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, FEBRUARY 5, 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 seq.) for the purposes of conferring with the City’s Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City’s Labor Negotiators; as follows:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov’t Code §54956.9(d)(1): -2- matters
1. Galloway v. City of El Segundo, Los Angeles Superior Court Case No. BC709378
2. City Employees Association v. City of El Segundo, Public Employment Relations Board

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) -0- matter

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 Rodriguez, City Manager, Greg Carpenter and Human Resources Director.
AGENDA
EL SEGUNDO CITY COUNCIL
COUNCIL CHAMBER –
350 MAIN STREET

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REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, FEBRUARY 5 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER

INVOCATION – Pastor Wes Harding, The Bridge

PLEDGE OF ALLEGIANCE – Council Member Pimentel
PRESENTATIONS

a) Proclamation – Sue Carter Friends of the El Segundo Library Community Room

b) Presentation – HR Department to introduce new employee, Sylvana Tamura, Sr. Analyst.

ROLL CALL

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

CITY COUNCIL COMMENTS – (Related to Public Communications)

A. PROCEDURAL MOTIONS

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

Recommendation – Approval.

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

C. UNFINISHED BUSINESS

1. Consideration and possible action 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: None)

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

2. Consideration and possible action to adopt a Resolution adopting the revised Technology Committee Bylaws.
   (Fiscal Impact: None)
   Recommendation – 1) Adopt a Resolution adopting the revised Technology Committee Bylaws; 2) Alternatively, discuss and take other action related to this item.

E. CONSENT AGENDA

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

3. Warrant Numbers 3024396 through 3024504 and 9000700 through 9000737 on Register No. 8a in the total amount of $599,701.88 and Wire Transfers from 1/7/19 through 1/13/19 in the total amount of $2,726,939.40. Warrant Numbers 3024505 through 3024623 and 9000738 through 9000740 on Register No. 8b in the total amount of $367,203.60 and Wire Transfers from 1/14/19 through 1/20/19 in the total amount of $436,097.39. Warrant Numbers 3024624 through 3024682 and 9000741 through 9000742 on Register No. 8c in the total amount of $126,018.22 and Wire Transfers from 1/21/19 through 1/27/19 in the total amount of $309,880.33.
   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

5. 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 Waive second reading and adopt Ordinance No. 1580 for Environmental Assessment No. EA-1231 and Zone Text Amendment No. ZTA 18-05; 2) Alternatively, discuss and take other action related to this item.
6. Consideration and possible action regarding 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: City of El Segundo) 
Address: Citywide 
(Fiscal Impact: None)
Recommendation – 1) Waive second reading and adopt Ordinance No. 1579 for 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; 2) Alternatively, discuss and take other action related to this item.

7. Consideration and possible action regarding a request for the allowance of two new restaurants to serve beer and wine (BBCM), and serve beer, wine, and distilled spirits (Chin Chin) for on-site consumption. The restaurants are located within the Urban Mixed Use South Zone at 2041 Rosecrans Avenue, Suites 120 and 140. EA 1234 AUP 18-05 and EA 1235 AUP 18-06. Applicant: Wonton Group, LLC. 
(Fiscal Impact: None)
Recommendation – 1) Receive and file this report without objecting to the issuance of the two alcohol permits for the new restaurants at 2041 Rosecrans Ave, Suites 120 and 140; 2) Alternatively, discuss and take other action related to this item.

8. Consideration and possible action to accept as complete the FY 17/18 Pavement Rehabilitation Project, Project No. PW 18-18. 
(Fiscal Impact: $1,201,026.37)
Recommendation – 1) Accept the work as complete; 2) Authorize the City Clerk to file a Notice of Completion with the County Recorder’s Office; 3) Authorize to increase the construction related contingencies from $105,000 to $112,384.37; 4) Authorize to transfer $57,752.13 from the Sewer Enterprises fund account #502-400-8204-8647 to #106-400-8203-8943 (State Gas Tax Fund); 5) Alternatively, discuss and take other action related to this item.

9. Consideration and possible action to accept as complete the Police Department Floor Replacement, Project No. PW 18-02. 
(Fiscal Impact: $251,549.50)
Recommendation – 1) Accept the work as complete; 2) Authorize the City Clerk to file a Notice of Completion with the County Recorder’s Office; 3) Alternatively, discuss and take other action related to this item.
10. Consideration and possible action to continue deliberation on the potential adoption of solid waste collection and disposal fees for one and two unit residential properties to February 19, 2019, when the Council will also consider approving a franchise agreement with EDCO to provide solid waste collection and disposal services for these properties. The Council held a public hearing on the proposed solid waste collection and disposal rates on November 6, 2018, and continued its deliberations to this February 5, 2019 Council Meeting.
(Fiscal Impact: None)

Recommendation – 1) Consideration and possible action to continue deliberation on the potential adoption of solid waste collection and disposal fees for one and two unit residential properties to February 19, 2019, when the Council will also consider approving a franchise agreement with EDCO to provide solid waste collection and disposal services for these properties; 2) Alternatively, discuss and take other action related to this item.

F. NEW BUSINESS

11. Consideration and possible action to approve the proposed fee schedule for the City of El Segundo – Wiseburn Unified School District Aquatics Center (2240 E. Grand Avenue) to establish user group categories and long-term rental rates at a discounted rate from the previously-approved hourly rental rates and approve the selection of Alpha Aquatics, Beach Cities Swimming, SCAQ, and Tower 26, as primary long-term user groups of the facility.
(Fiscal Impact: Estimated Annual Revenue $340,000)

Recommendation – 1) Approve the proposed fee schedule to establish discounted rental rates by user group category and long-term “bulk rate”; and, 2) Approve the selection of Alpha Aquatics, Beach Cities Swimming, SCAQ, and Tower 26 as initial primary users of the Aquatics Center for a term of one-year; and/or, 3) Alternatively, discuss and take other action related to this item.

12. Consideration and possible action to receive and file a presentation on the City’s second annual customer satisfaction survey results that were conducted with residents and businesses which were based on the Net Promoter Score methodology and part of the City’s strategic work plan.
(Fiscal Impact: $20,000.00)

Recommendation – 1) City Council receive and file a presentation on the City’s second annual customer satisfaction survey; 2) Alternatively, discuss and take other action related to this item.
13. Consideration and possible action to receive and file a report on the 2018 year-end crime summary as well as Police Department efforts to reduce crime and address quality of life issues.  
(Fiscal Impact: N/A)  
Recommendation – 1) Receive and file report; 2) Alternatively, discuss and take other action related to this item.

14. Consideration and possible action to receive and file results for the first and second quarter customer service transaction point survey conducted at various customer service areas/departments within the City, explore discussion of evaluating the current effectiveness of the transaction point survey, and recommendations for potential restructure of the process during the Fiscal Year 2019-20 Strategic Planning and Budgeting sessions.  
(Fiscal Impact: $0)  
Recommendation – 1) Receive and file results for the first and second quarter transaction point survey; 2) Consider possible action to explore reevaluating the current transaction point survey structure during the Fiscal Year 2019-20 Strategic Planning and Budgeting sessions; 3) Alternatively, discuss and take other action related to this item.

G. REPORTS – CITY MANAGER

H. REPORTS – CITY ATTORNEY

I. REPORTS – CITY CLERK

J. REPORTS – CITY TREASURER

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Pimentel –

Council Member Nicol –

Council Member Brann –

Mayor Pro Tem Pirsztuk –
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MEMORIALS –

CLOSED SESSION

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REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

ADJOURNMENT

POSTED:

DATE: 1/30/19

TIME: 2:50pm

NAME: [Signature]
a) PROCLAMATION

Sue Carter Friends of the El Segundo Library Community Room
b) PRESENTATION

HR Department to introduce new employee, Sylvana Tamura, Sr. Analyst
EL SEGUNDO CITY COUNCIL
AGENDA STATEMENT
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
C. League of California Cities Retirement Sustainability Fact Sheet

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

STRATEGIC PLAN:
Goal: 5(b) Champion Economic Development and Fiscal Sustainability:
El Segundo approaches its work in a financially disciplined and responsible way
Objective: 2 The City will maintain a stable, efficient, and transparent financial environment

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

BACKGROUND AND DISCUSSION:
At the December 21, 2016 CalPERS Board (the “Board”) meeting, it was approved by the Board to lower the CalPERS discount rate assumption. The discount rate, or long-term rate of return, was adjusted from 7.5% to 7.0%. This adjustment will be phased in over a three year period.
The result of this Board action is an increase of public agency employee contribution costs beginning in Fiscal Year (FY) 2018-19.

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

<table>
<thead>
<tr>
<th>Valuation Date</th>
<th>FY for Required Contribution</th>
<th>Discount Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2016</td>
<td>2018-19</td>
<td>7.375%</td>
</tr>
<tr>
<td>June 30, 2017</td>
<td>2019-20</td>
<td>7.25%</td>
</tr>
<tr>
<td>June 30, 2018</td>
<td>2020-21</td>
<td>7.00%</td>
</tr>
</tbody>
</table>

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 Lillio
- 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 League also has seven unique policy committees that allow California cities to debate issues facing the state and establish policy directions on those issues. The Committee on Governance, Transparency and Labor Relations (GTLR) is one of the policy committees. One of the main areas of focus for this committee is to review state legislation as it relates to pension and workers compensation reform as well as other labor (employer/employee) related issues. The League’s GTLR committee has been very proactive with policy direction on pension reform and guidance. The Director of Finance, Joseph Lillio, has been appointed to the GTLR committee as a voting committee member in 2018 and reappointed for 2019. The GTLR committee has presented pension policy reform to the CalPERS Board and Governor’s Office. 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
  - 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%

- 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 COST STRATEGIES REVIEW

OVERVIEWS / FAQS

Fiscal Year 2018-2019
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% @50 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](Image)

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)

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

**Answer:**

![Chart showing City CalPERS Assets and Actuarial Liabilities ($ Millions)](chart1)

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

**Answer:**

![Chart showing Historical Funded Ratio](chart2)
OVERVIEWS & FAQS (CONTINUED)

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

**Answer:**

![Historical Employer Contribution Rates (Percent of Payroll)](image)

Page 9
Fiscal Year 2018–2019
Prepared by Finance Department
OVERVIEWS & FAQS (CONTINUED)

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

Answer:

Contribution Projection – Percent of Pay

Contribution Projection – Percent of Pay (50th Percentile)

Page 10
Fiscal Year 2018-2019
Prepared by Finance Department
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:

Historical Employer Contribution Rates (Percent of Payroll)

Page 13
Fiscal Year 2018-2019
Prepared by Finance Department
OVERVIEWS & FAQS (CONTINUED)

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

Answer:
OVERVIEWS & FAQS (CONTINUED)

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

Funded Status Projection

Page 15
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 ($000s).]

FAQ: What would it cost to leave CalPERS?

Answer:

<table>
<thead>
<tr>
<th>Discount Rate</th>
<th>Ongoing Plan 7.25%</th>
<th>Termination Basis 1.75%</th>
<th>3.00%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Miscellaneous</td>
<td></td>
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<td>AAL</td>
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<tr>
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<td>32</td>
<td>128</td>
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<td>UAL</td>
<td>$136</td>
<td>$499</td>
<td>$422</td>
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<td>Funded Ratio</td>
<td>64.4%</td>
<td>33.1%</td>
<td>36.9%</td>
</tr>
</tbody>
</table>

CalPERS Termination Estimates on June 30, 2017 (Amounts in Millions)

Page 16
Fiscal Year 2018-2019
Prepared by Finance Department
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

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitions</td>
<td>1</td>
</tr>
<tr>
<td>How We Got Here</td>
<td>5</td>
</tr>
<tr>
<td>CalPERS Changes</td>
<td>10</td>
</tr>
<tr>
<td>Miscellaneous Plan:</td>
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<td>Demographic Information</td>
<td>15</td>
</tr>
<tr>
<td>Plan Funded Status</td>
<td>17</td>
</tr>
<tr>
<td>Contribution Rates &amp; Projections</td>
<td>23</td>
</tr>
<tr>
<td>Safety Plan:</td>
<td></td>
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<td>Demographic Information</td>
<td>33</td>
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<td>Plan Funded Status</td>
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<tr>
<td>Contribution Rates &amp; Projections</td>
<td>41</td>
</tr>
<tr>
<td>Combined Miscellaneous and Safety</td>
<td>51</td>
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<tr>
<td>Leaving CalPERS</td>
<td>53</td>
</tr>
<tr>
<td>PEPRA Cost Sharing</td>
<td>55</td>
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<tr>
<td>Paying Down the Unfunded Liability</td>
<td>57</td>
</tr>
<tr>
<td>Irrevocable Supplemental (§115) Pension trust</td>
<td>63</td>
</tr>
</tbody>
</table>
CalPERS Defined Benefit Promise:
- At retirement, employees receive a monthly annuity for life
- Final average pay (monthly) x years of service x factor
  - Example: 2% @ 55
  - Hire age 30, retire at 55 = 25 years of service
  - 2% x 25 years = 50% of highest 1-year pay, for life
- Cost of living increase up to 2% per year
- No Social Security for Fire & Police employees

Member Contributions
- Specified in law
  - Classics = % of PERSable pay
  - PEPRA = ½ of Normal Cost. Can change from year to year

Basic Pension Rule:

Benefits + Expenses = Contributions* + Investment Earnings

* Employee + Employer
DEFINITIONS

Present Value of all Projected Benefits:
- The value now of amounts due to be paid in the future
- PVB - Present Value of all Projected Benefits:
  - Discounted value (at valuation date - 6/30/17), of all future expected benefit payments based on various (actuarial) assumptions

Current Normal Cost:
- Portion of PVB allocated to (or “earned” during) current year
- Value of employee and employer current service benefit

Actuarial Liability:
- Discounted value (at valuation date) of benefits earned through valuation date
  [value of past service benefit]
- Portion of PVB “earned” at measurement

DEFINITIONS

Target- Have money in the bank to cover Actuarial Liability (past service)

Unfunded Liability - Money short of target at valuation date

Unfunded Liability - Money short of target at valuation date
- If all actuarial assumptions were always exactly met, then the plan assets would always equal AAL
- Any difference is the unfunded (or overfunded) AAL
- Every year, the actuary calculates the difference between the expected UAAL and Actual UAAL. This is a new layer or amortization base
- Each new layer gets amortized (paid off) over a period of time as part of the contribution [rate].
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:
  - Slow (15 year) recognition of investment losses into funded status
  - Rolling 30 year amortization of all (primarily investment) losses

- 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

<table>
<thead>
<tr>
<th>City of El Segundo</th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>PEPRA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous</td>
<td>2%@55 FAE1</td>
<td>2%@60 FAE1</td>
<td>2%@62 FAE3</td>
</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 – DEMOGRAPHIC

- 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:
  - Miscellaneous: 62%
  - Safety: 71%

CALPERS CHANGES

- Contribution policy changes:
  - No asset smoothing
  - No rolling amortization
  - 5-year ramp up
  - Included in 6/30/13 valuation (first impact 15/16 rates; full impact 19/20)

- Assumption changes:
  - Anticipate future mortality improvement
  - Other, less significant, changes
  - Included in 6/30/14 valuation (first impact 16/17 rates; full impact 20/21)

- CalPERS Board changed their discount rate:

<table>
<thead>
<tr>
<th>Date</th>
<th>Rate</th>
<th>Initial</th>
<th>Full</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>

- December 2018: CalPERS Board selected asset allocation similar to current portfolio. No change to the discount rate.
**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
  - Essentially use ≈50% of investment gains to pay for cost increases
  - Likely get to 6.0% over 20+ years
  - Risk mitigation suspended until 6/30/18 valuation

- **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
    - No ramp up/down for other amortization bases
  - Minimizes total interest paid over time and pays off UAL faster
  - Effective June 30, 2019 valuation for 2021/22 contributions
  - Included in this study

October 16, 2018
**SUMMARY OF DEMOGRAPHIC INFORMATION - MISCELLANEOUS**

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>2007</th>
<th>2016</th>
<th>2017</th>
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<tbody>
<tr>
<td>Actives</td>
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<td></td>
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<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>
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<tr>
<td>City Service</td>
<td>8</td>
<td>9</td>
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<td>10</td>
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<tr>
<td>PERSable Wages</td>
<td>$41,300</td>
<td>$58,000</td>
<td>$72,200</td>
<td>$74,100</td>
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<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>
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<tr>
<td>Inactive Members</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counts</td>
<td></td>
<td></td>
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<tr>
<td>Transferred</td>
<td>99</td>
<td>120</td>
<td>137</td>
<td>141</td>
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<tr>
<td>Separated</td>
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<td>105</td>
<td>145</td>
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<tr>
<td>Retired</td>
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<td></td>
</tr>
<tr>
<td>Service</td>
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<td>273</td>
<td>287</td>
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<tr>
<td>Disability</td>
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<td>26</td>
<td>28</td>
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<tr>
<td>Beneficiaries</td>
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<td>29</td>
<td>28</td>
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<tr>
<td>Total</td>
<td>155</td>
<td>328</td>
<td>343</td>
<td></td>
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<tr>
<td>Average Annual City Provided Benefit for Service Retirees</td>
<td>N/A</td>
<td>$13,600</td>
<td>$18,000</td>
<td>$18,700</td>
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<tr>
<td>Active / Retiree Ratio (City)</td>
<td>1.1</td>
<td>0.9</td>
<td>0.5</td>
<td>0.5</td>
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<tr>
<td>Active / Retiree Ratio (All CalPERS)</td>
<td>N/A</td>
<td>1.7</td>
<td>1.3</td>
<td>1.3</td>
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</table>

1 Average City-provided pensions are based on City service & City benefit formula, and are not representative of benefits for long-service employees.

October 16, 2018
## PLAN FUNDED STATUS - MISCELLANEOUS

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2016</th>
<th>June 30, 2017</th>
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<tbody>
<tr>
<td>Active AAL</td>
<td>$33,200,000</td>
<td>$30,300,000</td>
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<td>Retiree AAL</td>
<td>62,900,000</td>
<td>69,800,000</td>
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<td>Inactive AAL</td>
<td>11,300,000</td>
<td>12,700,000</td>
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<td>Total AAL</td>
<td>107,400,000</td>
<td>112,800,000</td>
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<td>Assets</td>
<td>74,800,000</td>
<td>80,500,000</td>
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<td>32,600,000</td>
<td>32,300,000</td>
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<tr>
<td>Funded Ratio</td>
<td>69.7%</td>
<td>71.4%</td>
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---

**City CalPERS Assets and Actuarial Liabilities ($Millions)**

- 2016: Unfunded, $33
- 2017: Unfunded, $32

---

October 16, 2018
## PLAN FUNDED STATUS - MISCELLANEOUS

### Discount Rate Sensitivity

<table>
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<tr>
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<tbody>
<tr>
<td>Discount Rate AAL</td>
<td>7.25%</td>
<td>7.00%</td>
<td>6.00%</td>
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<td>$112,800,000</td>
<td>$115,700,000</td>
<td>$130,500,000</td>
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<td>Unfunded Liability</td>
<td>32,300,000</td>
<td>35,200,000</td>
<td>50,000,000</td>
</tr>
</tbody>
</table>

---

### PLAN FUNDED STATUS - MISCELLANEOUS

#### 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): $(2,800,000)
  - Assumption Change: 2,100,000
  - Contribution & Experience Loss (Gain): $(600,000)
  - Total: $(1,300,000)
- **Unfunded Accrued Liability on 6/30/17**: 32,300,000
### Contribution Rates - Miscellaneous

#### Historical Employer Contribution Rates (Percent of Payroll)

<table>
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<th>Year</th>
<th>Normal Cost</th>
<th>Total Rate</th>
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<tbody>
<tr>
<td>FY 99</td>
<td>6.4%</td>
<td>6.0%</td>
</tr>
<tr>
<td>FY 00</td>
<td>5.3%</td>
<td>6.0%</td>
</tr>
<tr>
<td>FY 01</td>
<td>7.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>FY 02</td>
<td>7.6%</td>
<td>6.0%</td>
</tr>
<tr>
<td>FY 03</td>
<td>7.7%</td>
<td>6.0%</td>
</tr>
<tr>
<td>FY 04</td>
<td>7.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>FY 05</td>
<td>8.2%</td>
<td>6.0%</td>
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<tr>
<td>FY 06</td>
<td>8.3%</td>
<td>6.0%</td>
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<tr>
<td>FY 07</td>
<td>8.1%</td>
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</tr>
<tr>
<td>FY 08</td>
<td>8.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>FY 09</td>
<td>7.9%</td>
<td>6.0%</td>
</tr>
<tr>
<td>FY 10</td>
<td>7.8%</td>
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<td>FY 11</td>
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<td>FY 18</td>
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<td>FY 19</td>
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</tr>
<tr>
<td>FY 20</td>
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<td>6.0%</td>
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</table>

### Contribution Rates - Miscellaneous

<table>
<thead>
<tr>
<th></th>
<th>6/30/16</th>
<th>6/30/17</th>
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</thead>
<tbody>
<tr>
<td>2018/2019</td>
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</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>
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<tr>
<td>2018/19 Employer Contribution Rate</td>
<td>23.2%</td>
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</tr>
<tr>
<td>Payroll &lt; Expected</td>
<td>0.7%</td>
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<tr>
<td>Lump Sum Payment $578,992</td>
<td>(0.3%)</td>
<td></td>
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<tr>
<td>Fresh Start</td>
<td>2.1%</td>
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</tr>
<tr>
<td>6/30/17 Discount Rate &amp; Inflation (1st Year)</td>
<td>1.1%</td>
<td></td>
</tr>
<tr>
<td>6/30/17 (Gains)/Losses (1st Year)</td>
<td>(0.0%)</td>
<td></td>
</tr>
<tr>
<td>2019/20 Employer Contribution Rate</td>
<td>26.8%</td>
<td></td>
</tr>
</tbody>
</table>
Funded Status - Miscellaneous

- Investment Return:
  - June 30, 2018 8.6%²
  - Future returns based on stochastic analysis using 1,000 trials³
  - 25th Percentile  50th Percentile  75th Percentile
    - Current Investment Mix  0.1%  7.0%  14.8%
    - Ultimate Investment Mix  0.8%  6.0%  11.4%
    - Assumes investment returns will, generally be 6.5% (as compared to 7.0%) over the next 10 years and higher beyond that

- Assumption Changes – Discount Rate
  - Decrease to 7.0% by June 30, 2018 valuation
  - Additional Discount Rate decreases due to Risk Mitigation policy

- No Other: Gains/Losses, Method/Assumption Changes, Benefit Improvements
- Different from CalPERS projection

² based July 2018 CalPERS press release
³ Nth percentile means N percentage of our trials result in returns lower than the indicated rates.

