a). (Ord. 1476, 2-5-2013; amd. Ord. 1504, 2-17-2015)

4-10-14: PUBLIC NUISANCE ABATEMENT:

Any massage establishment operated, conducted or maintained contrary to the provisions of this chapter is unlawful and a public nuisance. The city attorney is authorized, in addition to or in lieu of any other legal or criminal proceedings, to commence an action or proceeding for abatement, removal or enjoinder of such massage establishment in the manner provided by law. The city attorney may seek a court order to grant such relief to abate or remove such massage establishments and restrain and enjoin any person from operating, conducting or maintaining such an establishment contrary to the provisions of this chapter. (Ord. 1476, 2-5-2013; amd. Ord. 1504, 2-17-2015)

4-10-15: REVOCATION:
A. Grounds For Revocation: The director or city attorney may revoke approvals issued under this chapter for one or more of the following grounds:
   1. Fraud Or Deceit: That the applicant practiced fraud or deceit in obtaining an approval under this chapter;
   2. Violation Of Chapter: That the massage establishment owner, operator, massage technician, or its employee, agent, independent contractor or other representative violated a provision or provisions of this chapter;
   3. Criminal Conviction: That the massage establishment owner, operator, massage technician, or its employee, agent, independent contractor or other representative has been convicted in a court of competent jurisdiction of any offense described in this chapter;
   4. Improperly Maintained Facilities: That the facilities and operations of the massage establishment are not kept in compliance with this chapter, and that the owner or operator has failed to promptly remedy any deficiency of which they have been notified. For purposes of this subsection, "notice" means notice given personally or by leaving notice at the massage establishment premises, or by first class mail, postage prepaid, to the address designated by the massage technician or establishment in accordance with this chapter;
   5. Employment Of Uncertified Technicians: That the massage establishment has employed, allowed or permitted an uncertified person to perform massage in the massage establishment;
   6. Error: That the approval was issued in error;
   7. Civil Penalties: Assessment of three (3) or more civil penalties as provided by this chapter during any six (6) month period; or
   8. Prohibited Conduct: A massage establishment owner, operator, massage technician, or its employee, agent, independent contractor or other representative has been found to have engaged in prohibited conduct in violation of this chapter.

B. Notice Of Revocation: Upon a determination on the grounds to revoke an approval under this chapter, the director or city attorney must cause a notice of revocation to be mailed by first class, postage prepaid mail, to the address designated by the massage technician or establishment pursuant to this chapter.

C. Suspension Or Revocation Of Conditional Use Permit: A conditional use permit issued to a massage establishment may be suspended or revoked pursuant to title 15, chapter 23 of this code. (Ord. 1504, 2-17-2015)

4-10-16: CIVIL LIABILITY AND PENALTIES:

A. Any person violating any provision of this chapter is liable in a civil action brought by the city attorney for an amount up to five hundred dollars ($500.00) per violation. Such person is also liable for reasonable attorney fees and costs incurred by the city attorney in any civil proceeding filed to enforce this chapter.

B. Enforcing this chapter through civil action may be filed as an alternative to criminal enforcement. Civil enforcement does not require the violation to be knowing or wilful. A civil action cannot be filed if the person is being criminally prosecuted.

C. Each violation of this chapter is a separate offense subject to the civil penalty.

D. The city attorney may settle any civil enforcement before or after the filing of a civil action by imposing a civil penalty in an amount not exceeding the potential civil liability, including attorney fees, set forth in this section. If such civil penalty is paid in full, the city attorney can agree not to file civil or criminal actions or, if action has already been filed, may dismiss such action. Imposition of all civil penalties is public record.
E. All civil fines must be deposited into the general fund. (Ord. 1476, 2-5-2013; amd. Ord. 1504, 2-17-2015)
4-10-17: APPEAL:

Any person denied an approval under this chapter or a massage establishment owner or operator whose approval has been revoked may appeal the denial or revocation in writing pursuant to the appeal procedures provided by section 1-2A-15 et seq., of this code. Such appeal must be in writing and must be filed with the city clerk not more than fifteen (15) days following the director’s deposit into the mail of the notice of denial or revocation sent to the applicant or massage establishment owner or operator to the address listed by the applicant or massage establishment owner or operator pursuant to this chapter. Any successful appeal will result in approval or reinstatement of an approval and refund of any fines collected by the city. Notwithstanding the foregoing, any appeal of a suspension or revocation of a conditional use permit issued to a massage establishment must comply with title 15, chapter 23 of this code. (Ord. 1504, 2-17-2015)
EL SEGUNDO CITY COUNCIL
AGENDA STATEMENT
MEETING DATE: January 15, 2019
AGENDA HEADING: Public Hearing

AGENDA DESCRIPTION:

Consideration and possible action regarding Environmental Assessment No. EA-1231, Zone Text Amendment No. ZTA 18-05 to amend Article A of Chapter 7 of Title 15 of the El Segundo Municipal Code related to the Medium Density Residential (MDR) overlay zone. This amendment will preserve the existing overlay while making important updates to bring it into compliance with the new Smoky Hollow Specific Plan. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:

1. Conduct a public hearing;
2. Take testimony and other evidence as presented;
3. Introduce an ordinance approving Environmental Assessment EA-1231 and amend the El Segundo Municipal Code related to the MDR overlay zone (ZTA 18-05);
4. Schedule second reading and adoption of the ordinance for February 5, 2019;
5. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

1. Proposed Ordinance No. ______
2. Planning Commission Resolution No. 2855

FISCAL IMPACT: None

STRATEGIC PLAN: N/A

ORIGINATED BY: Gregg McClain, Planning Manager
REVIEWED BY: Sam Lee, Planning & Building Safety Director
APPROVED BY: Greg Carpenter, City Manager

It is a long-standing policy of the City that Smoky Hollow would have only very limited residential uses. The following excerpts are from the pre-November 1, 2018, text of the ESMC. Each of these sections were deleted with the adoption of the new Smoky Hollow Specific Plan.

15-7A-1: PURPOSE: B. Moreover, it is the intent in identifying the long term potential for residential use in the area designated to establish that residential use is explicitly excluded from the remainder of the Smoky Hollow specific plan area, except for single caretaker dwelling units provided for elsewhere in the plan.

15-11-2(C)(4) POLICIES: 1. Prohibit all residential uses south of Grand Avenue except for single unit caretaker residences.

15-11-2(E)(1)(c) Floating Or Overlay Districts: (1) A medium density residential district is provided north of Grand Avenue, should the rather substantial market potential for
residential development ever be sought by property owners. Under no circumstances is it intended that residential uses remain south of Grand Avenue. The secondary residential option may be allowed only upon conversion of an entire block or portion of a block within the specific plan, so long as the adjacent portion outside the specific plan boundary is already residential in character.

As a result of these long-established policies, and in an effort to simplify and streamline the zoning, Staff intended to remove the MDR overlay in the process of updating the Smoky Hollow Specific Plan (SHSP).

In addition, the site development standards for the MDR overlay state the following:

15-7A-4(B) Parcel Lot Area: All lots to be developed as multi-family residential must be a minimum of two and one-half (2.5) acres in size or one complete block, whichever is greater. However, existing lots less than two and one-half (2.5) acres in size, which are totally surrounded by other zones and confined by existing streets shall be allowed to develop without a variance.

It was noted that only two whole blocks and two portions of other blocks remained in the MDR overlay. The two large blocks are between Kansas and Illinois Streets, south of Holly Street and north of Grand Avenue. These blocks, for a variety of reasons, are unlikely to be wholly activated for residential use, but would be feasible for residential development on the north halves if that were permitted. The remaining bits of the overlay are on two small properties on each side of Nevada Street north of Grand Avenue. These properties seem to be excluded from activating the MDR because they are both under 2.5 acres and less than a whole block. The second sentence of 15-7A-4(B) seems to offer the possibility to activate these partial-block sites, but the intent and meaning of this sentence is so unclear as to make a determination that these properties could or could not activate subject to considerable doubt. For these reasons also, Staff sought to have the MDR overlay deleted with the adoption of the SHSP.

At the public hearing for the SHSP, the City Council directed Staff to address the potential loss of a property right held by owners in the MDR overlay. It is unclear, as stated above if any of the MDR properties could feasible activate the MDR, but it was clear that the consensus of the City Council was to not remove the MDR in the process of adopting the SHSP.

Staff addressed the incompatible elements of Article A with the new SHSP in the ordinance that adopted the specific plan, leaving the MDR mostly intact. This amendment addresses the remaining portions of the chapter to ensure complete compatibility with the General Plan, Specific Plan, and ESMC, as well as to remove the ambiguity surrounding the minimum area to activate. In addition, the development standards of the MDR are very similar to the development standards of the R-3 zone, so rather than have two new nearly identical zones, this amendment will set the final zone for activating the MDR as R-3, subject to the regulations and standards for that zone.

Following is a comparison of differences in development standards between MDR and R-3. All other standards are identical:
Minimum Lot Size: 7,000 square feet in R-3
No minimum for un-activated MDR

Having MDR activation result in an R-3 lot will add this restriction but have no significant impact on development.

Setback, Grand Avenue: 30 feet in MDR, not addressed in R-3

Replacing MDR with R-3 would cause this standard to be deleted, so Staff is recommending that this standard be retained for the blocks east of Kansas Street. It makes no sense to apply this requirement for the properties at Nevada Street because of their small size and the adjacent properties have much smaller setbacks.

Building Area: In R-3, lots under 15,000 square feet can be developed with one unit per each 1,613 square feet. Larger lots are one per 2,420. In MDR it is one per 2,420 for all lots

Although the inclusion of a lower area per unit standard for smaller lots appears to allow higher density, there is no corresponding relief in setbacks, height or lot coverage. The net effect is roughly the same density for a cluster of small lots as for a large lot.

As stated above, all other development standards for MDR and R-3 are the same.

ENVIRONMENTAL REVIEW:

The draft ordinance does not have the potential to cause significant effects on the environment and, therefore, is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regs. § 15061(b)(3). The Ordinance amends the El Segundo Municipal Code to require a discretionary land use permit for specified types of development which, in some cases, do not currently require a discretionary land use permit. The addition of the discretionary permit requirement will trigger the application of CEQA and allow the City to analyze the potential environmental consequences of a proposed development project before making a decision on the merits of an application. The Ordinance does not portend any development or changes to the physical environment. Following an evaluation of possible adverse impacts, it can be seen with certainty that there is no possibility that the Ordinance will have a significant effect on the environment. Rather, the primary purpose of the proposed Ordinance is to provide a mechanism that will allow the City to require a CEQA evaluation of future development proposals meeting specified thresholds.
ORDINANCE NO. 

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO APPROVING ZONE TEXT AMENDMENT NO. ZTA 18-05 AMENDING ARTICLE A (MEDIUM DENSITY RESIDENTIAL (MDR) ZONE) OF CHAPTER 7 (OVERLAY DISTRICTS) TO TITLE 15 (ZONING REGULATIONS) OF THE MUNICIPAL CODE

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

SECTION 1: The City Council finds and declares as follows:

A. Since the original Smoky Hollow Specific Plan was developed, certain properties at the northern edge of the specific plan area were designated for future conversion from commercial to residential use. These properties were designated with the Medium Density Residential (MDR) overlay.

B. The MDR overlay was designed to convert properties from the underlying base zone (formerly Medium Manufacturing, now Smoky Hollow East) to MDR at some unspecified future date.

C. The MDR overlay chapter of the ESMC contains development standards that are very closely aligned to Multi-family residential (R-3) zone development standards. Therefore, activating the overlay and applying the MDR standards as a zone creates two nearly identical zones.

D. Several MDR overlay properties were activated prior to the new Smoky Hollow Specific Plan taking effect on November 1, 2018, and were shown on the City’s official zoning map as “MDR Activated.”

E. Previously activated MDR properties were rezoned as part of the Smoky Hollow update in 2018. Their current zone is now R-3 and the “MDR Activated” designation no longer exists on the zoning map.

F. For the remaining properties in the MDR overlay, activation after the effective date of this ordinance will result in the activated properties zoning becoming R-3 and the properties simultaneously being removed from the Smoky Hollow Specific Plan area.

G. On December 13, 2018, the Planning Commission held a duly-noticed hearing on the proposed Ordinance, received and considered a staff report and oral and written testimony from the public, and adopted Planning Commission Resolution No. ___ recommending that the City Council adopt the proposed Ordinance as set forth herein.
H. On __________, 2019, the City Council held a duly-noticed hearing where it
received and considered a staff report, the Planning Commission’s
recommendation, and oral and written testimony from the public.

SECTION 2: General Plan Findings. As required pursuant to Government Code
section 65860, the City Council finds that the proposed amendments to the El Segundo
Municipal Code are consistent with the General Plan as follows:

A. This ordinance makes very minor changes to zoning or development
standards in the existing MDR overlay.

B. Considering all its aspects, the proposed ordinance will further the objectives
and policies of the General Plan and will not obstruct their attainment.

SECTION 3: Zone Text Amendment Findings. In accordance with ESMC Chapter 15-
26 (Amendments), and based on the findings set forth in Sections 1 and 2, the City
Council finds that the proposed ordinance is consistent with and necessary to carry out
the purpose of the ESMC as follows:

A. The ordinance is consistent with the purpose of the ESMC, which is to serve
the public health, safety, and general welfare and to provide the economic
and social advantages resulting from an orderly planned use of land
resources.

B. The ordinance changes the future activated MDR properties from attaining a
zone of “MDR Activated” to “R-3,” which is consistent with previously
activated MDR properties, which are all currently zoned R-3.

SECTION 4: Article A of Chapter 7 of Title 15 is amended in its entirety to read as
follows:

ARTICLE A. MEDIUM DENSITY RESIDENTIAL (MDR) OVERLAY ZONE

15-7A-1: PURPOSE

A. The purpose of the medium density residential (MDR) zone is to provide for
an area within the Smoky Hollow Specific Plan area that is appropriate for
and capable of sustaining residential uses.

B. Moreover, it is the intent in identifying the long-term potential for residential
use in the area designated to establish that residential use is explicitly
excluded from the remainder of the Smoky Hollow specific plan area, except
for single caretaker dwelling units provided for elsewhere in the plan.

C. The MDR zone shall be considered a "floating zone" in that once a need is
identified, this zone can be activated. This floating zone for the Smoky Hollow
Specific Plan area attempts to recognize that future residential market forces are anticipated in certain portions of the specific plan area and sensible land use planning dictates their exact locations given adjacent land uses and proximity to arterial streets.

D. In effect, this zone is not a true "floating zone" in that it does not add more regulations over the existing Smoky Hollow East base zone. Rather, it is a "holding zone" which can be activated and used in place of the base zone.

15-7A-2: ACTIVATION

The following processes activate the MDR zone:

A. A General Plan Amendment to change the designation for proposed activated property from Smoky Hollow Specific Plan to Multi-Family Residential;

B. A Specific Plan Amendment to remove the proposed activated property from the Smoky Hollow Specific Plan; and

C. A Zone Change application to change the zone of the proposed activated property from Smoky Hollow East with MDR overlay to Multi-family Residential (R-3) without MDR overlay.

15-7A-3: DEVELOPMENT STANDARDS

The development standards that apply to the underlying base zone shall apply unless and until the MDR is activated. If the MDR is properly activated, Multi-family Residential (R-3) zoning standards shall apply to the activated property along with the following additional standards:

A. The setback along Grand Avenue shall be 30 feet minimum for properties east of Kansas Street, whether it is for a front or side yard.

B. Vehicular access to MDR activated properties may not be taken directly from Grand Avenue.

SECTION 5. California Environmental Quality Act. The City Council finds that this Ordinance does not have the potential to cause significant effects on the environment and, therefore, the project is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regs. § 15061(b)(3).

SECTION 6. Construction. This Ordinance must be broadly construed in order to achieve the purposes stated herein. 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 herein.
SECTION 7. **Severability.** If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intended 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 8. 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 a summary thereof to be published or posted in accordance with California law.
SECTION 9. This Ordinance will go into effect thirty days after its passage and adoption.

PASSED AND ADOPTED this _________ day of ______________, 2019.

______________________________
Drew Boyles, Mayor

APPROVED AS TO FORM:

By: ____________________________
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 __________ 2019, 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 ___________, 2019, and the same was so passed and adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

______________________________
Tracy Weaver, City Clerk

5
RESOLUTION NO. 2855

A RESOLUTION OF THE EL SEGUNDO PLANNING COMMISSION RECOMMENDING THAT THE CITY COUNCIL APPROVE ENVIRONMENTAL ASSESSMENT NO. EA-1231 AND ADOPT AN ORDINANCE AMENDING EL SEGUNDO MUNICIPAL CODE ARTICLE A (MEDIUM DENSITY RESIDENTIAL (MDR) ZONE) OF CHAPTER 7 (OVERLAY DISTRICTS) TO TITLE 15 (ZONING REGULATIONS) OF THE MUNICIPAL CODE

(Environmental Assessment 1231 and Zone Text Amendment 18-04)

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

SECTION 1: The Planning Commission finds and declares that:

A. Since the original Smoky Hollow Specific Plan was developed, certain properties at the northern edge of the specific plan area were designated for future conversion from commercial to residential use. These properties were designated with the Medium Density Residential (MDR) overlay.

B. The MDR overlay was designed to convert properties from the underlying base zone (formerly Medium Manufacturing, now Smoky Hollow East) to MDR at some unspecified future date.

C. The MDR overlay chapter of the ESMC contains development standards that are very closely aligned to Multi-family residential (R-3) zone development standards. Therefore, activating the overlay and applying the MDR standards as a zone creates two nearly identical zones.

D. Several MDR overlay properties were activated prior to the new Smoky Hollow Specific Plan taking effect on November 1, 2018, and were shown on the City’s official zoning map as “MDR Activated.”

E. Previously activated MDR properties were rezoned as part of the Smoky Hollow update in 2018. Their current zone is now R-3 and the “MDR Activated” designation no longer exists on the zoning map.

F. For the remaining properties in the MDR overlay, activation after the effective date of this ordinance will result in the activated properties zoning becoming R-3 and the properties simultaneously being removed from the Smoky Hollow Specific Plan area.

G. On December 13, 2018, the Planning Commission held a duly-noticed hearing on the proposed Ordinance, received and considered a staff report and oral and written testimony from the public, and adopted Planning Commission Resolution No. 2844 recommending that the City Council adopt the proposed Ordinance as set forth herein.
SECTION 2: General Plan Findings. As required pursuant to Government Code section 65860, the City Council finds that the proposed amendments to the El Segundo Municipal Code are consistent with the General Plan as follows:

A. This ordinance makes very minor changes to zoning or development standards in the existing MDR overlay.

B. Considering all its aspects, the proposed ordinance will further the objectives and policies of the General Plan and will not obstruct their attainment.

SECTION 3: Zone Text Amendment Findings. In accordance with ESMC Chapter 15-26 (Amendments), and based on the findings set forth in Sections 1 and 2, the City Council finds that the proposed ordinance is consistent with and necessary to carry out the purpose of the ESMC as follows:

A. The ordinance is consistent with the purpose of the ESMC, which is to serve the public health, safety, and general welfare and to provide the economic and social advantages resulting from an orderly planned use of land resources.

B. The ordinance changes the future activated MDR properties from attaining a zone of "MDR Activated" to R-3, which is consistent with previously activated MDR properties, which are all currently zoned R-3.

SECTION 4. California Environmental Quality Act. The City Council finds that this Ordinance does not have the potential to cause significant effects on the environment and, therefore, the project is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regs. § 15061(b)(3).

SECTION 5: Recommendation. For the foregoing reasons and based on the information and findings included in the Staff Report and the whole of the administrative record, the Planning Commission recommends that the City Council adopt the ordinance in a form substantially similar to the draft attached as Exhibit A, and incorporated into this resolution by reference.

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

SECTION 7: Limitations. The Planning Commission’s analysis and evaluation of the project is based on information available at the time of the decision. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. In all instances, best efforts have been made to form accurate assumptions.
SECTION 8: This Resolution will remain effective until superseded by a subsequent resolution.

SECTION 9: The Commission secretary is directed to mail a copy of this Resolution to any person requesting a copy.

SECTION 10: This resolution shall take effect immediately.

PASSED, APPROVED AND ADOPTED this 13th day of December, 2018.

Ryan Baldino, Chairperson
City of El Segundo Planning Commission

ATTEST:

Sam Lee, Secretary

Baldino - 
Newman - 
Wingate - 
Hoeschler - 
Keldorf - 

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

By: ________________________________
    David King, Assistant City Attorney
AGENDA DESCRIPTION:
Consideration and possible action to direct staff to enter into negotiations for an exclusive franchise to EDCO Waste & Recycling Services (EDCO) to provide automated residential and municipal solid waste hauling services. (Fiscal Impact: est. $7,620,000 over 7 years)

RECOMMENDED COUNCIL ACTION:
1. Direct staff to enter into negotiations with EDCO for an exclusive 7-year franchise agreement in a form approved by the City Attorney, with annual estimated cost of $1,088,530; or,

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

ATTACHED SUPPORTING DOCUMENTS:
- CalRecycle Letter March 22, 2017 – referral to Jurisdictional Compliance Unit
- CalRecycle Letter May 10, 2017 – 60-day conferring period for JCU
- CalRecycle Letter November 15, 2018 – Notice of Compliance Order Hearing
- EDCO Differentiators
- Solid Waste Program and Collections FAQ

FISCAL IMPACT: Included in Adopted Budget

- Amount Budgeted: $920,000
- Additional Appropriation: N/A
- Account Number(s): 001-400-4206-6206

STRATEGIC PLAN:

- Goal: 1A El Segundo provides unparalleled service to internal and external customers.
- Objective: 2 City services are convenient, efficient and user-friendly for all residents, businesses, and visitors.

ENVIRONMENTAL CONSIDERATIONS: Were Environmental Considerations factored into this purchase or policy change? YES

ORIGINATED BY: Ken Berkman, Public Works Director
Mark Hensley, City Attorney

APPROVED BY: Greg Carpenter, City Manager
BACKGROUND AND DISCUSSION:

At the July 17, 2018 meeting, the City Council directed staff to proceed with a Request for Proposals (RFP) process to procure the next Residential Solid Waste Collections services provider, as well as a Proposition 218 process that would require eligible residential dwellings to pay a maximum of $20 per month for the services. Additionally, Council directed staff to include both manual and automated services as base bid options, and to exclude 3- and 4-unit multi-family complexes from the services in accordance with the City’s municipal code, which requires the City to provide refuse service to “single-family and two-family unit residences, not including condominiums or stock cooperatives”. Council also authorized a month-to-month extension of Republic’s contract for up to six months at a rate of $16.55 per month per eligible dwelling, which will expire on April 30, 2019.

At the Sept 4, 2018 meeting, Council approved the scope of services to be included in the Residential Solid Waste Collection RFP and authorized staff to seek bids.

At the December 18, 2018 Council meeting, staff presented the proposal interview and evaluation process that resulted in a recommendation of EDCO to be offered the next 7-year contract for residential one and two-unit property services as the top-rated provider.

In the first part of the review process a panel consisting of the Public Works Director, Finance Director, General Services Manager (Public Works), Senior Management Analyst (Public Works), and the City’s Solid Waste Program Manager (Vice President) from SCS Engineers reviewed each of the proposals and evaluated them based upon a series of 33 questions specifically related to each of the key criteria of the RFP.

The results of the proposal evaluation process were as follows:

<table>
<thead>
<tr>
<th>Rater</th>
<th>EDCO</th>
<th>WM</th>
<th>RSI</th>
<th>ATHENS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>45</td>
<td>44</td>
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<td>2</td>
<td>3</td>
<td>4</td>
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Given the scoring spread, the panel invited the top three ranked proposers to continue on to the interview phase: EDCO, Waste Management, and Republic Services.

Interviews were conducted by the same panel members on November 29, 2018 in City Hall, with the addition of the City Manager, who is also a resident. They consisted of a 15-minute presentation by the proposing team followed by a series of six questions asked of all proposers. The last portion of the interview consisted of questions by panel members specific to the company’s proposal itself or follow up questions on the answers received.
At the conclusion of the interview process, the ranking of the proposers remained the same, including Rater 1 revising their ranking to also have EDCO as the top ranked firm.

Costs

The proposers completed a series of pre-populated Cost Proposal Excel spreadsheets that were provided to them once they indicated to staff they were interested in responding to the RFP. The results, which included the alternate bids, were as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Automated</th>
<th>Manual</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDCO</td>
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<td>$1,281,010.08</td>
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<tr>
<td>Waste Management</td>
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<td>$1,717,669.72</td>
</tr>
<tr>
<td>Republic</td>
<td>$1,098,641.24</td>
<td>$1,222,983.32</td>
</tr>
</tbody>
</table>

When comparing automated and manual cost proposals, EDCO’s automated bid would save the City approximately $1.35M over the course of the proposed 7-year contract. When considering the lowest cost automated provider (#1 ranked EDCO) to lowest cost manual provider (#3 ranked Republic) over the proposed 7-year contract, the City would save approximately $940,000.

Compliance and the need to provide automated services

El Segundo is the only one of 88 cities in LA County that uses curbside manual collection for its solid waste. One other city uses manual services, but it is not curbside. The hauler personnel enter private property to retrieve the waste and bring it to the truck. Automated services are safer, more effective, efficient, and cleaner, will inherently encourage residents to reduce their waste stream, and will provide a specific green waste container that can also accept organic material (food waste). The automated system will also facilitate compliance with the State’s solid waste regulations that are managed by the California Department of Resources, Recycling, and Recovery (CalRecycle).

The lack of a residential green waste program was identified as a “gap” in the City’s Solid Waste Program by CalRecycle, who placed the City in its Jurisdictional Compliance Unit (JCU, see attached letters). JCU staff conducted field visits to the City over the past year and noted residents can dispose of green waste by self-hauling to the Public Works Yard, but there was “little to no green waste material observed” at the Yard during their reviews. They also found large amounts of green waste being disposed in the residential trash containers. Providing automated green waste curbside service will address this “gap” and allow the City to more accurately report on residential green waste disposal.

Implementing an automated program in 2019 will assist the City in complying with the pending requirements of SB1383, the Short Lived Climate Pollutants (SLCP) Act. The SLCP Strategy requires California to reduce organic waste disposal 50 percent below 2014 levels by 2020 and 75 percent by 2025. The regulations are robust and require new organic waste collection, recycling and procurement programs from residents and businesses, local government, and solid waste facilities. The term organic waste includes food, green material, landscape and pruning
waste, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges.

SB1383 departs from previous recycling mandates in that it does not simply require diversion of material from landfills; rather, that diverted material must also reduce methane generation. This means certain methane-generating activities at landfills that were typically considered landfill diversion under AB939, including use of green waste as alternative daily cover, will be considered as disposal for the purposes of SB1383. The regulations to implement SB1383 have been finalized, and the formal review period will begin this month.

The implementation of SB1383 will significantly affect all stakeholders involved in the solid waste industry. The regulations are extremely prescriptive, and describe the types of service and containers that are to be provided to residents and businesses, defines what are considered contaminants in the organics containers, facilities where the organic materials are to be taken for processing, and the fines that can be imposed on the City and its residents for non-compliance. The fines could be up to $10,000/day for the City and on a graduated scale for the residents. The regulations define the minimum standards for organic waste collection services provided to residents by jurisdictions, describe the efforts the jurisdictions must engage in to reduce contaminants in the organics containers, require closed containers with lids along with container color and labeling requirements, and establish recordkeeping requirements.

The RFP was developed with the requirements of SB1383 specifically in mind, in order for the City to ensure it can maintain compliance with these new, more stringent requirements, including requiring the bidders to indicate what facilities the material would be taken to for processing, in further support of compliance with SB1383.

The existing or proposed residential manual collection services do not meet the present requirements for the City under AB939, nor will they meet the future requirements for SB1383. The manual collection service provides minimal capacity for recyclables, which results in recyclables being put into the trash containers. Furthermore, the City’s manual program provides for unlimited trash services, which does not incentivize residents to separate their recyclables and organics from their waste, also resulting in cross-contamination. While the City as a whole complies with AB939’s requirement of diverting over 50% of solid waste away from landfills, our residential program falls far short of that. In comparison to an automated system, manual collections will make it much more difficult for the City to provide a good faith, CalRecycle-compliant effort to meet residential AB939 requirements and provide a green waste collection program. This will likely require additional City staff or consultant services to provide outreach, education and monitoring of the City’s waste disposal stream and diversion rates, as well as more coordination with and oversight by CalRecycle staff. The manual collection service will not meet any of the collection requirements described in SB1383.

There have been several cities throughout California that have been fined due to non-compliance with CalRecycle’s programs, including three in Los Angeles County. Although CalRecycle has the authority to enforce penalties on non-compliant jurisdictions, CalRecycle’s intention is to partner and build relationships with its jurisdictions and help them meet the current regulation terms. As a result of the JCU’s investigation and CalRecycle hearing held on December 17, 2018, by the end of this month CalRecycle is expected to issue Compliance Order (CO) upon the City. A Local Implementation Plan (LIP) will need to be prepared and compliance, or at a
minimum "good faith efforts", must be demonstrated within a timeframe still to be determined, or fines could be levied against the City. Specifically, when a jurisdiction fails to implement the conditions of its CO, CalRecycle conducts a penalty hearing to determine whether to exercise its authority to fine the jurisdiction up to $10,000 per day. The following are examples of LA County cities that reached that point and were fined.

**City of Gardena**

At a public hearing on January 14, 2003, CalRecycle issued Compliance Order No. IWMA BR03-02 to the City of Gardena. At that public hearing, it was determined that the City achieved a 2000 diversion rate of 13 percent and had failed to make a good faith effort to implement the required programs by inadequately handling diversion of waste from its commercial sector.

At a public hearing on September 16, 2003, CalRecycle ruled that the City of Gardena failed to meet the conditions of its compliance order, and CalRecycle fined the city $70,000. The fine was equal to approximately $1,460 per day for every day the LIP was late.

**City of Cerritos**

At a public hearing on February 13, 2007, the Board issued Compliance Order IWMA BR07-02 to the City of Cerritos. At that public hearing, the Board found that the City achieved a preliminary 2004 diversion rate of 45 percent, had not sufficiently implemented solid waste diversion programs identified in its planning documents, and failed to fully implement programs in their Plan of Correction by the December 31, 2003 due date.

At a public hearing on January 23, 2008, the Board ruled that the City of Cerritos failed to meet the conditions of the CO. The Board found the City had not made a good-faith effort to implement its LIP by expanding its residential recycling, commercial collection program, and enact a construction and demolition ordinance. As a result, the Board fined the City a one-time penalty of $82,800. Furthermore, the Board voted to impose a contingent fine of $3,600 per day on the City until programs were fully implemented. The Board delegated to its Executive Director the authority to review the City’s progress in implementing the three programs and suspend the contingent fine should the City successfully complete them by March 31, 2008.

Finally, to ensure continued full program implementation, the Board imposed a potential penalty amount of $3,600 per day if the City failed to fully implement or to continue to implement its LIP tasks through March 31, 2009, resulting in a fine of $82,800.

**City of Maywood**

On July 18, 2018, CalRecycle considered the imposition of administrative civil penalties on the City of Maywood for failure to comply with Compliance Order CO 015-001. Testimony was heard and evidence submitted by both the City and CalRecycle staff. On August 6, 2018, CalRecycle determined that the City failed to comply with the CO and failed to show that it had made a good faith effort to implement its solid waste recycling programs. As part of the determination, a one-time penalty of $55,440 was imposed for failure to meet the terms of the CO. In addition, the City is required to submit and implement a revised LIP. The penalty was based upon a fine of $280 per day, beginning from the date that full compliance was to be achieved (January 1, 2018) through the date of the penalty hearing (July 18, 2018).
How does automated collection work?

Automated trash collection services has been around for decades in the US. In general, the process involves wheeling carts to the curb and placing them in the street the morning of collection day. The City’s bid package requested 95-gallon cart services as the baseline, but smaller options (64- and 32-gallons) are available at no charge to the owner. Typical manual cans have a 32-gallon capacity. Unlike the other proposers, EDCO is also offering one (1) free additional trash cart, three (3) free additional recycle, and three (3) additional organics carts to customers, thus providing an effective transition from the unlimited solid waste services that are provided today, while at the same time encouraging recycling. They will also remove customers’ existing cans at no cost as part of the transition.

As part of its proposal for El Segundo, EDCO conducted field visits and used GIS routing software to determine that collections can be reduced from the current 5-day per week to 4-day per week services, with no collections needed on Friday. Given that the carts would be required to be curbside in the street, it is most effective to have the streets swept the day after trash collections. EDCO included paying for the cost of the installation of any new street sweeping signage in its bid. As is typical in the industry, EDCO, City staff, and the City’s street sweeping contractor will coordinate the schedules to deliver maximum efficiency and minimize impacts on residents, including the duration of the no parking hours for street sweeping.

3- and 4-unit properties

There are 85 three-unit and 104 four-unit properties in the City, which will all be part of the transition and outreach process in March and April to ensure they receive the opportunity to select the best hauler for their property’s needs, including EDCO in this case, as the City Council did when the 5- and 6-unit properties were removed from the eligible residential property service list in 2011.

Why EDCO?

EDCO far surpassed the competition in the bid and interview evaluation process. The Differentiator Spreadsheet that was included in the December 18th report is provided as an attachment. It highlights what set EDCO apart from the other haulers to make them the top-ranked bidder, based upon the panel’s review of the proposals and the interviews. While the list of differentiators is extensive, there are several critical ones that need to be highlighted as the City moves forward.

1. **Collections:** only EDCO analyzed our City as part of their proposal and offered 4-day per week collections; Near Zero Renewable Natural Gas trucks; one additional trash cart and three additional recycling and three additional organics carts, at no charge. This reduces the number of days trucks are on our streets while also providing the easiest transition from the unlimited waste disposal for the residents.

2. **Compliance:** only EDCO offered to provide full compliance with all current and in-development CalRecycle regulations with no contract disclaimers or potential requests for additional compensation, and only EDCO offered an estimated compliant 53% diversion rate for our residential and City contract collections without caveats, qualifiers
or additional costs. EDCO has also proposed a robust education and outreach program. Outreach and education is another CalRecycle compliance “gap”, and requires significant enhancements from the existing efforts.

3. Billing: only EDCO has experience with combined property owner and City billing, just like our City will need to do going forward should the Council choose to commence the $20/month per eligible property service charge that was approved via the recent Proposition 218 ballot process.

4. Experience: only EDCO has the requisite experience of transitioning cities from both an existing hauler and manual, unlimited trash collections to automated cart services.

5. Customer Service: only EDCO offered text messaging communications for customers, and if the resident remains unsatisfied they can call the President of the company.

EDCO provided a detailed draft schedule in their proposal demonstrating a path from agreement execution through and beyond the anticipated May 1, 2019 service initiation date, centered around a strong public outreach and education campaign, and staff will be sure to include the 3- and 4-unit dwellings that will no longer be required to use EDCO once the new services start.

ENVIRONMENTAL CONSIDERATIONS

The recommendation to commence automated solid waste collections in the City is also based upon its inherent environmental benefits. In addition to the critical need to regain compliance with CalRecycle’s regulations noted in this report, automated services benefit the environment in several ways.

Automated collections are neater and more efficient. This is one reason EDCO can offer 4-day as opposed to 5-day collections. As noted in the differentiators, EDCO has near zero NOx emission Renewable Natural Gas (RNG) vehicles that will be used in the City, which emit much fewer pollutants than CNG vehicles, and are already compliant with future State NOx and petroleum reduction goals. In addition, fewer collection days and the closed containers that automated services provides would reduce the possibilities of vermin and small predators (such as coyotes) impacting the City in the future.

Given all the factors noted, staff respectfully recommends the City Council direct staff to enter into negotiations for an exclusive franchise with EDCO Waste & Recycling Services (EDCO) to provide automated residential and municipal solid waste hauling services. With Council’s authorization, staff will immediately commence negotiations with EDCO, and return in February seeking approval of the Franchise Agreement.
March 22, 2017

Ron Fajardo, General Services Manager
City of El Segundo
350 Main Street
El Segundo, CA 90245

Dear Mr. Fajardo:

We are writing regarding the status of CalRecycle’s review of whether City of El Segundo is in compliance with meeting AB 939 requirements. Public Resources Code (PRC) Section 41825 specifies a schedule for this review and requires CalRecycle to make a finding of whether each jurisdiction was in compliance with PRC Section 41780 during the review period. Additionally, both AB 341 and AB 1826 specifically authorize CalRecycle to conduct reviews of mandatory commercial recycling programs (PRC Section 42649.3(h)) and/or mandatory commercial organics recycling programs (PRC Section 42649.82(g)(2)) at any time.

The 2012-2015 Jurisdiction Review, which is being finalized, is CalRecycle’s independent evaluation of each jurisdiction’s progress in implementing its Source Reduction and Recycling Element (SRRE) and Household Hazardous Waste Element (HHWE) programs, in meeting the AB 939 diversion requirement, and in implementing AB 341 and AB 1826. Pursuant to AB 341 and AB 1826 (PRC Section 42649), each Jurisdiction is required to implement a Mandatory Commercial Recycling and Organics Recycling program. These laws require that your Jurisdiction conducts education, outreach, and monitoring activities annually to covered businesses and multifamily dwellings and provides an update to CalRecycle each reporting year. AB 1826 also requires that each jurisdiction address other activities, such as infrastructure, etc., and report that annually to CalRecycle.

As a result of this review, CalRecycle may find that:

1) a jurisdiction is meeting the requirements of AB 939 because:
   a. it has adequately implemented its diversion programs and has achieved the diversion requirement, including MCR; or
   b. while it has not achieved the diversion requirement, it has made a good faith effort to implement diversion programs; or
2) a jurisdiction has failed to adequately implement its SRRE, including MCR, and/or HHWE and the process should commence to consider whether issuance of a compliance order would be appropriate. Jurisdictions that fail to satisfy the
conditions of a compliance order may be subject to a fine of up to $10,000 per day.

As a result of the review, management has determined that an independent review of your jurisdiction’s programs is necessary. This review will be handled by the Jurisdiction Compliance Unit (JCU). As CalRecycle staff has previously discussed with you, the following programs have not been adequately implemented and have been identified for further review:

• Mandatory Commercial Recycling (MCR) - Although there has been some steps taken on the part of the City to implement additional monitoring to ensure covered businesses/multi-family complexes are receiving information about AB 341 and document those that are recycling, LAMD staff identified remaining gaps with regards to monitoring what education and outreach is provided to businesses by haulers, the haulers are not providing information to the City to confirm number of businesses that are subject to the law and which ones do/ do not have recycling, and the efforts to follow up with businesses not recycling is either not taking place or is unknown.

• Residential - LAMD staff have concerns regarding lack of curbside green waste collection, and whether or not a drop-off green waste program is an effective alternative. The amount of green waste collected through the drop-off program has fluctuated throughout the review cycle. In addition, monitoring of the residential program is needed to ensure residents know about program options and how to participate. In addition, the City needs to ensure its permitted haulers are providing education and outreach to multi-family residents as well as promoting recycling options to multi-family complexes.

• Commercial - LAMD staff identified issues with City’s commercial program with regards to lack of oversight over hauler activities. Haulers do not report information about their program efforts to the City. Without information about education and outreach taking place and/or tonnage information from the haulers, the City does not have adequate information to address potential issues such as lack of participation, contamination, etc. More information is needed about recycling that is taking place at public schools, as well as the total number of businesses in the City, which would assist as well in relation to monitoring of the commercial program and how to target the City’s resources.

• Construction & Demolition (C&D) – LAMD staff could not confirm that City providing project applicants any information about C&D management either through promotion of designated haulers that would divert a minimum 50% of material collected, the required use of facilities by applicants to ensure 50% of material handled will be diverted, and/or promotion of C&D management
requirements through CalGreen that would require a minimum of 50% recovery from many permitted construction and demolition projects.

- JCU will conduct an independent assessment and may determine that there are additional programs that need further evaluation. JCU will then determine whether to recommend that CalRecycle issue an Order of Compliance, as provided by PRC Section 41825. All SRRE and/or HHWE program findings will be presented for Jurisdiction compliance consideration subsequent to JCU’s completed investigation.

Staff from JCU will be contacting you directly regarding their program review process. Please direct future communications and any questions or concerns regarding this letter or the JCU review to Ms. Kathleen Marsh, JCU Supervisor, at (916) 341-6475.

Sincerely,

Jennifer Wallin, Section Manager, South Section, CalRecycle

cc: Kathy Marsh, Supervisor, CalRecycle
    Primitivo Nuñez, Supervisor, CalRecycle
    Apollo Fraidany, Environmental Scientist, CalRecycle
May 10, 2017

The Honorable Suzanne Fuentes
Mayor
City of El Segundo
350 Main Street
El Segundo, CA 90245

Subject: City of El Segundo’s Notice of 60-Day Conferring Period for Potential Compliance Enforcement

Dear Mayor Fuentes:

On March 21, 2017, the Department of Resources Recycling and Recovery (CalRecycle) made a finding that the City of El Segundo’s (City) 2012-2015 formal review of the waste diversion programs (Public Resources Code (PRC) section 41780) as well as Mandatory Commercial Recycling (MCR) law (PRC section 42649 et al.) implementation required an independent review by CalRecycle’s Jurisdiction Compliance Unit (JCU). The purpose of JCU’s independent review is to determine whether the City has complied with the requirements of PRC section 41780 and PRC section 42649 et al. Upon conclusion of this review, CalRecycle will begin the process of considering whether issuance of a compliance order would be appropriate. Jurisdictions that fail to satisfy the conditions of a compliance order could be subject to a fine of up to $10,000 per day.

The City was notified of the March 21, 2017 finding by the Local Assistance and Market Development (LAMD) Branch in a letter sent to your General Services Manager, Ron Fajardo (Attachment 1). The letter stated why an independent review of the City’s Source Reduction and Recycling Element (SRRE) and MCR implementation was going to commence.

This letter initiates the 60-day conferring period required by PRC Section 41825(c). The 60-day conferring period allows both the City and JCU an opportunity to discuss all waste diversion efforts taking place. Through the conferring period a review of all of the City’s efforts to implement waste diversion programs in addition to a review of the materials being disposed will be conducted. This review will include field evaluations of all diversion programs and the facilities processing both recyclables and disposed waste. The conferring period may last longer than 60 days; however, it must be completed prior to beginning the process to consider whether a compliance order should be issued.
A member of JCU will be contacting Ron Fajardo to arrange for an initial meeting. If you have any questions, please do not hesitate to contact me at (916) 341-6203.

Sincerely,

[Signature]

Trevor O'Shaughnessy
Jurisdiction Compliance Unit
Waste Permitting, Compliance and Mitigation Division
Department of Resources Recycling and Recovery

Attachment 1: March 22, 2107, letter to Ron Fajardo, General Services Manager

cc: Ron Fajardo, General Services Manager
    Ken Berkman, Public Works Director
    Case File
November 15, 2018

The Honorable Drew Boyles
Mayor
City of El Segundo
350 Main Street
El Segundo, CA 90245

Subject: 30-Day Notice of Intent to Issue the City of El Segundo a Compliance Order for Failure to Adequately Implement its Source Reduction and Recycling Element (SRRE) and Implement California’s Recycling of Commercial Solid Waste, referred to as the Mandatory Commercial Recycling (MCR) law

Dear Mayor Boyles:

The purpose of this letter is to formally notify the City of El Segundo (City) that the Department of Resources Recycling and Recovery (Department) will be considering issuing the City a Compliance Order at a public hearing on December 17, 2018.

Department staff conducted a review of the City’s implementation of its Source Reduction and Recycling Element (SRRE) programs and compliance with California Public Resources Code section (PRC) 41780. Department staff also reviewed the City’s implementation of, and compliance with, California’s Recycling of Commercial Solid Waste Law, referred to as the Mandatory Commercial Recycling (MCR) law (PRC sections 42649-42649.7 and Title 14 California Code of Regulations (CCR) sections 18835-18839).

Based on Department staff’s observations and information gathered, deficiencies in SRRE program implementation have been identified to include, but are not limited to:

- Commercial Diversion program (including the multi-family diversion efforts);
- Green Waste Diversion program;
- Special Collection Seasonal Events; and
- Education and outreach related to these and other City programs and efforts.

Furthermore, Department staff found that the City is failing to comply with the requirements of the MCR law. Based on Department staff’s observations and information gathered, deficiencies in program implementation have been identified to include, but are not limited to:

- The City did not implement a commercial solid waste recycling program that was designed to divert commercial solid waste from businesses within the City which are subject to PRC section 42649.2 and Title 14 CCR section 18837.
- The City did not provide documentation supporting the efforts it has taken to notify businesses and multi-family complexes of noncompliance with the MCR law (PRC section 42649.3 (d) and Title 14 CCR section 18838 (a)(2)).
- The City’s Annual Reports for the review period did not fully document the City’s progress in implementing the requirements of the MCR law (PRC section 42649.3 (g) and Title 14 CCR section 18838 (h)).
Department staff considered the good faith effort factors for SRRE (PRC section 41825(e)(1)-(5)) and MCR (PRC section 42649.3 (i)(1)(-7)) program implementation. Based on the full analysis completed, Department staff found that the City has not made a good faith effort to comply with the requirements of the law.

As part of the Compliance Order, the City would be directed to develop a Local Implementation Plan (LIP). The LIP will identify a strategy for program enhancements, and local actions necessary to enable the City to achieve the diversion requirements of PRC section 41780 and meet the requirements of the MCR law. Failure to meet the requirements of the Compliance Order may result in civil penalties of up to $10,000.00 per day.