October 16, 2018 25

Funded Status - Miscellaneous

- New hire assumptions:
  - 62.5% of 2018/19 hires are PEPRA members and 37.5% are Classic members
  - Percentage of PEPRA member future hires to increase from 62.5% to 100% over 15 years

- Additional Payments in 2018/19
  - Unfunded liability paid down by $306,791 on 10/11/18
  - Payment applied to 6/30/17 Assumption Change base

October 16, 2018 26
### SUMMARY OF DEMOGRAPHIC INFORMATION - SAFETY

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>2008</th>
<th>2016</th>
<th>2017</th>
</tr>
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</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>
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<tr>
<td>Separated</td>
<td>16</td>
<td>15</td>
<td>18</td>
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<td>Retired</td>
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<tr>
<td>Service</td>
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<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>
## 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>

City CalPERS Assets and Actuarial Liabilities ($Millions)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retired</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inactive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Unfunded, $102

Unfunded, $104

October 16, 2018
**Plan Funded Status - Safety**

### Discount Rate Sensitivity

<table>
<thead>
<tr>
<th>Discount Rate</th>
<th>Actual June 30, 2017</th>
<th>Estimated June 30, 2017</th>
<th>Estimated June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAL</td>
<td>7.25%</td>
<td>7.00%</td>
<td>6.00%</td>
</tr>
<tr>
<td>Assets</td>
<td>$270,600,000</td>
<td>$278,000,000</td>
<td>$314,600,000</td>
</tr>
<tr>
<td>Unfunded Liability</td>
<td>104,200,000</td>
<td>111,600,000</td>
<td>148,200,000</td>
</tr>
</tbody>
</table>

**Funded Ratio - Safety**

### Historical Funded Ratio

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

October 16, 2018
### Contribution Rates - Safety

#### 6/30/16

<table>
<thead>
<tr>
<th></th>
<th>2018/2019</th>
<th>2019/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Normal Cost</td>
<td>29.4%</td>
<td>30.8%</td>
</tr>
<tr>
<td>Employee Normal Cost</td>
<td>9.0%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Employer Normal Cost</td>
<td>20.3%</td>
<td>21.5%</td>
</tr>
<tr>
<td>Amortization Payments</td>
<td>42.1%</td>
<td>50.4%</td>
</tr>
<tr>
<td>Total Employer Contribution Rate</td>
<td>62.5%</td>
<td>72.0%</td>
</tr>
</tbody>
</table>

#### 2018/19 Employer Contribution Rate
- 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%

---

### Contribution Rates - Safety

#### 6/30/17 Valuation

<table>
<thead>
<tr>
<th></th>
<th>Total 4</th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>PEPRA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Total Normal Cost</td>
<td>28.7%</td>
<td>28.9%</td>
<td>27.9%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Class 1 Benefits</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final Average Comp (1-Year)</td>
<td>1.1%</td>
<td>1.2%</td>
<td>1.1%</td>
<td>-</td>
</tr>
<tr>
<td>Pre-Retirement Survivor Allowance</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Normal Cost Phase-Out</td>
<td>(0.8%)</td>
<td>(0.8%)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Normal Cost</td>
<td>30.7%</td>
<td>31.0%</td>
<td>30.7%</td>
<td>26.5%</td>
</tr>
<tr>
<td>Formula's Expected EE Contr. Rate</td>
<td>9.2%</td>
<td>9.0%</td>
<td>9.0%</td>
<td>12.8%</td>
</tr>
<tr>
<td>ER Normal Cost</td>
<td>21.5%</td>
<td>22.0%</td>
<td>21.7%</td>
<td>13.7%</td>
</tr>
<tr>
<td>Amortization Bases</td>
<td>50.4%</td>
<td>54.0%</td>
<td>4.0%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Amortization of Side Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total ER Contribution</td>
<td>72.0%</td>
<td>76.1%</td>
<td>25.7%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Employee counts</td>
<td>97</td>
<td>85</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Employee payroll (in 000's)</td>
<td>$13,984</td>
<td>$13,036</td>
<td>$131</td>
<td>$817</td>
</tr>
<tr>
<td>Total ER Contribution $ (in 000's)</td>
<td>$10,064</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Weighting of total contribution based on projected classic and PEPRA payrolls

---

October 16, 2018
CONTRIBUTION PROJECTION - SAFETY

■ Investment Return:
  ○ June 30, 2018  8.6%\(^5\)
  ○ Future returns based on stochastic analysis using 1,000 trials\(^6\)
    | 25th Percentile | 50th Percentile | 75th Percentile |
    |-----------------|-----------------|-----------------|
    | Current Investment Mix | 0.1% | 7.0% | 14.8% |
    | Ultimate Investment Mix | 0.8% | 6.0% | 11.4% |
  ○ Assumes investment returns will, generally be 6.5% (as compared to 7.0%) over the next 10 years and higher beyond that

■ Assumption Changes – Discount Rate
  ○ Decrease to 7.0% by June 30, 2018 valuation
  ○ Additional Discount Rate decreases due to Risk Mitigation policy

■ No Other: Gains/Losses, Method/Assumption Changes, Benefit Improvements

■ Different from CalPERS projection

\(^5\) based July 2018 CalPERS press release
\(^6\) N\(^{th}\) percentile means N percentage of our trials result in returns lower than the indicated rates.

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CONTRIBUTION PROJECTION - SAFETY

■ New hire assumptions:
  ○ 75.0% of 2018/19 hires are PEPRA members and 25.0% are Classic members
  ○ Percentage of PEPRA member future hires to increase from 75.0% to 100% over 5 years

■ Additional Payments in 2018/19
  ○ Unfunded liability paid down by $1,193,209 on 10/11/18
    □ Payment paid off:
      ○ Tier 1 6/30/17 Non-Asset Loss bases
      ○ Tier 1 6/30/12 Golden Handshake bases
      ○ Tier 1 6/30/11 Golden Handshake bases
      ○ Tier 1 6/30/08 Benefit Change bases
      ○ Tier 2 6/30/17 Assumption Change base
      ○ Tier 2 6/30/17 Non-Asset Loss bases
      ○ PEPRA 6/30/17 Assumption Change bases
      ○ Police PEPRA 6/30/17 Non-Asset Loss base
    □ Payment paid down Tier 1 6/30/17 Assumption Change bases by $356,291

October 16, 2018  44
### Combined Miscellaneous and Safety

#### Contribution Projection ($000s)
- **Miscellaneous & Safety**

<table>
<thead>
<tr>
<th>Year</th>
<th>Miscellaneous</th>
<th>Safety</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>18/19</td>
<td>$113</td>
<td>$271</td>
<td>$383</td>
</tr>
<tr>
<td>19/20</td>
<td>81</td>
<td>166</td>
<td>247</td>
</tr>
<tr>
<td>20/21</td>
<td>32</td>
<td>104</td>
<td>136</td>
</tr>
<tr>
<td>21/22</td>
<td>71.4%</td>
<td>61.5%</td>
<td>64.4%</td>
</tr>
</tbody>
</table>
LEAVING CALPERS

- Participation in CalPERS is governed by State law and CalPERS rules
- The following are considered “withdrawing” from CalPERS:
  - Exclude new hires from CalPERS & giving them a different pension
  - Stop accruing benefits for current employees
- “Withdrawal” from CalPERS:
  - Treated as plan termination
  - Liability increased for conservative investments
  - Liability increased for future demographic fluctuations
  - Liability must be funded immediately by withdrawing agency
  - Otherwise, retiree benefits are cut

LEAVING CALPERS

CalPERS Termination Estimates on June 30, 2017 (Amounts in Millions)

<table>
<thead>
<tr>
<th>Discount Rate</th>
<th>Ongoing Plan 7.25%</th>
<th>Termination Basis 1.75%</th>
<th>3.00%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Miscellaneous</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AAL</td>
<td>$ 113</td>
<td>$209</td>
<td>$187</td>
</tr>
<tr>
<td>Assets</td>
<td>81</td>
<td>81</td>
<td>81</td>
</tr>
<tr>
<td>UAL</td>
<td>32</td>
<td>128</td>
<td>106</td>
</tr>
<tr>
<td><strong>Safety</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AAL</td>
<td>$271</td>
<td>$537</td>
<td>$482</td>
</tr>
<tr>
<td>Assets</td>
<td>166</td>
<td>166</td>
<td>166</td>
</tr>
<tr>
<td>UAL</td>
<td>104</td>
<td>371</td>
<td>316</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UAL</td>
<td>$136</td>
<td>$499</td>
<td>$422</td>
</tr>
<tr>
<td>Funded Ratio</td>
<td>64.4%</td>
<td>33.1%</td>
<td>36.9%</td>
</tr>
</tbody>
</table>
## PEPRA Cost Sharing

- Target of 50% of total normal cost for everyone
- *New members* must pay greater of 50% of total normal cost or bargained amount if higher
- Employer cannot pay any part of *new member* required employee contributions
- Employer may impose current employees pay 50% of total normal cost (limited to 8% of pay for Miscellaneous and 12% for Safety) if not agreed through collective bargaining by 1/1/18
- Miscellaneous Plan:

<table>
<thead>
<tr>
<th></th>
<th>Classic Members</th>
<th>New Members</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tier 1</td>
<td>Tier 2</td>
</tr>
<tr>
<td></td>
<td>2% @ 55 FAE1</td>
<td>2% @ 60 FAE1</td>
</tr>
<tr>
<td>Employer Normal Cost</td>
<td>9.0%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Member Normal Cost</td>
<td>6.9%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Total Normal Cost</td>
<td>15.9%</td>
<td>19.7%</td>
</tr>
<tr>
<td>50% Target</td>
<td>8.0%</td>
<td>9.9%</td>
</tr>
</tbody>
</table>

### Safety Police Plan:

<table>
<thead>
<tr>
<th></th>
<th>Classic Members</th>
<th>New Members</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tier 1</td>
<td>Tier 2</td>
</tr>
<tr>
<td></td>
<td>3% @ 50 FAE1</td>
<td>3% @ 55 FAE1</td>
</tr>
<tr>
<td>Employer Normal Cost</td>
<td>24.0%</td>
<td>21.7%</td>
</tr>
<tr>
<td>Member Normal Cost</td>
<td>9.0%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Total Normal Cost</td>
<td>33.0%</td>
<td>30.7%</td>
</tr>
<tr>
<td>50% Target</td>
<td>16.5%</td>
<td>15.4%</td>
</tr>
</tbody>
</table>

### Safety Fire Plan:

<table>
<thead>
<tr>
<th></th>
<th>Classic Members</th>
<th>New Members</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tier 1</td>
<td>Tier 2</td>
</tr>
<tr>
<td></td>
<td>3% @ 55 FAE1</td>
<td>N/A</td>
</tr>
<tr>
<td>Employer Normal Cost</td>
<td>19.3%</td>
<td>N/A</td>
</tr>
<tr>
<td>Member Normal Cost</td>
<td>9.0%</td>
<td>N/A</td>
</tr>
<tr>
<td>Total Normal Cost</td>
<td>28.3%</td>
<td>N/A</td>
</tr>
<tr>
<td>50% Target</td>
<td>14.2%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

---

7 Includes 0.4% for Phase Out of Normal Cost Difference which will end at 2022/23.
8 Includes -2.4% for Phase Out of Normal Cost Difference which will end at 2022/23
WHERE DO YOU GET THE MONEY FROM?

- POB:
  - Usually thought of as interest arbitrage between expected earnings and rate paid on POB
  - No guaranteed savings
  - PEPRA prevents contributions from dropping below normal cost
    - Savings offset when investment return is good
  - GFOA Advisory

- Borrow from General Fund similar to State

- One time payments
  - Council resolution to use a portion of one time money, e.g.
    - 1/3 to one time projects
    - 1/3 to replenish reserves and
    - 1/3 to pay down unfunded liability
HOW DO YOU USE THE MONEY?

- Internal Service Fund
  - Typically used for rate stabilization
  - Restricted investments:
    - Likely low (0.5%-1.0%) investment returns
    - Short term/high quality, designed for preservation of principal
  - Assets can be used by Council for other purposes
  - Does not reduce Unfunded Liability

HOW DO YOU USE THE MONEY?

- Make payments directly to CalPERS:
  - Likely best long-term investment return
  - Must be considered an irrevocable decision
    - Extra payments cannot be used as future “credit”
    - PEPRA prevents contributions from dropping below normal cost

- Option #1: Request shorter amortization period (Fresh Start):
  - Higher short term payments
  - Less interest and lower long term payments
  - Likely cannot revert to old amortization schedule
    - Savings offset when investment return is good (PEPRA)
How Do You Use the Money?

- Make payments directly to CalPERS (continued):
  - Option #2: Target specific amortization bases:
    - Extra contribution’s impact muted by reduced future contributions
      - CalPERS can’t track the “would have been” contribution
    - No guaranteed savings
      - Larger asset pool means larger loss (or gain) opportunity
    - Paying off shorter amortization bases: larger contribution savings over shorter period:
      - e.g. 10 year base reduces contribution 12.3¢ for $1
      - Less interest savings vs paying off longer amortization bases
    - Paying off longer amortization bases: smaller contribution savings over longer period:
      - e.g. 25 year base reduces contribution 6.5¢ for $1
      - More interest savings vs paying off shorter 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

Can only be used to:
- Reimburse City for CalPERS contributions
- Make payments directly to CalPERS

Investments significantly less restricted than City investment funds
- Fiduciary rules govern Trust investments
- Usually, designed for long term returns

Assets don’t count for GASB accounting
- Are considered Employer assets

Over 100 trusts established, mostly since 2015
- Trust providers: PARS, PFM, Keenan
- California Employers’ Pension Prefunding Trust (CEPPT) is coming

IRREVOCABLE SUPPLEMENTAL (§115) PENSION TRUST

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

Funding strategies typically focus on
- Reducing the unfunded liability
  - Fund enough to make total CalPERS UAL = 0
  - Make PEPRA required payments from Trust when overfunded
- Stabilizing contribution rates
  - Mitigate expected contribution rates to better manage budget
- Combination
  - Use funds for rate stabilization/budget predictability
  - Target increasing fund balance to pay off UAL sooner
IRREVOCABLE SUPPLEMENTAL (§115) PENSION TRUST

Consider:
- How much can you put into Trust?
  - Initial seed money?
  - Additional amounts in future years?
- When do you take money out?
  - Target budget rate?
  - Year target budget rate kicks in?
    - Before or after CalPERS rate exceeds budgeted rate?

<table>
<thead>
<tr>
<th>Trust Contributions</th>
<th>Miscellaneous</th>
<th>Safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2018:</td>
<td></td>
<td>$1 Million</td>
</tr>
<tr>
<td>October 2018:</td>
<td></td>
<td>$1 Million</td>
</tr>
<tr>
<td>April 2019:</td>
<td></td>
<td>$0.5 Million</td>
</tr>
<tr>
<td>October 2019:</td>
<td></td>
<td>$1 Million</td>
</tr>
<tr>
<td>October 2020:</td>
<td></td>
<td>$1 Million</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>
</table>

<table>
<thead>
<tr>
<th>Trust Target</th>
<th>33.5%</th>
<th>93.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Target Contribution Rate</td>
<td>2029/30</td>
<td>2027/28</td>
</tr>
<tr>
<td>- 1st 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>
## IRREVOCABLE SUPPLEMENTAL (§115) PENSION TRUST

### Miscellaneous Plan Rate Stabilization Fund Balance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FF</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
<td>6.0%</td>
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### Contribution Rate Projection

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October 16, 2018

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**Note:** This page contains information related to the Miscellaneous Plan Rate Stabilization Fund Balance, including contribution rate projections and fund balance tables. The data spans from 2002 to 2019, with specific contributions and rates indicated for each year. The document is dated October 16, 2018.
Why is the pension gap so important to address?

Defined benefit pension plans play a vital role in attracting and retaining quality public employees. Many cities, however, face increasing challenges funding these benefits while maintaining levels of public services their residents expect. Employer contribution rates have increased dramatically in recent years and will continue to do so for years to come. In 2012, the Legislature adopted more reasonable and sustainable benefit tiers for new employees. However, it will take decades for those cost savings to be realized. It is critical that all stakeholders work together to address these challenges head-on in order for local agencies to continue to provide quality services while retaining our valued employees.

What is CalPERS?

CalPERS, the California Public Employees’ Retirement System, is the nation’s largest pension fund. Established in 1932, it is a defined benefit system and members include employees of state agencies, cities, schools and other local public agencies. At retirement, an employee who vests in the system, typically five years of service, is entitled to collect a monthly payment for life. Nearly 2 million individuals are in the CalPERS system.

How is CalPERS funded?

CalPERS is based on “shared responsibility.” This means that retiree payments come from three sources: investment earnings, employer and employee contributions. In fiscal year 2017, pension payouts totaled $20.63 billion – a 43 percent increase from the amount reported in 2012. This means that of the $20.63 billion, a portion equal to 28 cents of every dollar is paid for by employers.

Changes to investment earnings have a direct effect on employer contribution rates. As investment earnings decrease, employer contributions increase. This means that more money is off the bargaining table for raises and public services are put under financial strain.

Does CalPERS have enough cash on hand to pay promised benefits?

CalPERS is not fully funded. As of July 2018, CalPERS only had 71% of the funds required to pay estimated retirement benefits. That means there is only 71 cents for every dollar needed to fund retiree benefits. CalPERS’ goal is to be 100% funded. Should we face even a mild recession, the funded status could be reduced further. Experts warn that the system may no longer be viable should the fund drop below 50-55% funded.

*Note: In some cases through negotiations, employees may pay a portion of the employer’s share.
Why are contribution payments increasing?

Several factors are resulting in increased employer and in some case employee contributions. A primary reason for the increase was the Great Recession in 2008 when CalPERS suffered a 27% negative return with a gross impact of a 34.75% loss to the fund.

Other factors include:

» Enhanced pension benefits authorized by state law in 2000 for public safety employees and 2001 for all other public employees, which included a retroactive credit for years of service. Subsequently, these enhanced benefits, negotiated locally, have increased member agency contribution rates and payments to retirees.