Department staff strongly recommends that you or your City's representative attend the public hearing at which a Compliance Order will be considered. At the public hearing, the City’s representative will have an opportunity to present the City’s program implementation efforts, and/or any other special circumstances the City would like the Department to consider. The representative should also be prepared to answer any questions from the Department. The public hearing details are as follows:

**Department of Resources Recycling and Recovery Public Hearing**

Date: December 17, 2018  
Time: 1:30 pm  
Location: Joe Serna Jr., Cal/EPA Building  
Conference Room 550  
1001 I Street, 5th Floor  
Sacramento, CA 95814

The full Public Hearing packet outlining the Compliance Order will be available on our website at [https://www.calrecycle.ca.gov/PublicMeeting](https://www.calrecycle.ca.gov/PublicMeeting) ten (10) days before the Public Hearing.

Should you have any questions about this letter or the upcoming hearing, please contact Alan Ilusorio at (916) 322-1896 or Alan.Ilusorio@calrecycle.ca.gov.

Respectfully,

Trevor O'Shaughnessy, Manager  
Jurisdiction and Product Enforcement Section

cc: Ken Berkman, Director of Public Works, City of El Segundo  
Margaret Kashuba, Environmental Scientist, Department of Resources Recycling and Recovery  
Alan Ilusorio, Supervisor, Department of Resources Recycling and Recovery  
Case File
## EDCO DIFFERENTIATORS

<table>
<thead>
<tr>
<th>RFP Requirement</th>
<th>Differentiator</th>
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<tbody>
<tr>
<td>Weekly Solid Waste Collection</td>
<td>Conducted field reviews, used GIS system to propose 4-day collections, which eliminates Friday collections. Sweeping proposed for day after collections; will pay for all signage changes.</td>
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<tr>
<td></td>
<td>Invest in the latest clean-air technology (2017) Near Zero Renewable Natural Gas (RNG) trucks, which provide almost zero emissions of Nitrous Oxides (NOx). These vehicles meet the State’s 2023 NOx and 2031 petroleum reduction goals. RNG is produced from decomposed organic matter.</td>
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<tr>
<td></td>
<td>32- or 64-gallon carts can be substituted at no cost to the property owner.</td>
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<tr>
<td></td>
<td>Additional trash cart for each dwelling at no charge. Up to three additional recycling carts for each dwelling at no charge. Up to three additional organics carts for each dwelling at no charge.</td>
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<td></td>
<td>Partnership with Food Finders to recover perishable, nonperishable and prepared foods.</td>
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<tr>
<td>Compliance with CalRecycle Regulations</td>
<td>Full compliance, with no disclaimers or potential requests for contract amendments. Executive Team includes a Sustainability Manager who will work directly with City staff to ensure all information and reporting is provided.</td>
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<td></td>
<td>Diversion – EDCO does not own any landfills, so they are committed to recycling and reducing the waste stream. Their plan estimates increasing El Segundo’s diversion rate to 53.1%, without caveats, qualifiers, or additional costs.</td>
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<tr>
<td></td>
<td>Owns and operates the EDCO Recycling &amp; Transfer (ER&amp;T) facility in Signal Hill, under permit with LA County Department of Environmental Health and concurred with by CalRecycle. Five-year permit review process completed 2016.</td>
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<tr>
<td>Bulky Item Pickup</td>
<td>Primary goal to ensure materials do not go to landfills, by distributing reusable items such as sofas and mattresses to various charities and non-profits.</td>
</tr>
<tr>
<td>City Sponsored Events</td>
<td>Will provide public education to promote reduce, reuse, recycle, as well as financial and personnel support.</td>
</tr>
<tr>
<td>Bi-Annual Clean Up Weeks and Shredding Events</td>
<td>Will provide free mulch to residents.</td>
</tr>
<tr>
<td>Billing</td>
<td>Only hauler with combined property owner and agency billing experience.</td>
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<tr>
<td>Transition Plan</td>
<td>Meet with City staff weekly upon Franchise Agreement approval by Council. Two new RNG trucks are ready for our anticipated start date.</td>
</tr>
<tr>
<td></td>
<td>Already determined draft routing plans with field reviews and GIS software. All parking restriction signage replaced at zero cost to City, as necessary for new routing.</td>
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<td></td>
<td>At least six public workshops, as well as presentations at service clubs, community events, as desired.</td>
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<td></td>
<td>Hire and train additional drivers, with preference given to City residents and existing Republic drivers.</td>
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<td>Drivers will have driven each route at least five times prior to service.</td>
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EDCO DIFFERENTIATORS

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<tr>
<td>Local Applicable El Segundo Experience</td>
<td>Rancho Palos Verdes (2010) - Transition from another hauler for twice-weekly, manual, unlimited, residential solid waste collections to weekly, automated cart services. Over 45,000 cans replaced with carts.</td>
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<tr>
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<td>La Mirada (2009) - Transition from another hauler for exclusive residential, commercial, and industrial services. Over 50,000 carts replaced.</td>
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<td>Lakewood (2013; 2017) – Transition from manual service with no curbside recycling or greenwaste collection to fully automated collection. Over 30,000 carts.</td>
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<tr>
<td></td>
<td>City of Coronado (1993) – Transition from manual, unlimited, free residential service to automated, as well as combined billing of the property owners and the City. This combined billing protocol still exists today.</td>
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<td></td>
<td>Proposed EDCO executive team members were directly responsible for the transitions noted above.</td>
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<tr>
<td></td>
<td>- Steve South, President and CEO</td>
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<tr>
<td></td>
<td>- Efrain Ramirez, Senior Vice President</td>
</tr>
<tr>
<td></td>
<td>- Mark Perumean, General Manager</td>
</tr>
<tr>
<td></td>
<td>- Marty Simonoff, Director of Public Affairs</td>
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</table>

<p>| Customer Service                       | Direct text messaging communications for residents. If a customer is not ultimately satisfied, (s)he may speak to the President.                |
|                                        | 24-hour phone access with President/CEO; GM; and Director of Operations.                                                                   |</p>
<table>
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<tr>
<th>RFP Requirement</th>
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| Outreach and Education   | Dedicated internal team to promote recycling. General Manager, Director of Communications, Sustainability Manager, and Field Representative will meet with City staff quarterly to coordinate outreach materials and strategy.  
City-specific website at edcodisposal.com, including service day map and residential “diversion calculator”.  
Committed to staffing a booth at City events to distribute educational materials.  
No additional costs; included in proposal. |
| Cost                     | Lowest cost by approximately $10,000 per year under 3\textsuperscript{rd} ranked proposer and $134,000/year under 2\textsuperscript{nd} ranked proposer. |
SOLID WASTE COLLECTIONS FACTS AND FIGURES:
WHAT EL SEGUNDO RESIDENTS NEED TO KNOW
January 15, 2019 City Council Meeting

The City understands there are many questions regarding the selection of the next residential trash hauler and type of service that the City Council will be considering on January 15th, 2019. The City is providing the following to address the questions and concerns of the community.

If have any questions that are not answered below, please contact Jasmine Allen in the Public Works Department at 310-524-2365 or jallen@elsegundo.org.

Project History
At the July 17, 2018 meeting, the City Council directed staff to proceed with a Request for Proposals (RFP) process to procure the next Residential Solid Waste Collections services provider, as well as a Proposition 218 process that would require eligible residential dwellings to pay a maximum of $20 per month for the services. Additionally, Council directed staff to include both manual and automated services as base bid options, and to exclude 3- and 4-unit multi-family complexes from the services in accordance with the City’s municipal code, which requires the City to provide refuse service to “single-family and two-family unit residences, not including condominiums or stock cooperatives”.

At the Sept 4, 2018 meeting, Council approved the scope of services to be included in the Residential Solid Waste Collection RFP and authorized staff to seek bids.

At the December 18, 2018 Council meeting, staff presented the proposal interview and evaluation process that resulted in a recommendation that EDCO be offered the next 7-year contract for residential one and two-unit property services as the top-rated provider.

Frequently Asked Questions

Q: How were the proposals rated?

A: The proposals were evaluated based upon a series of 33 questions specifically related to each of the key criteria of the RFP.
### Proposal Scores and Ranking

<table>
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<tr>
<th>Rater</th>
<th>EDCO</th>
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<th>RSI</th>
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Given the scoring spread, the panel invited the top three ranked proposers to continue on to the interview phase: EDCO, Waste Management, and Republic Services.

**Q: Who conducted the interviews?**

A: The interview panel consisted of the City Manager (El Segundo resident), the City’s Public Works Director, Finance Director, General Services Manager (Public Works), Senior Management Analyst (Public Works), and the Solid Waste Program Manager (Vice President) from SCS Engineers.

**Q: What is the cost comparison of manual vs. automated service over the proposed 7-year contract?**

A: When considering the lowest cost automated provider (#1 ranked EDCO) to lowest cost manual provider (#3 ranked Republic) over the proposed 7-year contract period, the City would save approximately $940,000 by choosing the automated provider.

**Q: How many other cities in LA County use manual service?**

A: El Segundo is the only city in LA County that uses curbside manual collection for its solid waste. Only one other city uses manual services, but they are not curbside collections – hauler staff actually go onto private property to get the trash.

**Q: Why Automated?**

A: Automated services are safer, more effective, efficient, and cleaner, will encourage residents to reduce their waste stream, and will provide a specific green waste container that can accept organic material (food waste). The automated system will facilitate compliance with the State’s solid waste regulations that are managed by the California Department of Resources, Recycling, and Recovery (CalRecycle).

**Q: Can the City be fined if it does not comply with CalRecycle’s regulations?**

A: Yes, and fines for non-compliance can be up to $10,000 per day. The lack of a residential green waste program was identified as a “gap” in the City’s Solid Waste Program by CalRecycle. Implementing an automated program in 2019 will provide a residential green waste program and assist the City in complying with the pending CalRecycle requirements.

**Q: How large will the automated carts be?**

A: The City’s bid package requested 95-gallon cart services as the baseline, but smaller options (64- and 32-gallons) are available at no charge to the owner. The carts have wheels and lids so they are easy to move and provide much greater containment of trash, which subsequently reduces the potential for animal intrusions.
Q: How many carts will each household receive?

A: Three (3), at a minimum. If selected, EDCO is also offering one (1) free additional trash cart, three (3) free additional recycle carts, and three (3) additional organics carts to customers, thus providing the easiest transition from the unlimited solid waste services that are provided today, while at the same time encouraging recycling. They will also remove customers’ existing cans, if requested, at no cost as part of the transition.

Q: What will happen to the 3- and 4-unit properties?

A: There are 85 three-unit and 104 four-unit properties in the City, which will all be part of the transition and outreach process in March and April to ensure they receive the opportunity to select the best hauler for their property’s needs.

Q: Will we still have the City Yard trash and recycling drop-off?

A: Yes.

Q: Can automated trucks use the City’s narrow streets and alleys?

A: Yes. Many cities have narrow streets and alleys that are served by automated collection. As long as the truck can fit down the street, they can pick up the carts. As the trash and recyclables are picked up presently on those streets and alleys, there will not be any difference with an automated system. The automated trucks are similar size to the current ones being used to manually collect within the City.

Q: How will special event trash and large pick-ups be handled?

A: The following services will continue under the proposed contract:

- Four bulky item pick-ups per year (six items per pickup maximum)
- Bi-Annual Clean-Up Weeks and Shredding Events
- Holiday tree collection
- Abandoned item collection in public right-of-way

Q: How will residents manage Amazon and other large boxes?

A: If the boxes are too large, you can break down the boxes to fit into the recycle cart. If EDCO is selected, residents can also request up to three (3) free additional recycle carts.

Q: Do we have to go automated? Can we stay manual? If so – how would green waste work?

A: The City could continue manual collections; however, the City will not be able to achieve compliance with the State’s current and pending laws. While the City as a whole complies with AB939’s requirement of diverting over 50% of solid waste away from landfills, our residential program falls far short of that. Unlimited manual service, which has been proven to be contaminated (green, trash and some recycle in cans together) by CalRecycle’s audit, will not be compliant. With manual service, residents would need to provide their own containers for trash and organics/green waste. SB1383 is a new organics disposal law; the regulations to implement SB1383 are expected to be approved early this year and require compliance in 2022. It is different than previous laws in that “generators”, which include single-family homeowners, can be fined directly by the State for non-compliance, not just cities.
Q: Is there a third truck with green waste pickup?
A: Yes.

Q: How many days per week would EDCO pick up vs. Republic? How many do we currently have?
A: EDCO proposed 4-day collections Monday – Thursday. We currently are on a 5-day Monday to Friday cycle for residential collection with Republic.

Q: Where do automated carts get placed – in the street or on the sidewalk? How does this impact parking? What is going to happen with the street sweeping schedule?
A: Carts would be placed in the street at the curb for collection. The carts could take up curb or driveway area until the collection occurs and the carts are retrieved, depending on each individual’s preference. Vehicles could be parked on the street and carts placed next to them or in front of the owner’s driveway, or vehicles could be parked in driveways and carts placed at the curb.

Street sweeping is most effective with no parking regulations after trash collection day, but this is something the City will review and program with the selected hauler and our street sweeping contractor to maximize efficiency and minimize impacts on residents. EDCO included paying for new no parking signage in their bid.

Q: How was Republic going to handle green waste with manual?
A: As requested in the RFP, via owner-provided containers.

Q: Will Republic employees be offered employment if the City chooses EDCO?
A: Yes, that was a request in the RFP. EDCO said not only drivers, but “any displaced” employees from the previous hauler would be offered employment. For drivers, EDCO stated City residents and existing drivers would have a “hiring preference”.

Please watch a short video to see the difference between the Automated vs. Manual collection methods:  https://youtu.be/TsJjiKuNs4o (https://youtu.be/TsJjiKuNs4o)

More Questions? Please contact Jasmine Allen at Public Works Dept. 310-524-2365 or jallen@elsegundo.org.
AGENDA DESCRIPTION:
Rescission of Brown Act Commitment - In Accordance with Government Code Section 54960.2 (e), consideration and possible action to rescind the commitment made by the City Council on November 5, 2013, not to hold further closed session meetings regarding real property negotiations with regard to ECenterCal, LLC’s (“CenterCal”) proposal to enter into a Ground Lease Agreement to lease the driving range portion of the Lakes Golf Course from the City for the purpose of developing a Topgolf facility. (Fiscal Impact: unknown – depends on whether legal proceedings are commenced.)

RECOMMENDED COUNCIL ACTION:
1. Rescind the commitment made by the City Council on November 5, 2013, to not hold further closed session meetings regarding real property negotiations with regard to CenterCal’s proposal to enter into an Agreement to lease the driving range portion of the Lakes Golf Course from the City for the purpose of developing a Topgolf facility; or
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. November 5, 2013, Staff Reports (with attachments); and,

FISCAL IMPACT: Unknown – depends on whether legal proceedings are commenced

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STRATEGIC PLAN: N/A

ORIGINATED BY: Mark D. Hensley, City Attorney
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

As the Council is aware, the Ralph M. Brown Act is a state law that ensures that deliberations and actions of local public agencies are performed at meetings open to the public. (Gov. Code § 54950.) There are, however, certain exceptions to the general requirement that all meeting be held in public. For example, the City Council is authorized to meet in closed session to discuss with a real property negotiator regarding the price and terms of payment for the lease of City real property. (Gov. Code § 54956.8.)

In October 2013, the City Clerk’s office received letters from attorney Deborah Geist alleging that the City Council had violated various provisions of the Brown Act when it considered the future of The Lakes municipal golf course. The letters were the first step needed to file a lawsuit against the City for alleged violations of the Brown Act. Upon receiving such a letter, state law allows
the public agency 30 days within with to consider the matter and, if it chooses, respond with an unconditional commitment to cease, desist from, and not repeat the past action that is alleged to violate the Brown Act. Making such a commitment prevents the complaining party from filing a lawsuit.

On November 5, 2013, the City Council approved an agreement with Ms. Geist not to hold further closed session meetings regarding real property negotiations with regard to ESCenterCal, LLC’s (“CenterCal”) proposal to enter into a Ground Lease Agreement to lease the driving range portion of the Lakes Golf Course from the City for the purpose of developing a Topgolf facility.

The November 5, 2013, staff report and attachments provide the details regarding Ms. Geist’s allegations of Brown Act violations and the City’s response to same. As noted in the City’s October 30, 2013, letter to Ms. Geist, it did not appear that the City Council had committed any Brown Act violations. But in order to avoid unnecessary litigation, particularly since the City understood the negotiations with CenterCal at the time were completed, the Council approved staff’s recommendation to issue the commitment that it would not hold further closed session meetings regarding real property negotiations as described above.

On December 11, 2018, as required by state law, the City Manager sent a letter to Ms. Geist advising her that this item would be included on the City Council’s January 15, 2019, agenda. A copy of the letter to Ms. Geist is attached. Pursuant to state law, this item must be considered as a non-consent agenda item and, if passed by a majority of the members of the City Council, would rescind the prior commitment made by Council and the Council could then schedule a closed session meeting to discuss different lease payments or payment terms with CenterCal. If the Council does rescind its commitment, it would restore Ms. Geist’s rights (as well as any other interested party’s right, including the District Attorney’s), if any, to commence a legal action for alleged Brown Act violations. Given that the Council will likely need to have some closed session discussions re the potential CenterCal/TopGolf project, this matter is being addressed at this time.

At this point in time it is not clear that the Council has to rescind the prior action to be able to meet in closed session due to the lengthy passage of time since the prior Council took action and because all of the members that allegedly committed a Brown Act violation are no longer on the Council. The City Attorney’s Office attempted to contact Ms. Geist to see if she would agree that this proposed action was not necessary, but she did not respond to the City Attorney’s Office. With this said, it would be most prudent to take action to rescind the prior Council action.
EL SEGUNDO CITY COUNCIL

AGENDA STATEMENT

AGENDA DESCRIPTION:

Consideration and possible action to authorize the Mayor to execute a letter in response to a "cease and desist" letters received on October 1, 2013 and October 17, 2013 from Debra Geist alleging various violations of the Ralph M. Brown Act relating to City's negotiations to lease out a portion of "the Lakes" golf course. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:

1. Receive and file the letters dated October 1, 2013 and October 15, 2013 alleging various violations of the Ralph M. Brown Act;
2. Authorize the Mayor to execute the draft response letter;
3. Take such additional, related, action that may be desirable.

ATTACHED SUPPORTING DOCUMENTS:

1. Letter dated October 15, 2013 (received October 17, 2013);

FISCAL IMPACT: N/A

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

ORIGINATED BY: Mark D. Hensley, City Attorney
Karl H. Berger, Assistant City Attorney

BACKGROUND AND DISCUSSION:

On October 1, 2013 and October 17, 2013, the City Clerk's office received letters alleging that the City Council violated various provisions of the Ralph M. Brown Act when it considered the future of "the Lakes" municipal golf course (see attached Exhibit A – the letters are identical except for with respect to the dates set forth on the letters). These are referred to as the "October 2013 Letters."

As the City Council is aware – and is quite public – the City was approached by two private companies in 2012 regarding a proposal for the Lakes municipal golf course. In general, the proposal is for Centercal, LLC to make various improvements to the golf course and the driving range; for Top Golf to operate the golf course; and for the City to receive a significant increase in rent over a period of potentially fifty years. The details of this deal is set forth in the due diligence and lease agreement that is being considered by the City Council as a separate agenda item for November 5, 2013.

Since first being approached by these companies, the City Council undertook a number of actions to not only negotiate potential deal points to implement a proposal (as set forth in the
draft lease agreement), but also to solicit public input and dialogue regarding the desirability of undertaking such an arrangement. Such activities include, without limitation:

- Public meetings by the City Council and Golf Course Subcommittee in August 2012 regarding the Lakes including a Powerpoint presentation regarding the proposal and direction from the City Council to seek public input.

- Meetings in September 2012 between City staff and various community organizations including the El Segundo Chamber of Commerce and Kiwanis Club.

- Multiple meetings before the City’s Recreation and Parks Commission in September and December 2012.


- Posting the Powerpoint® presentation, draft schematics, and other matters on the City’s website (elsegundo.org/news/displaynews.asp?NewsID=1149&TargetID=1).

- Posting all disclosable public communications regarding the Lakes matter on the City’s website (www.elsegundo.org/depts/cityclerk/documents.asp).

Moreover, these proposals were widely publicized in the media and on various social networks (e.g., Facebook). And, as a result, there was significant public participation in the process including regular public comment during City Council meetings.

The October 2013 Letters do not acknowledge the City Council’s effort to solicit public input regarding the Lakes or the widespread public interest in the subject. Rather, the October 2013 Letters allege that the City Council violated the Brown Act when it discussed the matter in closed session on several occasions in 2012 and 2013.

As you are aware, the California Legislature enacted the Ralph M. Brown Act (Government Code1 §§ 54950-54963) in 1953. The Legislature adopted the Brown Act to ensure that deliberations and actions of local public agencies are performed at meetings open to the public and free from any veil of secrecy.2 To further this overall goal, the Brown Act requires that the City’s meetings be properly noticed and generally open to the public.

There are certain exceptions to the general requirement that all meetings be held in public. These are referred to as “closed session” matters. One of these is the ability for the City Council to meet

“with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the local agency to grant authority to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease.”3

1 Further references to an unspecified code are to the Government Code.
2 § 54950.
3 § 54956.8 (emphasis added).
The October 2013 Letters makes various complaints regarding the City Council exercising its ability to discuss price and terms of leasing the Lakes during closed session. In summary, these allegations are: (1) failure to appoint real property negotiators in open session as required by the Brown Act; (2) incorrect agenda descriptions as to closed session items; and (3) discussing items in closed session beyond the scope of what the Brown Act allows.

The October 2013 Letters is the first step needed to file a lawsuit against the City for alleged violations of the Brown Act. In sum, the law requires a persons seeking to enforce the Brown Act to first send a “cease and desist” letter to a public agency within nine months of the alleged violations before filing a lawsuit. Upon receiving a “cease and desist” letter, the public agency has thirty days within which to consider the matter and, if it chooses, respond with “with an unconditional commitment to cease, desist from, and not repeat the past action that is alleged to violate” the Brown Act. Such a response must be approved by the legislative body in open session and be substantially in a form required by law. If the legislative body opts to undertake such a response, it removes the ability of a person to file a lawsuit.

As noted more completely in the draft letter attached to this staff report, several of the alleged violations occurred more than nine months ago and are therefore time-barred from litigation. Moreover, all of the closed session agenda descriptions correctly identified the City’s real property negotiators and described what was being discussed. Most importantly, however, the City Council has not yet committed to taking any action – the draft lease agreement properly contemplated during closed session is a separate agenda item for this meeting. And, as set forth in that draft agreement, there are multiple matters that must be resolved – in open session – before the City (or any other party) is obligated to undertake any real property transaction.

However, in order to avoid potentially unnecessary and costly litigation, it is recommended that the City Council authorize the Mayor to execute the draft letter attached to this staff report (Exhibit B). As may be read, the draft letter constitutes the City Council’s “unconditional commitment” not to undertake the actions identified by the October 2013 Letters. Under the Brown Act it is specifically recognized that sending this type of response is not an admission of guilt and it cannot be used against the City in any future legal proceedings. Given that this matter, as described above, has been a very public process and since the draft agreement is on the agenda for public consideration by the Council, it seems very prudent to simply agree, without admitting fault or that such occurred, to not undertake any further alleged action that violates the Brown Act. This will ensure that the City avoids the need to defend against a lawsuit alleging that the City Council violated the Brown Act.

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4 § 54960.2.
5 The City Council may also provide such a response after thirty days, and even during litigation, which would cause a lawsuit to be dismissed. However, the court could under such circumstances award attorneys fees and costs (§ 54960.2(b)).
6 § 54960.2(c).
7 Id.
8 Id.
Exhibit A

October 1, 2013 and October 15, 2013 Letters
Via Personal Delivery

Hon. Bill Fisher, Mayor
Mr. Carl Jacobson, Mayor Pro Tem
Ms. Suzanne Fuentes
Mr. Dave Atkinson
Ms. Marie Fellhauer

City Council
City of El Segundo
350 Main Street,
El Segundo, CA 90245

Re: Demand to Cease and Desist from Practices Violating the Ralph M. Brown Act

Mr. Fisher and Members of the El Segundo City Council:

This notice is to caution you that the El Segundo City Council (the “ESCC”) has violated the Ralph M. Brown Act (California Government Code Sec. 54050 et.seq.), which mandates open and publicized meetings of local government at which the public may be present and comment on relevant matters. ESCC is abusing the “safe harbor” provisions of Government Code Section 54955.8, which allow a limited exception to the general mandate of open meetings only “to grant authority to its negotiator regarding the price and terms of payment for... (a real property lease).” The specific violations are as follows:

1. Conducting Closed Sessions On The Proposed Lease of The Lakes Prior to a Public Hearing

On three separate occasions, June 19, 2012, June 25, 2012 and June 17, 2012, the ESCC conducted closed sessions for the stated purpose of discussions with Greg Carpenter, City Manager, concerning The Lakes, a municipal golf course owned by the City of El Segundo. Although the stated purpose of such meetings, as noted on the relevant Agendas, was “discussion with Real Property Negotiator”, ESCC had not yet conducted a public session as required by Government Code Section 54955.8 as follows:

However, prior to the closed session, the legislative body of the local agency shall hold an open and public session in which it identifies the real property...which the negotiations may concern and the person or persons with whom its negotiator may negotiate.

Additionally, the relevant Agendas fail to identify the persons or entities Mr. Carpenter would negotiate with. These meetings patently fall outside the “safe harbor” and are illegal.

2. Conducting Closed Sessions with Top Golf on Related Issues

On two separate occasions, February 5, 2013, February 19, 2013, the ESCC conducted closed sessions with Mr. Carpenter relating to Top Golf and Centercal Properties as “negotiating parties.” However, the proposed lease is with Centercal only. The City of El Segundo will have no contractual privity with Top Golf, who will sublet from Centercal to operate a golf entertainment business at The Lakes. ESCC was not negotiating a real property lease with Top Golf but rather consulting with Top Golf regarding lease issues. The Brown Act mandates that ESCC conduct any such consultations in public meeting because the “safe harbor” provision pertains only to the proposed lessee on price and terms of payment. Consultations with other parties on “related issues” or “background issues” are outside the scope of the exception. See, Shapiro v. City Council of San Diego, 96 Cal. App. 4th 904 (2002).

3. Conducting Serial Closed Sessions on Matters Outside Payment and Terms of Payment

On eight separate occasions, February 5, 2013, February 19, 2013, May 7, 2013, August 6, 2013, August 20, 2013, September 3, 2013, September 17, 2013, and October 1, 2013, the ESCC conducted closed sessions with Mr. Carpenter relating to the lease with Centercal Properties as the negotiating party. The number of closed sessions alone is excessive and proves that the ESCC has trespassed beyond the “safe harbor” of price and terms of payment. This situation is analogous to Shapiro v. City Council of San Diego.
96 Cal. App. 4th 904 (2002), where the Court of Appeal held that the San Diego Council had violated the Brown Act in including discussion of a variety of "related issues" in a series of closed session held to consult with its agent in real property negotiations concerning a large redevelopment project to create a new baseball park. The Fourth District faulted the San Diego Council's expansive interpretation of the "safe harbor" as follows:

We believe the City Council's view that no detailed disclosures should be required before closed sessions may be held to discuss a complex overall real estate based transaction is inconsistent with the express statutory requirements of section 54946.8.

The Fourth District stressed that the "safe harbor" must be narrowly and not expansively construed as follows:

If we were to accept the City's interpretation of the Brown Act in this respect, we would be turning the Brown Act on its head, by narrowly construing the open meeting requirements and broadly construing the statutory exceptions to it. That would be incorrect. We do not denigrate the important consideration of confidentiality in negotiations. However, we believe that in this case, the City Council is attempting to use the Brown Act as a shield against public disclosure of its consideration of important public policy issues, of the type that are inevitably raised whenever such a large public redevelopment real estate based transaction is contemplated. The important policy consideration of the Brown Act, however, must be enforced, even where particular transactions do not fit neatly within its statutory categories.

Id. at 924. Here, as in Shapiro, ESCC is using closed sessions to shield important development considerations from public view. The sheer number of closed sessions, in contrast to the single open session on the proposed lease, proves that ESCC is shirking its duty to conduct open sessions on matters of public interest that will substantially impact The Lakes future. Indeed, ESCC has disclosed relatively nothing in open sessions regarding its relationship with Centercal, Centercal's relationship with Top Golf, proposed physical changes to the golf course, proposed physical changes to the driving range, price increases, public programs, changes to the liquor license and more. Members of the public are demanding to be heard on these issues but have been relegated to bystanders in a closed process zealously guarded by ESCC against its public responsibilities under the Brown Act.

4. Substantively Misleading Agenda Description

On August 21, 2012, the ESCC conducted a single public session on the proposed lease of The Lakes which generally describes the Agenda as a direction to staff as follows:

Consideration and possible action to direct staff to take steps necessary to seek input from various City Committees regarding a potential agreement with Centercal Properties, LLC for enhancing the driving range and dining facilities at The Lakes Golf Course which would be operated by Top Golf. The agreement would be negotiated by the City Manager and City Attorney and presented for review and potential approval by the City Council at a future date.

This description is inaccurate because it states that the ESCC was to direct staff regarding future action when, in fact, the ESCC contemplated and took immediate action to direct Mr. Carpenter to enter into negotiations with Centercal regarding a lease of The Lakes. While the Brown Act requirements for agenda item descriptions are quite lenient, this item just fails to describe the action taken by ESCC to immediately enter into a proposed lease. It's just wrong. The significance of the misdescription is magnified by the fact that this was the only open discussion on the proposed lease and therefore, it was imperative that the ESCC accurately convey notice to the public of what ESCC intended to do. Without such clear notice, those members of the public who might well have attended the meeting to address a proposed decision immediately to proceed with lease negotiations were misled into believing that there would be adequate opportunities to do so later, at meetings of either the "City Committees," the City Council or both. The ESCC failed its duties under the Brown Act and should be enjoined from proceeding further absent a material cure.
The El Segundo City Council has thirty days from receipt of this letter to provide me with an unconditional commitment to cease, desist from, and not repeat the practices noted above, compliant with Government Code Section 54960.2, subdivision (c). Its failure to do so will entitle me to file an action for declaratory judgment and injunctive relief and for attorney's fees and costs.

Respectfully,

Debra V. Geist
(310) 489 7751
clegeist@verizon.net
October 15, 2013

Via U.S. Mail

Tracy Sherrill Weaver
City Clerk
City of El Segundo
350 Main Street,
El Segundo, CA 90245

Hon. Bill Fisher, Mayor
Mr. Carl Jacobson, Mayor Pro Tem
Ms. Suzanne Fuentes
Mr. Dave Atkinson
Ms. Marie Fellhauer

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We believe the City Council’s view that no detailed disclosures should be required before closed sessions may be held to discuss a complex overall real estate based transaction is inconsistent with the express statutory requirements of section 54946.8.

The Fourth District stressed that the "safe harbor" must be narrowly and not expansively construed as follows:

If we were to accept the City’s interpretation of the Brown Act in this respect, we would be turning the Brown Act on its head, by narrowly construing the open meeting requirements and broadly construing the statutory exceptions to it. That would be incorrect. We do not denigrate the important consideration of confidentiality in negotiations. However, we believe that in this case, the City Council is attempting to use the Brown Act as a shield against public disclosure of its consideration of important public policy issues, of the type that are inevitably raised whenever such a large public redevelopment real estate based transaction is contemplated. The important policy consideration of the Brown Act, however, must be enforced, even where particular transactions do not fit neatly within its statutory categories.

Id. at 924. Here, as in Shapiro, ESCC is using closed sessions to shield important development considerations from public view. The sheer number of closed sessions, in contrast to the single open session on the proposed lease, proves that ESCC is shirking its duty to conduct open sessions on matters of public interest that will substantially impact The Lakes future. Indeed, ESCC has disclosed relatively nothing in open sessions regarding its relationship with Centercal, Centercal’s relationship with Top Golf, proposed physical changes to the golf course, proposed physical changes to the driving range, price increases, public programs, changes to the liquor license and more. Members of the public are demanding to be heard on these issues but have been relegated to bystanders in a closed process zealously guarded by ESCC against its public responsibilities under the Brown Act.

4. Substantively Misleading Agenda Description

On August 21, 2012, the ESCC conducted a single public session on the proposed lease of The Lakes which generally describes the Agenda as a direction to staff as follows:

Consideration and possible action to direct staff to take steps necessary to seek input from various City Committees regarding a potential agreement with Centercal Properties, LLC for enhancing the driving range and dining facilities at The Lakes Golf Course which would be operated by Top Golf. The agreement would be negotiated by the City Manager and City Attorney and presented for review and potential approval by the City Council at a future date.

This description is inaccurate because it states that the ESCC was to direct staff regarding future action when, in fact, the ESCC contemplated and took immediate action to direct Mr. Carpenter to enter into negotiations with Centercal regarding a lease of The Lakes. While the Brown Act requirements for agenda item descriptions are quite lenient, this item just fails to describe the action taken by ESCC to immediately enter into a proposed lease. It’s just wrong. The significance of the misdescription is magnified by the fact that this was the only open discussion on the proposed lease and therefore, it was imperative that the ESCC accurately convey notice to the public of what ESCC intended to do. Without such clear notice, those members of the public who might well have attended the meeting to address a proposed decision immediately to proceed with lease negotiations were misled into believing that there would be adequate opportunities to do so later, at meetings of either the "City Committees," the City Council or both. The ESCC failed its duties under the Brown Act and should be enjoined from proceeding further absent a material cure.

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The El Segundo City Council has thirty days from receipt of this letter to provide me with an unconditional commitment to cease, desist from, and not repeat the practices noted above, compliant with Government Code Section 54960.2, subdivision (c). Its failure to do so will entitle me to file an action for declaratory judgment and injunctive relief and for attorney's fees and costs.

Respectfully,

Debra V. Geist
(310) 489 7751
citegeist@verizon.net
Exhibit B

Draft Response Letter
October 30, 2013

Debra V. Geist
121 16th St
Manhattan Beach, CA 90266

Re: Letter dated October 15, 2013

Dear Ms. Geist:

Thank you for your letter dated October 15, 2013 (received by the City on October 17, 2013). As you are aware, that letter (the “October 15th Letter”) alleges that the City Council violated the Ralph M. Brown Act and constitutes a “cease and desist” letter in accordance with Government Code § 54960.2.

Specifically, the October 15th letter accuses the City Council of violating the Brown Act on the following dates: June 19, 2012; June 25, 2012; July 17, 2012; August 21, 2012; February 5, 2013; February 19, 2013; May 7, 2013; August 6, 2013; August 20, 2013; September 3, 2013; September 17, 2013, and October 1, 2013. In sum, the October 15th letter alleges that the City Council’s actions relating to the municipal golf course known as “the Lakes” violated the Brown Act as follows: (1) failure to appoint real property negotiators in open session; (2) incorrect agenda descriptions as to closed session items; and (3) discussing items in closed session beyond the scope of statutory authority. In short, the City Council disagrees with the October 15th letter for several different reasons.

First, as to alleged violations occurring in 2012, these matters are time-barred pursuant to Government Code § 54960.2(a)(2). That section requires actions to be undertaken within nine months of the alleged violation.

Second, (as stated in the October 15th letter at p.2) the City Council (at the latest) did appoint real property negotiators in open session on August 21, 2012 pursuant to Agenda Item No. F9:

“Direct the City Manager and City Attorney to negotiate terms...”
of a [sic] agreement with Centercal Properties, LLC for a new TopGolf facility to be located at The Lakes in place of the existing driving range."

Moreover, the City Manager was identified on every agenda as the property negotiator for these negotiations. The City Manager has general authority pursuant to El Segundo Municipal Code § 1-5A-7 to "exercise general supervision over all public buildings, public parks and all other public property which is under the control and jurisdiction of the city council." The City Council believes this would include (at a minimum) initial negotiations regarding potentially leasing the Lakes. As previously noted, however, these matters are time barred in any event.

Third, as explained below, it is plain that the City Council's considerations regarding the Lakes were (and are) quite public. Even a cursory glance at the City's webpage, staff reports, and other public outreach documents demonstrate that the City Council sought (and continues to seek) public input regarding what should happen with the municipal golf course. Allegations, therefore, that the City Council was misleading or has somehow attempted to avoid transparency as to the Lakes matter cannot be reconciled with the City's efforts at encouraging public discourse regarding this important matter.

As you know, the City Council is considering whether to lease a portion of the Lakes municipal golf course to a private company or companies. As part of this process, the City is engaged in an extensive public outreach program seeking public participation. Among other things, the City undertook the following actions:

- August 21, 2012: the City Council heard a presentation regarding the Lakes during open session and then directed the City Manager, or designee, to seek public input regarding a potential agreement with Centercal and Top Golf.
- August 29, 2012: the City Council's Golf Course Subcommittee met in public to discuss the matter.
- September 13, 2012: City staff made a presentation to the El Segundo Chamber of Commerce.
- September 18, 2012: City staff met at the El Segundo Public Library with golf industry stakeholders.
- September 19, 2012: City staff made a presentation to the City's Recreation and Parks Commission during its regular meeting.
- September 25, 2012: City staff made a presentation to the Kiwanis Club.
- October 3, 2012: City staff provided a progress update to the City Council's Golf Course Subcommittee.
October 4, 2012: City staff made a presentation at the Rotary Club meeting.

October 11, 2012: a presentation regarding the matter was made to the City's Planning Commission during its regular meeting.

October 11, 2012: City staff made a presentation to the City's Economic Development Advisory Council.

November 18, 2012: the El Segundo Chamber of Commerce voted to endorse/support the Top Golf matter.

December 5, 2012: the City Council's Golf Course Subcommittee reviewed the matter.

December 19, 2012: the Recreation and Parks Commission reviewed the findings and analysis.

Between October and November 2012, City staff met with most business oriented hotels within the City of El Segundo.

The City posted the Powerpoint® presentation, draft schematics, and other matters on the City's website (elsegundo.org/news/displaynews.asp?NewsID=11449&TargetID=1).

The City has posted and (continues to post) all disclosable public communications regarding the Lakes matter on the City's website (www.elsegundo.org/depts/cityclerk/documents.asp).

Such proactive actions are in addition to the multiple opportunities taken by interested citizens to provide public comment to the City Council during its regular meetings. This matter is also being extensively scrutinized by media coverage (see e.g., www.easyreadernews.com/74699/residents-assail-topgolf; www.dailybreeze.com/20121105/local-golfers-balk-at-proposed-changes-to-the-lakes-in-el-segundo-course) and various social media outlets.

Based upon the foregoing, the City Council respectfully disagrees with the allegations set forth in the October 15th Letter as to purported violations of the Brown Act. Moreover, as you can see from the Due Diligence and Lease Agreement ("Agreement") that the Council will consider approving at its November 5, 2013 regular meeting, the alleged Brown Act violations set forth in the October 15th Letter are without merit. There are twelve specific conditions precedent that must be accomplished before a leasehold interest could be created. Accordingly, the City is not committed to entering into the draft Agreement since there are numerous issues that must be resolved in public meetings before the Planning Commission and City Council before any leasehold could be established. Such matters include review and potential approval of a conceptual plan for the golf course and the driving range improvements; review and potential approval of...
a recommended action under the California Environmental Quality Act; review and potential approval of the land use entitlements that would be needed to allow for the uses contemplated by the draft Agreement; and many other items that identified in the draft Agreement.

However, in an abundance of caution, to avoid unnecessary litigation, and without admitting any violation of the Ralph M. Brown Act, the El Segundo City Council unconditionally commits that it will cease, desist from, and not repeat the actions challenged in the October 15th Letter and briefly described above.

Note that the El Segundo City Council may rescind this commitment only by a majority vote of its membership taken in open session at a regular meeting and noticed on its posted agenda as “Rescission of Brown Act Commitment.” You will be provided with written notice, sent by any means or media you provide in response to this message, to whatever address or addresses you specify, of any intention to consider rescinding this commitment at least 30 days before any such regular meeting. In the event that this commitment is rescinded, you will have the right to commence legal action pursuant to Government Code § 54960(a). That notice will be delivered to you by the same means as this commitment, or may be mailed to an address that you have designated in writing.

Very truly yours,

Bill Fisher,
Mayor
December 11, 2018

Debra V. Geist
121 16th Street
Manhattan Beach, California 90266

Re: Notice of El Segundo City Council Meeting to Potentially Rescind Unconditional Commitment (pursuant to Gov. Code § 54960.2(e))

Dear Ms. Geist,

Please take notice that the El Segundo City Council will consider a “Rescission of Brown Act Commitment” as a regular agenda item at its regular meeting on January 15, 2019. Should the City Council decide to rescind its unconditional commitment made in 2013, you will have the right to commence legal action in accordance with the Ralph M. Brown Act.

As you know, on November 5, 2013, the City Council, in response to your demand letters of October 1st and 15th, 2013, agreed to cease and desist from engaging in the alleged Brown Act violations pertaining to certain closed session meetings pursuant to Government Code § 54960.2. Your allegations related to closed sessions in which the City Council had engaged regarding real property negotiations relating to the City leasing a portion of the Lakes Golf Course to ES CenterCal, LLC, for purposes of having a Topgolf facility operated on the property.

The City Council is currently holding open session meetings to discuss and potentially provide direction to staff regarding how it wants to proceed with the Lakes Golf Course and a possible lease agreement with CenterCal for the Topgolf facility. This issue was discussed most recently in open session at the City Council’s November 6, 2018, Regular Meeting at which the Council directed staff to negotiate with CenterCal and Topgolf and to commence the entitlement process for the future use of the property.
Letter to Ms. Geist
December 11, 2018
Page 2 of 2

Please note that the City reaffirms its position stated in prior correspondence to you: this matter is thoroughly transparent and any allegations regarding Brown Act violations are without merit. As evidenced at recent open sessions of the City Council meetings, the public continues to have a vibrant dialogue regarding the City Council’s actions as to the Lakes. Please also note that a copy of this letter is being provided to the Public Integrity Division of the Los Angeles County District Attorney’s office in accordance with Government Code § 54960.2(e).

Please contact me should you have any questions.

Sincerely,

[Signature]

Greg Carpenter,
City Manager

Cc: Mark D. Hensley, City Attorney
    Los Angeles County District Attorney’s Office Attn: Public Integrity Division
    211 West Temple Street, Suite 1000 Los Angeles, CA 90012
AGENDA DESCRIPTION:
Consideration and possible action regarding a discussion on the City’s accomplishments made towards addressing the California Public Employees Retirement System (CalPERS) rising annual costs and long-term liabilities. (Fiscal Impact: $0)

RECOMMENDED COUNCIL ACTION:
1. Consideration and possible action regarding a discussion on the City’s accomplishments made towards addressing the California Public Employees Retirement System (CalPERS) rising annual costs and long-term liabilities.
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
A. Informational brochure on the City’s accomplishments towards addressing the financial issues related to the CalPERS pension costs and liabilities.
B. Bartel & Associates report on the City’s unfunded pension liabilities

FISCAL IMPACT: None

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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 |
<table>
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<tbody>
<tr>
<td>Objective: 2</td>
<td>The City will maintain a stable, efficient, and transparent financial environment</td>
</tr>
</tbody>
</table>

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.

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

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<th>FY for Required Contribution</th>
<th>Discount Rate</th>
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<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>
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</table>

The lowering of the discount rate had an adverse effect on the City’s annual pension related costs to CalPERS. The City’s pension plans will see an increase in both the normal cost (the cost of pension benefits accruing in one year for active members) and the accrued liabilities (the future cost of pension benefits). These increases to the normal cost and accrued liabilities will result in higher required employer contributions beginning in FY 2018-19. In addition to the lowering of the discount rate, CalPERS is contemplating additional changes to the pension system to further mitigate risk. These changes will have added budgetary pressures to the City of El Segundo.

At the request of Dr. Brann, on April 4, 2017, staff brought forth a Council report to consider the concept of forming an ad-hoc committee in order to effectively address the rising pension costs, the fiscal challenges, as well as potential solutions the City will need to confront in the coming years. The composition of this ad-hoc committee was scheduled for the following Council meeting.

April 18, 2017, City Council approved the formation of an ad-hoc pension committee and appointed two Council Members to the ad-hoc committee: Mayor Boyles and Council Member Dr. Brann. This ad-hoc committee was tasked with exploring potential solutions to effectively address the rising pension costs the City will need to confront in the coming years.

The first ad-hoc meeting was conducted on June 5, 2017 and included the following participants:

- Mayor pro tem Drew Boyles
- Council Member Dr. Brann
- City Manager Greg Carpenter
- Finance Director Joseph Lillo
- Finance Manager

- One Executive/Managerial representative from each department
- Two representatives from each of the bargaining units (a primary & alternate)

There were five additional ad-hoc meetings in 2017, that were heavily attended, and then the meetings went to a quarterly rotational schedule beginning in 2018, with the last meeting held on October 16, 2018. Bartel Associates came to the October meeting and presented a detailed report on the status of the City’s pension plans. Mary Beth from Bartel Associates provided a presentation (exhibit B) about the City’s unfunded pension liabilities, what steps the City has taken so far to address these liabilities, and potential steps it can take in subsequent years to
continue addressing the unfunded pension liability of approximately $130 million to the California Public Employees’ Retirement System (CalPERS).