» People are living and drawing pensions longer. CalPERS has increased rates for member agencies to adjust for longer lifespans.

» There are fewer active employees for each retiree. In 2001, there were two active workers for each retiree. By 2018, that dropped to 1.25 and CalPERS projects that in 10–20 years there will be just 0.6 active workers per retiree. Fewer people paying into the system means higher contribution rates from local agencies and their employees.

» When CalPERS lowers its investment return target, also known as the “discount rate,” member agencies must increase contributions to make up the difference. CalPERS authorized an adjustment to the discount rate from 7.75% to 7.5% in 2014 and then to 7% in 2016. This last adjustment will be phased in over eight years with the member rates rising exponentially each year. The full impact of the discount rate adjustment will be realized in fiscal year 2024.

» A recent revision to the fund’s Actuarial Amortization Policy from 30 years to 20 years will go into effect in the 2021-22 fiscal year based on the actuarial valuations of 2019. While shortening the amortization schedule is fiscally prudent for the fund in the long term, in the short term this may increase city contribution amounts if CalPERS does not hit their annual investment target of 7 percent. According to CalPERS, they expect an average of 6.1 percent returns over the next ten years.

What is at stake for cities and their employees?

Growing employer contributions are having a direct impact on city residents and employees. Difficult choices will have to be made at the local level as cities work to maintain critical services for their residents. Each city will need to assess its own liabilities to determine several factors including:

» The overall service model and which public services may need to be reduced;

» Identification of new or additional revenue sources, find ways to make pre-payment contributions; and

» Revisions to employee health benefits and staffing levels.

Collaboration is the key to system sustainability

There are various tools cities can use to address the fiscal challenge created by rising pension costs to provide greater financial and retirement security. Most importantly, cities must approach all impacted stakeholders in a collaborative manner to ensure long-term sustainability of the system. These stakeholders include:

» Local and state employee, employer and retiree organizations, etc.;

» CalPERS Board of Directors and executive leaders;

» The Legislature and Governor’s Office; and

» Neighboring municipalities.
EL SEGUNDO CITY COUNCIL
AGENDA STATEMENT
MEETING DATE: February 5, 2019
AGENDA HEADING: Reports of Committees, Commissions, and Boards

AGENDA DESCRIPTION:
Consideration and possible action to adopt a Resolution adopting the revised Technology Committee Bylaws.
(Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Adopt a Resolution adopting the revised Technology Committee Bylaws.
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Revised Technology Committee By-laws
2. Resolution No. __________

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

STRATEGIC PLAN:
Goal: 1. Optimize Impact of Technology
Objective: 2. Create effective structure for integrated focus on the technology needs of the City and its constituents

ORIGINATED BY: Shantae Duren, ISD Administrative Specialist
REVIEWED BY: Charles Mallory, Information Systems Director
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
The Technology Committee was established as an advisory group to assist City staff to identify and prioritize technology strategies and projects to improve service delivery. On January 14, 2019, the Technology Committee voted to revise their Bylaws in collaboration with staff to include two minor changes.
The changes of the revised Bylaws are as follows:

1. Article IV- Membership, Section IV- Removal; currently reads, “Members of the Technology Committee are expected to attend all meetings. When any member has three
consecutive, or a total of 6 or more absences within a 12-month period, the member’s seat shall be deemed vacant.” The Technology Committee voted to change the section to read, “Members of the Technology Committee are expected to attend all meetings. When any member has three consecutive, or a total of 6 or more absences within a 12-month period, the member’s seat may be deemed vacant if determined so by the Chair and Vice Chair of the Committee.”

The above change allows the Technology Committee to determine if a member’s absence from multiple monthly meetings constitutes the dismissal of the committee member. This will allow the Committee to take into consideration a member’s participation outside of monthly meetings as well as their contribution during Technology Committee meetings before determining if their dismissal is what’s best for the Committee.

2. Article V- Meetings, Section 1- Regular Meetings currently reads, “Regular meetings of the Technology Committee shall be on the 2nd Monday of every month at 6:00pm. The location shall be the Police Department Emergency Operations Center (E.O.C.). If the meeting falls on a holiday then it shall be held on the next day the City is open for business” will be changed to read “Regular meetings of the Technology Committee shall be on the 2nd Monday of every month at 6:00pm. The Location shall be the conference room located at Fire Station #2. If the meeting falls on a holiday then it shall be held on the next day that the City is open for business.”

This change is a result of dealing with multiple scheduling conflicts that have come about with the Police Department Emergency Operations Center (E.O.C.). Fire Station #2 receives less bookings and therefore will cause less scheduling conflicts when hosting the Committee’s monthly meetings.

Based on the recommendations of the Technology Committee, Staff recommends that the City Council adopt the resolution adopting the revised Technology Committee Bylaws.
EXHIBIT A

CITY OF EL SEGUNDO - TECHNOLOGY COMMITTEE

BYLAWS

ARTICLE I — NAME
The name of this organization shall be the Technology Committee, aka ITC (Information Technology Committee).

ARTICLE II — PURPOSE AND ROLE
Section I - General
The Technology Committee shall collaborate with City staff and the local information technology community to identify and prioritize technology strategies and projects that are consistent with governmental standards and improve current systems to provide the City and the public with improved technology equipment and services. The Committee is a standing committee that serves at the pleasure of the City Council.

The Committee shall make recommendations that balance the needs of all departments while taking under consideration that some short-term actions may need to be postponed due to the overarching and/or long-term goals, budgetary constraints, and other priorities of the City’s IT Department.

The Committee will advise on any and all projects as requested by the City or as required per these bylaws. However, the higher purpose of the Committee is to work in conjunction with Staff on the key strategic needs of the City – balancing perceived and unrecognized needs with current projects. While the Committee may be asked to advise on tactics of IT projects, it is the fundamental purpose of the Technology Committee to understand the overarching needs of the City and collaborate with City personnel to ensure that the total needs are met, not just the project needs.

The Committee shall work with staff and shall submit an annual prioritized list of proposed projects to the City Council for consideration and potential approval. The IT Director shall first collect a list of all staff and Committee requested projects and prioritize them according to need. The Committee shall then review the Director’s list of projects and work with the Director to finalize a list to present to the City Council for approval.

The Committee shall work with staff to provide quarterly reports to the Council regarding the progress of the projects. The Committee shall not be responsible for managing the projects. The City Manager and IT Director shall oversee staff as set forth in their respective roles for purposes of managing projects.

With regard to projects that are anticipated to exceed $50,000, are on the annual prioritized list of projects, or will be used by the public (residents, visitors, and businesses) the Committee shall be involved in selection process identified in Section II. For sole source purchases in excess of $50,000, staff shall make a presentation to the Committee as to why the purchase qualifies as a sole source purchase. If the Committee disagrees, such will be

Tech Comm Bylaws 02.19
noted in the staff report to the Council requesting approval of the purchase. For projects that are being mandated by another agency and the City is required to purchase a particular product, the staff shall make a presentation to the Committee regarding the project and product. If the Committee has concerns about the project and/or product, such concerns shall be noted in the staff report to the Council requesting authority to purchase the product.

Section II - Technology and Software Selection Process

An immediate goal of the Committee shall be to collaborate with staff and develop a broader technology and software selection process (TSSP), including template of a request for proposals form (RFP) for purposes of soliciting IT equipment and services from third party vendors and quality assurance processes. This work shall be crafted by the City and input provided by the Committee. The RFP shall include without limitation, functional requirements, technical requirements, vendor history, maintenance services, integration requirements, and a request for warranty information. The process shall identify the City staff positions to be involved in the process and also include developing a timeline for noticing proposals, for vendors to submit proposals, for staff to evaluate proposals (including demonstrations), and for staff to provide a recommendation to Council.

The process will also provide a list of success criteria and a functional requirement scorecard for evaluating proposals. A potential list of viable proposers shall be identified and information explaining if they did not submit a proposal, why not. The requirements for the TSSP in this Section are not exhaustive as it is intended that the Committee and staff will identify other components to include in the process. The Committee and staff shall submit the proposed TSSP process to the City Council for approval.

The Committee shall not be involved in the drafting of specific proposals or in the ranking, selection, or recommendation to Council of vendors. However, before proceeding to issue a request for proposal, a subcommittee of the Committee shall review the request for proposal and provide input with regard to whether it meets the City's request for proposals requirements.

Members of the subcommittee shall not create a quorum. This subcommittee shall also conduct a criteria success ranking of the vendor that staff is recommending to Council that involves a proposed purchase. This criteria success ranking information shall be included in the staff report provided to the Council with regard to the recommended award of contract.

ARTICLE III — QUALIFICATIONS

Members of the Technology Committee shall represent a cross section of the community including both residents and local industry representatives who have expert knowledge in technology, and general technological practices.

ARTICLE IV — MEMBERSHIP

The Technology Committee shall be composed of eleven (11) voting members and two (2) members of the City Council to serve as liaison, non-voting members; all of whom shall be appointed by the Council.

Tech Comm Bylaws 02.19
Section I — Selection of members

- The City of El Segundo shall advertise and solicit applications to fill any vacant position that might occur. After the application period has closed, the Chair, two (2) members of the Technology Committee and the IT Director shall review the applications with the sole purpose of making a recommendation for selection to the Mayor and members of the City Council. The Council shall interview the recommended all candidates and the City Council shall make the final selection and appointments.

Section II — Term of Office

- The term for each voting member of the Technology Committee is four (4) years. However, the initial terms of 5 of the members shall only be two (2) years so that the terms shall be staggered to promote the stability of the Committee. The Committee is a standing advisory committee that serves at the pleasure of the City Council (see Article VI Section III Duties of the Technology Committee Members).

Section III — Compensation

- Technology Committee members shall serve without compensation and shall only be reimbursed for expenses approved by the Council.

Section IV — Removal

- Members of the Technology Committee are expected to attend all meetings. When any member has three consecutive, or a total of 6 or more absences within a 12-month period, the member’s seat may be deemed vacant if determined so by the Chair and Vice Chair of the Committee.

ARTICLE V — MEETINGS

All meetings of the Committee shall be publicly noticed, open to the public and in a publicly-accessible location as required by state law.

Section I — Regular Meetings

- Regular meetings of the Technology Committee shall be on the 2nd Monday of every month at 6:00 pm. The Location shall be the conference room located at Fire Station #2. If the regular meeting falls on a holiday then it shall be held on the next day that the City is open for business.

Section II — Special Meetings

- Special Meetings of the Technology Committee may be held at any time upon the call of the Committee Chair, or by a majority of the voting members, or the City Council following at least forty-eight (48) hours' notice to each Committee member. The Committee Chair or a majority of the Technology Committee shall determine the time and location of the Special Meeting.

Section III — Study Sessions / Workshops / Seminars – N/A.

Section IV — Quorum
A majority of the voting members of the Technology Committee shall constitute a quorum. A quorum is necessary for action by the Technology Committee.

Section V — Voting

Each voting member shall have one vote.

Section VI — Meeting Procedures

Except as otherwise provided by these Bylaws, City Council Resolutions or state law, the Technology Committee will follow the latest edition of the Robert's Rules of Order for the orderly conduct of meetings.

ARTICLE VI - OFFICERS

Officers of the Technology Committee shall be a Committee Chair and a Vice Chair who shall serve at the pleasure to the Technology Committee. Term of office shall be for one (1) year. These Officers shall be voted on at the Committee’s first meeting in January. Duties of the officers shall conform to the regular parliament duties set forth by the latest edition of the Robert’s Rules of Order, unless otherwise stated.

Section I — Committee Chair

The Committee Chair shall preside over the meetings of the Technology Committee.

Section II — Committee Vice Chair

During the absence, disability, or disqualification of the Committee Chair, the Committee Vice Chair shall perform all the duties and be subject to all the responsibilities of the Committee Chair. The Committee Vice Chair shall succeed the Committee Chair if he/she vacates the office before the term expires. If this occurs, a new Committee Vice Chair shall be elected at the next regular meeting.

Section III — Duties of the Technology Committee Members

It is intended that the Technology Committee shall serve an advisory body to the City Council. The duties of the Members are set forth in these bylaws.

Members of the Technology Committee shall not perform any services or work that would normally be performed by City staff or contractors. In the event a member desires to access City equipment, network or technology in order to provide advice to the City Council or the staff, such access may only be granted by the City Manager upon consultation with the City Attorney. The City has a legal obligation to limit access to personnel, tax, medical, and other information deemed confidential and sensitive.

ARTICLE VII — OFFICIAL DOCUMENTS

Section I — Minutes

Tech Comm Bylaws 02.19
Minutes of all meetings shall be prepared and maintained with the Technology Committee records. Copies shall be distributed to each Technology Committee member, City Council member, and to the City Clerk.

Section II — Distribution of Documents

- Preparation and distribution of Technology Committee documents to the members, City Council and City Clerk shall be the responsibility of a designated staff member from the Information Services Division/Department.
- The official Technology Committee Agenda and previous meeting minutes will be available no less than 72 hours before a scheduled meeting

ARTICLE VIII — ASSISTANCE OF STAFF

The City Manager and IT Director will work with the Technology Committee to provide information (subject to the limitations set forth in Article VI) and staff assistance as the Technology Committee may request from time to time. The staff member(s) designated by the City Manager shall attend meetings of the Technology Committee and submit such reports as requested by the Technology Committee and as deemed necessary or desirable, subject to the City Manager in his discretion determining deadlines for providing such assistance based upon other duties that staff is performing.

ARTICLE IX — AMENDMENTS

The Committee may recommend amendments to these Bylaws. Such recommendations may be made by simple majority of the voting members at any meeting of the Technology Committee. Such amendments must be approved by the City Council.

RECOMMENDED FOR APPROVAL by the Technology Committee — January 14, 2019
PASSED AND ADOPTED by the El Segundo City Council — February 5, 2019

Tech Comm Bylaws 02.19
RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO ADOPTING THE TECHNOLOGY COMMITTEE’S BY-LAWS

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

SECTION 1: Recitals:

A. On July 19, 2016, the City Council established the El Segundo Technology Committee;

B. On January 17, 2017, the City Council adopted Resolution No. 5018, formally establishing the Technology Committee and adopting its by-laws;

C. On January 14, 2019, the Technology Committee voted to recommend to the City Council approve a revised set of by-laws and requests that the City Council adopt the Technology Committee’s revised by-laws;

D. The City Council desires to adopt the Technology Committee’s proposed by-laws.

SECTION 2: Adoption of By-laws. The by-laws recommended for adoption by the Committee and attached as Exhibit A are hereby adopted.

SECTION 3: This Resolution will become effective immediately upon adoption and remain effective unless superseded by a subsequent resolution.

PASSED, APPROVED AND ADOPTED this ____ day of February, 2019.

________________________________________
Drew Boyles, Mayor

ATTEST:

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

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. ____ was duly passed, approved and adopted by said City Council at a regular meeting held on the ____ day of February, 2019, approved and signed by the Mayor, and attested to by the City Clerk, by the following vote:

AYES:

-1-
NOES:
ABSENT:
ABSTAIN:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney
## CITY OF EL SEGUNDO

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### 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 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

### For Early Release:

- **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 fees, contract employee services consistent with current contractual agreements, instances where prompt payment discounts can be obtained or situations arise where the City Manager approves.

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

---

**FINANCE DIRECTOR**

[Signature]

**DATE:** 1-15-19

**CITY MANAGER**

[Signature]

**DATE:** 1-17-19
## CITY OF EL SEGUNDO
### PAYMENTS BY WIRE TRANSFER
**1/7/19 THROUGH 1/13/19**

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<td>1,800.00</td>
</tr>
<tr>
<td>1/9/2019</td>
<td>Cal Pers</td>
<td>Admin Fee - Late Payroll Reporting</td>
<td>200.00</td>
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<td>1/9/2019</td>
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<td>Admin Fee - Late Payroll Reporting</td>
<td>200.00</td>
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<td>Cal Pers</td>
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<td>Cal Pers</td>
<td>Admin Fee - Retired Annuitant Late</td>
<td>2,600.00</td>
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<tr>
<td>1/9/2019</td>
<td>Cal Pers</td>
<td>Admin Fee - Late Payroll Reporting</td>
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<td>IRA payment Vantagepoint</td>
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<tr>
<td>12/31/18-1/6/19</td>
<td>Workers Comp Activity</td>
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<tr>
<td>12/31/18-1/6/19</td>
<td>Liability Trust - Claims</td>
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<tr>
<td>12/31/18-1/6/19</td>
<td>Retiree Health Insurance</td>
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<td>(38.30)</td>
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<tr>
<td></td>
<td></td>
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<td>2,726,939.40</td>
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### DATE OF RATIFICATION: 1/11/19
### TOTAL PAYMENTS BY WIRE:

2,726,939.40

Certified as to the accuracy of the wire transfers by:

---

Deputy City Treasurer II

Date: 1/11/19

Director of Finance

Date: 1/15/19

City Manager

Date: 1/17/19

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.
<table>
<thead>
<tr>
<th>Fund Code</th>
<th>Fund Description</th>
<th>Amount</th>
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<tr>
<td>001</td>
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<tr>
<td>106</td>
<td>State Gas Tax Fund</td>
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<tr>
<td>108</td>
<td>Associated Recreation Activities Fund</td>
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<td>109</td>
<td>Asset Forfeiture Fund</td>
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<td>PROP &quot;A&quot; TRANSPORTATION</td>
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<td>114</td>
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<td>127.50</td>
</tr>
<tr>
<td>115</td>
<td>AIR QUALITY INVESTMENT PROGRAM</td>
<td>-</td>
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<tr>
<td>116</td>
<td>HOME SOUND INSTALLATION FUND</td>
<td>12,31</td>
</tr>
<tr>
<td>117</td>
<td>HYPERION MITIGATION FUND</td>
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<tr>
<td>118</td>
<td>TDA ARTICLE 3 - SB 931 HIGHWAY FUND</td>
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<td>119</td>
<td>MTA GRANT</td>
<td>-</td>
</tr>
<tr>
<td>121</td>
<td>FEMA</td>
<td>-</td>
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<tr>
<td>120</td>
<td>C.O.P.S. FUND</td>
<td>-</td>
</tr>
<tr>
<td>122</td>
<td>L.A.W.A. FUND</td>
<td>-</td>
</tr>
<tr>
<td>123</td>
<td>SAFE PROPERTY TAX PUBLIC SAFETY</td>
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<tr>
<td>202</td>
<td>ASSESSMENT DISTRICT #73</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>405</td>
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<td>501</td>
<td>WATER UTILITY FUND</td>
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<td>502</td>
<td>WASTEWATER FUND</td>
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<td>GOLF COURSE FUND</td>
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<td>701</td>
<td>RETIRED EMP. INSURANCE</td>
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<tr>
<td>704</td>
<td>OUTSIDE SERVICES TRUST</td>
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</tr>
</tbody>
</table>

TOTAL WARRANTS: $ 387,202.60

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.