In addition to forming an ad-hoc committee, the City took the position to have a proactive voice and directly participate in a CalPERS Board meeting in order to have a unique opportunity to directly impact CalPERS policy. Mayor pro tem Boyles and the Director of Finance, Joseph Lillio, attended and represented the City of El Segundo’s interests at the CalPERS Board workshop and Board meeting in Sacramento on November 14-15, 2017.

The CalPERS Board workshop included discussion on the various factors impacting the pension formula (the discount rate, mortality assumptions, market rate assumptions (how much the fund is projected to earn in the next 10, 20 and 30 years), economic inflation rates, how the assets are invested (percent in equities versus percent in fixed income), divestment from particular sectors of the market, social policy, etc. The discussions that came out of this workshop had a direct influence on CalPERS policy and the rates charged to member agencies. The League of California Cities (the “League”) encouraged member agencies to attend this workshop that only occurs once every four years. The workshop was well attended by other member agencies and League representatives.

The City of El Segundo and the League’s efforts to have more local influence on CalPERS board policy is an approach worthy of continuing to explore moving forward.

Through the process of actively engaging in this very important topic, the City Council and staff have become well versed on CalPERS pensions and the significant challenges that are eminent in the coming years. This has allowed the City to effectively position itself to successfully manage the fiscal challenges facing the City in the years to come.

**Through City Council’s prudent actions, the City has saved a total of $6,153,000.** This savings has been implemented over the past two years through being proactive & strategic at addressing the rising pension costs. The details of these savings are as follows as well as outlined in a pension FAQ (exhibit A):

- Additional Payment towards Unfunded Pension Liabilities in FY 2017-18 and 2018-19 in the total amount of $3,401,141 (direct reduction of principal) resulting in a **savings of $3,745,000** in interest payments to CalPERS over the next 25-30 years

- Complete Fresh Start (Refinance): In December 2017 City Council approved staff recommendations to refinance the Miscellaneous Plan (refinanced from 30 years to 22 years), PD 2nd Tier Plan (refinanced to 10 years), and PD PEPRA Plan (refinanced to 10 years). The City **saved $1.86 million** in interest payments to CalPERS over the next 30 years by adopting the recommendations.

- Pre-payment of the Annual Unfunded Liability (UAL)
  - Prepaid the UAL for FY 2017-18, **saving $258,000** (immediate savings)
  - Prepaid the UAL for FY 2018-19, **saving $290,000**(immediate savings)
  - The City will continue to evaluate this approach each fiscal year. It is estimated that the savings in subsequent years will be ~$300,000+ per year.
• Set-up IRS Section 115 Pension Trust – Pension Stabilization Fund with PARS
  o Initial deposit of $1,000,000 made in April 2018
  o Additional $1,000,000 deposit made in October 2018
  o $2,000,000 principal plus interest at an annual rate of ~5%-6%

• Creation of 2nd Misc Tier (2% @ 55 to 2% @ 60 was effective 1/1/2013) and 2nd PD Tier (3% @ 50 to 3% @ 55 was effective Nov. 2012)

• All Miscellaneous (non-sworn) employees are paying their full employee share of pension costs, 7%, as of January 1, 2018.

• All Public Safety employees (except police management) are paying their full employee share of pension costs, 9%, as of June 1, 2017 and will begin paying an additional 3%, for a total of 12%, as of November 24, 2018.

Staff will continue to seek opportunities to reduce the City’s short-term and long-term exposure to the risks associated with managing public employees’ pensions. The City will also continue to be proactive and engaged in finding viable solutions to address the fiscal concerns with the CalPERS pension system. Taking this active approach will give the City the flexibility to successfully navigate the looming fiscal challenges that lie ahead.
PENSION COSTS

OVERVIEWS & FAQS

* Over the past two years the City proactively & strategically addressed the rising pension costs.

FAQ: How much have we saved?

Answer: Total cost savings of $6,153,000.

* Additional payment towards Unfunded Pension Liabilities. (FY17-18)

FAQ: How much have we paid and what were the results?

Answer: In FY17-18 the City made a payment of $1,901,141 (direct reduction of principal) resulting in savings of $2,587,000 in interest payments to CalPERS over the next 25 years.
OVERVIEWS & FAQs (CONTINUED)

• Additional payment towards Unfunded Pension Liabilities. (FY18-19)

FAQ: How much have we paid and what were the results?

Answer: In FY18-19 the City made a payment of $1,500,000 (direct reduction of principal) resulting in savings of $1,158,000 in interest payments to CalPERS over the next 25 years.

• Complete Fresh Start (Refinance)

FAQ: How was refinancing structured and what were the results?

Answer: In December 2017 City Council approved staff recommendations to refinance the Miscellaneous Plan (refinanced from 30 years to 22 years), PD 2nd Tier Plan (refi to 10 years), and PD PEPRA Plan (refi to 10 years). The City saved $1.86 million in interest payments to CalPERS over the next 30 years.
OVERVIEWS & FAQS (CONTINUED)

• Pre-payment of the Annual Unfunded Liability (UAL)

FAQ: What were the results of the pre-payment?

Answer:
• Prepaid the UAL for FY 2017-18, saving $258k (immediate savings).
• Prepaid the UAL for FY 2018-19, saving $290k (immediate savings).

• Set-up IRS Section 115 Pension Trust – Pension Stabilization Fund with PARS

FAQ: How is the trust structured?

Answer:
• Initial deposit of $1,000,000 made in April 2018.
• Additional $1,000,000 deposit made in October 2018.
• $2,000,000 principal plus interest at an annual rate of ~5%-6%.
OVERVIEWS & FAQs (CONTINUED)

• Creation of new Tiers for new members of the City

FAQ: Which Tiers were created?

Answer:
Creation of 2nd Misc Tier (2% @ 55 to 2% @ 60 was effective 1/1/2013) and 2nd PD Tier (3% @ 55 to 3% @ 55 was effective Nov. 2012).

• Employees have picked up their full pension costs

FAQ: Which groups have made these changes?

Answer:
• All Miscellaneous (non-sworn) employees are paying the full employee share of 7% as of January 1, 2018.
• All Public Safety employees (except police management) are paying the full employee share of 9% as of June 1, 2017.
OVERVIEWS & FAQS (CONTINUED)

• The City has worked closely with professionals in the pension field and have compiled the following study and information.

FAQ: How did the pension cost get here?

Answer:
• Investment Losses
• CalPERS Contribution Policy
• Enhanced Benefits
• Demographics

Annual Return on Market Value of Assets

Above assumes contributions, payments, etc. received evenly throughout year.
OVERVIEWS & FAQS (CONTINUED)

Miscellaneous

Safety

Page 6
Fiscal Year 2018–2019
Prepared by Finance Department
OVERVIEWS & FAQS (CONTINUED)

Miscellaneous Demographics

Safety Demographics

Page 7
Fiscal Year 2018-2019
Prepared by Finance Department
OVERVIEWS & FAQS (CONTINUED)

FAQ: What is our current Miscellaneous group’s Funded Status?

Answer:

FAQ: What is the Miscellaneous group’s historical funded ratio?

Answer:
OVERVIEWS & FAQS (CONTINUED)

FAQ: What is the Miscellaneous group's historical employer contribution rate?

Answer:
OVERVIEWS & FAQS (CONTINUED)

FAQ: What is the projected contribution rate & funded status for Miscellaneous group?

Answer:

[Graphs showing contribution projection in percent of pay over time for different percentiles and cost types]
OVERVIEWS & FAQS (CONTINUED)

Amortization Policy Comparison
(25th, 50th and 75th Percentile)

Funded Status Projection

Page 11
Fiscal Year 2018-2019
Prepared by Finance Department
OVERVIEWS & FAQS (CONTINUED)

FAQ: What is our current Safety group's Funded Status?

Answer:

FAQ: What is the Safety group's historical funded ratio?

Answer:
OVERVIEWS & FAQs (CONTINUED)

**FAQ:** What is the Safety group's historical employer contribution rate?

**Answer:**
OVERVIEWS & FAQS (CONTINUED)

FAQ: What is the projected contribution rate & funded status for Safety group?

Answer:

![Graphs showing contribution rate and funded status over time.]

Page 14
Fiscal Year 2018–2019
Prepared by Finance Department
OVERVIEWS & FAQs (CONTINUED)

FAQ: What is our combined group’s contribution projection amounts?

Answer:

![Graph showing contribution projection in thousands of dollars over time]

FAQ: What would it cost to leave CalPERS?

Answer:

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</table>
OVERVIEWS & FAQs (CONTINUED)

FAQ: Where can I get more resources?

Answer:

Visit CalPERS's website for more info on City's pension costs and actuarial projections.

https://www.calpers.ca.gov/
CITY OF EL SEGUNDO
MISCELLANEOUS & SAFETY PLANS

CalPERS Actuarial Issues – 6/30/17 Valuation
Preliminary Results

Mary Beth Redding, Vice President
Bianca Lin, Assistant Vice President
Matthew Childs, Actuarial Analyst
Bartel Associates, LLC
October 16, 2018

Agenda

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<tr>
<td>How We Got Here</td>
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<tr>
<td>CalPERS Changes</td>
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<td>Miscellaneous Plan:</td>
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<td>Payments to CalPERS</td>
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<td>Irrevocable Supplemental ($115) Pension trust</td>
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<td>OPEB Benefits</td>
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HOW WE GOT HERE

- Investment Losses
- CalPERS Contribution Policy
- Enhanced Benefits
- Demographics

HOW WE GOT HERE – INVESTMENT RETURN

Annual Return on Market Value of Assets

Above assumes contributions, payments, etc. received evenly throughout year.
HOW WE GOT HERE – OLD CONTRIBUTION POLICY

- Effective with 2003 valuations
- Designed to:
  - First smooth rates and
  - Second pay off UAL
- Mitigated contribution volatility

HOW WE GOT HERE – ENHANCED BENEFITS

- At CalPERS, Enhanced Benefits implemented using all (future & prior) service
- Typically not negotiated with cost sharing

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</tr>
<tr>
<td></td>
<td>(Not Enhanced)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety Police</td>
<td>3%@50 FAE1</td>
<td>3%@55 FAE1</td>
<td>2.7%@57 FAE3</td>
</tr>
<tr>
<td>Safety Fire</td>
<td>3%@55 FAE1</td>
<td>N/A</td>
<td>2.7%@57 FAE3</td>
</tr>
</tbody>
</table>

- Note:
  - FAE1 is highest one year (typically final) average earnings
  - FAE3 is highest three years (typically final three) average earnings
HOW WE GOT HERE – DEMOGRAPHICS

- Around the State
  - Large retiree liability compared to actives
    - State average: 55% for Miscellaneous, 65% for Safety
  - Declining active population and increasing number of retirees
  - Higher percentage of retiree liability increases contribution volatility

- City of El Segundo percentage of liability belonging to inactives is higher than State average:
  - Miscellaneous 62%
  - Safety 71%

CALPERS CHANGES

- Contribution policy changes:
  - No asset smoothing
  - No rolling amortization
  - First impact 15/16 rates; full impact 19/20

- Assumption changes:
  - Future mortality improvement
  - First impact 16/17 rates; full impact 20/21

- CalPERS Board changed their discount rate:

<table>
<thead>
<tr>
<th></th>
<th>Rate</th>
<th>Initial Impact</th>
<th>Full Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/16 valuation</td>
<td>7.375%</td>
<td>18/19</td>
<td>22/23</td>
</tr>
<tr>
<td>6/30/17 valuation</td>
<td>7.25%</td>
<td>19/20</td>
<td>23/24</td>
</tr>
<tr>
<td>6/30/18 valuation</td>
<td>7.00%</td>
<td>20/21</td>
<td>24/25</td>
</tr>
</tbody>
</table>
**CALPERS CHANGES**

- Risk Mitigation Strategy
  - Move to more conservative investments over time to reduce volatility
  - Only when investment return is better than expected
  - Lower discount rate in concert
  - Likely get to 6.0% (from 7.0%) over 20+ years

- February 2018 CalPERS adopted new amortization policy
  - Applies only to newly established amortization bases
    - Fixed dollar amortization rather than % pay
    - Amortize gains/losses over 20 rather than 30 years
    - 5-year ramp up (not down) for investment gains and losses
  - Minimizes total interest paid over time and pays off UAL faster
    - Minimizes future “negative amortization”
  - Effective June 30, 2019 valuation for 2021/22 contributions

---

**SUMMARY OF DEMOGRAPHIC INFORMATION - MISCELLANEOUS**

<table>
<thead>
<tr>
<th>Actives</th>
<th>1997</th>
<th>2007</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counts</td>
<td>174</td>
<td>186</td>
<td>175</td>
<td>168</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>44</td>
<td>45</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>City Service</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>PERSable Wages</td>
<td>$41,300</td>
<td>$58,000</td>
<td>$72,200</td>
<td>$74,100</td>
</tr>
<tr>
<td>Total PERSable Wages</td>
<td>$7,200,000</td>
<td>$13,400,000</td>
<td>$13,800,000</td>
<td>$13,600,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Inactive Members</th>
<th>1997</th>
<th>2007</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transferred</td>
<td>99</td>
<td>120</td>
<td>137</td>
<td>141</td>
</tr>
<tr>
<td>Separated</td>
<td>50</td>
<td>105</td>
<td>145</td>
<td>152</td>
</tr>
<tr>
<td>Retired</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td>184</td>
<td>273</td>
<td>287</td>
<td>287</td>
</tr>
<tr>
<td>Disability</td>
<td>22</td>
<td>26</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>21</td>
<td>29</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>155</td>
<td>227</td>
<td>328</td>
<td>343</td>
</tr>
</tbody>
</table>
| Average Annual City Provided Benefit for Service Retirees  
  
  1. Average City-provided pensions are based on City service & City benefit formula, and are not representative of benefits for long-service employees. | N/A | $13,600 | $18,000 | $18,700 |
| Active / Retiree Ratio (City) | 1.1 | 0.9 | 0.5 | 0.5 |
| Active / Retiree Ratio (All CalPERS) | N/A | 1.7 | 1.3 | 1.3 |
Unfunded Accrued Liability Changes

- Unfunded Accrued Liability on 6/30/16 $32,600,000
- Expected Unfunded Accrued Liability on 6/30/17 33,600,000
- Other Changes
  - Asset Loss (Gain) (11.2% return for FY17) (2,800,000)
  - Assumption Change (Mainly discount rate change 7.375% to 7.25%) 2,100,000
  - Contribution & Experience Loss (Gain) (600,000)
  - Total (1,300,000)
- Unfunded Accrued Liability on 6/30/17 32,300,000
Funded Ratio - Miscellaneous

Historical Funded Ratio

6/30/18 & 6/30/19 funded status estimated

October 16, 2018

Contribution Rates - Miscellaneous

Historical Employer Contribution Rates (Percent of Payroll)

October 16, 2018
## CONTRIBUTION RATES - MISCELLANEOUS

<table>
<thead>
<tr>
<th></th>
<th>6/30/16</th>
<th>6/30/17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018/2019</td>
<td>2019/2020</td>
</tr>
<tr>
<td>Total Normal Cost</td>
<td>14.8%</td>
<td>15.5%</td>
</tr>
<tr>
<td>Employee Normal Cost</td>
<td>6.7%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Employer Normal Cost</td>
<td>8.1%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Amortization Payments</td>
<td>15.1%</td>
<td>17.9%</td>
</tr>
<tr>
<td>Total Employer Contribution Rate</td>
<td>23.2%</td>
<td>26.8%</td>
</tr>
</tbody>
</table>

- 2018/19 Employer Contribution Rate: 23.2%
- Payroll < Expected: 0.7%
- Lump Sum Payment $578,992: 0.3%
- Fresh Start: 2.1%
- 6/30/17 Discount Rate & Inflation (1st Year): 1.1%
- 6/30/17 (Gains)/Losses (1st Year): 0.0%

## CONTRIBUTION PROJECTIONS - MISCELLANEOUS

- Investment Return:
  - June 30, 2018: 8.6%
  - Future returns based on stochastic analysis using 1,000 trials

<table>
<thead>
<tr>
<th>Percentile</th>
<th>25th Percentile</th>
<th>50th Percentile</th>
<th>75th Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Investment Mix</td>
<td>0.1%</td>
<td>7.0%</td>
<td>14.8%</td>
</tr>
<tr>
<td>Ultimate Investment Mix</td>
<td>0.8%</td>
<td>6.0%</td>
<td>11.4%</td>
</tr>
</tbody>
</table>

- Assumes investment returns average 6.5% (as compared to 7.0%) over the next 10 years and higher beyond that
- Additional Discount Rate decreases due to Risk Mitigation policy
- No Other: Gains/Losses, Method/Assumption Changes, Benefit Improvements
- New hire assumptions: Employee headcount remains the same but more PEPRA employees over time

---

2 based July 2018 CalPERS press release
3 Nth percentile means N percentage of our trials result in returns lower than the indicated rates.
### SUMMARY OF DEMOGRAPHIC INFORMATION - SAFETY

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>2008</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counts</td>
<td>115</td>
<td>126</td>
<td>97</td>
<td>97</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>40</td>
<td>49</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>City Service</td>
<td>14</td>
<td>15</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>PERSable Wages</td>
<td>$68,900</td>
<td>$115,500</td>
<td>$140,200</td>
<td>$132,400</td>
</tr>
<tr>
<td>Total PERSable Wages</td>
<td>7,900,000</td>
<td>14,500,000</td>
<td>13,600,000</td>
<td>12,800,000</td>
</tr>
<tr>
<td><strong>Inactive Members</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transferred</td>
<td>27</td>
<td>49</td>
<td>39</td>
<td>41</td>
</tr>
<tr>
<td>Separated</td>
<td>16</td>
<td>15</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Retired</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td></td>
<td></td>
<td>70</td>
<td>N/A</td>
</tr>
<tr>
<td>Disability</td>
<td></td>
<td></td>
<td>87</td>
<td>N/A</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td></td>
<td></td>
<td>15</td>
<td>N/A</td>
</tr>
<tr>
<td>Total</td>
<td>117</td>
<td>172</td>
<td>221</td>
<td>225</td>
</tr>
<tr>
<td>Active / Retiree Ratio (City)</td>
<td>1.0</td>
<td>0.7</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Active / Retiree Ratio (All CalPERS)</td>
<td>N/A</td>
<td>1.7</td>
<td>1.3</td>
<td>1.3</td>
</tr>
</tbody>
</table>

---

October 16, 2018

---

### SUMMARY OF DEMOGRAPHIC INFORMATION - SAFETY

![Bar chart showing active and receiving payments over years]

- **Active**: 115, 121, 122, 124, 122, 118, 114, 121, 118, 126, 125, 122, 115, 106, 106, 106, 101, 97, 97
- **Receiving Payments**: 117, 121, 128, 131, 141, 146, 134, 162, 162, 165, 169, 172, 180, 186, 194, 208, 208, 216, 221, 225

October 16, 2018
### PLAN FUNDED STATUS - SAFETY

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2016</th>
<th>June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active AAL</td>
<td>$81,600,000</td>
<td>$75,200,000</td>
</tr>
<tr>
<td>Retiree AAL</td>
<td>175,100,000</td>
<td>190,800,000</td>
</tr>
<tr>
<td>Inactive AAL</td>
<td>4,200,000</td>
<td>4,600,000</td>
</tr>
<tr>
<td>Total AAL</td>
<td>260,900,000</td>
<td>270,600,000</td>
</tr>
<tr>
<td>Assets</td>
<td>159,100,000</td>
<td>166,400,000</td>
</tr>
<tr>
<td>Unfunded Liability</td>
<td>101,800,000</td>
<td>104,200,000</td>
</tr>
<tr>
<td>Funded Ratio</td>
<td>61.0%</td>
<td>61.5%</td>
</tr>
</tbody>
</table>

### FUNDED RATIO - SAFETY

**Historical Funded Ratio**

![Historical Funded Ratio Chart]

6/30/18 & 6/30/19 funded status estimated
CONTRIBUTION RATES - SAFETY

Historical Employer Contribution Rates (Percent of Payroll)

October 16, 2018

CONTRIBUTION RATES - SAFETY

<table>
<thead>
<tr>
<th>6/30/16</th>
<th>6/30/17</th>
<th>6/30/18/2019</th>
<th>6/30/19/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Normal Cost</td>
<td>29.4%</td>
<td>30.8%</td>
<td></td>
</tr>
<tr>
<td>Employee Normal Cost</td>
<td>9.0%</td>
<td>9.2%</td>
<td></td>
</tr>
<tr>
<td>Employer Normal Cost</td>
<td>20.3%</td>
<td>21.5%</td>
<td></td>
</tr>
<tr>
<td>Amortization Payments</td>
<td>42.1%</td>
<td>50.4%</td>
<td></td>
</tr>
<tr>
<td>Total Employer Contribution Rate</td>
<td>62.5%</td>
<td>72.0%</td>
<td></td>
</tr>
</tbody>
</table>

- 2018/19 Employer Contribution Rate 62.5%
  - Payroll < Expected 3.6%
  - Payment & Amortization changes in 2017/18 -0.6%
  - Asset Method Change (5th Year) 2.3%
  - 6/30/14 Assumption Change (4th Year) 1.9%
  - 6/30/14 (Gains)/Losses (4th Year) (2.1%)
  - 6/30/15 (Gains)/Losses (3rd Year) 0.7%
  - 6/30/16 Discount Rate Change (2nd Year) 0.6%
  - 6/30/16 (Gains)/Losses (2nd Year) 1.0%
  - 6/30/17 Discount Rate & Inflation (1st Year) 2.0%
  - 6/30/17 (Gains)/Losses (1st Year) 0.1%
  - 2019/20 Employer Contribution Rate 72.0%

October 16, 2018

22
COMBINED MISCELLANEOUS AND SAFETY

Funded Status Summary on June 30, 2017
(Amounts in $Millions)

<table>
<thead>
<tr>
<th></th>
<th>Miscellaneous</th>
<th>Safety</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAL</td>
<td>$113</td>
<td>$271</td>
<td>$383</td>
</tr>
<tr>
<td>Assets</td>
<td>$81</td>
<td>166</td>
<td>247</td>
</tr>
<tr>
<td>Unfunded AAL</td>
<td>32</td>
<td>104</td>
<td>136</td>
</tr>
<tr>
<td>Funded Ratio</td>
<td>71.4%</td>
<td>61.5%</td>
<td>64.4%</td>
</tr>
</tbody>
</table>

ADDITIONAL CONTRIBUTIONS TO CALPERS

- Make payments directly to CalPERS:
  - Likely best long-term investment return
  - Must be considered an irrevocable decision
  - City has used both options

- Option #1: Request shorter amortization period (Fresh Start):
- Option #2: Target specific amortization bases:
### ADDITIONAL CONTRIBUTIONS TO CALPERS