FINANCE DIRECTOR: John Doe

CITY MANAGER: Jane Smith

DATE: 1-22-19

DATE: 1-23-19
### CITY OF EL SEGUNDO
### PAYMENTS BY WIRE TRANSFER
### 1/14/19 THROUGH 1/20/19

<table>
<thead>
<tr>
<th>Date</th>
<th>Payee</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/14/2019</td>
<td>IRS</td>
<td>Federal 941 Deposit</td>
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</tr>
<tr>
<td>1/14/2019</td>
<td>Employment Development</td>
<td>State PIT Withholding</td>
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</tr>
<tr>
<td>1/14/2019</td>
<td>Employment Development</td>
<td>State SDI payment</td>
<td>3,701.81</td>
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<tr>
<td>1/14/2019</td>
<td>Nationwide NRS EFT</td>
<td>EFT 457 payment</td>
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<td>1/15/2019</td>
<td>State of CA EFT</td>
<td>EFT Child support payment</td>
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<td>1/15/2019</td>
<td>Pitney Bowes</td>
<td>Postage for City Hall</td>
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<td>1/15/2019</td>
<td>Chase Bank</td>
<td>Annual Bank Fees</td>
<td>21,489.02</td>
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<tr>
<td>1/18/2019</td>
<td>Health Comp</td>
<td>Weekly claims</td>
<td>734.89</td>
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<tr>
<td>1/18/2019</td>
<td>Joint Council of Teamsters</td>
<td>Vision Insurance payment 11/2018</td>
<td>4,845.00</td>
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<tr>
<td>1/7/19-1/13/19</td>
<td>Workers Comp Activity</td>
<td>SCRMA checks issued</td>
<td>27,245.98</td>
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<tr>
<td>1/7/19-1/13/19</td>
<td>Liability Trust - Claims</td>
<td>Claim checks issued</td>
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<tr>
<td>1/7/19-1/13/19</td>
<td>Retiree Health Insurance</td>
<td>Health Reimbursement checks issued</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>436,097.39</td>
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</table>

### DATE OF RATIFICATION: 1/17/19
### TOTAL PAYMENTS BY WIRE: 436,097.39

Certified as to the accuracy of the wire transfers by:

**Deputy City Treasurer II**  
**Date: 1/19/19**

**Director of Finance**  
**Date: 1/22/19**

**City Manager**  
**Date: 1/23/19**

Information on actual expenditures is available in the City Treasurer’s Office of the City of El Segundo.
<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>001</td>
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<td>102</td>
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<td>106</td>
<td>STATE GAS TAX FUND</td>
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</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>110</td>
<td>COMM. DEVEL. BLOCK GRANT</td>
<td>-</td>
</tr>
<tr>
<td>112</td>
<td>PROP &quot;A&quot; TRANSPORTATION</td>
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</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>
</tr>
<tr>
<td>117</td>
<td>HYPERION MITIGATION FUND</td>
<td>-</td>
</tr>
<tr>
<td>118</td>
<td>TDA ARTICLE 3 - 457.451 BAYWAY FUND</td>
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<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>PSAP PROPERTY TAX PUBLIC SAFETY</td>
<td>-</td>
</tr>
<tr>
<td>301</td>
<td>ASSESSMENT DISTRICT #73</td>
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<tr>
<td>302</td>
<td>CAPITAL IMPROVEMENT FUND</td>
<td>-</td>
</tr>
<tr>
<td>606</td>
<td>INFRASTRUCTURE REPLACEMENT FUND</td>
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<tr>
<td>501</td>
<td>FACILITIES MAINTENANCE</td>
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<td>502</td>
<td>WATER UTILITY FUND</td>
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<td>503</td>
<td>GOLF COURSE FUND</td>
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<td>601</td>
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<td>602</td>
<td>LIABILITY INSURANCE</td>
<td>-</td>
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<tr>
<td>603</td>
<td>WORKERS COMP. RESERVE/INSURANCE</td>
<td>-</td>
</tr>
<tr>
<td>701</td>
<td>RETIREE EMP. INSURANCE</td>
<td>-</td>
</tr>
<tr>
<td>702</td>
<td>EXPENDABLE TRUST FUND - DEVELOPER FEES</td>
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</tr>
<tr>
<td>703</td>
<td>EXPENDABLE TRUST FUND - OTHER</td>
<td>1,600.00</td>
</tr>
<tr>
<td>708</td>
<td>OUTSIDE SERVICES TRUST</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>TOTAL WARRANTS</td>
<td>$120,016.22</td>
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</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 Demands and the availability of fund for payment thereof.

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

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

For Ratification:

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

FINANCE DIRECTOR
DATE: 1-29-19

CITY MANAGER
DATE: 1-29-09
CITY OF EL SEGUNDO
PAYMENTS BY WIRE TRANSFER
1/21/19 THROUGH 1/27/19

<table>
<thead>
<tr>
<th>Date</th>
<th>Payee</th>
<th>Amount</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>1/24/2019</td>
<td>Cal Pers</td>
<td>5,032.08</td>
<td>EFT Retirement Safety-Fire-PEPRA New 25020</td>
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<td>1/24/2019</td>
<td>Cal Pers</td>
<td>8,070.10</td>
<td>EFT Retirement Safety-Police-PEPRA New 25021</td>
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<tr>
<td>1/24/2019</td>
<td>Cal Pers</td>
<td>21,326.91</td>
<td>EFT Retirement Misc - PEPRRA New 26013</td>
</tr>
<tr>
<td>1/24/2019</td>
<td>Cal Pers</td>
<td>49,234.92</td>
<td>EFT Retirement Misc - Classic 27</td>
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<tr>
<td>1/24/2019</td>
<td>Cal Pers</td>
<td>76,301.00</td>
<td>EFT Retirement Safety Police Classic - 1st Tier 28</td>
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<tr>
<td>1/24/2019</td>
<td>Cal Pers</td>
<td>49,803.22</td>
<td>EFT Retirement Safety Fire- Classic 30168</td>
</tr>
<tr>
<td>1/24/2019</td>
<td>Cal Pers</td>
<td>4,249.46</td>
<td>EFT Retirement Sfty Police Classic-2nd Tier 30169</td>
</tr>
<tr>
<td>1/25/2019</td>
<td>Manufacturers &amp; Traders</td>
<td>25,766.92</td>
<td>457 payment Vantagepoint</td>
</tr>
<tr>
<td>1/25/2019</td>
<td>Manufacturers &amp; Traders</td>
<td>800.00</td>
<td>IRA payment Vantagepoint</td>
</tr>
<tr>
<td>1/14/19-1/20/19</td>
<td>Workers Comp Activity</td>
<td>69,295.72</td>
<td>SCRMA checks issued</td>
</tr>
<tr>
<td>1/14/19-1/20/19</td>
<td>Liability Trust - Claims</td>
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<td>Claim checks issued</td>
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<tr>
<td>1/14/19-1/20/19</td>
<td>Retiree Health Insurance</td>
<td>0.00</td>
<td>Health Reimbursement checks issued</td>
</tr>
</tbody>
</table>

DATE OF RATIFICATION: 1/28/19
TOTAL PAYMENTS BY WIRE: 309,880.33

Certified as to the accuracy of the wire transfers by:

Deputy City Treasurer II
Date: 1/28/19

Director of Finance
Date: 1/29-19

City Manager
Date: 1/29-19

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, JANUARY 15, 2019 – 5:00 PM

5:00 P.M. SESSION

CALL TO ORDER – Mayor Boyles at 5:07 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:
Mayor Boyles announced that Council would be meeting in closed session pursuant to the items listed on the Agenda.

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): -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.

Adjourned at 6:55 PM
REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, JANUARY 15, 2019 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER – Mayor Boyles at 7:00 PM

INVOCATION – Pastor Bill Crawford, New City Church

PLEDGE OF ALLEGIANCE – Council Member Dr. Brann

PRESENTATIONS

a) Presentation by Marsha Hansen, El Segundo City of Commerce, President and CEO, presented the 2018 Holiday Parade Winners with certificates.

b) Presentation by Barbara Voss, Deputy City Manager, regarding a seating and dining Area, “Parklet,” that will be installed in Downtown El Segundo.

c) Presentation by Police Chief Whalen introducing El Segundo’s newest Police Officer, Kaitlin Ross.

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)

Mayor Boyles announced those wishing to comment on item #C3 (EDCO Waste & Recycling Services) would be allowed to do so after the presentation from Public Works on the item.

Eric Albertson, resident, commented on the Aquatic Center and the club teams vying for lane usage regarding the recent RFP that went out to determine which teams would be awarded lane usage. He is in favor of Alpha Aquatics, due to the fact that most members are El Segundo residents.

Phillip Shulman, resident, commented on the recent RFP regarding the Aquatics Center Lane usage and is in favor of Alpha Aquatics winning the bid, due to the fact that most members are El Segundo residents.

Monica Davis, resident, commented on the recent RFP regarding the Aquatics Center Lane usage and is in favor of Alpha Aquatics winning the bid, due to the fact that most members are El Segundo residents.
Nick Small, resident and Sanitation District employee, asked Mayor Boyles to help resolve a two year impasse, regarding negotiating a contract between the professional staff and management at the Sanitation District. Mayor Boyles attends Board of Director meetings for the County of Sanitation Districts. Rachel McPherson, resident, commented on the recent RFP regarding the Aquatics Center Lane usage and is in favor of Alpha Aquatics winning the bid, due to the fact that most members are El Segundo residents. Octavio Alesi, Founder and Coach of Alpha Aquatics, commented on the recent RFP regarding the Aquatics Center Lane usage and is in favor of Alpha Aquatics winning the bid, due to the fact that most members are El Segundo residents.

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.

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

MAYOR BOYLES MOVED ITEM #D7 TO #1 ON THE AGENDA – TIME CONSIDERATION FOR THE TECHNOLOGY COMMITTEE MEMBERS.

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)

Greg Carpenter, City Manager, introduced the item

Charles Mallory, Information Systems Director, Madelon Smith, Technology Committee Co-Chair and Jessica Davis, Technology Committee member, reported on the item.

Council discussion

Council consensus to receive and file the informational update and status report.

C. UNFINISHED BUSINESS (Out of order due to moving to #2 in order)

Mayor Boyles left the dais to due possible conflict of interest.

MOVED ITEM #C3 TO #2 ON THE AGENDA – TIME CONSIDERATION FOR RESIDENTS WISHING TO SPEAK ON THE ITEM.

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)
Greg Carpenter, City Manager, introduced the item.

Ken Berkman, Public Works Director and Michelle Leonard, CSC Engineers Consultant, gave a presentation.

Public Comment:
Tracey Miller-Zarneke, resident and Environmental Committee Chairperson, encouraged Council to vote in favor of automated residential and municipal solid waste services.
Bob Turnbull, resident, encouraged Council to vote in favor of automated residential and municipal solid waste services.
Rachel McPherson, resident and Environmental Committee member, encouraged Council to vote in favor of automated residential and municipal solid waste services.
Kevin Maggay, resident and Environmental Committee member, encouraged Council to vote in favor of automated residential and municipal solid waste services.
Vincent Zuppo, resident and Environmental Committee member, encouraged Council to vote in favor of automated residential and municipal solid waste services and EDCO.
Nancy Rembold, resident, has concerns about her block (W. Mariposa), where there are 3 houses are on a lot and the proposed automated trash hauling. Ms. Rembold also has concerns her current trash hauler drivers will be displaced if a new hauler is chosen.
Ray Grothaus, General Manager at Republic Hauling Services, the City’s current waste hauler, thanked the residents for the outpouring of support the past few weeks. Mr. Grothaus also countered a few points made in favor of EDCO Disposal by staff during the RFP process.
Steve South, President and CEO, mentioned EDCO is a 51 year old company and is honored to be considered amongst the top 3 contenders for the exclusive franchise contract with the City.

Council Discussion

During discussion, Council asked questions of Mark Hensley, City Attorney, Ken Berkman, Public Works Director and Michelle Leonard, CSC Engineers Consultant.

MOTION by Council Member Nicol, SECONDED by Mayor Pro Tem Pirsztuk, directed 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.
MOTION PASSED BY VOICE VOTE. 3/1 YES: Nicol Pimentel Pirsztuk NO: Brann

Recessed at 9:49 PM (After item #C3 was concluded)

Reconvened at 9:56 PM (Resumed the regular order of business, beginning with item #B1)

Mayor Boyle returned to the dais.

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)

Mayor Boyles stated this was the time and place for a Public Hearing 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.

City Clerk Weaver stated that proper notice had been given in a timely manner and that written communication has been received in the City Clerk’s office.

Greg Carpenter, City Manager, introduced the item.

Sam Lee, Planning and Building Safety Director, gave a presentation.

Public Comment:
Jeff Kreshek, Senior Vice President, Leasing West Coast of Federal Realty Investment Trust, commented on the item, as his company leases for The Plaza.
MOTION by Council Member Brann, SECONDED by Mayor Pro Tem Pirzstuk to close the public hearing. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Council Discussion

Mark Hensley, City Attorney, read by title only:

ORDINANCE NO. 1579

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.

Council Member Brann introduce the Ordinance. The second reading and adoption of the Ordinance is scheduled for February 5, 2019.
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)

Mayor Boyles stated this was the time and place for a Public Hearing 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.

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.

Sam Lee, Planning and Building Safety Director, gave a presentation.

Public Comment: None

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

Council Discussion

Mark Hensley, City Attorney, read by title only:

ORDINANCE NO. 1580

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

Council Member Brann introduce the Ordinance. The second reading and adoption of the Ordinance is scheduled for February 5, 2019.

C. UNFINISHED BUSINESS

MOVED ITEM #C3 TO #2 ON THE AGENDA – TIME CONSIDERATION FOR RESIDENTS WISHING TO SPEAK ON THE 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.)

Greg Carpenter, City Manager, introduced the item.

Mark Hensley, City Attorney, reported on the item

Council Discussion

MOTION by Mayor Boyles, SECONDED by Mayor Pro Tem Pirsztuk to 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. MOTION PASSED BY VOICE VOTE. 4/1 YES: Boyles Nicol Pimentel Pirsztuk NO: Brann

ITEMMOVED TO THE FEBRUARY 5, 2019 CITY COUNCIL MEETING.

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)

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)

Mayor Boyles announced the following appointments to the Economic Development Advisory Council; Richard Lundquist to a full term expiring January 1, 2022, Al Keahi to a full term expiring January 1, 2022, Bob Healey to a full term expiring January 1, 2022 and Matthew Thompkins to a full term expiring January 1, 2022 and to the Technology Committee; Todd Felker to a partial term expiring June 30, 2022.

MAYOR BOYLES MOVED ITEM #D7 TO #1 ON THE AGENDA – TIME CONSIDERATION FOR THE TECHNOLOGY COMMITTEE MEMBERS.

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. Approve 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. Ratified Payroll and Employee Benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers.


10. Accept as complete the work performed by Ramona, Inc. for the Storm Drain Pipe Abandonment on Eucalyptus Drive Project in the City of El Segundo and authorize the City Clerk to file a Notice of Completion with the County Recorder's Office. Project No. PW 18-11. (Fiscal Impact: $101,000.00)

11. Accept as complete the FY 16/17 Sidewalk, Curb and Gutter Replacement Project and authorize the City Clerk to file a Notice of Completion in the County Recorder's office. Project No. PW 17-19. (Fiscal Impact: $153,456.01)

12. Approve the Part-Time/Hourly Classifications Salary Schedule, adopt Resolution No. 5124 approving the Part-Time/Hourly Classifications Salary Schedule for Calendar Year 2019, ratify interim compliance measure, and authorize the City Manager and/or Finance Director to take budgetary actions consistent with the adoption of the amended salary schedule. (Fiscal Impact: None)

13. Approve revoking Resolution No. 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 and adopt revised Resolution No. 5125 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)

MOTION by Mayor Pro Tem Pirsztuk, SECONDED by Council Member Pimentel approving Consent Agenda items 8, 9, 10, 12, and 13. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0
F. NEW BUSINESS - None

G. REPORTS – CITY MANAGER – Announced the Aquatic Center is now open and thanked all involved who made it possible.

H. REPORTS – CITY ATTORNEY – Passed

I. REPORTS – CITY CLERK – Passed

J. REPORTS – CITY TREASURER – Not Present

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Pimentel – Thanked the residents for their input on the Solid Waste Services RFP, it is appreciated, mentioned the 18th Amendment Anniversary is tomorrow, January 16th (Prohibition) and reminded all Martin Luther King Day will be upon us next week.

Council Member Nicol – Attended the Young American’s program at the High School Performing Arts Center, attended the Aquatic Center Opening and thanked the Fire Department for their efforts in helping his family during a crisis.

Council Member Brann – Passed

Mayor Pro Tem Pirsztuk – Attended the Aquatic Center Opening and thanked all who contributed to the event, congratulated the Police Department on the win over the Fire Department in the Battle of the Badges Basketball game, thanked the Herald for the “Year in Review” article and wished Mayor Boyles a Happy Birthday,

Mayor Boyles – Congratulated the Police Department on the win over the Fire Department in the Battle of the Badges Basketball game.

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total)

Jack Axelrod, resident, commented on items of concern (City Seal, name change for the City, would like to see a Council report on the beach conditions, ban on drones, redesign of the City Hall Plaza and thanked all for their service.

MEMORIALS – None

ADJOURNMENT at 10:29 PM

Tracy Weaver, City Clerk
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. Waive second reading and adopt Ordinance No. 1580 for Environmental Assessment No. EA-1231 and Zone Text Amendment No. ZTA 18-05,
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENT:

Ordinance No. 1580

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

On January 15, 2019, the City Council introduced an Ordinance 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 preserves the existing overlay while making important updates to bring it into compliance with the Smoky Hollow Specific Plan.

The Council may waive second reading and adopt the Ordinance. If the Ordinance is adopted by the City Council, the effective date of the Ordinance will be March 5, 2019, which is 30 days from the adoption date.

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. 1580

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO APPROVING ZONE TEXT AMENDMENT NO. ZTA 18-04 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. 2855 recommending that the City Council adopt the proposed Ordinance as set forth herein.
H. On January 15, 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 5th day of February, 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
AGENDA DESCRIPTION:
Consideration and possible action regarding 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: City of El Segundo).

Address: Citywide

RECOMMENDED COUNCIL ACTION:
1. Waive second reading and adopt Ordinance No. 1579 for 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; and/or,
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Ordinance No. 1579

FISCAL IMPACT: None.

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

STRATEGIC PLAN:
Goal: Champion Economic Development and Fiscal Sustainability

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

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

BACKGROUND AND DISCUSSION:
On January 15, 2019, the City Council introduced an Ordinance amending the El Segundo Municipal Code to allow massage establishments as a conditionally permitted use in the Commercial Center (C-4) zone.

The Council may waive the second reading and adopt the Ordinance. If the Ordinance is adopted by the City Council at its January 15th meeting, the effective date of the Ordinance will be March 7, 2019, which is thirty (30) days from the adoption date.
ORDINANCE NO. 1579

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 January 15, 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 January 15, 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 a request for the allowance of two new restaurants to serve beer and wine (BBCM), and serve beer, wine, and distilled spirits (Chin Chin) for on-site consumption. The restaurants are located within the Urban Mixed Use South Zone at 2041 Rosecrans Avenue, Suites 120 and 140. EA 1234 AUP 18-05 and EA 1235 AUP 18-06. Applicant: Wonton Group, LLC. (Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:

1. Receive and file this report without objecting to the issuance of the two alcohol permits for the new restaurants at 2041 Rosecrans Ave, Suites 120 and 140; and/or
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

1. Crime and Arrest Statistics by Reporting Districts (RD) for July to December 2018
2. Police Reporting Districts Map
3. Administrative Use Permit approval letter and conditions, dated December 12, 2018
4. Planning Commission Staff Report, dated January 10, 2019

FISCAL IMPACT: None

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STRATEGIC PLAN: N/A

ORIGINATED BY: Brenna Callero, Assistant Planner

REVIEWED BY: Sam Lee, Planning and Building Safety Director

APPROVED BY: Greg Carpenter, City Manager

On December 12, 2018, the Director of Planning and Building Safety approved two Administrative Use Permit applications with conditions of approval, allowing the sale of beer and wine at BBCM, and the sale of beer, wine, and distilled spirits at Chin Chin, located at 2041 Rosecrans Ave, suites 120 and 140. Planning Commission Received and Filed the Director’s decision on January 10, 2019. Pursuant to City Council direction from 1995, this matter is brought to the Council’s attention at this time.

Analysis

According to the most recent Crime and Arrest statistics report prepared by the Police Department, the proposed restaurants are located in Reporting District (RD) 319. Based on the July-December
2018 data reported by the Police Department, the district had a total of 26 Part I & II crimes and 9 felony/misdemeanor arrests. This rate is 84% higher than the City’s average. The Police Department and the Planning and Building Safety Department do not object to the issuance of the alcohol permit for the new restaurant.

The Planning Commission’s decision to receive and file the Director’s decision on January 10, 2019 granted approval for two Administrative Use Permits. The first approval will allow The Butcher, the Baker, and the Cappuccino Maker (BBCM) to serve beer and wine during their hours of operation. The restaurant is roughly 3,000 square feet with 2,517 square feet devoted to outdoor dining. The applicant’s requested hours of operation are 7:00 am to 11:00 pm.

The second approval will allow Chin Chin to serve beer, wine, and distilled spirits during their hours of operation. The restaurant will provide a total of 5,225 square feet of dining area, with 2,216 square feet of outdoor dining area. The applicants requested hours of operation are 11:00 am to 11:00 pm daily, with alcohol service operating at the same time.

The project site is located in the Urban Mixed Use South zone. Restaurants are a permitted use by right. On-site and off-site sale of alcohol at a restaurant requires an Administrative Use Permit in accordance with the Municipal Code. As noted above, this permit was approved by the Director of Planning and Building Safety and confirmed by the Planning Commission.

The ABC license review process is separate from the City’s AUP process. ABC is responsible for running a complete background check on all alcohol license applicants, as well as conducting site inspections, before issuing any type of alcohol license. The City reviews compatibility issues.

Environmental Review

The project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations §15301 as a Class 1 categorical exemption (Existing Facilities).

Conclusion

Staff recommends that the Council receive and file this report without objecting to the issuance of a new alcohol permit for the site, or alternatively discuss and take another action related to this item.
### REPORTED PERIOD: JULY – DECEMBER 2018
### PART I & II CRIMES AND ARRESTS BY REPORTING DISTRICT (RD)

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**Number of Reporting Districts = 52**
- Average # of Part I & II Crimes per Reporting District = 14
- Average # of Felony/Misdemeanor Part I & II Crime Arrests per Reporting District = 5
- Average # of Crimes and Arrests per Reporting District = 19

(Results from 07/01/2018 through 12/31/2018)

High Crime Area per B&P Code Section 23958.4 = >20%
December 12, 2018

Wanton Group El Segundo LLC
1200 W Washington Blvd.
Los Angeles, CA, 90066

RE: Environmental Assessment 1234: Administrative Use Permit 18-05

Address: 2041 Rosecrans Avenue Suite #120 El Segundo, CA 90245

Dear Mr. Choi:

Your request for an Administrative Use Permit allowing the sale and dispensing of beer, wine and distilled spirits for on-site consumption (Type 47) at the proposed Chin Chin Restaurant is approved and subject to the conditions of approval in the attached Exhibit A. The associated environmental determination and findings supporting the decision are described in Exhibit B.

Please note that this letter does not constitute the City's final decision in this matter. This determination is scheduled to be "received and filed" by the Planning Commission at the January 10, 2019, meeting. Any Planning Commissioner may request that this permit be discussed and a decision be made by the Commission instead of "received and filed."

Should you have any questions, please contact Brenna Callero, Assistant Planner at (310) 524-2342.

Sincerely,

[Signature]

Sam Lee, Director
Department of Planning and Building Safety
Exhibit A

CONDITIONS OF APPROVAL

In addition to all applicable provisions of the El Segundo Municipal Code ("ESMC"), David Choi of Wanton Group El Segundo LLC ("Applicant") agrees that it will comply with the following provisions as conditions for the City of El Segundo's approval of Administrative Use Permit No. 18-05 ("Project Conditions"):

1. The hours of operation to sell alcohol for on-site consumption is limited to between 11:00 am to 11:00pm daily. Any change to the hours of operation or the hours that alcohol may be served is subject to review and approval by the Director of Planning and Building Safety.

2. Any subsequent modification to the project as approved must be referred to the Director of Planning and Building Safety for approval or a determination regarding the need for Planning Commission review of the proposed modification.

3. The Planning and Building Safety Department and the Police Department must be notified of any change of ownership of the approved use in writing within 10 days of the completion of the change of ownership. A change in project ownership may be cause to schedule a hearing before the Planning Commission regarding the status of the administrative use permit.

4. The applicant must obtain and maintain all licenses and comply with all regulations of the Alcoholic Beverage Control (ABC) Act (Business & Professions Code Section 23300) and the regulations promulgated by the Board, including the regulations set forth in 4 Cal. Code of Regs. §§55, et seq.

5. All employees tasked to sell alcoholic beverages must provide evidence that they have either:

   a. Obtained an ABC-issued certificate for completion of the Leadership and Education in Alcohol and Drugs (LEAD) program; or,

   b. Completed an accepted equivalent training offered by the ABC district office to ensure proper distribution of beer, wine, and distilled spirits to adults of legal age.

   c. If a prospective employee designated to sell alcoholic beverages does not have LEAD or equivalent training, then the applicant must within 15 days of this decision confirm with the Planning and Building Safety Department that a date is scheduled with the local ABC district office to complete the LEAD course.

   d. Within 30 days of taking LEAD or equivalent course, employees or their employer must deliver each required certificate showing completion to the Police Department.
6. The licensee must have readily identifiable personnel to monitor and control the behavior of customers inside the building premises. Staff must monitor activity immediately adjacent to the property under the establishment's control to ensure the areas are generally free of nuisances.

7. If complaints are received regarding excessive noise, or other nuisances associated with the sale of beer, wine, and distilled spirits the City may, in its discretion, take action to review the Administrative Use Permit and add conditions or revoke the permit.

8. There must be no exterior advertising of any kind or type indicating the availability of specific alcoholic beverage products.

9. The building must not be occupied by more persons than allowed by the California Building Code, as adopted by the ESMC.

10. The building and any outdoor seating must comply with the California Building and Fire Code requirements, as adopted by the ESMC.

11. The Applicant agrees to indemnify and hold the City harmless from and against any claim, action, damages, costs (including, without limitation, attorney fees), injuries, or liability, arising from the City’s approval of Environmental Assessment 1234 or Administrative Use Permit 18-05. Should the City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of the City approval of Environmental Assessment 1234 or Administrative Use Permit 18-05, the Applicant agrees to defend the City (at the City’s request and with counsel satisfactory to the City) and will indemnify the City for any judgment rendered against it or any sums paid out in settlement or otherwise. For purposes of this section, “the City” includes the City of El Segundo’s elected officials, appointed officials, officers, and employees.

12. David Choi, of Wanton Group El Segundo LLC must acknowledge receipt and acceptance of the project conditions by executing the acknowledgement below.

These Conditions are binding upon David Choi of Wanton Group El Segundo LLC and all successors and assigns to the property at 2041 Rosecrans Avenue, Suite 120 until superseded by another approval letter or rescinded.

David Choi, on behalf Wanton Group El Segundo LLC
Environmental Assessment 1234:

After considering the above facts and findings, the Director finds this project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations §15301 as a Class 1 categorical exemption (Existing Facilities) because the proposed project consists of the permitting of existing private structures and involves a negligible expansion of the use.

Administrative Use Permit 18-05:

The following are the facts in support of each finding for this decision:

Finding 1: There is compatibility of the particular use on the particular site in relationship to other existing and potential uses within the general area in which the use is proposed to be located.

1. The project is located in a commercial area and is in proper relation to industrial and commercial adjacent uses within this area. The project is situated in a environment that includes offices, retail, service uses, and other restaurants nearby. The subject site is located in the Beach Cities Plaza Precise Plan, where restaurants are permitted.

Finding 2: The proposed use is consistent and compatible with the purpose of the Zone in which the site is located.

1. The zone of the property is Urban Mixed Use – South. The purpose of this zone is to provide consistency with and implement policies related to those locations designated Urban Mixed Use South in the General Plan. The intent of the MU-S zone is met by having several types of uses occupy a single building. The proposed restaurant and the addition of alcohol sales as an ancillary use are consistent with this purpose.

Finding 3: The proposed location and use, and the conditions under which the use would be operated or maintained will not be detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.

1. The proposed closing hours are 11:00 pm every day, so it is unlikely that the consumption of alcohol in a restaurant setting will cause the establishment to become a nuisance. The restaurant will be replacing part of a previous restaurant that had a Type 47 ABC license.

Finding 4: Potential impacts that could be generated by the proposed use, such as noise, smoke, dust, fumes, vibration, odors, traffic, and hazards have been recognized and mitigated.
1. The consumption of beer and wine will not create any new impacts that would not be normally associated with the operation of a restaurant.

Finding 5: The State Department of Alcoholic Beverage Control has issued or will issue a license to sell beer, wine and distilled spirits to the Applicant.

1. The City expects the Applicant will obtain a license from the State of California Department of Alcoholic Beverage Control for on-site sale and consumption of beer, wine and distilled spirits for restaurants (Type 47). In the event the Applicant does not receive such license, the City's approval will be null (Condition No. 4).
December 12, 2018

Wanton Group El Segundo LLC
1200 W Washington Blvd.
Los Angeles, CA, 90066

RE: Environmental Assessment 1235: Administrative Use Permit 18-06

Address: 2041 Rosecrans Avenue Suite #140 El Segundo, CA 90245

Dear Mr. Choi:

Your request for an Administrative Use Permit allowing the sale and dispensing of beer and wine for on-site consumption (Type 41) at the proposed BBCM Restaurant is approved and subject to the conditions of approval in the attached Exhibit A. The associated environmental determination and findings supporting the decision are described in Exhibit B.

Please note that this letter does not constitute the City’s final decision in this matter. This determination is scheduled to be “received and filed” by the Planning Commission at the January 10, 2019, meeting. Any Planning Commissioner may request that this permit be discussed and a decision be made by the Commission instead of “received and filed.”

Should you have any questions, please contact Brenna Callero, Assistant Planner at (310) 524-2342.

Sincerely,

Sam Lee, Director
Department of Planning and Building Safety
Exhibit A
CONDITIONS OF APPROVAL

In addition to all applicable provisions of the El Segundo Municipal Code ("ESMC"), David Choi of Wanton Group El Segundo LLC ("Applicant") agrees that it will comply with the following provisions as conditions for the City of El Segundo’s approval of Administrative Use Permit No. 18-06 ("Project Conditions"): 

1. The hours of operation to sell alcohol for on-site consumption is limited to between 7:00 am to 11:00pm daily. Any change to the hours of operation or the hours that alcohol may be served is subject to review and approval by the Director of Planning and Building Safety.

2. Any subsequent modification to the project as approved must be referred to the Director of Planning and Building Safety for approval or a determination regarding the need for Planning Commission review of the proposed modification.

3. The Planning and Building Safety Department and the Police Department must be notified of any change of ownership of the approved use in writing within 10 days of the completion of the change of ownership. A change in project ownership may be cause to schedule a hearing before the Planning Commission regarding the status of the administrative use permit.

4. The applicant must obtain and maintain all licenses and comply with all regulations of the Alcoholic Beverage Control (ABC) Act (Business & Professions Code Section 23300) and the regulations promulgated by the Board, including the regulations set forth in 4 Cal. Code of Regs. §§55, et seq.

5. All employees tasked to sell alcoholic beverages must provide evidence that they have either:

   a. Obtained an ABC-issued certificate for completion of the Leadership and Education in Alcohol and Drugs (LEAD) program; or,

   b. Completed an accepted equivalent training offered by the ABC district office to ensure proper distribution of beer, wine, and distilled spirits to adults of legal age.

   c. If a prospective employee designated to sell alcoholic beverages does not have LEAD or equivalent training, then the applicant must within 15 days of this decision confirm with the Planning and Building Safety Department that a date is scheduled with the local ABC district office to complete the LEAD course.
d. Within 30 days of taking LEAD or equivalent course, employees or their employer must deliver each required certificate showing completion to the Police Department.

6. The licensee must have readily identifiable personnel to monitor and control the behavior of customers inside the building premises. Staff must monitor activity immediately adjacent to the property under the establishment's control to ensure the areas are generally free of nuisances.

7. If complaints are received regarding excessive noise, or other nuisances associated with the sale of beer and wine, the City may, in its discretion, take action to review the Administrative Use Permit and add conditions or revoke the permit.

8. There must be no exterior advertising of any kind or type indicating the availability of specific alcoholic beverage products.

9. The building must not be occupied by more persons than allowed by the California Building Code, as adopted by the ESMC.

10. The building and any outdoor seating must comply with the California Building and Fire Code requirements, as adopted by the ESMC.

11. The Applicant agrees to indemnify and hold the City harmless from and against any claim, action, damages, costs (including, without limitation, attorney fees), injuries, or liability, arising from the City’s approval of Environmental Assessment 1235 or Administrative Use Permit 18-06. Should the City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of the City approval of Environmental Assessment 1235 or Administrative Use Permit 18-06, the Applicant agrees to defend the City (at the City’s request and with counsel satisfactory to the City) and will indemnify the City for any judgment rendered against it or any sums paid out in settlement or otherwise. For purposes of this section, “the City” includes the City of El Segundo’s elected officials, appointed officials, officers, and employees.

12. David Choi, of Wanton Group El Segundo LLC must acknowledge receipt and acceptance of the project conditions by executing the acknowledgement below.

These Conditions are binding upon David Choi of Wanton Group El Segundo LLC and all successors and assigns to the property at 2041 Rosecrans Avenue, Suite 140 until superseded by another approval letter or rescinded.

David Choi, on behalf Wanton Group El Segundo LLC
Exhibit B
Environmental Determination and Required Findings

Environmental Assessment 1235:

After considering the above facts and findings, the Director finds this project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations §15301 as a Class 1 categorical exemption (Existing Facilities) because the proposed project consists of the permitting of existing private structures and involves a negligible expansion of the use.

Administrative Use Permit 18-06:

The following are the facts in support of each finding for this decision:

Finding 1: There is compatibility of the particular use on the particular site in relationship to other existing and potential uses within the general area in which the use is proposed to be located.

1. The project is located in a commercial area and is in proper relation to industrial and commercial adjacent uses within this area. The project is situated in an environment that includes offices, retail, service uses, and other restaurants nearby. The subject site is located in the Beach Cities Plaza Precise Plan, where restaurants are permitted.

Finding 2: The proposed use is consistent and compatible with the purpose of the Zone in which the site is located.

1. The zone of the property is Urban Mixed Use – South. The purpose of this zone is to provide consistency with and implement policies related to those locations designated Urban Mixed Use South in the General Plan. The intent of the MU-S zone is met by having several types of uses occupy a single building. The proposed restaurant and the addition of alcohol sales as an ancillary use are consistent with this purpose.

Finding 3: The proposed location and use, and the conditions under which the use would be operated or maintained will not be detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.

1. The proposed closing hours are 11:00 pm every day, so it is unlikely that the consumption of alcohol in a restaurant setting will cause the establishment to become a nuisance. The restaurant will be replacing part of a previous restaurant that had a Type 47 ABC license.

Finding 4: Potential impacts that could be generated by the proposed use, such as noise, smoke, dust, fumes, vibration, odors, traffic, and hazards have been recognized and mitigated.
1. The consumption of beer and wine will not create any new impacts that would not be normally associated with the operation of a restaurant.

Finding 5: The State Department of Alcoholic Beverage Control has issued or will issue a license to sell beer, wine and distilled spirits to the Applicant.

1. The City expects the Applicant will obtain a license from the State of California Department of Alcoholic Beverage Control for on-site sale and consumption of beer and wine for restaurants (Type 41). In the event the Applicant does not receive such license, the City’s approval will be null (Condition No. 4).
AGENDA DESCRIPTION:

Consideration and possible action regarding approval of Environmental Assessment 1234: Administrative Use Permit 18-05 and Environmental Assessment 1235: Administrative Use Permit 18-06 for On-site alcohol sales for two proposed restaurants at 2041 Rosecrans Avenue, Suites 120 and 140, El Segundo, California. The project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations § 15301 as a Class 1 categorical exemption (Existing Facilities).

Address: 2041 Rosecrans Avenue, Suites 120 and 140

Applicant: David Choi, Wanton Group El Segundo, LLC

RECOMMENDED PLANNING COMMISSION ACTION: Receive and file

ATTACHED SUPPORTING DOCUMENTS: Approval letter dated December 12, 2018

On December 5, 2018 the Director granted approval of an Administrative Use Permit for a Type 47 license for on-site consumption of beer, wine and distilled spirits at 2041 Rosecrans Avenue, Suite 120, and a Type 41 license for on-site consumption of beer and wine at 2041 Rosecrans Avenue, Suite 140. The approval includes conditions that protect the City and surrounding users from potentially negative impacts associated with alcohol consumption. The conditions, findings of approval, and environmental assessment are provided in the attached approval letters. Staff believes that the project is appropriate for the location and will not operate in a manner that will create detrimental impacts, and so recommends that the Commission receive and file this report.
AGENDA DESCRIPTION:

Consideration and possible action to accept as complete the FY 17/18 Pavement Rehabilitation Project, Project No. PW18-18. (Fiscal Impact: $1,201,026.37)

RECOMMENDED COUNCIL ACTION:

1. Accept the work as complete;
2. Authorize the City Clerk to file a Notice of Completion with the County Recorder’s Office;
3. Authorize to increase the construction related contingencies from $105,000 to $112,384.37;
4. Authorize to transfer $57,752.13 from the Sewer Enterprises fund account #502-400-8204-8647 to #106-400-8203-8943 (State Gas Tax Fund)
5. Alternatively, discuss and take other possible actions related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Notice of Completion
Location Map

FISCAL IMPACT: Included in the Adopted FY 2017/18 budget.

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>$1,291,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Appropriation:</td>
<td>N/A</td>
</tr>
<tr>
<td>Account Number(s):</td>
<td>106-400-8203-8943 (State Gas Tax Fund) and 128-400-0000-8383 (SB-1 Expenditures) 110-400-8203-8943 (Measure R Local Return)</td>
</tr>
<tr>
<td></td>
<td>Transfer $57,752.13 from 502-400-8204-8647 (Sewer Enterprise Fund) to 106-400-8203-8943 (State Gas Tax Fund)</td>
</tr>
</tbody>
</table>

STRATEGIC PLAN:

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

ORIGINATED BY: Arianne Bola, Senior Associate Engineer
REVIEWED BY: Ken Berkman, Public Works Director
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

On April 30, 2018, City Council adopted plans and specifications for the Pavement Resurfacing of the following streets and authorized staff to advertise for bids:

- Sheldon St. – between Grand Ave. and El Segundo Blvd.
- Kansas St. – between Mariposa Ave. and El Segundo Blvd.
- Washington St. – between Mariposa Ave. and Holly Ave.
- Illinois St. – between Mariposa Ave. and Grand Ave.
• Illinois St. – between Franklin Ave. and El Segundo Blvd.
• Mariposa Ave. – between Nash St. and Douglas St.
• Douglas St. – between Coral Circle and El Segundo Blvd.
• Douglas St. – between Park Place and Rosecrans Ave.
• Nash St. – between Park Place and Rosecrans Ave.
• Park Place – between Continental Way and Douglas St.

On June 19, 2018, City Council awarded a standard public works contract to All American Asphalt for $1,050,770.00 and approved an additional $105,000.00 for construction-related contingencies. City Council also awarded a professional services agreement to KOA Corporation to provide construction inspection and testing for the Project in the amount of $73,660.00, with an additional $7,300.00 for contingencies. Construction began on October 1, 2018 and was successfully completed by All American Asphalt on December 28, 2018.

The construction of this project was concurrent with the Pump Station 1 & 7 Modifications Project, which impacted the adjacent sections of Imperial Avenue, Loma Vista Street, Acacia Avenue, and the Palm/Virginia intersection. All American Asphalt is also the paving subcontractor for the pump station project. Seeing the opportunity to benefit from the economy of scale, staff worked with the contractor to deduct the paving bid items from the pump station project ($85,000) and add them to this paving project in a change order amount of $57,752.13, resulting in a savings of $27,247.87 to the pump station project. Therefore, it is justified to transfer $57,752.13 from 502-400-8204-8647 (Sewer Enterprise Fund) to 106-400-8203-8943 (State Gas Tax Fund).

Other change orders were required due to unforeseen field conditions, quantity adjustments, and crosswalk installations as recommended in the recently completed Downtown Traffic and Pedestrian Safety Study.

Staff respectfully recommends that City Council 1) accept the work as complete; 2) authorize the City Clerk to file a Notice of Completion with the County Recorder’s Office; 3) authorize to increase the construction related contingencies from $105,000 to $112,384.37; 4) authorize the transfer of $57,752.13 from the Sewer Enterprise Fund account 502-400-8204-8647 to the State Gas Tax Fund account 106-400-8203-8943.

**Accounting Summary:**

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,050,770.00</td>
<td>All American Asphalt Contract Amount</td>
</tr>
<tr>
<td>+$112,384.37</td>
<td>Bid Item Adjustments</td>
</tr>
<tr>
<td>+$ 37,056.00</td>
<td>KOA Corporation Inspection Funds Utilized</td>
</tr>
<tr>
<td>+$ 816.00</td>
<td>Advertising for Bids in Newspaper</td>
</tr>
<tr>
<td><strong>$1,201,026.37</strong></td>
<td></td>
</tr>
</tbody>
</table>

**$89,973.63 Unspent Budgeted Amount Returned to Source Accounts**
NOTICE OF COMPLETION OF CONSTRUCTION PROJECT

Project Name: FY 17/18 Pavement Rehabilitation Project

Project No. : PW 18-18  Contract No. 5551

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

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

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

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

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

5. A work of improvement on the property hereinafter described was field reviewed by the City Engineer on December 28, 2018. The work done was: Street Resurfacing Improvements.