#### Estimated Savings

<table>
<thead>
<tr>
<th></th>
<th>Miscellaneous</th>
<th>Safety</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017/18 Additional Contributions to CalPERS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution Amount</td>
<td>$578,992</td>
<td>$1,322,149</td>
</tr>
<tr>
<td>Total $ Savings (Interest)</td>
<td>801,000</td>
<td>1,786,000</td>
</tr>
<tr>
<td>PV Savings @ 3%</td>
<td>342,000</td>
<td>760,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Miscellaneous</th>
<th>Safety</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018/19 Additional Contributions to CalPERS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution Amount</td>
<td>$306,791</td>
<td>$1,193,209</td>
</tr>
<tr>
<td>Total $ Savings (Interest)</td>
<td>260,000</td>
<td>898,000</td>
</tr>
<tr>
<td>PV Savings @ 3%</td>
<td>114,000</td>
<td>384,000</td>
</tr>
</tbody>
</table>

---

### IRREVOCABLE SUPPLEMENTAL (§115) PENSION TRUST

- City has established a Supplemental Trust with PARS
- Can only be used to:
  - Reimburse City for CalPERS contributions
  - Make payments directly to CalPERS
- More flexibility than paying CalPERS directly
  - City decides if and when and how much money to put into Trust
  - City decides if and when and how much to withdraw to pay CalPERS or reimburse Agency
- Can be used to stabilize contribution rates
  - Mitigate expected contribution rates to better manage budget

---

October 16, 2018
## IRREVOCABLE SUPPLEMENTAL (§115) PENSION TRUST

<table>
<thead>
<tr>
<th>Trust Contributions</th>
<th>Miscellaneous</th>
<th>Safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2018:</td>
<td>$1 Million</td>
<td></td>
</tr>
<tr>
<td>October 2018:</td>
<td>$1 Million</td>
<td></td>
</tr>
<tr>
<td>April 2019:</td>
<td>$0.5 Million</td>
<td></td>
</tr>
<tr>
<td>October 2019:</td>
<td>$1 Million</td>
<td></td>
</tr>
<tr>
<td>October 2020:</td>
<td>$1 Million</td>
<td></td>
</tr>
<tr>
<td>Allocation: 20% Miscellaneous, 40% Police and 40% Fire</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Trust Earnings</th>
<th>5%</th>
<th>5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust Target</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target Contribution Rate</td>
<td>33.5%</td>
<td>93.5%</td>
</tr>
<tr>
<td>1st Year</td>
<td>2029/30</td>
<td>2027/28</td>
</tr>
<tr>
<td>Last Year</td>
<td>2035/36</td>
<td>2033/2634</td>
</tr>
<tr>
<td>$ Savings over 20 years</td>
<td>$781,000</td>
<td>$2,749,000</td>
</tr>
<tr>
<td>PV Savings @ 3%</td>
<td>292,000</td>
<td>956,000</td>
</tr>
</tbody>
</table>

October 16, 2018
OPEB BENEFITS

- Health care benefits paid to retirees
  - Benefits capped at about $1,200 to $1,400 per month per retiree
  - City pre-funds the OPEB Obligation through CERBT
    (Trust managed by CalPERS)
  - Participants at 6/30/17:

<table>
<thead>
<tr>
<th></th>
<th>Misc</th>
<th>Police</th>
<th>Fire</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actives Count</strong></td>
<td>159</td>
<td>47</td>
<td>39</td>
<td>245</td>
</tr>
<tr>
<td><strong>Retirees Count</strong></td>
<td>222</td>
<td>66</td>
<td>52</td>
<td>340</td>
</tr>
</tbody>
</table>

OPEB BENEFITS

- Actuarial liabilities for OPEB

<table>
<thead>
<tr>
<th></th>
<th>6/30/17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actuarial Accrued Liability</strong></td>
<td></td>
</tr>
<tr>
<td>- Actives (future retirees)</td>
<td>17,709</td>
</tr>
<tr>
<td>- Retirees</td>
<td>44,006</td>
</tr>
<tr>
<td>- Total</td>
<td>61,715</td>
</tr>
<tr>
<td><strong>Actuarial Value of Assets</strong></td>
<td>20,553</td>
</tr>
<tr>
<td><strong>Unfunded AAL</strong></td>
<td>41,162</td>
</tr>
<tr>
<td><strong>Funded Status</strong></td>
<td>33.3%</td>
</tr>
</tbody>
</table>
OPEB Benefits

Funded Status
(Amounts in 000's)

10-Year Projection of City Contributions
(Amounts in 000's)

<table>
<thead>
<tr>
<th>Fiscal Year Ending</th>
<th>Projected City Contribution</th>
<th>Contribution as a Percent of Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$4,306</td>
<td>17.0%</td>
</tr>
<tr>
<td>2020</td>
<td>4,436</td>
<td>17.1%</td>
</tr>
<tr>
<td>2021</td>
<td>4,570</td>
<td>17.1%</td>
</tr>
<tr>
<td>2022</td>
<td>4,708</td>
<td>17.1%</td>
</tr>
<tr>
<td>2023</td>
<td>4,850</td>
<td>17.1%</td>
</tr>
<tr>
<td>2024</td>
<td>4,996</td>
<td>17.1%</td>
</tr>
<tr>
<td>2025</td>
<td>5,147</td>
<td>17.1%</td>
</tr>
<tr>
<td>2026</td>
<td>5,302</td>
<td>17.1%</td>
</tr>
<tr>
<td>2027</td>
<td>5,462</td>
<td>17.1%</td>
</tr>
<tr>
<td>2028</td>
<td>5,246</td>
<td>15.9%</td>
</tr>
</tbody>
</table>

Contribution rate drops to 6.3% in FY 2042.
AGENDA DESCRIPTION:

Consideration and possible action to announce the appointment to the Economic Development Advisory Council and the Technology Committee. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:

1. Announce the appointees; and/or,
2. 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:

<table>
<thead>
<tr>
<th>Committee/Commission and Board</th>
<th>Number of Openings</th>
<th>Appointee(s)</th>
<th>Term Expiration</th>
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</thead>
<tbody>
<tr>
<td>Economic Development Advisory Council</td>
<td>Five</td>
<td>Richard Lundquist</td>
<td>Full term expires January 1, 2022</td>
</tr>
<tr>
<td>Economic Development Advisory Council</td>
<td></td>
<td>Al Keahi</td>
<td>Full term expires January 1, 2022</td>
</tr>
<tr>
<td>Economic Development Advisory Council</td>
<td></td>
<td>Bob Healey</td>
<td>Full term expires January 1, 2022</td>
</tr>
<tr>
<td>Economic Development Advisory Council</td>
<td></td>
<td>Matthew Thompkins</td>
<td>Full term expires January 1, 2022</td>
</tr>
<tr>
<td>Technology Committee</td>
<td>Two</td>
<td>Todd Felker</td>
<td>Partial term expires June 30, 2022</td>
</tr>
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</table>
AGENDA DESCRIPTION:
Consideration and possible action to receive and file an informational update from the Information Systems Department and the Technology Committee regarding the projects completed in 2018. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Receive and file informational update and status report(s);

ATTACHED SUPPORTING DOCUMENTS:

FISCAL IMPACT: $0.00

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>$0.00</th>
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</thead>
<tbody>
<tr>
<td>Additional Appropriation:</td>
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</tr>
<tr>
<td>Account Number(s):</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

STRATEGIC PLAN:

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

Objective: I. City operations are unified and integrated
II. City services are convenient, efficient and user-friendly for all residents, businesses, and visitors

Goal: 3A Develop as a Choice Employer and Workforce

Objective: IV. The City has a culture of innovation trust and efficiency in which all aboard rise together

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

Objective: I. The City optimizes its physical resources.

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

Objective: 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
BACKGROUND AND DISCUSSION:

The Information Systems Department (ISD), along with the Technology Committee, have worked diligently over the past year to complete many projects. To date a total of 21 projects have been completed; 10 of which are from the Technology Master Plan (*). The remaining projects were considered operational and have reduced the use of paper and increased department(s) efficiency through process improvement.

**Finance:**
- Business License Online*
- Payment Gateway for Credit Card Processing*
- Cashiering System (Eden)*
- Tyler Eden Software updates
- Automated Requisition Processing

**Library:**
- Upgrade Public Internet Workstations*
- Implement Password-free Wi-Fi Access
- Self-checkout and receipt printing
- Public Scanning/ Wi-Fi printing Capabilities

**Fire:**
- Dispatch Pre-Alerting System: Westnet*
- First Net (Fire Cell Phones - Priority Calling)

**Police:**
- In-Car & Body Worn Cameras: Technical components*

**Parks & Recreation:**
- Recreation Management Software: CivicRec*
- Aquatic Center Technical Infrastructure*

**Information Systems:**
- Fiber Installation*
- SIP Conversion – Upgrade Voice Over Internet Protocol (VOIP) Teleconferencing
- Implementation of new virus scanning tools
  - Malware Bytes
  - Trend Micro

**Public Works:**
- SCADA System Server

**City Attorney/City Clerk’s Office:**
- Email Archival*
- Committee, Commission and Board’s City Email*
Additionally, the Information Systems Department is currently working on some large scale projects that will directly improve resident access to information as well as improve staff efficiency.

**The City website or (Content Management System CMS) redesign project** is one example of the current projects underway. Contract negotiations with Granicus were finalized at the end of December 2018, which now allows the City to begin working with Granicus. A kick off meeting between Granicus and the City’s implementation team will be scheduled to take place later this month. The goal is to have the new website up and running within the next 9 months. Below are a few of the significant benefits of this project.

- **Online services** - One of the most important functions of the City website is its ability to engage and equip citizens with online services that can provide pertinent information and save them time from coming into the office. Services such as bill payment, employment submissions, program registrations and facility reservations will be wrapped in one package and can easily be accessed online from the convenience of home or on any mobile device.

- **One-stop shop solution** - A new website or CMS will function as a repository for every type of content made available to citizens. Working with one CMS to handle all digital requirements will allow the website administrators to self-manage all content types using one solution with one contact for support services.

**The City’s technology infrastructure** has reached its end of life and is in need of replacement; therefore, the Information Systems Department is beginning the process of refreshing the City’s entire technology infrastructure. This project will include replacing the existing storage area network (SAN), servers, and the network switching components. Completions of these projects will directly result in greater processing and storage capacity. This refresh will be the foundation for improved desktop processing, hosting of new enterprise applications, the centralization and categorizing of business data which will be ultimately used for analysis and decision support. Finally, the refresh will provide greater security and system resiliency. These projects are expected to be completed by the end of 2019.

**The City’s current building permitting system** is another example of a project the Information Systems Department is currently implementing. This project will improve the quality of life for the City’s residents and business partners, as well as improve the efficiency of the City’s staff. An RFP was released on November 15, 2018 leading to the City receiving confirmation from 9 vendors who plan to submit bids. Vendor proposals are due on January 15, 2019. Once received, the proposals will be graded based on an extensive criteria set by the Planning and Building Safety Department and agreed upon by the Technology Committee. This project’s target completion date is April of 2020.

With the strategic direction of the Technology Committee, the City will continue to expand and update its mobile capabilities, social media platform, and online technology presence to increase and improve communication with its residents and business partners. The Information Systems Department will partner with constituencies in the technology conversation, plans, designs and implementation to ensure long term success.
Staff recommends that council file this informational update and status report(s) from the Information Systems Department and the Technology Committee.
### CITY OF EL SEGUNDO

**Warrants Totals by Fund**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>001</td>
<td>General Fund</td>
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</tr>
<tr>
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</tr>
<tr>
<td>106</td>
<td>State Gas Tax Fund</td>
<td>-</td>
</tr>
<tr>
<td>108</td>
<td>Associated Recreation Activities Fund</td>
<td>-</td>
</tr>
<tr>
<td>109</td>
<td>Asset Forfeiture Fund</td>
<td>-</td>
</tr>
<tr>
<td>111</td>
<td>Comm. Dev. Block Grant</td>
<td>-</td>
</tr>
<tr>
<td>112</td>
<td>Prop. &quot;A&quot; Transportation</td>
<td>-</td>
</tr>
<tr>
<td>114</td>
<td>Prop. &quot;C&quot; Transportation</td>
<td>-</td>
</tr>
<tr>
<td>115</td>
<td>Air Quality Investment Program</td>
<td>-</td>
</tr>
<tr>
<td>116</td>
<td>Home Sound Installation Fund</td>
<td>-</td>
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<td>117</td>
<td>Hyperion Mitigation Fund</td>
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<td>118</td>
<td>TDA Article 3 - 88 821 Bikeway Fund</td>
<td>-</td>
</tr>
<tr>
<td>119</td>
<td>MTA Grant</td>
<td>-</td>
</tr>
<tr>
<td>121</td>
<td>FEMA</td>
<td>-</td>
</tr>
<tr>
<td>122</td>
<td>C.O.P.S. Fund</td>
<td>-</td>
</tr>
<tr>
<td>123</td>
<td>L.A.W.A. Fund</td>
<td>-</td>
</tr>
<tr>
<td>202</td>
<td>Assessment District #73</td>
<td>-</td>
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<tr>
<td>301</td>
<td>Capital Improvement Fund</td>
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<td>495</td>
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<td>Equipment Replacement</td>
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<td>Liability Insurance</td>
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<td>603</td>
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<td>Expendable Trust Fund - Other</td>
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<tr>
<td>708</td>
<td>Outside Services Trust</td>
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</tr>
</tbody>
</table>

**Total Warrants**

$ 371,439.52

---

**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/urgent payments for materials, supplies and services in support of City Operations

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

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

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

**Date:** 12-17-18

---

**Void Checks due to Alignment:**

N/A

**Void Checks due to Incorrect Check Date:**

Void checks due to computer software error:

**Notes:**

Handwritten Early Release disbursements and/or adjustments approved by the City Manager.

**Date:** 12-17-18
# CITY OF EL SEGUNDO

## PAYMENTS BY WIRE TRANSFER

**12/10/18 THROUGH 12/16/18**

<table>
<thead>
<tr>
<th>Date</th>
<th>Payee</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>12/14/2018</td>
<td>Manufacturers &amp; Traders</td>
<td>29,843.82</td>
<td>457 payment Vantagepoint</td>
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<tr>
<td>12/14/2018</td>
<td>Manufacturers &amp; Traders</td>
<td>300.00</td>
<td>IRA payment Vantagepoint</td>
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<tr>
<td>12/14/2018</td>
<td>Nationwide NRS EFT</td>
<td>32,657.20</td>
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<tr>
<td>12/3/18-12/9/18</td>
<td>Workers Comp Activity</td>
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<td>SCRMA checks issued</td>
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<tr>
<td>12/3/18-12/9/18</td>
<td>Liability Trust - Claims</td>
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<td>Claim checks issued</td>
</tr>
<tr>
<td>12/3/18-12/9/18</td>
<td>Retiree Health Insurance</td>
<td>0.00</td>
<td>Health Reimbursement checks issued</td>
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<tr>
<td></td>
<td></td>
<td><strong>2,235,839.12</strong></td>
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</tr>
</tbody>
</table>

**DATE OF RATIFICATION: 12/14/18**

**TOTAL PAYMENTS BY WIRE:** 2,235,839.12

Certified as to the accuracy of the wire transfers by:

**Deputy City Treasurer II**

[Signature]  
**Date:** 12/14/18

**Director of Finance**

[Signature]  
**Date:** 12-17-18

**City Manager**

[Signature]  
**Date:** 12-17-18

Information on actual expenditures is available in the City Treasurer’s Office of the City of El Segundo.
<table>
<thead>
<tr>
<th>Code</th>
<th>Fund Name</th>
<th>Amount</th>
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<tr>
<td>108</td>
<td>Associated Recreation Activities Fund</td>
<td>-</td>
</tr>
<tr>
<td>109</td>
<td>Asset Forfeiture Fund</td>
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<td>112</td>
<td>Prop &quot;A&quot; Transportation</td>
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<td>114</td>
<td>Prop &quot;C&quot; Transportation</td>
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<td>115</td>
<td>Air Quality Investment Program</td>
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<td>Home Sound Installation Fund</td>
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<td>Hydration Mitigation Fund</td>
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<td>MTA Grant</td>
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<td>Film</td>
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<td>Equipment Replacement</td>
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<td>Liability Insurance</td>
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<td>603</td>
<td>Workers Comp. Reserve Insurance</td>
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<td>701</td>
<td>Retired Emp. Insurance</td>
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<td>708</td>
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</tbody>
</table>

**Total Warrants:** $480,646.14

---

**State of California**  
**County of Los Angeles**  
Information on actual expenditures is available in the Office of Financial Services in the City of El Segundo.

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

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

**Codes:**

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

For Ratification:

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

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

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

---

**Finance Director**  
**City Manager**

**Date:** 1-8-19  
**Date:** 1-9-19
CITY OF EL SEGUNDO  
PAYMENTS BY WIRE TRANSFER  
12/17/18 THROUGH 12/23/18  

<table>
<thead>
<tr>
<th>Date</th>
<th>Payee</th>
<th>Description</th>
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<tbody>
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<td>12/17/18</td>
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<td>12/17/18</td>
<td>Employment Development</td>
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<td>12/17/18</td>
<td>Employment Development</td>
<td>5,373.56 State SDI payment</td>
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<td>12/17/18</td>
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<td>438.60 Weekly claims</td>
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<td>12/18/18</td>
<td>State of CA EFT</td>
<td>1,672.15 EFT Child support payment</td>
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<td>12/19/18</td>
<td>Cal Pers</td>
<td>4,615.73 EFT Retirement Safety-Fire-PEPRA New 25020</td>
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<td>Cal Pers</td>
<td>6,843.59 EFT Retirement Safety-Police-PEPRA New 25021</td>
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<tr>
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<tr>
<td>12/10/18-12/16/18</td>
<td>Retiree Health Insurance</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>713,244.71 TOTAL PAYMENTS BY WIRE:</td>
</tr>
</tbody>
</table>

DATE OF RATIFICATION: 12/20/18  
TOTAL PAYMENTS BY WIRE: 713,244.71

Certified as to the accuracy of the wire transfers by:

Deputy City Treasurer II  
Date  
12/18/18

Director of Finance  
Date  
12/18/19

City Manager  
Date  
12/19/19

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.
<table>
<thead>
<tr>
<th>Code</th>
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<td>Asset Forfeiture Fund</td>
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<td>111</td>
<td>C. O. P. S. Fund</td>
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</tr>
<tr>
<td>119</td>
<td>U.S. Grant</td>
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<td>121</td>
<td>FEMA</td>
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<td>129</td>
<td>C.D.P.S. Fund</td>
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<td>122</td>
<td>L.A.W.A. Fund</td>
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<td>2,452.55</td>
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<tr>
<td>553</td>
<td>Golf Course Fund</td>
<td>-</td>
</tr>
<tr>
<td>621</td>
<td>Equipment Replacement</td>
<td>-</td>
</tr>
<tr>
<td>622</td>
<td>Liability Insurance</td>
<td>14,890.52</td>
</tr>
<tr>
<td>603</td>
<td>Workers' Comp. Reserve/Insurance</td>
<td>4,920.53</td>
</tr>
<tr>
<td>701</td>
<td>Retired Emp. Insurance</td>
<td>-</td>
</tr>
<tr>
<td>702</td>
<td>Expendable Trust Fund - Developer Fees</td>
<td>-</td>
</tr>
<tr>
<td>703</td>
<td>Expendable Trust Fund - Other</td>
<td>-</td>
</tr>
<tr>
<td>708</td>
<td>Outside Services Trust</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total Warrants</td>
<td>$251,771.54</td>
</tr>
</tbody>
</table>

**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 Demand and the availability of fund for payment therefor.

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

**CODES:**

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

For Ratification:

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

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

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

**FINANCE DIRECTOR**

**DATE:** 1-8-2019

**CITY MANAGER**

**DATE:**
CITY OF EL SEGUNDO  
PAYMENTS BY WIRE TRANSFER  
12/24/18 THROUGH 12/30/18

<table>
<thead>
<tr>
<th>Date</th>
<th>Payee</th>
<th>Description</th>
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<tr>
<td>12/28/2019</td>
<td>Manufacturers &amp; Traders</td>
<td>20,666.98</td>
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<tr>
<td>12/28/2019</td>
<td>Manufacturers &amp; Traders</td>
<td>IRA payment Vantagepoint</td>
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<tr>
<td>12/28/2019</td>
<td>Nationwide NRS EFT</td>
<td>25,707.06</td>
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<tr>
<td>12/17/18-12/23/18</td>
<td>Workers Comp Activity</td>
<td>18,563.88</td>
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<td>12/17/18-12/23/18</td>
<td>Liability Trust - Claims</td>
<td>0.00</td>
</tr>
<tr>
<td>12/17/18-12/23/18</td>
<td>Retiree Health Insurance</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>65,387.90</td>
</tr>
</tbody>
</table>

DATE OF RATIFICATION: 1/7/19  
TOTAL PAYMENTS BY WIRE: 65,387.90

Certified as to the accuracy of the wire transfers by:

Deputy City Treasurer II  
Date

Director of Finance  
Date

City Manager  
Date

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.
<table>
<thead>
<tr>
<th>Date</th>
<th>Warrant</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>146</td>
<td>General</td>
<td>277,320.87</td>
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<tr>
<td>104</td>
<td>Traffic</td>
<td>-</td>
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<tr>
<td>156</td>
<td>State Gas Tax</td>
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<tr>
<td>168</td>
<td>Associated Recreation Activities</td>
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<tr>
<td>169</td>
<td>Asset Forfeiture</td>
<td>937.50</td>
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<tr>
<td>111</td>
<td>Comm. Dev. Block Grant</td>
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</tr>
<tr>
<td>112</td>
<td>Prop. &quot;C&quot; Transportation</td>
<td>-</td>
</tr>
<tr>
<td>114</td>
<td>Prop. &quot;C&quot; Transportation</td>
<td>-</td>
</tr>
<tr>
<td>115</td>
<td>Air Quality Investment Program</td>
<td>-</td>
</tr>
<tr>
<td>116</td>
<td>Home Bond Installment Fund</td>
<td>-</td>
</tr>
<tr>
<td>117</td>
<td>Hyperion Mitigation Fund</td>
<td>-</td>
</tr>
<tr>
<td>118</td>
<td>TDA Article 3 - SB 821 Bikeway Fund</td>
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<tr>
<td>119</td>
<td>MTA Grant</td>
<td>-</td>
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<tr>
<td>121</td>
<td>FEMA</td>
<td>-</td>
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<tr>
<td>125</td>
<td>C.O.P. S. Fund</td>
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<tr>
<td>127</td>
<td>L.A.W.A. Fund</td>
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<td>123</td>
<td>PSAF Property Tax Public Safety</td>
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<td>202</td>
<td>Assessment District 473</td>
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<td>301</td>
<td>Capital Improvement Fund</td>
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<td>302</td>
<td>Infrastructure Replacement Fund</td>
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<td>Facilities Maintenance</td>
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<td>501</td>
<td>Water Utility Fund</td>
<td>1,269.63</td>
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<td>502</td>
<td>Wastewater Fund</td>
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<tr>
<td>503</td>
<td>Golf Course Fund</td>
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<td>601</td>
<td>Equipment Replacement</td>
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<tr>
<td>602</td>
<td>Liability Insurance</td>
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</tr>
<tr>
<td>603</td>
<td>Workers Comp. Reserve/Insurance</td>
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</tr>
<tr>
<td>701</td>
<td>Retired Emp. Insurance</td>
<td>-</td>
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<tr>
<td>702</td>
<td>Expendable Trust Fund - Developer Fees</td>
<td>27,823.42</td>
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<tr>
<td>703</td>
<td>Expendable Trust Fund - Other</td>
<td>18,988.75</td>
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<tr>
<td>708</td>
<td>Outside Services Trust</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Warrants</strong></td>
<td><strong>$ 425,867.76</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