6. On February 5, 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: All American Asphalt

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: FY 17/18 Pavement Rehabilitation Project

9. The street address of said property is: Various locations in 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. 90245

Ken Berkman
Public Works Director
EL SEGUNDO CITY COUNCIL

AGENDA STATEMENT

AGENDA DESCRIPTION:
Consideration and possible action to accept as complete the Police Department Floor Replacement, Project No. PW 18-02 (Fiscal Impact: $251,549.50)

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 action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Notice of Completion

FISCAL IMPACT: Included in Adopted FY 2017-18 Budget

<table>
<thead>
<tr>
<th>Amount Budgeted:</th>
<th>$254,661.50 for Various Police Department Upgrades</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Appropriation:</td>
<td>N/A</td>
</tr>
<tr>
<td>Account Number(s):</td>
<td>301-400-8201-8708 (Police Dept. Upgrades)</td>
</tr>
<tr>
<td></td>
<td>301-400-8201-8412 (Police Flooring Replacement)</td>
</tr>
<tr>
<td></td>
<td>301-400-8201-8414 (PD Stairwell)</td>
</tr>
<tr>
<td></td>
<td>301-400-8201-8415 (PD Interior Painting)</td>
</tr>
</tbody>
</table>

STRATEGIC PLAN:

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

<table>
<thead>
<tr>
<th>Goal:</th>
<th>3</th>
<th>Develop as a Choice Employer &amp; Workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective:</td>
<td>4</td>
<td>The City has an inspired, engaged workforce</td>
</tr>
</tbody>
</table>

ORIGINATED BY: Orlando Rodriguez, Senior Civil Engineer

REVIEWED BY: Ken Berkman, Public Works Director

APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:

On March 20, 2018, City Council awarded a $206,965.00 standard Public Works Contract and an additional $20,696.50 for construction related contingencies to Cinbad Industry, Inc. (Contractor) as the low bidder for the Police Department Floor Replacement Project (Project). The Project consists of the replacement of the carpet and linoleum flooring in the Police Department (PD), as well as re-painting of the basement and the stairwell.
On November 6, 2018, City Council approved an additional $27,000.00 for additional improvements at the gym and the mechanical room inside the Police Department that are similar in scope to the nature of the project.

Construction began on July 16, 2018, and was completed by Cinbad Industry, Inc. on December 6, 2018. A final inspection of the work has been performed and it was determined that the project was completed per the plans and specifications and to the satisfaction of the Public Works Department. The amount of working days for the project increased as a result of the additional work Police Department staff requested to be performed by the Contractor.

Staff respectfully recommends that City Council accept the work performed by Cinbad Industry, Inc. as complete and authorize the City Clerk to file a Notice of Completion with the County Recorder’s Office.

**Accounting Summary:**

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$206,965.00</td>
<td>Construction Contract Amount</td>
</tr>
<tr>
<td>$43,672.50</td>
<td>Change Order</td>
</tr>
<tr>
<td>+ $912.00</td>
<td>Advertising for Bids in Newspaper</td>
</tr>
<tr>
<td><strong>$251,549.50</strong></td>
<td><strong>Total Funds Spent</strong></td>
</tr>
<tr>
<td>$254,661.50</td>
<td>Budgeted Amount (Contract + Contingency)</td>
</tr>
<tr>
<td>-$251,549.50</td>
<td>Total Funds Spent</td>
</tr>
<tr>
<td><strong>$3,112.00</strong></td>
<td>Unspent Budgeted Amount Returned to Police Department Upgrades Account</td>
</tr>
</tbody>
</table>

122
NOTICE OF COMPLETION OF CONSTRUCTION PROJECT

Project Name: Police Department Floor Replacement Project

Project No.: PW 18-02  Contract No. 5508

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

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

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

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

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

5. A work of improvement on the property hereinafter described was field reviewed by the City Engineer on December 6, 2018. The work done was: painting and floor replacement.

6. On February 5, 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: Cinbad Industry, 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: Floor replacement and painting in the City of El Segundo.

9. The street address of said property is: 348 Main Street, 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 to continue deliberation on the potential adoption of solid waste collection and disposal fees for one and two unit residential properties to February 19, 2019, when the Council will also consider approving a franchise agreement with EDCO to provide solid waste collection and disposal services for these properties. The Council held a public hearing on the proposed solid waste collection and disposal rates on November 6, 2018, and continued its deliberations to this February 5, 2019 Council Meeting.
(Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:
1. Consideration and possible action to continue deliberation on the potential adoption of solid waste collection and disposal fees for one and two unit residential properties to February 19, 2019, when the Council will also consider approving a franchise agreement with EDCO to provide solid waste collection and disposal services for these properties;
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
None

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

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

PREPARED BY: City Attorney’s office
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
On November 6, 2018, the City Council held a public hearing regarding the potential adoption of solid waste collection and disposal rates for one and two unit residential properties. The Council closed the public hearing and adopted a resolution which recited the results of the Proposition 218 protest process which declared that 2,912 one and two-unit properties existed in the City, and that 1096 properly completed protest ballots were received by the City prior to the close of the public hearing.
The Council continued the deliberation on the potential adoption of rates for these one and two unit properties until February 5, 2019, as staff projected that the proposed agreement with a solid waste hauler would be ready for potential Council approval at this same meeting. Staff now anticipates that the solid waste collection and disposal agreement with EDCO, which Council directed be prepared at its January 15, 2019 Council Meeting, will be ready for Council’s consideration at the February 19, 2019 Council Meeting and staff is recommending that the Council continue its deliberations on the proposed solid waste collection and disposal fee to this same meeting.
AGENDA DESCRIPTION:
Consideration and possible action to approve the proposed fee schedule for the City of El Segundo – Wiseburn Unified School District Aquatics Center (2240 E. Grand Avenue) to establish user group categories and long-term rental rates at a discounted rate from the previously-approved hourly rental rates and approve the selection of Alpha Aquatics, Beach Cities Swimming, SCAQ, and Tower 26, as primary long-term user groups of the facility. (Fiscal Impact: estimated annual revenue $340,000)

RECOMMENDED COUNCIL ACTION:
(1) Approve the proposed fee schedule to establish discounted rental rates by user group category and long-term “bulk rate”; and,
(2) Approve the selection of Alpha Aquatics, Beach Cities Swimming, SCAQ, and Tower 26 as initial primary users of the Aquatics Center for a term of one-year; and/or,
(3) Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
(1) Lane Rental Fee Comparison Data

FISCAL IMPACT: estimated annual revenue $340,000
Amount budgeted: N/A
Additional Appropriation: None
Account Number(s): N/A

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.
Goal: 5B El Segundo approaches its work in a financially strategic and responsible way
Objective: 2 The City will maintain a stable, efficient, and transparent financial environment

ORIGINATED BY: Meredith Petit, Director of Recreation and Parks
REVIEWED BY: Meredith Petit, Director of Recreation and Parks
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:
On June 5, 2018, the City Council approved rental rates for at the new El Segundo-Wiseburn Aquatics Center as follows:

<table>
<thead>
<tr>
<th>Per Hour</th>
<th>Aquatics Center</th>
<th>Plunge</th>
<th>Event Pricing</th>
<th>Aquatics Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short Course Lane</td>
<td>$25</td>
<td>$20</td>
<td>Lighting Fee (if applicable)</td>
<td>$20</td>
</tr>
<tr>
<td>Long Course Lane</td>
<td>$45</td>
<td>N/A</td>
<td>Timing System</td>
<td>$55</td>
</tr>
<tr>
<td>R2O Polo Course - 25-yard</td>
<td>TBD</td>
<td>N/A</td>
<td>Full Day Main Pool (over 6 hours)</td>
<td>$3,500</td>
</tr>
<tr>
<td>R2O Polo Course - 25-meter</td>
<td>TBD</td>
<td>N/A</td>
<td>Half Day Main Pool (up to 6 hours)</td>
<td>$1,850</td>
</tr>
<tr>
<td>R2O Polo Course - full-pool</td>
<td>TBD</td>
<td>N/A</td>
<td>Full Day Warm-Up Pool (over 6 hours)</td>
<td>$700</td>
</tr>
<tr>
<td>Extra Staff (if applicable)</td>
<td>$25</td>
<td>$25</td>
<td>Half Day Warm-Up Pool (up to 6 hrs)</td>
<td>$425</td>
</tr>
</tbody>
</table>
On August 7, 2018, the City Council approved the concept of selecting various user groups for the new City of El Segundo-Wiseburn Unified School District Aquatics Center using a Request for Proposals process in which the bidder would propose their requested rental needs (i.e. number of lanes, days of the week, times of day) and an associated rental fee, if different than the established fee. The primary purpose of the process was to help achieve maximum market value of the pool space during high-demand times, survey the user groups to determine what the market will bear in terms of pricing, while also providing a comprehensive set of aquatics programming for El Segundo and Wiseburn residents.

Staff, working in cooperation with the Aquatics Subcommittee comprised of two Councilmembers and two Recreation and Parks Commissioners, released RFP #18-10 on September 17, 2018, and submissions were due on October 1, 2018. The City received nine unique proposals from various user groups including four youth swim clubs, two youth water polo clubs, two masters [adult] swim clubs, one masters water polo club, and one triathlon training club. The evaluation process used the following criteria to score each proposal: Cover Letter (5%), Proposed Vision and Purpose (20%), Description of Experience (10%), Staffing Plan (10%), Rental Needs and Offer (50%), and References (5%). Staff also held subsequent interviews with each group which was also a factor in the final rankings.

The proposals were ranked as follows:

1. Beach Cities Swimming
2. Tower 26
3. Trojan Water Polo
4. South Bay United Water Polo
5. Alpha Aquatics
6. Coastal Masters Water Polo
7. South Bay Swim Team
8. SCAQ
9. Wiseburn Swim Club

Proposals included short-course (25-yard) lane hourly rates ranging from $4.17 to $20.00. The lowest per lane price was associated with a youth water polo group while the highest was from an adult triathlon training group. Oftentimes pool rates for water polo usage is lower than traditional per lane swimming based on the fact that fewer individuals participate in the sport but utilize the same amount of space, therefore water polo groups are often unable to afford to pay the standard per lane rate. When the three water polo groups are removed, the average short course lane rental rate among the six swimming groups equals $12.17 per hour. The highest proposed rate for a non-profit swim club was $15.00 per lane per hour. The three water polo proposals included rates that equated to $9.00, $6.50 and $4.17 per lane per hour, for an average rate of $6.56.

With the intention of setting hourly rates based on the information gathered through the RFP process, staff recommends to establish a fee structure with the already-approved rates as the highest price point, or “rack rate”, which would be assigned to for-profit business use on short-term rental agreements. Additional categories such as Non-Profit and Alternate Use (which would include water polo, government entities, or other discretionary uses during non-peak times) would be added as well as discounted “bulk rates” for long-term agreements that average 10 or more lane hours per week. The proposed fee schedule is as follows:
<table>
<thead>
<tr>
<th>City of El Segundo Wiseburn Unified School District Aquatics Center</th>
<th>Short Term Rental</th>
<th>Long Term Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hourly Rate</td>
<td>Hourly Rate</td>
</tr>
<tr>
<td></td>
<td>(&lt; 10hrs / week )</td>
<td>(≥ 10hrs / week )</td>
</tr>
<tr>
<td><strong>Competition Pool</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short Course - For Profit</td>
<td>$25</td>
<td>$20</td>
</tr>
<tr>
<td>Long Course - For Profit</td>
<td>$45</td>
<td>$35</td>
</tr>
<tr>
<td>Short Course - Non-Profit</td>
<td>$20</td>
<td>$15</td>
</tr>
<tr>
<td>Long Course - Non-Profit</td>
<td>$40</td>
<td>$30</td>
</tr>
<tr>
<td>Half Pool - Alternate Use (Non-Profit)</td>
<td>$85</td>
<td>$65</td>
</tr>
<tr>
<td>Full Pool - Alternate Use (Non-Profit)</td>
<td>$200</td>
<td>$150</td>
</tr>
<tr>
<td><strong>Teaching Pool</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For Profit</td>
<td>$25</td>
<td>$20</td>
</tr>
<tr>
<td>Non-Profit</td>
<td>$15</td>
<td>$10</td>
</tr>
<tr>
<td>Full Pool - For Profit</td>
<td>$100</td>
<td>$80</td>
</tr>
<tr>
<td>Full Pool - Non-Profit</td>
<td>$500</td>
<td>$40</td>
</tr>
</tbody>
</table>

If the proposed rates are implemented, the top two revenue-generating user groups for the facility would be Beach Cities Swimming and Alpha Aquatics, with annual estimated ongoing rental revenue of $160,000 and $130,000 respectively, with anticipated additional revenue coming from full-facility rentals for swimming meets. According to the City’s projected 5-Year Profit and Loss Forecast, annual revenue projections for Club and Training Rentals were set at $300,500 for the first full-year of operation. By selecting these two groups the City will be on track to meet the revenue goals for that line item. Staff and the subcommittee are not recommending agreements with South Bay Swim Team or Wiseburn Swim Club at this time.

In addition to the two aforementioned youth swim clubs, staff and the subcommittee recommend entering into long-term rental agreements with Tower 26 (For Profit) Triathlon Training and SCAQ (Non-Profit) Masters Swim Club at the proposed hourly rates. These two groups can be easily accommodated into the early morning and mid-day hours. Coastal Masters Water Polo can also be easily accommodated into the schedule but further discussions will determine whether the short-term or long-term rates will apply.

Because the facility is in high demand and has overall cost recovery goals to meet, detailed scheduling is critical and complex. The first priority for scheduling is reserved for Wiseburn/DaVinci High School and El Segundo Unified Athletics Programs. The two school groups are currently scheduled until 5:00pm or 6:00pm most weekdays. Next, the youth swim clubs would be scheduled immediately following high school groups until 8:00/8:30pm on weekdays, limiting the availability for water polo or alternative non-peak usage. Staff and the subcommittee continue to evaluate options for the two youth water polo clubs to determine the best fit for the community given the available space. Staff is also evaluating what space may be available to offer to youth water polo groups at the Plunge, which will be determined based on various user groups relocating from the Plunge to the Aquatics Center. Staff recommends continuing the dialogue with the two water polo clubs and can return to the City Council with a final recommendation at a later date.
# Lane Rental Rate Fee Study

City of Carlsbad - Alga Norte Aquatic Center
Non-Resident

<table>
<thead>
<tr>
<th></th>
<th>Non-Profit</th>
<th>Individual</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 yard lane</td>
<td>$20</td>
<td>$24</td>
<td>$24</td>
</tr>
<tr>
<td>50 meter lane</td>
<td>$36</td>
<td>$40</td>
<td>$40</td>
</tr>
</tbody>
</table>

Resident

<table>
<thead>
<tr>
<th></th>
<th>Non-Profit</th>
<th>Individual</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 yard lane</td>
<td>$18</td>
<td>$21</td>
<td>$21</td>
</tr>
<tr>
<td>50 meter lane</td>
<td>$32</td>
<td>$36</td>
<td>$36</td>
</tr>
</tbody>
</table>

City of Culver City

<table>
<thead>
<tr>
<th></th>
<th>Resident Non-Profit</th>
<th>Resident - Private</th>
<th>Resident - Commercial</th>
<th>Non-Resident, Non-Profit</th>
<th>Non-Resident Private</th>
<th>Non-Resident Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 yard lane</td>
<td>$6.33</td>
<td>$8.44</td>
<td>$10.61</td>
<td>$7.05</td>
<td>$9.39</td>
<td>$11.78</td>
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<tr>
<td>50 meter lane</td>
<td>$14.25</td>
<td>$19.00</td>
<td>$23.87</td>
<td>$15.85</td>
<td>$21.12</td>
<td>$26.50</td>
</tr>
</tbody>
</table>

City of Santa Monica

<table>
<thead>
<tr>
<th></th>
<th>Resident Non-Profit</th>
<th>Non-Resident Non-Profit</th>
<th>Resident “other”</th>
<th>Non-Resident “other”</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 yard lane</td>
<td>$5</td>
<td>$10</td>
<td>$20</td>
<td>$40</td>
</tr>
<tr>
<td>50 meter lane</td>
<td>$10</td>
<td>$20</td>
<td>$40</td>
<td>$80</td>
</tr>
</tbody>
</table>

City of San Bruno

<table>
<thead>
<tr>
<th></th>
<th>Resident</th>
<th>Non-Resident</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 yard lane</td>
<td>$20</td>
<td>$25</td>
</tr>
</tbody>
</table>

BBMAC (Coronado High School)

<table>
<thead>
<tr>
<th></th>
<th>Short Term</th>
<th>Standard Rate</th>
<th>Long Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 meter lane</td>
<td>35 per hour</td>
<td>29 per hour per lane</td>
<td>18.00 per hour</td>
</tr>
<tr>
<td>25 yard lane</td>
<td>17.50 per hour</td>
<td>14.50 per hour per lane</td>
<td>10 per hour</td>
</tr>
<tr>
<td>Water polo course (30m)</td>
<td>150.00 per hour</td>
<td>99.00 per hour per course</td>
<td>100 per hour per course</td>
</tr>
<tr>
<td>Instructional Pool</td>
<td>80.00 per hour</td>
<td>75.00 per hour</td>
<td>70.00 per hour</td>
</tr>
<tr>
<td>Extra Lifeguard</td>
<td>24.00 per hour</td>
<td>20.00 per hour per guard</td>
<td>17.00 per hour</td>
</tr>
<tr>
<td>CHS Teams</td>
<td>$20 per hour per guard</td>
<td>$20 per hour per guard</td>
<td>$20 per hour per guard</td>
</tr>
<tr>
<td>8 Hour Rate</td>
<td>$225.00 per hour</td>
<td>$175 per hour</td>
<td>$155 per hour</td>
</tr>
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</table>
### Facility Use (Charged Hourly)
*Minimum 2 hours on weekdays; Minimum 4 hours on weekends*

<table>
<thead>
<tr>
<th></th>
<th>Group 1/ Group 2 Non Profit Direct Cost</th>
<th>Group 3 Fair Rental Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Pool (24 Lanes 25m / 8 Lanes 50m)</td>
<td>$200.00</td>
<td>$400.00</td>
</tr>
<tr>
<td>Half Pool (12 Lanes 25m)</td>
<td>$110.00</td>
<td>$220.00</td>
</tr>
<tr>
<td>Warm Up Pool (6 Lanes)</td>
<td>$75.00</td>
<td>$165.00</td>
</tr>
<tr>
<td>Community Room</td>
<td>$50.00</td>
<td>$110.00</td>
</tr>
<tr>
<td>Ticket Booth</td>
<td>$30.00</td>
<td>$60.00</td>
</tr>
</tbody>
</table>

### ADDITIONAL/OPTIONAL EQUIPMENT & SERVICES
*All fees are per day (unless otherwise noted)*

<p>| | |</p>
<table>
<thead>
<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Timing System</strong></td>
<td></td>
</tr>
<tr>
<td>Colorado Timing System Scoreboard</td>
<td>$500.00 plus labor</td>
</tr>
<tr>
<td>Colorado Timing System (timers, clocks, etc)</td>
<td>$150.00</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lighting:</strong></td>
<td></td>
</tr>
<tr>
<td>Deck Lights</td>
<td>$31.00 per hour</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>50 or less persons</th>
<th>51-100 persons</th>
<th>100+ persons</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Custodial Supply:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 – 4 hours</td>
<td>$30.00</td>
<td>$60.00</td>
<td>$90.00</td>
</tr>
<tr>
<td>5 – 8 hours</td>
<td>$60.00</td>
<td>$120.00</td>
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<tr>
<td>9 – 12 hours</td>
<td>$90.00</td>
<td>$180.00</td>
<td>$270.00</td>
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### Labor (minimum 2 hours on weekdays; 4 hours on weekends)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Custodial*</td>
<td>$64.00 / hour</td>
</tr>
<tr>
<td>Facility Supervisor**</td>
<td>$74.00 / hour</td>
</tr>
<tr>
<td>Scoreboard Tech***</td>
<td>$74.00 / hour</td>
</tr>
</tbody>
</table>

* Custodian may be scheduled one hour prior to rental, throughout the event and one hour after rental.
** A Facility Supervisor is required to be on duty during the event.
*** Only TUSD approved personnel are allowed to operate the Colorado Timing System Scoreboard.