NOTE: VOID CHECKS DUE TO ALIGNMENT: N/A
VOID CHECKS DUE TO INCORRECT CHECK DATE: N/A
VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR: N/A

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.
Il 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/urgent payments for materials, supplies and services in support of City Operations

For Ratification:

A = Payroll and Employee Benefits checks

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

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

FINANCE DIRECTOR

CITY MANAGER

DATE: 1-8-19

DATE: 1-9-19
## CITY OF EL SEGUNDO
### PAYMENTS BY WIRE TRANSFER
#### 12/31/18 THROUGH 1/6/19

<table>
<thead>
<tr>
<th>Date</th>
<th>Payee</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/18</td>
<td>Unum</td>
<td>129.90</td>
<td>Long Term Care Premium</td>
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<tr>
<td>12/31/18</td>
<td>Los Angeles World Airport</td>
<td>10,543,300.06</td>
<td>RSI LAWA balance returned</td>
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<td>12/31/18</td>
<td>IRS</td>
<td>238,773.84</td>
<td>Federal 941 Deposit</td>
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<td>12/31/18</td>
<td>Employment Development</td>
<td>56,645.80</td>
<td>State PIT Withholding</td>
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<tr>
<td>12/31/18</td>
<td>Employment Development</td>
<td>3,776.85</td>
<td>State SDI payment</td>
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<tr>
<td>1/3/2019</td>
<td>Lane Donovan Golf Pte</td>
<td>20,568.39</td>
<td>Payroll Transfer</td>
</tr>
<tr>
<td>12/24/18-12/30/18</td>
<td>Workers Comp Activity</td>
<td>11,991.99</td>
<td>SCRMA checks issued</td>
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<tr>
<td>12/24/18-12/30/18</td>
<td>Liability Trust - Claims</td>
<td>0.00</td>
<td>Claim checks issued</td>
</tr>
<tr>
<td>12/24/18-12/30/18</td>
<td>Retiree Health Insurance</td>
<td>19,006.87</td>
<td>Health Reimbursement checks issued</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>10,894,193.70</strong></td>
<td></td>
</tr>
</tbody>
</table>

## DATE OF RATIFICATION: 1/7/19
### TOTAL PAYMENTS BY WIRE:

10,894,193.70

**Certified as to the accuracy of the wire transfers by:**

Deputy City Treasurer II

Date: 1/8/19

Director of Finance

Date: 1/9/19

City Manager

Date: 1/7/19

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.
MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, DECEMBER 18, 2018 – 5:00 PM

5:00 P.M. SESSION

CALL TO ORDER – Mayor Boyles at 5:00 PM

ROLL CALL
Mayor Boyles Present
Mayor Pro Tem Pirsztuk Present
Council Member Brann Present
Council Member Pimentel Present
Council Member Nicol Present

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

SPECIAL ORDER OF BUSINESS:

1. Consideration and possible action to interview candidates of the Economic Development Advisory Council (EDAC) and the Technology Committee. (Fiscal Impact: None)

Council interviewed candidates and the following were appointed to the following committees; EDAC – Richard Lundquist, (full term), Al Keahi, (full term), Bob Healey, (full term), Matthew Thompkins, (full term) and to the Technology Committee – Todd Felker, (partial term).

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

PUBLIC EMPLOYMENT (Gov't Code § 54957) -1- matter

1. Position: City Manager

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov't Code §54956.8): -0- matters

CONFERENCE WITH CITY’S LABOR NEGOTIATOR (Gov't Code §54957.6): -6- matters

1. Employee Organizations: Police Management Association; Police Support Services Employees Association; Supervisory, Professional Employees Association; City Employee Association; and Executive and Management/Confidential Employees (unrepresented groups).

Agency Designated Representative: Irma Moisa Rodriquez, City Manager, Greg Carpenter and Human Resources Director.

Adjourned at 5:50 PM
REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, DECEMBER 18, 2018 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER – Mayor Boyles at 7:01 PM

INVOCATION – Pastor Lee Carlile, Methodist Church

PLEDGE OF ALLEGIANCE – Council Member Nicol

PRESENTATIONS

a) Proclamation read by Council Member Nicol, proclaiming December 25th at 12:00 PM the Annual Christmas Dinner at the Recreation and Parks Department’s Joslyn Center. Proclamation was presented the Recreation and Parks Department and the Kiwanis Club.

b) Presentation by Chief Whalen, Sgt. Perez and Officer Deer of the El Segundo Police Department presenting and demonstrating the developing Unmanned Aerial Vehicle Program. Lt. Leyman is the managing team leader on this project.

c) Presentation by Joe Lillio, Finance Director, introducing the departments’ new employee, Darryl Felder, Payroll Accountant.

d) Presentation by Meredith Petit, Recreation and Parks Director, introducing the departments’ new employee, Devon (Bargmann) Zamora, Recreation Coordinator.

ROLL CALL

Mayor Boyles Present
Mayor Pro Tem Pirsztuk Present
Council Member Brann Present
Council Member Pimentel Present
Council Member Nicol Present

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total)
Lance Giroux, resident, commented on the recent RFP regarding the Aquatics Center Lane usage and the possible Clubs that will use the Center if chosen during the RFP process. In favor of South Bay United, due to the fact that most members are El Segundo residents.

Bonnie Kerker, resident, commented on the recent RFP regarding the Aquatics Center Lane usage and the possible Clubs that will use the Center if chosen during the RFP process. In favor of South Bay United, due to the fact that most members are El Segundo residents.
Max Kendorf, resident and ESMS student, spoke on behalf of South Bay United, his Water Polo Club with regards to the Lane Usage RFP. Michelle Kendorf, resident, thanked the Council and City on the process regarding the Lane Usage RFP.

Kara Baldino, resident, invited the Council and El Segundo residents to attend the Young American’s Program at the El Segundo High School on January 13, 2019. She gave a brief background on what Young American’s are all about.

Carl Jacobson, resident, commented on item #C4, in favor of manual trash pick-up, not automated service.

Ray Growth, General Manager, Republic Services, commented on item #C4, stating he would like Council to reconsider the top proposals as a courtesy to his Company who has served the City for 25 years.

Jeanette Gant, Recreation and Parks Pool Manager, invited Council to the Grand Opening of the Aquatic Center on Saturday, January 5, 2019 from 10:30 - 3:00 PM.

Julie Stolnak, resident, commented on a previous item regarding high density housing. Ms. Stolnak expressed the desire for El Segundo to remain a hometown feel and is not in favor of high density housing.

CITY COUNCIL COMMENTS – (Related to Public Communications)
Council commented on the Public comments

A. PROCEDURAL MOTIONS

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

MOTION by Council Member Brann, SECONDED by Mayor Boyles to read all ordinances and resolutions on the agenda by title only. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

1. Consideration and possible action (Public Hearing) authorizing a proposed change to the City's Community Development Block Grant (CDBG) 2018-2019 Program to cancel, "Installation of Americans with Disabilities Act (ADA) Compliant Curb Ramps (CDBG Project Number 601959-18)", and alternatively, implement a new 2018-2019 CDBG Project entitled, "City Facilities Americans with Disabilities Act (ADA)-Compliant Parking Lot Restriping and Signage". 2018-2019 CDBG funds in the amount of $53,608 from the cancelled project will be used to implement the new, proposed project. Pursuant to the provisions of the California Environmental Quality Act, the proposed action is exempt from CEQA pursuant to CEQA Guidelines §15061(b)(3), as it can be seen with certainty that there is no possibility that the activity will have a significant effect on the environment. (Fiscal Impact: $53,608.00)

Mayor Pro Tem Pirsztuk stated this was the time and place for a Public Hearing regarding authorizing a proposed change to the City's Community Development Block

City Clerk Weaver stated that proper notice had been given in a timely manner and that no written communication has been received in the City Clerk’s office.

Greg Carpenter, City Manager, introduced the item.

Tina Gall, CDBG Consultant, reported on the item.

Public Comment: None

MOTION by Council Member Nicol SECONDED by Mayor Pro Tem Pirsztuk to close the public hearing. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Council Discussion

MOTION by Council Member Brann, SECONDED by Council Member Pimentel to approve the cancellation of 2018-2019 CDBG Project, “Installation of Americans with Disabilities Act (ADA) Compliant Curb Ramps (CDBG Project Number 601959-18)”; approve a new 2018-2019 CDBG Project, “City Facilities Americans with Disabilities Act (ADA) Compliant Parking Lot Restriping and Signage” and authorize the City Manager to execute all contracts, in a form approved by the City Attorney, with the Los Angeles County Community Development Commission (CDC). MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

2. Consideration and possible action regarding (Public Hearing) the proposed project and budget for the 2019-2020 Community Development Block Grant (CDBG) Program Year. The estimated CDBG budget allocation for Program Year 2019-2020 is approximately $56,584. Additionally, previously unspent CDBG funds from prior years in the amount of $43,501 will be added to the 2019-2020 CDBG allocation for a total of $100,085 to implement a new CDBG project, entitled, “Americans with Disabilities Act (ADA)-Compliant Restroom Facilities at the Joslyn Center.” Pursuant to the provisions of the California Environmental Quality Act, the proposed action is exempt from CEQA pursuant to CEQA Guidelines §15061(b)(3), as it can be seen with certainty that there is no possibility that the activity will have a significant effect on the environment. (Fiscal Impact: $100,085)

Mayor Pro Tem Pirsztuk stated this is the time and place for a Public Hearing regarding the proposed project and budget for the 2019-2020 Community Development Block Grant (CDBG) Program Year.

City Clerk Weaver stated that proper notice had been given in a timely manner and that no written communication has been received in the City Clerk’s office.
Greg Carpenter, City Manager, introduced the item.

Tina Gall, CDBG Consultant, reported on the item.

Public Comment: None

MOTION by Mayor Pro Tem Pirsztuk, SECONDED by Council Member Brann to close the public hearing. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Council Discussion

MOTION by Council Member Brann, SECONDED by Council Member Pimentel to adopt the new 2019-2020 CDBG project and budget and authorize the City Manager to execute the contracts, in a form approved by the City Attorney, with the Los Angeles County Community Development Commission (CDC). MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

3. Consideration and possible action to (1) receive and file a report from Public Works on the Downtown Traffic and Pedestrian Safety Study, and (2) provide staff direction on follow up actions. (Fiscal Impact: $26,000.00 estimated)

Greg Carpenter, City Manager, introduced the item.

Ken Berkman, Public Works Director, gave a report.

Council Discussion

Council consensus to receive and file the report.

Recessed at 8:31 PM

Reconvened at 8:38 PM

C.  UNFINISHED BUSINESS

4. Consideration and possible action to direct staff to enter into negotiations for an exclusive franchise to EDCO Waste & Recycling Services (EDCO) to provide residential and municipal solid waste hauling services. (Fiscal Impact: Est. $7,620,000.00 over 7 years)

Greg Carpenter, City Manager, introduced the item.

Ken Berkman, Public Works Director, gave a report.

Mayor Boyles recused himself due to a possible conflict of interest.
Ken Berkman, Public Works Director, Mark Hensley, City Attorney and Michelle Leonard, CSC Engineers consultant answered Council questions.

Council Discussion

MOTION by Council Member Brann to continue manual waste pick-up and engage in negotiations with the solid waste company with the lowest bid for manual pick-up. The motion did not receive a second, therefore, the motion is dead.

MOTION by Council Member Nicol to enter into negotiations for an exclusive franchise to EDCO Waste & Recycling Services (EDCO) to provide residential and municipal solid waste hauling services and move to automated pick-up. The motion did not receive a second, therefore, the motion is dead.

MOTION by Council Member Nicol, SECONDED by Mayor Pro Tem Pirsztuk to continue the item to the January 15, 2018 regular City Council meeting. MOTION PASSED BY VOICE VOTE. 3/1 YES: Nicol Pimentel Pirsztuk NO: Brann

Mayor Boyles returned to the dais

5. Consideration and possible action to review and approve the three-year strategic plan and the associated work plan (FY 2019 through 2021).
   (Fiscal Impact: $0)

Greg Carpenter, City Manager, introduced the item

Joe Lillio, Finance Director, gave a presentation

Council Discussion

MOTION by Mayor Boyles, SECONDED by Council Member Brann approving the three-year Strategic Plan and associated Work Plan (FY 2019 through 2021). MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

6. Consideration and possible action to open the recruitment process for the positions on the Committees, Commissions and Boards ("CCBs") that expires in the year 2019.
   (Fiscal Impact: None)

Greg Carpenter, City Manager, introduced the item.

Tracy Weaver, City Clerk, stated the Environmental Committee makeup had a change from 2 residents/2 Business persons to 3 residents/3 Business persons.

Council Discussion
MOTION by Council Member Nicol, SECONDED by Council Member Brann directing staff to open the recruitment process for the positions on the CCB’s, as listed. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

(Item #7 moved to #5 by Mayor Pro Tem Pirsztuk due to time)
7. Consideration and possible action regarding development of Arts and Culture Advisory Committee proposals for a fee to be imposed on commercial development for purposes of funding art in public places (“Percent for Arts ordinance”) and the formation of a City non-profit organization to support public art and programming in El Segundo.
(Fiscal Impact: City Attorney Time and City Staff Time (Library, Planning, Finance, Public Works, and Economic Development Departments) and retaining special tax/legal counsel for preparing non-profit documents (approximately $30,000 for special counsel)

Greg Carpenter, City Manager, introduced the item.

Melissa McCollum, Library Director introduced both the item and Michael Kreski, Member of the Arts and Culture Advisory Committee who gave a presentation.

Council Discussion

MOTION by Council Member Brann, SECONDED by Council Member Pimentel to receive and file the presentation and directed staff to develop different possible proposals for Council’s consideration. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

(Item #8 moved to the January 15, 2018 Regular City Council Meeting)
8. Consideration and possible action to receive and file an informational update from the Information Systems Department and the Technology Committee regarding the projects completed in 2018.
(Fiscal Impact: None)

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.

9. Approve Warrant Numbers 3023870 through 3023975 and 600656 and 6000656 on Register No. 5a in the total amount of $403,666.54 and Wire Transfers from 11/26/18 through 12/2/18 in the total amount of $111,521.78. Warrant Numbers 3023976 through 3024064 on Register No. 5b in the total amount of $447,930.76 and Wire Transfers from 12/3/18 through 12/9/18 in the total amount of $1,068,054.32. Ratified Payroll and Employee Benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers.
10. Approve Regular City Council Meeting Minutes of December 4, 2018.

11. PULLED BY COUNCIL MEMBER PIMENTEL

12. Adopt Resolution No. 5120 approving plans and specifications for the Holly Valley Park Playground Project and authorize staff to advertise the project for construction bids. Project No. PW 18-33.
   (Fiscal Impact: To be Determined)

   (Fiscal Impact: None)

14. Authorize the City Manager to amend the standard Professional Services Agreement with J.C. Chang & Associates, Inc., amendment no. 5485A, for Pump Station 17 Equipment Repair, in a total amount not-to-exceed $75,465.00 and amend the contingency to a total amount not-to-exceed $7,500.00. Project No. PW 18-13.
   (Fiscal Impact: $32,965)

15. Adopt Resolution No. 5122 approving plans and specifications for the Campus El Segundo Shade Structure Project and authorize staff to advertise the project for receipt of construction bids. Project No. PW 18-28.
   (Fiscal Impact: To Be Determined)

16. PULLED BY MAYOR PRO TEM PIRSZTUK

17. PULLED BY COUNCIL MEMBER BRANN

18. Authorize the City Manager, in a form approved by the City Attorney, to accept specialized rescue equipment, personal protective equipment and utility truck from Chevron USA in a sum equal to $249,950 in conformance with requirements of the Federal Consent Decree and authorize the City Manager, in a form approved by the City Attorney, to accept a new 2019 fire engine from Pierce Manufacturing, utility truck and emergency radio equipment from Chevron USA in conformance with a local grant totaling $900,000.
   (Fiscal Impact: $0)

MOTION by Mayor Boyles, SECONDED by Council Member Brann approving Consent Agenda items 9, 10, 12, 13, 14, 15, and 18. MOTION PASSED BY UNANIMOUS VOTE. 5/0

PULLED ITEMS:

(Fiscal impact: not to exceed $320,000.00)
Council Member Pimentel requested Chief Whalen give a brief overview of the reason for the new vehicle.

MOTION by Council Member Pimentel, SECONDED by Mayor Pro Tem Pirsztuk to waive the bidding procedures and authorize the Police Department to purchase a SWAT truck directly from Emergency Vehicles, Inc., using Asset Forfeiture Funds approved in the 2018/2019 Council budget, without a competitive selection process, declare the current 1993 SWAT vehicle to be surplus property and authorize staff to remove it from the fleet entirely to either repurpose it or auction it. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

16. Consideration and possible action to award a standard Public Works Contract to Delta Electric, agreement no. 5638, for the Downtown Landscape Lighting Project, Project No. PW 18-24.
   (Fiscal Impact: $210,518.83)

Mayor Pro Tem Pirsztuk and Greg Carpenter, City Manager left the dais due to possible conflict of interest.

Barbara Voss, Deputy City Manager and Ken Berkman, Public Works Director gave an overview of the item.

Council discussion

MOTION by Mayor Boyles, SECONDED by Council Member Brann to authorize the City Manager to execute a standard Public Works Contract, in a form approved by the City Attorney, with Delta Electric in the amount of $158,351.14, thus reducing the scope of work to remain within the allocated project budget. Project No. PW 18-24. MOTION PASSED BY VOICE VOTE. 4/0

Mayor Pro Tem Pirsztuk and Greg Carpenter returned to the dais.

17. Consideration and possible action to approve a license agreement no 5639 with Swimming Los Angeles Swim School (Swimming L.A.) in a form approved by the City Attorney.
   (Fiscal Impact: $5,400.00 estimated annual revenue)

Council Discussion

MOTION by Council Member Brann, SECONDED by Council Member Pimentel approving the license agreement with Swimming Los Angeles Swim School (Swimming L.A.) in a form approved by the City Attorney. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

F. NEW BUSINESS
19. Consideration and possible action to incorporate an Environmental Consideration Statement in all Staff Reports not subject to the California Environmental Quality Act (CEQA)  
(Fiscal Impact: None)

Greg Carpenter, City Manager, introduced the item.

Ken Berkman, Public Works Director, reported on the item.

Council discussion

MOTION by Mayor Boyles, SECONDED by Council Member Brann directing staff to incorporate an Environmental Consideration Statement in all Staff Reports and directed staff and the attorney’s office to fine tune the proper wording. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Due to electronic difficulties, Council moved onto Reports and revisited this item once reports were completed.

20. Consideration and possible action regarding Fiscal Year (FY) 2017-18 Fourth Quarter Financial Review of the General Fund (GF) and Enterprise Funds.  
(Fiscal Impact: None)

Greg Carpenter, City Manager, introduced the item

Joe Lillio, Finance Director, gave a presentation.

Council discussion

Council consensus to receive and File FY 2017-18 Fourth Quarter Financial Review.

G. REPORTS – CITY MANAGER – With this meeting the last of the year, Mr. Carpenter commented that 2018 was a productive year for the City and thanked City staff for their efforts this year. Wished everyone Happy Holidays. Thanked Chevron USA for their efforts in funding a new fire engine, along with the Consent Decree in which the Fire Department will receive a new Utility Truck and all firefighters will receive new turnouts. Mr. Carpenter stated the donation was over a million dollars and believes the Fire Department is in good shape, equipment wise, for the next 10 years. Thanked all City employees working over the Holidays.

H. REPORTS – CITY ATTORNEY

20a. Consideration and possible action to amend the City of El Segundo’s Social Media Policy.  
(Fiscal Impact: N/A)

Greg Carpenter, City Manager, introduced the item
Mark Hensley, City Attorney, reported on the item

Council discussion

Mark Hensley, read by title only:

RESOLUTION NO. 5123

A RESOLUTION ADOPTING A SOCIAL MEDIA POLICY

MOTION by Mayor Boyles, SECONDED by Council Member Nicol adopting Resolution No. XXX. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

I. REPORTS – CITY CLERK – Passed

J. REPORTS – CITY TREASURER – Gave a presentation earlier in the evening

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Pimentel – Thanked the Police Department for their efforts in maintaining and monitoring Candy Cane Lane this year.

Council Member Nicol – Was reminded of a program the Methodist Church organizes, by Pastor Carlile; Family Promises and highly recommends the program and encourages the Community to get involved if ever asked to help out. Thanked the POA (Police Officers Association) and the Kiwanis Club for another successful year with the Santa Sleigh event.

Council Member Brann – Passed

Mayor Pro Tem Pirsztuk – Invited all Senior Citizens to the Jocelyn Center on Christmas Day for lunch.

Mayor Boyles – It’s been an incredible 2018, here’s to 2019

21. Consideration and possible action regarding the annual request of Mr. S. Claus for variances from the Municipal Code.
   (Fiscal Impact: None)

MOTION by Council Member Brann, SECONDED by Mayor Boyles waiving the use of air rights and waiver of the Santa Monica Radial 160 R procedure, granting a free business license for a non-profit organization, waiving of the Noise Ordinance to permit the sound of bells, waiving of the Trespass Ordinance including dealing with trespassing animals and waiving of the ordinance on Animal Regulations. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total)
Jack Axelrod, resident, commented on various item of concern.