3.12.18
AGENDA DESCRIPTION:
Consideration and possible action to receive and file a presentation on the City’s second annual customer satisfaction survey results that were conducted with residents and businesses which were based on the Net Promoter Score methodology and part of the City’s strategic work plan. (Fiscal Impact $20,000)

RECOMMENDED COUNCIL ACTION:
1. City Council receive and file a presentation on the City’s second annual customer satisfaction survey.
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Residential Survey Presentation
2. Business Survey Presentation

FISCAL IMPACT:
Amount Budgeted: $20,000
Additional Appropriation: N/A
Account Number(s): 001-400-2501-6214

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

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

PREPARED BY: Juliana Demers, Revenue Manager
REVIEWED BY: Joseph Lillio, Director of Finance
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND:
During the FY 2016-17 strategic planning sessions, City Council gave staff direction to look into conducting a citizen and business satisfaction survey and align the survey with the concept of the Net Promoter Score (NPS). In continuation to the effort, the same direction was given during FY 2017-18 strategic planning session. The goal is to create benchmarks for the City as the survey effort continues to be incorporated on an annual basis.
The Survey Methodology:

The NPS provides the core measurement for customer experience. In order to calculate the City’s NPS, the survey will use the answer to a key question, using a 0-10 scale.

The NPS question for the residential survey was: On a scale of 0 to 10, where 10 is very likely, 5 is neutral and 0 is very unlikely, based on your personal experiences, how likely would you recommend the City of El Segundo to a friend or family member considering moving to the area?

The NPS question for the business survey was: On a scale of 0 to 10, where 10 is very likely, 5 is neutral and 0 is very unlikely, based on your companies experiences, how likely would you recommend the City of El Segundo to a business associate or colleague?

Respondents are grouped as follows:

- **Promoters** (score 9-10) are loyal enthusiasts who will keep engaging and refer others, fueling possible growth.
- **Passives** (score 7-8) are satisfied but unenthusiastic customers who are vulnerable to alternative offerings.
- **Detractors** (score 0-6) are unhappy customers who can damage your brand and impede growth through negative word-of-mouth.

Subtracting the percentage of Detractors from the percentage of Promoters yields the Net Promoter Score, which can range from a low of -100 (if every customer is a Detractor) to a high of 100 (if every customer is a Promoter).

Web surveys were conducted with the businesses and in addition to web surveys residents who opted out or did not provide emails received paper surveys.

**Purpose and Objectives for the Residential Survey**

This study was conducted primarily to assess customer satisfaction with City of El Segundo’s public services. The study was designed to survey City of El Segundo’s residents.

Specific objectives included the following:

- Assess customer satisfaction with multiple attributes.
- Measure City of El Segundo’s image and general reputation.
- Record customer opinions as to how City of El Segundo can serve them better.
- Assess the extent of customer loyalty based on the Net Promoter process.
- Provide a framework to build an integrated Customer Satisfaction.

**Results and Key Findings in the Residential Survey**

Last year’s survey results identified the following as the top three areas of concern for our residents:

1. Condition of City Infrastructure: street, sidewalks and public facilities
2. Responsiveness and Overall Vision of City Council
3. Water and Sewer Billing Department Customer Service
Listed below are some of the actions the city has taken to address these concerns:

1. **Condition of City Infrastructure: street, sidewalks and public facilities**
   - Completed the City of El Segundo–Wisburn Unified School District Aquatics Center, scheduled to open in December 2018
   - Worked with LAX to repave Imperial Avenue
   - Renovations are underway at the El Segundo Public Library
   - Currently in year 3 of a 5-year paving program to improve pavement conditions citywide
   - Completed 1,161 sidewalk repairs and filled 1,370 potholes
   - Resurfaced 500,000 SF, or about 7 lane-miles, of roadway in fiscal year 17/18
   - Renovated landscaping throughout downtown planter (and enhanced ongoing maintenance)
   - Installed a new picnic shelter at Recreation Park with six new concrete picnic tables

2. **Responsiveness and Overall Vision of City Council**
   - City Council facilitated public strategic planning meetings to develop mission, vision & goals
   - Mayor Boyles provided video updates on social media after City Council meetings and established office hours to facilitate public communications
   - Re-engaged in the process to evaluate options for the future of the Lakes golf course
   - Approved the formation of an enhanced Citywide communications program
   - Continued to grow engagement in the City E-Newsletter with 17,182 users and visits from in 61 countries and 1,142 cities globally

3. **Water and Sewer Billing Department Customer Service**
   - Plan to launch an e-payment platform in 2019 that will be mobile friendly and have improved functionality
   - Improved process efficiencies and increased communication channels available to address customer concerns and questions in a timely manner

When comparing the results of the 2017 survey with this year’s results, the numbers hardly changed. Last year the city earned a NPS of 59% and this year it was 58%. The percentage of Detractors increased by 1% this year. Also, there was a 25% increase in respondents to this year’s survey over the prior year. These are remarkable accomplishments.

Despite the specific improvements listed above, the same areas continue to represent zones of an Issue & Opportunity due to their mean scores coming in below 4.00.

- Responsiveness and overall vision of City Council
- Water and Sewer Billing Department Customer Service (complaint handling & responsiveness)
- Condition of City Infrastructure: streets, sidewalks and public facilities

In this year’s responses, detractors were most concerned about the cost of living and taxes. To a lesser extent Detractors are concerned about noise pollution and the airport and the desire for a more resident friendly environment. In last year responses, Detractors were most concerned with effective use of money, improvement of infrastructure, and the desire among some to slow down growth.

In addition to asking the NPS question, the survey also asked more specific questions soliciting resident perceptions on particular areas of City operations: Police, Fire, Recreation & Parks,
Library services, City infrastructure, Utility Billing, and City Council. These questions were scored on a response scale of: Very Dissatisfied (1), Dissatisfied (2), Neutral (3), Satisfied (4) or Very Satisfied (5).

The following areas are viewed as modest strengths by the majority of Residents: (4.00 to 4.33)

- Availability & Responsiveness of Police Department- greater than 4.33
- Responsiveness, knowledge and competency of Fire & Paramedic services - greater than 4.33
- Quality of Recreation and Parks Program offered
- Maintenance and upkeep of Recreation and Parks facilities
- Resources and services provided by the Public Library

**Purpose and Objectives for the Business Survey**

This study was conducted primarily to assess customer satisfaction with the City of El Segundo’s products and services. The study was designed to survey a cross section of City of El Segundo’s customers; however, concentrating on key or target accounts. This survey and its measures are benchmarked to the Malcolm Baldrige National Quality Award.

Specific objectives included the following:
- Assess customer satisfaction with multiple attributes.
- Measure City of El Segundo’s image and general reputation.
- Assess the distinctive competence of the City overall.
- Record customer opinions as to how the City can serve them better.
- Assess the extent of customer loyalty.
- Provide a framework to build an integrated Customer Satisfaction and Value Measurement System.

**Results and Key Findings in the Business Survey**

Last year’s survey results identified the following as the top three areas of concern for our businesses:

1. **Enhance Business Development and Attraction**
2. **Improve Customer Service in the Planning and Building and Safety Department**
3. **Update City Zoning Policies**

Listed below are some of the actions the city has taken to address these concerns:

1. **Enhance Business Development and Attraction**
   - Re-engaged in the process to evaluate options for the future of the Lakes golf course
   - Launched two websites to attract new businesses and visitors, and to increase revenues for our existing businesses: [DestinationElSegundo.com](http://DestinationElSegundo.com) and [ElSegundoBusiness.com](http://ElSegundoBusiness.com)
   - Formed a downtown committee
     - Upgraded landscaping (and enhanced ongoing maintenance), power washed sidewalks and installed string lighting
- Plans are underway to install ambient lighting throughout downtown and a “parklet” for additional outdoor seating
- Implemented a marketing and public relations campaign to increase tourism and attract more businesses to the city

2. Improve Customer Service in the Planning and Building and Safety Department
- Recruited and filled two key vacant positions at the customer service counter
- Developing a new, mobile (smart phone) friendly, city-wide permit system (including a paperless plan review) to improve efficiency and customer’s overall experience
- Installed customer survey kiosks in various areas of the city, including the planning and building safety counter

3. Update City Zoning Policies
- Updated zoning codes to respond to customer needs, including:
  - Corporate Office (CO) zone update to allow service uses
  - New way to measure building height that simplifies the calculations
  - New zoning interpretation to allow mechanical car lifts in commercial and industrial zones as an alternative way to increase parking supply
- Updated the Smoky Hollow Specific Plan to streamline approval processes and open the area to contemporary uses such as creative offices

As a result, the City’s business Net Promoter Score has improved by 15 points for a 47% increase this year; from 32% in the first year to 47% this year. A Net Promoter Score of 47% is very respectable given that secondary research suggests that cities using NPS will score in the range of 23% to 28%.

Despite the improved NPS, this year’s survey indicates the same areas which represent an Issue & Opportunity due to their mean scores coming in below 4.00:
- Business Development and Attraction policies
- Respondsiveness, knowledge and competency of working with the Planning and Building Safety Department for plan checks, permits or inspection services
- City Zoning Policies

The primary issue among Detractors is staff responsiveness. Business Friendly which was the number one issue has become the second most important issue since last year’s survey.

In addition, the same areas are continued to be viewed as modest strengths by the majority of businesses:
- Business License Renewal Process
- Responsiveness, knowledge and competency of Fire Department & Field Inspection services
- Availability & Responsiveness of Police Department

The City executive team will develop a plan to address the areas in the residential and business surveys that have a mean score below 4.0 and are considered NPS detractors or areas of “issues and opportunities”. The executive staff will present the plan of action to the City Council at a subsequent Council meeting and incorporate these actions into the FY 2019-20 strategic work plan.
Customer Satisfaction Survey Report
For
City of El Segundo – Residents
Reporting Period: December 2018
Foreword

This report presents the findings from a Net Promoter/Customer Experience Survey commissioned by City of El Segundo. Quality Solutions, Inc. designed the survey. Data collection, analysis, interpretation, and reporting were also performed by Quality Solutions, Inc.

Quality Solutions, Inc. provides customer Satisfaction Measurement and Management Systems and consultation services for companies seeking a competitive advantage through the practical application of value added management and continuous improvement strategies. It further provides Business Process Redesign, Quality Management Systems development, and consulting services to assist Residents to improve their customer satisfaction, operational performance and financial results.

This study was managed by John D. Dickey, President, Quality Solutions, Inc. and implemented through the assistance of the staff of Quality Solutions, Inc. The assistance and cooperation from everyone from City of El Segundo has been greatly appreciated.
City of El Segundo

Executive Summary

Purpose and Objectives

This study was conducted primarily to assess customer satisfaction with City of El Segundo’s public services. The study was designed to survey City of El Segundo’s residents.

Specific objectives included the following:

- Assess customer satisfaction with multiple attributes.
- Measure City of El Segundo’s image and general reputation.
- Record customer opinions as to how City of El Segundo can serve them better.
- Assess the extent of customer loyalty based on the Net Promoter process.
- Provide a framework to build an integrated Customer Satisfaction.
City of El Segundo
Executive Summary (cont.)

Key Findings

Methodology
Web surveys were conducted with Residents within the City of El Segundo. Respondents were selected from the master survey list supplied by City of El Segundo. A final sample of customers was obtained. We sent 1,269 invitations, 221 were undeliverable for a total of 1,048 sent out. We had a 24% response rate or 248 total responses. Mail surveys were also sent out from City of El Segundo offices. A total of 289 residents responded via mail. **A total of 537 residents responded to some portion of the survey.** There were 522 responses to the Net Promoter Score question. It is very important to note we received feedback from 347 residents last year, meaning we received over 25% more respondent feedback than last year!

Results
As we have discussed in the past, Net Promoter Score is a tool to measure customer loyalty and the predictive indicators for customer defection. In case study after case study, companies with higher NPS scores generally are more profitable than their competition.

City of El Segundo’s NPS score is 58%. This is a respectable score given the fact that secondary research indicates scores are typically lower for public institutions. When compared with the private sector, the score is not much lower than the best companies who range between 60 and 75%.

When comparing the results of the 2017 survey with this years results, the numbers hardly changed. Last year the city earned a 59% NPS. The percentage of Detractors declined by 1% this year. This is still a remarkable accomplishment given the 25% increase in respondents to this year’s survey.

Targeted action plans should also be developed for select companies who make up the Detractor Residents.

The detailed responses will be provided as part of this report in a separate file. City Managers are encouraged to examine this raw feedback in more detail.
City of El Segundo
Executive Summary (cont.)

Key Findings

The following areas are viewed as modest strengths by the majority of Residents: (4.00 to 4.33)

- Availability & Responsiveness of Police Department - greater than 4.33
- Responsiveness, knowledge and competency of Fire & Paramedic services - greater than 4.33
- Quality of Recreation and Parks Program offered
- Maintenance and upkeep of Recreation and Parks facilities
- Resources and services provided by the Public Library

Ideally we would like all of these scores to rise to above 4.33, which would most likely occur if some of the NPS issues with individual Residents were addressed.

There are three areas which represent an Issue & Opportunity due to their mean scores coming in below 4.00)

- Responsiveness and overall vision of City Council
- Water and Sewer Billing Department Customer Service (complaint handling & responsiveness)
- Condition of City Infrastructure: streets, sidewalks and public facilities

Detractors were most concerned about the cost of living and taxes. To a lesser extent Detractors are concerned about noise pollution and the airport and the desire for a more resident friendly environment.
Executive Summary (cont.)

Questionnaire Design

The questionnaire was designed to meet the research objectives described earlier in this report. Selection of specific items, wording and scale construction was performed following discussions with City of El Segundo executives. The final version of the survey instrument was approved by City of El Segundo before it was administered to a representative sample of customers. A copy of the survey form can be found in the Appendices. Data from the survey was coded and analyzed without direct linkage to individual respondents to further ensure anonymity of the respondents.

Data Collection

All customers on the master list were invited by email to participate in a web survey. A mail survey was also conducted for those residents without email addresses.

Customer Satisfaction Measurement

Customer satisfaction was measured for specific product and service attributes, ranging from City Zoning Policies to Availability & Responsiveness of Police Department. The complete list of attributes appears in the survey form.
Executive Summary (cont.)

Satisfaction was then assessed by asking respondents to rate, on a 5-point scale, how satisfied they were with City of El Segundo on each attribute.

Measurement Scales:

- **Satisfaction Scale:** 5 = very satisfied, 4 = satisfied, 3 = neutral, 2 = dissatisfied, 1 = very dissatisfied
  - Mean scores were analyzed. A mean score of 4.00 or greater is viewed as a strength.
  - A mean score of 3.75 or less is viewed as an opportunity for improvement.
# Customer Satisfaction Improvement Plan 2018

*For City of El Segundo - Residents*

<table>
<thead>
<tr>
<th>Key Action Item &amp; Process Owner</th>
<th>Causes Contributing to Current Level of Performance</th>
<th>Requirements for Improvement - Steps</th>
<th>Date step to be Completed &amp; by Whom</th>
<th>Key Performance Indicators and Goals</th>
<th>Status-Comments-Results</th>
</tr>
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<tbody>
<tr>
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</tbody>
</table>
Measuring your Net Promoter Score™

Promoters are your customers who are so enthusiastic about your company or brand that they buy more than the average customer and delight in referring your business to their friends, peers, and colleagues. These customers give you a rating of 9 or 10.

Customers who give you a rating of 7 or 8 are Passive customers. They may become Promoters if you improve your product, service or overall customer experience, but for now they do not factor into the Net Promoter Score.

Detractors feel mistreated, abused, and hurt. Their experience is going to drive them to cut back what they purchase from you and switch to your competition. They are also not shy about sharing with others their plight and warning current and potential customers to stay away from your company. Detractors are customers who give ratings of 6 or lower.

Your Net Promoter Score is calculated by subtracting the percentage of Detractors from Promoters to get an overall NPS as number as shown below:

\[
\text{% of Promoters} - \text{% of Detractors} = \text{Net Promoter Score (NPS)}
\]

**Example:**

Promoters = 56%
Passives = 36%
Detractors = 8%

Net Promoter Score: 56% - 8% = 48%

**NPS Methodology**

We begin with the ultimate question. "How likely would you be to recommend this company to a friend or colleague?" Respondents are asked to respond using a 0 to 10 scale where 5 is neutral. An effective Net Promoter process is not simply based on asking customers a single question and ending the survey. It is important to understand why each respondent gave you the score they did. Understanding what needs to be improved (or specific actions taken) to raise your score to a 9 or 10 gives you actionable information which can be targeted for corrective action or process improvement. Understanding why a customer gave you a 9 or 10 helps you to better understand your core competencies. Our qualitative analysis of follow-up comments from Promoter, Passives, and Detractors is the key to increasing customer loyalty and profitable growth.
City of El Segundo - Resident Net Promoter Score

Promoters 68% - 10% Detractors = NPS of 58%

A Net Promoter Score of 58% is very respectable given that secondary research suggests that cities using NPS will score in the range of 23 to 28%.

When comparing the results of the 2017 survey with this years results, the numbers hardly changed. Last year the city earned a 59% NPS. The percentage of Detractors declined by 1% this year.

City of El Segundo needs to develop plans to address some of the concerns of the Resident Detractors (those giving scores of 6 or less).

Cost of living and taxes appears to be the primary driver among the Distractors.

Some effort should also be made to address some of the concerns of the Passives (scores of 7 & 8).

The comments of the individual Detractors and Passives provide specific guidance.

Each comment should be reviewed independently. NPS is a customer centric process; meaning that action plans address individual customer concerns. It is important that each of these Residents are contacted for follow-up and attempts made to address their concerns.
Loyalty Drivers

- Responsiveness and overall vision of City Council
- Resources and services provided by the Public Library
- Availability & Responsiveness of Police Department
- Condition of City Infrastructure: streets, sidewalks and public facilities
- Responsiveness, knowledge and competency of Fire & Paramedic services
- Maintenance and upkeep of Recreation and Parks facilities
- Water and Sewer Billing Department Customer Service (complaint handling & responsiveness)
- Quality of Recreation and Parks Program offered
These areas represent significant opportunities for improvement among Detractors. Individual comments follow for Passive and Detractors.
City of El Segundo

Quality Solutions, Inc.

Loyalty Drivers

- Responsiveness and overall vision of City Council (5.00)
- Availability & Responsiveness of Police Department (4.00)
- Condition of City Infrastructure: streets, sidewalks and public facilities (3.00)
- Responsiveness, knowledge and competency of Fire & Paramedic services (2.00)
- Maintenance and upkeep of Recreation and Parks facilities (1.00)
- Water and Sewer Billing Department Customer Service (complaint handling & responsiveness) (1.00)
- Quality of Recreation and Parks Program offered

Detractor Comments

City of El Segundo - Residents
Net Promoter Score Dashboard
Resident Satisfaction Survey 2018

Quality Solutions, Inc.
City of El Segundo

Satisfaction Data Summary

Exhibit 2.1 - Resident Respondents

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Importance</th>
<th>Satisfaction City of El Segundo Residents</th>
</tr>
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<tbody>
<tr>
<td>n=537</td>
<td>0.48</td>
<td>3.57</td>
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<tr>
<td>Responsiveness and overall vision of City Council</td>
<td>0.48</td>
<td>3.57</td>
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<tr>
<td>Availability &amp; Responsiveness of Police Department</td>
<td>0.41</td>
<td>4.37</td>
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<tr>
<td>Responsiveness, knowledge and competency of Fire &amp; Paramedic services</td>
<td>0.35</td>
<td>4.48</td>
</tr>
<tr>
<td>Water and Sewer Billing Department Customer Service (complaint handling &amp;</td>
<td>0.35</td>
<td>3.71</td>
</tr>
<tr>
<td>responsiveness)</td>
<td></td>
<td></td>
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<tr>
<td>Quality of Recreation and Parks Program offered</td>
<td>0.35</td>
<td>4.10</td>
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<tr>
<td>Maintenance and upkeep of Recreation and Parks facilities</td>
<td>0.30</td>
<td>4.16</td>
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<tr>
<td>Condition of City Infrastructure: streets, sidewalks and public facilities</td>
<td>0.29</td>
<td>3.72</td>
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<tr>
<td>Resources and services provided by the Public Library</td>
<td>0.27</td>
<td>4.14</td>
</tr>
</tbody>
</table>

Strengths:

- Availability & Responsiveness of Police Department
- Responsiveness, knowledge and competency of Fire & Paramedic services
- Quality of Recreation and Parks Program offered
- Maintenance and upkeep of Recreation and Parks facilities
- Resources and services provided by the Public Library

Issues & Opportunities:

- Responsiveness and overall vision of City Council
- Water and Sewer Billing Department Customer Service (complaint handling & responsiveness)
- Condition of City Infrastructure: streets, sidewalks and public facilities

Resident Satisfaction Survey 2018
City of El Segundo

City of El Segundo
Exhibit 2.2 - All Resident Respondents
"How has the city improved over the last year?"
On a scale of 0 to 10, where 10 is Very Likely, 5 is Neutral and 0 is Very Unlikely, based on your company's experiences, how likely are you to recommend the City of El Segundo to a friend or family member considering moving to the area?