MEMORIALS – None

ADJOURNMENT at 11:15 PM

Tracy Weaver, City Clerk
AGENDA DESCRIPTION:

Consideration and possible action to accept as complete the Storm Drain Pipe Abandonment on Eucalyptus Drive Project, Project No. PW 18-11. (Fiscal Impact: $101,000)

RECOMMENDED COUNCIL ACTION:

1. Accept the work performed by Ramona, Inc. for the Storm Drain Pipe Abandonment on Eucalyptus Drive Project in the City of El Segundo;

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

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>$116,150</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Appropriation: N/A</td>
<td></td>
</tr>
<tr>
<td>Account Number(s):</td>
<td></td>
</tr>
<tr>
<td>$80,000 from 301-400-8205-8313 (Eucalyptus Storm Drain Abandonment)</td>
<td></td>
</tr>
<tr>
<td>$36,150 from 001-400-4302-6215 (Storm Drain Repairs)</td>
<td></td>
</tr>
</tbody>
</table>

STRATEGIC PLAN:

<table>
<thead>
<tr>
<th>Goal: 4</th>
<th>Develop Quality Infrastructure and Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective: (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 June 19, 2018, Council awarded a construction contract to Ramona, Inc. (Ramona) in the amount of $101,000. Construction began November 1, 2018 and was substantially completed on November 21, 2018. The storm drain pipe in Eucalyptus Drive from the bleachers near Holly Avenue to 212 Eucalyptus Drive was permanently abandoned by cutting it into sections and filling it with cementitious material.
Staff respectfully recommends Council accept the work performed by Ramona, Inc. for the Storm Drain Pipe Abandonment Project on Eucalyptus Drive between Holly Avenue and Franklin 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 the Storm Drain Repairs Fund for future use.

**Accounting Summary:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ramona contract amount</td>
<td>$101,000.00</td>
</tr>
<tr>
<td>Change Orders</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total Construction Cost</strong></td>
<td><strong>$101,000.00</strong></td>
</tr>
<tr>
<td>Project Budget</td>
<td>$116,150.00</td>
</tr>
<tr>
<td><strong>Total Construction Cost</strong></td>
<td><strong>$101,000.00</strong></td>
</tr>
<tr>
<td>Remaining Unspent Funds</td>
<td>$15,150.00</td>
</tr>
</tbody>
</table>
NOTICE OF COMPLETION OF CONSTRUCTION PROJECT

Project Name: Storm Drain Pipe Abandonment on Eucalyptus Drive Project

Project No.: PW 18-11  Contract No. 5559

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 November 26, 2018. The work done was: Storm Drain Pipe Abandonment on Eucalyptus Drive between Holly Avenue and Franklin Avenue.

6. On January 15, 2019, 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: Ramona 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: Eucalyptus Drive between Holly Avenue and Franklin Avenue

9. The street address of said property is: Eucalyptus Drive between Holly Avenue and Franklin 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 ________________ 2019 at El Segundo, California.

______________________________  
Ken Berkman  
Public Works Director
AGENDA DESCRIPTION:

Consideration and possible action to accept as complete the FY 16/17 Sidewalk, Curb and Gutter Replacement Project. Project No. PW 17-19 (Fiscal Impact: $153,456.01)

RECOMMENDED COUNCIL ACTION:

1. Accept the work as complete;

2. Authorize the City Clerk to file a Notice of Completion in the County Recorder’s office; or,

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

ATTACHED SUPPORTING DOCUMENTS:

Notice of Completion

FISCAL IMPACT: Included in Adopted Budget

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>$233,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Appropriation:</td>
<td>No</td>
</tr>
<tr>
<td>Account Number(s):</td>
<td>301-400-8203-8705 (Sidewalk/Curb and Gutter Construction)</td>
</tr>
</tbody>
</table>

STRATEGIC PLAN:

Goal: 4 Develop Quality Infrastructure and Technology

Objective: (a) El Segundo’s physical infrastructure supports an appealing, safe, and effective City

ORIGINATED BY: Cheryl Ebert, Senior Civil Engineer

REVIEWED BY: Ken Berkman, Public Works Director

APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

On September 5, 2017, City Council awarded a Public Works Contract to Rojas Construction for the FY16/17 Sidewalk, Curb and Gutter Replacement Project in the amount of $201,313.50 and authorized an additional $20,132.00 for construction related contingencies.

Construction began on November 6, 2017, and was completed by Rojas Construction on October 19, 2018. The project was delayed so that Street Division staff could complete a Citywide sidewalk survey to ensure that the project’s work locations aligned with maintenance staff’s highest prioritized locations. A final inspection of Rojas Construction’s work was conducted and it was determined that the project was completed per the plans and specifications and to the
satisfaction of the Public Works Department. Change orders for the project included deleting the alternative bid items from the scope of work and re-scoping several locations in the City. The deleted alternative bid items included removal of the end concrete panels at the downtown Main Street mid-block crosswalks that proved to be unnecessary once the new crosswalk lights were successfully installed, and improvement of median curbs on El Segundo Blvd. east of PCH that will be more efficiently incorporated into the future El Segundo Blvd. Rehabilitation project.

The project costs consisted of:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base bid concrete work</td>
<td>$153,344.50</td>
</tr>
<tr>
<td>Alternative bid work</td>
<td>$47,969.00</td>
</tr>
<tr>
<td>Council Awarded</td>
<td>$201,313.50</td>
</tr>
<tr>
<td>Change Orders</td>
<td>-$48,817.49</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$152,496.01</td>
</tr>
<tr>
<td>Advertising cost</td>
<td>$960.00</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$153,456.01</td>
</tr>
</tbody>
</table>

The $47,857.49 difference between the award amount and the total project cost will be returned to the General Fund.

Staff respectfully recommends that City Council accept the work performed by Rojas Construction as complete and authorize the City Clerk to file a Notice of Completion with the County Recorder’s Office.
NOTICE OF COMPLETION OF CONSTRUCTION PROJECT

Project Name: FY 16/17 Sidewalk, Curb and Gutter Replacement Project

Project No.: PW 17-19 Contract No. 5393

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 October 19, 2018. The work done was: Sidewalk, Curb and Gutter Replacements

6. On January 15, 2019, 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: Rojas Construction

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: Concrete improvements to sidewalks, curb and gutter in the City of El Segundo.

9. The street address of said property is: El Segundo, CA 90245

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 _________________, 2019 at El Segundo, California.

Ken Berkman
Public Works Director
AGENDA DESCRIPTION:
Consideration and possible action regarding approval of 1) Amendment to the Part Time rate schedule; 2) Approval of the revised classification job titles; 3) Ratification of interim compliance measure; 4) Adoption of Resolution approving the amendment to the Part Time rate schedule for Calendar Year 2019.

RECOMMENDED COUNCIL ACTION:
1. Approve the Part-Time/Hourly Classifications Salary Schedule;
2. Adopt the Resolution approving the Part-Time/Hourly Classifications Salary Schedule
3. Ratify interim compliance measure
4. Adopt the Resolution approving the Part-Time/Hourly Classification Salary Schedule
5. Authorize the City Manager and/or Finance Director to take budgetary actions consistent with the adoption of the amended salary schedule; or,
6. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
A. City of El Segundo Part-Time/Hourly Classifications Salary Schedule
B. Resolution adopting the new City of El Segundo Part-Time/Hourly Classifications Salary Schedule

FISCAL IMPACT:
Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s): various division personnel cost centers and accounts (xxx-xxx-4102-xxxx)

STRATEGIC PLAN:
Goal: 3 Develop as a choice employer and workforce
Objective: 1 El Segundo is a City employer of choice and consistently hiring for the future, with a workforce that is inspired, world-class and engaged, demonstrating increasing stability and innovation.

ORIGINATED BY: Joseph Lillio, Finance Director and
David Serrano, Human Resources Director

REVIEWED BY: Greg Carpenter, City Manager

APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
In 2016, Governor Brown signed SB 3 into law, increasing the State’s minimum wage from $9.00 per hour to $15.00 hour by January 1, 2022 (for large employers with more than 26 employees).
Pursuant to this law, the minimum wage will increase each year by $1.00 until January 1, 2022, when large employers must pay minimum wage of $15.00 per hour. Small employers, those with 25 or less employees, have until January 1, 2023 to meet the $15.00 minimum wage order.

The table below shows an example of the escalating minimum wage increases, to be phased in over time:

<table>
<thead>
<tr>
<th>Date:</th>
<th>Minimum Wage (small employers with 25 or less)</th>
<th>Minimum Wage (large employers with 26 or more)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2017</td>
<td>$10.00/hour</td>
<td>$10.50/hour</td>
</tr>
<tr>
<td>January 1, 2018</td>
<td>$10.50/hour</td>
<td>$11.00/hour</td>
</tr>
<tr>
<td>January 1, 2019</td>
<td>$11.00/hour</td>
<td>$12.00/hour</td>
</tr>
<tr>
<td>January 1, 2020</td>
<td>$12.00/hour</td>
<td>$13.00/hour</td>
</tr>
<tr>
<td>January 1, 2021</td>
<td>$13.00/hour</td>
<td>$14.00/hour</td>
</tr>
<tr>
<td>January 1, 2022</td>
<td>$14.00/hour</td>
<td>$15.00/hour</td>
</tr>
<tr>
<td>January 1, 2023</td>
<td>$15.00/hour</td>
<td></td>
</tr>
</tbody>
</table>

This law includes a provision which allows the Governor to suspend the increases if it is determined, based upon certain economic factors, that the State is in recession.

The City has reviewed its prior Part-Time/Hourly Classification Salary Schedule, and noted the schedule had not been updated to reflect the new law.

Please note, the City establishes a salary range with several pay-steps for each range. The City was able to maintain compliance by not filling vacant positions at the entry step. Essentially, over the prior years the City filled vacancies at a higher pay step (for example, step B or Step C), thereby ensuring compliance with the required minimum wage rate increases in prior years.

The attached Part-Time/Hourly Classifications Salary Schedule, effective January 1, 2019 remedies the issues described above. The attached schedule meets or exceeds the State’s minimum wage law requirements, and addresses certain salary compaction issues within the classifications presented.

Within the prior existing part-time/hourly pay rate schedule, as indicated, new hires were being placed at starting pay-step range in order to meet then existing State minimum wage law. As of January 1, 2019, State minimum wage law increased to $12.00 per hour. A review of existing part-time/hourly employees revealed approximately 115 employees were receiving pay compliant with 2018 minimum wage of $11.00 per hour. However, those same 115 employees would not be in compliance with the 2019 minimum wage increase to $12.00 per hour on January 1, 2019. Therefore, in order to remain compliant, all 115 part-time employees were moved to the next higher pay step (Step D) within the existing range. Staff seeks City Council ratification of this interim compliance measure.

With the attached schedule, the City seeks to recruit and retain highly qualified part-time personnel for various position throughout the City, including local high school students seeking summer and seasonal positions.
Moving forward, any additional minimum wage increases will be included in annual budget
development for our part-time/hourly classifications.
## CITY OF EL SEGUNDO
### Part-Time/Hourly Classifications Salary Schedule

**Effective January 15, 2019**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Range</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
<th>Step 5</th>
<th>Step 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Intern</td>
<td>HR11</td>
<td>$14.50</td>
<td>$15.23</td>
<td>$15.99</td>
<td>$16.79</td>
<td>$17.62</td>
<td>$18.51</td>
</tr>
<tr>
<td>Lifeguard</td>
<td>HR13</td>
<td>$15.00</td>
<td>$15.75</td>
<td>$16.54</td>
<td>$17.36</td>
<td>$18.23</td>
<td>$19.14</td>
</tr>
<tr>
<td>Police Cadet</td>
<td>HR11</td>
<td>$14.50</td>
<td>$15.23</td>
<td>$15.99</td>
<td>$16.79</td>
<td>$17.62</td>
<td>$18.51</td>
</tr>
<tr>
<td>Recreation Leader I/Recreation Assistant</td>
<td>HR1</td>
<td>$12.05</td>
<td>$12.65</td>
<td>$13.29</td>
<td>$13.95</td>
<td>$14.65</td>
<td>$15.38</td>
</tr>
<tr>
<td>Recreation Leader II/Recreation Leader</td>
<td>HR5</td>
<td>$13.00</td>
<td>$13.65</td>
<td>$14.33</td>
<td>$15.05</td>
<td>$15.80</td>
<td>$16.59</td>
</tr>
<tr>
<td>Recreation Leader III/Senior Recreation Leader</td>
<td>HR11</td>
<td>$14.50</td>
<td>$15.23</td>
<td>$15.99</td>
<td>$16.79</td>
<td>$17.62</td>
<td>$18.51</td>
</tr>
<tr>
<td>Recreation Leader IV/Recreation Specialist</td>
<td>HR22</td>
<td>$17.25</td>
<td>$18.11</td>
<td>$19.02</td>
<td>$19.97</td>
<td>$20.97</td>
<td>$22.02</td>
</tr>
<tr>
<td>Senior Lifeguard</td>
<td>HR25</td>
<td>$18.00</td>
<td>$18.90</td>
<td>$19.85</td>
<td>$20.84</td>
<td>$21.88</td>
<td>$22.97</td>
</tr>
<tr>
<td>Senior Video Technician/Media Specialist</td>
<td>HR22</td>
<td>$17.25</td>
<td>$18.11</td>
<td>$19.02</td>
<td>$19.97</td>
<td>$20.97</td>
<td>$22.02</td>
</tr>
<tr>
<td>Senior Video Technician II/Senior Media Specialist</td>
<td>HR42</td>
<td>$22.25</td>
<td>$23.36</td>
<td>$24.53</td>
<td>$25.76</td>
<td>$27.05</td>
<td>$28.40</td>
</tr>
<tr>
<td>Video Technician I</td>
<td>HR1</td>
<td>$12.05</td>
<td>$12.65</td>
<td>$13.29</td>
<td>$13.95</td>
<td>$14.65</td>
<td>$15.38</td>
</tr>
<tr>
<td>Video Technician II/Media Assistant</td>
<td>HR5</td>
<td>$13.00</td>
<td>$13.65</td>
<td>$14.33</td>
<td>$15.05</td>
<td>$15.80</td>
<td>$16.59</td>
</tr>
<tr>
<td>Lifeguard/ Swim Instructor</td>
<td>HR19</td>
<td>$16.50</td>
<td>$17.33</td>
<td>$18.19</td>
<td>$19.10</td>
<td>$20.06</td>
<td>$21.06</td>
</tr>
</tbody>
</table>
Resolution No. __________

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO
CITY OF EL SEGUNDO

RESOLUTION OF THE CITY OF EL SEGUNDO, CALIFORNIA APPROVING
A RATE SCHEDULE FOR PART-TIME/HOURLY EMPLOYEES

WHEREAS, Chapter 5, Article A, Section 1-5A7 of the City’s Municipal Code provides that the
duties of the City Manager of the City of El Segundo; and

WHEREAS, Chapter 5, Article A, Section 1-5A7(K) of the City’s Municipal Code provides the
City Manager shall prepare and submit the proposed salary plan to City Council for Approval;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of El Segundo
California, as follows:

Section 1: That the "Part-time/Hourly Rate Schedule" dated January 1, 2019 as attached
hereto, and made a part hereof shall be adopted as the salary and benefit schedule for part-
time/hourly employees in the City of El Segundo;

Section 2: That the "Part-time/Hourly Rate Schedule shall become part of the City’s
personnel rules and regulations;

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 minutes of this meeting.

Section 4: This Resolution will become effective immediately upon adoption and
PASSED AND ADOPTED this ____ day of ____________,
2018.

__________________________
Drew Boyles, Mayor

ATTEST:

__________________________
Tracy 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 21st day of November, 2018, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

NOT PARTICIPATING:

WITNESS MY HAND THE OFFICIAL SEAL OF SAID CITY this _____ day of January, 2019.

Tracy Weaver, City Clerk
of the City of El Segundo,
California
AGENDA DESCRIPTION:
Consideration and possible action regarding 1) Revocation of resolution 4656 containing outdated language regarding providing delegation of authority for making industrial disability determination recommendations to the City Manager or designee pursuant to Government Code § 21173.
2) Approval and adoption of a revised resolution incorporating updated language mandated by CalPERS regarding delegation of authority for industrial disability retirement recommendations, including when the City Manager will certify a determination and who is delegated to sign employer originated applications. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Approve the proposed revocation of resolution 4656.
2. Approve and adopt a new resolution incorporating updated language mandated by CalPERS regarding delegation of authority for industrial disability retirement recommendations.
3. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
2. Proposed Resolution with new language mandated by CalPERS.
3. Example of updated resolution language from CalPERS.

FISCAL IMPACT: None

STRATEGIC PLAN:
Goal: C. Develop as a partner with CalPERS and implementing mandated current information and language necessary for delegation of authority for industrial disability retirements.
Objective: Update current language to provide delegation authority for industrial disability retirements recommendations.

ORIGINATED BY: Leslie Campbell, Human Resources Analyst
REVIEWED BY: David Serrano, Director of Human Resources
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
The City adopted Resolution 4656, a resolution delegating authority for making disability determinations to the City Manager and Human Resources Director, in compliance with Government Code section 21173, on June 15, 2010. Since that time, and following the financial crisis, CalPERS has sought to clarify and update its internal controls systems and participating agency requirements.
One such requirement is the employer determined industrial disability retirement (IDR) procedures and controls. In this light, the City recently submitted several IDR applications to CalPERS and included resolution 4656 as supporting documentation. The applications were rejected and returned to the City stating that the language of resolution 4656 does not meet CalPERS updated requirements, and therefore CalPERS would no longer accept City determinations regarding IDR.

CalPERS has provided the City a template resolution, attached and completed with the City’s information that is acceptable to CalPERS. City determined IDR is of paramount importance for our safety departments – as we ask them to enter into dangerous work on a daily basis. The IDR process allows the City to make a determination regarding industrial disability retirements for those safety employees who suffer a serious or catastrophic injury performing their usual and customary duties on behalf of the City of El Segundo. This process allows the City to respond to those emergency situations with our safety employees, and helps to protect their families in the event of catastrophic or fatal injuries.

It is recommended the City 1) revoke Resolution 4656; and 2) adopt the revised resolution attached hereto, regarding IDR.

In the event the City does not adopt the revised resolution, final IDR determination will revert back to CalPERs and the State of California, which may cause delays in final determinations on behalf of seriously injured employees, or for the families of deceased employees.
RESOLUTION NO. 4656

A RESOLUTION DELEGATING AUTHORITY FOR MAKING DISABILITY DETERMINATIONS TO THE CITY MANAGER AND HUMAN RESOURCES DIRECTOR PURSUANT TO GOVERNMENT CODE § 21173.

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

Section 1: Pursuant to Government Code § 21173, the City Manager and Human Resources Director are authorized to exercise the responsibilities and duties conferred and imposed by Article 6 to Chapter 12 of the Government Code (consisting of §§ 21150-21176), entitled “Disability Retirement,” subject to the conditions set forth below.

Section 2: The Human Resources Director (“Director”) will make an initial determination regarding disability upon being presented with a disability retirement application. In addition, the Director will make an initial determination regarding cancellation of a recipient’s disability retirement allowance.

Section 3: Except where a matter is referred to the City Council for a decision, the City Manager, or designee, will make final decisions regarding disability retirement on the City’s behalf. The City Manager, or designee, will also make a final decision regarding canceling a recipient’s disability retirement allowance unless the matter is referred to the City Council for a decision. Further, the City Manager, or designee, is authorized to procure an administrative law judge from the Office of Administrative Hearings, if a hearing is requested.

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

PASSED AND ADOPTED this 15th day of June, 2010.

[Signature]
Eric K. Busch, Mayor
CERTIFICATION

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

I, Cindy Mortesen, 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. 4656 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 15th day of June, 2010, and the same was so passed and adopted by the following vote:

AYES:  Busch, Fisher, Brann, Fuentes, Jacobson
NOES:  None
ABSENT: None
ABSTAIN: None
NOT PARTICIPATING:

WITNESS MY HAND THE OFFICIAL SEAL OF SAID CITY this 15th day of June, 2010.

[Signature]
Cindy Mortesen, City Clerk
of the City of El Segundo,
California
(SEAL)

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

[Signature]
Karl H. Berger
Assistant City Attorney
(SEAL)
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO
CITY OF EL SEGUNDO

A RESOLUTION DELEGATING AUTHORITY FOR MAKING DISABILITY
DETERMINATIONS TO THE CITY MANAGER AND HUMAN RESOURCES
DIRECTOR PURSUANT TO GOVERNMENT CODE § 21173.

WHEREAS, The City of El Segundo (herein referred to as Agency) is a contracting
agency of the California Public Employees' Retirement System;

Section 1: WHEREAS, THE Public Employees’ Retirement Law requires that a
contracting agency determine where an employee of such agency in employment in
which he/she is classified as a local safety member is disabled for purposes of the
Public Employees’ Retirement Law and such disability is “industrial” within the meaning
of such Law:

Section 2: WHEREAS, The City Council of El Segundo has determined upon legal
advice that it may delegate authority under Government Code section 21173 to make
such determinations to the incumbent of the office/position of City Manager or Director
of Human Resources.

NOW, THEREFORE, BE IT RESOLVED:

Section 3: That the City Council of the City of El Segundo delegate and it does
hereby delegate to the incumbent of the office/position of City Manager or Director of
Human Resources, authority to make application on behalf of the Agency pursuant to
Government code section 21152 (c) for disability retirement of all employees and to
initiate requests for reinstatement of such employees who are retired for disability;

Section 4: BE IT FURTHER RESOLVED that the City Council of the City of El
Segundo delegate and it does hereby delegate to the incumbent of the office/position of
City Manager or Director of Human Resources authority to make determinations of
disability on behalf of the Agency under Government Code section 21156 and whether
such disability is industrial and to certify such determinations and all other necessary
information to the California Public Retirement System.
PASSED AND ADOPTED this 15th day of January, 2019.

______________________________
Drew Boyles, Mayor

ATTEST:

______________________________
Tracy Weaver, City Clerk

APPROVED AS TO FORM:

______________________________
Mark D. Hensley, City Attorney
SAMPLE RESOLUTION NO. 3 – DELEGATION OF AUTHORITY

RESOLUTION OF _____________________________
(Name of governing body)

______________________________
(Name of agency)

WHEREAS, the _____________________________ (herein referred to as Agency)
(Name of agency)

is a contracting agency of the California Public Employees' Retirement System;

WHEREAS, the Public Employees' Retirement Law requires that a contracting agency
determine whether an employee is such agency in employment in which he/she is
classified as a local safety member is disabled for purposes of the Public Employees’
Retirement Law and such disability is "industrial" within the meaning of such Law:

WHEREAS, _____________________________ has determined upon legal
(name of governing body)

advice that it may delegate authority under Government Code section 21173 to make
such determinations to the incumbent of the office/position of _____________________________.
(title)

NOW, THEREFORE, BE IT RESOLVED:

that the _____________________________ delegate and it does hereby delegate
(name of governing body)

to the incumbent of the office/position of _____________________________, authority to make
(title)

application on behalf of the Agency pursuant to Government Code section 21152 (c) for
disability retirement of all employees and to initiate requests for reinstatement of such
employees who are retired for disability;

BE IT FURTHER RESOLVED that _____________________________ delegate and it
(name of governing body)

does hereby delegate to the incumbent of the office/position of _____________________________
/title

authority to make determinations of disability on behalf of the Agency under
Government Code section 21156 and whether such disability is industrial and to certify
such determinations and all other necessary information to the California Public
Employees' Retirement System.

(Signatures and other notations by governing body named including vote count)