0 1 2 3 4 5 6 7 8 9 10

Very Unlikely 0 0 0 0 0 0 0 0 0 0 Very Likely

What has the City of El Segundo done to earn your loyalty?

__________
On a scale of 0 to 10, where 10 is Very Likely, 5 is Neutral and 0 is Very Unlikely, based on your company’s experiences, how likely are you to recommend the City of El Segundo to a friend or family member considering moving to the area?

Very Likely

Very Unlikely

What should the city improve upon in order to earn a higher score?
For the attributes below, we will use a scale of Very Satisfied, Satisfied, Neutral, Dissatisfied, and Very Dissatisfied.

Rate on your company's experience, how satisfied are you with the following?

<table>
<thead>
<tr>
<th>Maintenance and upkeep of Recreation and Parks facilities</th>
<th>Very Dissatisfied</th>
<th>Dissatisfied</th>
<th>Neutral</th>
<th>Satisfied</th>
<th>Very Satisfied</th>
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</thead>
<tbody>
<tr>
<td>Quality of Recreation and Parks Programs offered</td>
<td>○</td>
<td>○</td>
<td>○</td>
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<tr>
<td>Resources and services provided by the Public Library</td>
<td>○</td>
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<td>○</td>
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</tr>
<tr>
<td>Responsiveness, knowledge and competency of Fire &amp; Paramedic services</td>
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<tr>
<td>Availability and Responsiveness of Police Department</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Condition of City Infrastructure: streets, sidewalks and public facilities</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
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<tr>
<td>Water and Sewer Billing Department Customer Service (complaint handling &amp; responsiveness)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
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<tr>
<td>Responsiveness and overall vision of City Council</td>
<td>○</td>
<td>○</td>
<td>○</td>
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</tbody>
</table>

How has the city improved over the last year?

<table>
<thead>
<tr>
<th>Significant Decline</th>
<th>Slight Decline</th>
<th>No Improvement</th>
<th>About the Same</th>
<th>Some Improvement</th>
<th>Significant Improvement</th>
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<tbody>
<tr>
<td>○</td>
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Customer Satisfaction Survey Report

For
City of El Segundo – Businesses
Reporting Period: December 2018
Foreword

This report presents the findings from a Net Promoter / Customer Experience Survey commissioned by City of El Segundo. Quality Solutions, Inc. designed the survey. Data collection, analysis, interpretation, and reporting were also performed by Quality Solutions, Inc.

Quality Solutions, Inc. provides customer Satisfaction Measurement and Management Systems and consultation services for companies seeking a competitive advantage through the practical application of value added management and continuous improvement strategies. It further provides Business Process Redesign, Quality Management Systems development, and consulting services to assist businesses to improve their customer satisfaction, operational performance and financial results.

This study was managed by John D. Dickey, President, Quality Solutions, Inc. and implemented through the assistance of the staff of Quality Solutions, Inc. The assistance and cooperation from everyone from City of El Segundo has been greatly appreciated.
City of El Segundo  Quality Solutions, Inc.

Executive Summary

Purpose and Objectives

This study was conducted primarily to assess customer satisfaction with City of El Segundo’s products, sales and service. The study was designed to survey a cross section of City of El Segundo’s customers; however, concentrating on key or target accounts. This survey and its measures are benchmarked to the Malcolm Baldrige National Quality Award.

Specific objectives included the following:

• Assess customer satisfaction with multiple attributes.
• Measure City of El Segundo’s image and general reputation.
• Assess the distinctive competence of City of El Segundo.
• Record customer opinions as to how City of El Segundo can serve them better.
• Assess the extent of customer loyalty.
• Provide a framework to build an integrated Customer Satisfaction and Value Measurement System.
Key Findings

Methodology

Web surveys were conducted with businesses within City of El Segundo. Respondents were selected from the master survey list supplied by City of El Segundo. A final sample of customers was obtained. We sent 3,581 invitations, 108 were undeliverable for a total of 3,473 sent out. We had a 9% response rate or 325 total responses. We did receive more responses than last year though the response rate was slightly lower. This is not surprising given the fact the survey was done closer to the holidays this year.

Results

As we have discussed in the past, Net Promoter Score is a tool to measure customer loyalty and the predictive indicators for customer defection. In case study after case study, companies with higher NPS scores generally are more profitable than their competition.

City of El Segundo’s NPS score is 47%. This is a respectable score given the fact that secondary research indicates scores are typically lower for public institutions. When compared with the private sector the score is much lower than the best companies who range between 60% and 75%.

More importantly the NPS score rose from 32% last year to 47% this year!!

Targeted action plans should also be developed for select companies who make up the Detractor businesses.

The detailed responses will be provided as part of this report in a separate file. City Managers are encouraged to examine this raw feedback in more detail.
City of El Segundo

Executive Summary (cont.)

Key Findings

The following areas are viewed as modest strengths by the majority of businesses: (4.00 to 4.33)

- Business License Renewal Process
- Responsiveness, knowledge and competency of Fire Department & Field Inspection services
- Availability & Responsiveness of Police Department

Ideally, we would like these scores to rise to above 4.33, which would most likely occur if some of the NPS issues with individual businesses were addressed.

There are three areas which represent an Issue & Opportunity due to their mean scores comping in below 4.00)

- Responsiveness, knowledge and competency of working with the Planning and Building Safety Department for plan checks, permits or inspection services
- Business Development and Attraction policies
- City Zoning Policies

The primary issue among Detractors is staff responsiveness. Business Friendly has become the second most important issue since last year's survey. The real issue for the city is to get to the root causes of each individual concern among the Detractors and to a lesser extent the Passives.
Executive Summary (cont.)

Questionnaire Design

The questionnaire was designed to meet the research objectives described earlier in this report. Selection of specific items, wording, and scale construction was performed following discussions with City of El Segundo executives. The final version of the survey instrument was approved by City of El Segundo before it was administered to a representative sample of customers. A copy of the survey form can be found in the Appendices. Data from the survey was coded and analyzed without direct linkage to individual respondents to further ensure anonymity of the respondents.

Data Collection

All customers on the master list were invited by email to participate in a web survey.

Customer Satisfaction Measurement

Customer satisfaction was measured for specific product and service attributes, ranging from City Zoning Policies to Availability & Responsiveness of Police Department. The complete list of attributes appears in the survey form.
Satisfaction was then assessed by asking respondents to rate, on a 5-point scale, how satisfied they were with City of El Segundo on each attribute.

**Measurement Scales:**

- **Satisfaction Scale:** 5 = very satisfied, 4 = satisfied, 3 = neutral, 2 = dissatisfied, 1 = very dissatisfied
  - Mean scores were analyzed. A mean score of 4.00 or greater is viewed as a strength.
  - A mean score of 3.75 or less is viewed as an opportunity for improvement.
### Customer Satisfaction Improvement Plan 2018

*For City of El Segundo - Businesses*

<table>
<thead>
<tr>
<th>Key Action Item &amp; Process Owner</th>
<th>Causes Contributing to Current Level of Performance</th>
<th>Requirements for Improvement - Steps</th>
<th>Date step to be Completed &amp; by Whom</th>
<th>Key Performance Indicators and Goals</th>
<th>Status-Comments-Results</th>
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Measuring your Net Promoter Score™

Promoters are your customers who are so enthusiastic about your company or brand that they buy more than the average customer and delight in referring your business to their friends, peers, and colleagues. These customers give you a rating of 9 or 10.

Customers who give you a rating of 7 or 8 are Passive customers. They may become Promoters if you improve your product, service or overall customer experience, but for now they do not factor into the Net Promoter Score.

Detectors feel mistreated, abused, and hurt. Their experience is going to drive them to cut back what they purchase from you and switch to your competitors. They are also not shy about sharing with others their plight and warning current and potential customers to stay away from your company. Detectors are customers who give ratings of 6 or lower.

Your Net Promoter Score is calculated by subtracting the percentage of Detectors from Promoters to get an overall NPS as number as shown below:

\[
\% \text{ of Promoters} - \% \text{ of Detectors} = \text{Net Promoter Score (NPS)}
\]

**Example:**
- Promoters = 56%
- Passives = 36%
- Detectors = 8%
- Net Promoter Score: 56% - 8% = 48%

**NPS Methodology**

We begin with the ultimate question. "How likely would you be to recommend this company to a friend or colleague?" Respondents are asked to respond using a 0 to 10 scale where 5 is neutral. An effective Net Promoter process is not simply based on asking customers a single question and ending the survey. It is important to understand why each respondent gave you the score they did. Understanding what needs to be improved (or specific actions taken) to raise your score to a 9 or 10 gives you actionable information which can be targeted for corrective action or process improvement. Understanding why a customer gave you a 9 or 10 helps you to better understand your core competencies. Our qualitative analysis of follow-up comments from Promoter, Passives, and Detectors is the key to increasing customer loyalty and profitable growth.
City of El Segundo - Business

Net Promoter Score

Promoters 62% - 15% Detractors = NPS of 47%

A Net Promoter Score of 47% is very respectable given that secondary research suggests that cities using NPS will score in the range of 23 to 28%. The NPS score of 47% represents a 15% increase in one year!

City of El Segundo needs to develop plans to address some of the concerns of the Business Detractors (Those giving scores of 6 or less).

This process of gaining more Promoters is not an academic exercise, it directly correlates to customer’s purchase/repurchase intentions. Loyal customers/businesses are more likely to purchase other products and services from you. This will relate to greater business activity and development within the community. Lastly, their referrals are not simply to colleagues outside of their business it can be from within. This leads to the transfer of businesses to El Segundo.

There are 36 comments among the detractors. Each comment should be reviewed independently. NPS is a customer centric process; meaning that action plans address individual customer concerns. It is important that each of these businesses are contacted for follow-up and attempts made to address their concerns.
Loyalty Drivers

Responsiveness, knowledge and competency of working with the Planning and Building Safety Department for plan checks, permits or inspection services

Availability & Responsiveness of Police Department

Responsiveness, knowledge and competency of Fire Department & Field Inspection services

Business Development and Attraction policies

City Zoning Policies

Business License Renewal Process
These areas represent significant opportunities for improvement among Detractors. Individual comments follow for Passive and Detractors.
City of El Segundo

Quality Solutions, Inc.
Building Foundations for Excellence

Loyalty Drivers

Responsiveness, knowledge and competency of working with the Planning and Building Safety Department for plan checks, permits or inspection services

Availability & Responsiveness of Police Department

Business Development and Attraction policies

Responsiveness, knowledge and competency of Fire Department & Field Inspection services

City Zoning Policies

Business License Renewal Process

Detractor Comments

Staff responsiveness
Business Friendly Planning & Building Safety Dept.
Survey comments
City Council
Business Retention
City Staff
Downtown
Maintenance
Parking
Public Works and Planning & Building Dept.
Residential

City of El Segundo - Businesses
Net Promoter Score Dashboard
Customer Satisfaction Survey 2018

Quality Solutions, Inc.
# Satisfaction Data Summary

## Exhibit 2.1 - Respondents

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Importance</th>
<th>Satisfaction City of El Segundo Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>n= 323</td>
<td></td>
<td>323</td>
</tr>
<tr>
<td>Responsiveness, knowledge and competency of working with the Planning and Building Safety Department for plan checks, permits or inspection services</td>
<td>0.47</td>
<td>3.66</td>
</tr>
<tr>
<td>Business Development and Attraction policies</td>
<td>0.46</td>
<td>3.69</td>
</tr>
<tr>
<td>City Zoning Policies</td>
<td>0.44</td>
<td>3.52</td>
</tr>
<tr>
<td>Business License Renewal Process</td>
<td>0.34</td>
<td>4.24</td>
</tr>
<tr>
<td>Responsiveness, knowledge and competency of Fire Department &amp; Field Inspection services</td>
<td>0.33</td>
<td>4.27</td>
</tr>
<tr>
<td>Availability &amp; Responsiveness of Police Department</td>
<td>0.28</td>
<td>4.25</td>
</tr>
</tbody>
</table>

**Strengths:**
- Business License Renewal Process
- Responsiveness, knowledge and competency of Fire Department & Field Inspection services
- Availability & Responsiveness of Police Department

**Issues & Opportunities:**
- Responsiveness, knowledge and competency of working with the Planning and Building Safety Department for plan checks, permits or inspection services
- Business Development and Attraction policies
- City Zoning Policies
City of El Segundo

Exhibit 2.2 - All Business Respondents
"How has the city improved over the last year?"
On a scale of 0 to 10, where 10 is Very Likely, 5 is Neutral and 0 is Very Unlikely, based on your company’s experiences, how likely are you to recommend the City of El Segundo to a business associate or colleague?

Very Unlikely | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10
Very Likely

What should the city improve upon in order to earn a higher score?
City of El Segundo

On a scale of 0 to 10, where 10 is Very Likely, 5 is Neutral and 0 is Very Unlikely, based on your company’s experiences, how likely are you to recommend the City of El Segundo to a business associate or colleague?

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<tr>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
</tr>
</tbody>
</table>

Very Unlikely

Very Likely

What has the City of El Segundo done to earn your loyalty?
For the attributes below, we will use a scale of Very Satisfied, Satisfied, Neutral, Dissatisfied, and Very Dissatisfied.

Based on your company's experience, how satisfied are you with the following?

<table>
<thead>
<tr>
<th>Very Dissatisfied</th>
<th>Dissatisfied</th>
<th>Neutral</th>
<th>Satisfied</th>
<th>Very Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsiveness, knowledge and competency of working with the Planning and Building Safety Department for plan checks, permits, or inspection services</td>
<td>○</td>
<td>○</td>
<td>○</td>
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<tr>
<td>City Zoning Policies</td>
<td>○</td>
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<tr>
<td>Business Development and Attraction Policies</td>
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<tr>
<td>Availability &amp; Responsiveness of Police Department</td>
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<td>○</td>
</tr>
<tr>
<td>Responsiveness, knowledge and competency of Fire Department &amp; Field Inspection services</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Business License Renewal Process</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
Based on your scores above, what should the city focus their attention on most and why?

How has the city improved over the last year?

- Significant Decline
- Slight Decline
- No Improvement - About the Same
- Some Improvement
- Significant Improvement

Where have we significantly declined in terms of service?
AGENDA DESCRIPTION:
Consideration and possible action to receive and file a report on the 2018 year-end crime summary as well as Police Department efforts to reduce crime and address quality of life issues. (Fiscal Impact: N/A).

RECOMMENDED COUNCIL ACTION:
1. Receive and file report; or,
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS: 2018 Crime Report

FISCAL IMPACT: To Be Determined
Amount Budgeted: $0
Additional Appropriation: N/A
Account Number(s): N/A

STRATEGIC PLAN:
Goal: 2 Support Community Safety and Preparedness
Objective: 1 El Segundo is a safe and prepared city

ORIGINATED BY: Bill Whalen, Chief of Police
REVIEWED BY: Bill Whalen, Chief of Police
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND AND DISCUSSION:
The Uniform Crime Reporting Program (UCR) is a nationwide, cooperative statistical effort of nearly 18,000 law enforcement agencies. Crimes are divided into two categories referred to as Part 1 and Part 2. Part 1 crimes are generally considered more serious and are subdivided into Violent Crimes and Property Crimes. The City of El Segundo reports these crimes monthly to the State of California Department of Justice (CA-DOJ) who in turn reports to the Federal Bureau of Investigation (FBI).

Because the UCR program has guidelines for the types and status of crimes reported, it is likely the statistics of prior reported months will change throughout the year. The final report for calendar year crime data is due to the DOJ in April of the following year. These numbers are then made public by the FBI in October of the following year. While staff believes the numbers in this report to be accurate, it is possible they will change slightly due to cases being re-classified prior to submitting to CA-DOJ.
In 2018, the City of El Segundo had 784 reported Part 1 crimes. This represents an increase of 57 crimes over the total number for 2017. Of this increase, there were 27 additional Violent Crimes and 30 additional Property Crimes.

There are four subcategories within Violent Crime and they are: Homicide, Rape, Robbery, and Aggravated Assaults. The categories of Rape, Robbery, and Aggravated Assaults each saw year over year increases. The following is a summary of each:

1. There were seven additional rapes for a total of 11 reported to the El Segundo Police Department (ESPD) in 2018. In 80% of the total number, the suspect was known and/or an acquaintance of the victim (i.e. family friend, dating relationship). Out of the 11 reported rapes, three cases were closed with an arrest. In seven cases, the offender is identified and the investigation is on-going. In one case, the suspect has not yet been identified.

2. There was one additional Robbery for a total of 22 reported to the ESPD. Over half of these cases were crimes that began as shoplifting and escalated to robbery when force (e.g. pushing/shoving) or threat of force was used against the store employee.

3. There were 20 additional Aggravated Assaults for a total of 34 reported to the ESPD. An analysis of these crimes revealed they were primarily domestic violence related or situations in which both the victim and suspect were engaging in criminal behavior (e.g. drug dealing).

4. There was one less Homicide in 2018 for a total of zero reported to the ESPD.

There are four subcategories within Property Crime and they are: Burglary, Larceny, Motor Vehicle Thefts, and Arson. The categories of Burglary, Larceny, and Arson each saw year over year increases. The following is a summary of each:

1. There were 19 additional Burglaries for a total of 202 reported to ESPD. There were 17 additional Commercial Burglaries. Two locations that accounted for a significant number of reported burglaries were the Public Storage at 1910 Hughes Way (51) and the Extra Space Storage at 1017 East El Segundo Blvd. (7). These 58 crimes represented 29% of our total burglary count. There were 2 additional Residential Burglaries in 2018. The vast majority of the Residential Burglaries involved suspects stealing bicycles from carports. There were only three (total) Residential Burglaries during 2018 of a residence currently being lived in (although unoccupied at time of crime).

2. There were 20 additional Larcenies for a total of 448 reported to ESPD. The most significant increase within the Larceny category was Shoplifting, which saw 37 additional reported crimes. The most significant decrease was Thefts from Vehicles which dropped by 32 reported crimes for a total of 169.

3. There were three additional Arson Crimes reported for a total of three reported to ESPD.

4. There were 64 Motor Vehicle Thefts reported to the ESPD, which represents a reduction of 17 reported incidents over 2017.

In 2018, the City of El Segundo had 666 reported Part 2 crimes. This represents an increase of 11 crimes over the total number for 2017. There are 19 subcategories of crime within the category of Part 2 crimes. These are generally considered less serious crimes than Part 1 crime. The most significant increase in Part 2 crimes was DUI Alcohol/Drugs with 41 additional reported crimes for a total of 114. These numbers are a result of increased self-initiated activity by patrol officers.
resulting in the identification and apprehension of impaired drivers. The second most significant increase was in the category of Vandalism with 34 additional crimes reported for a total of 105. The two subcategories that saw the most significant decreases were Fraud that decreased by 34 to a total of 121 and Forgery/Counterfeit that decreased by 16 to a total of 18.

During 2018, the ESPD made a concerted effort to impact crime in addition to addressing quality of life issues and responding to calls for service. A part of this response strategy was the creation of the Community Lead Officer program. While the ultimate goal is to increase this team to a total of four Officers and a Sergeant, they are currently staffed with only two Officers. These Officers are primarily tasked with addressing the homeless issue within the City of El Segundo and Part 1 crime. In addition to their normal daily duties, these two Officers conducted 45 directed patrol activities that included: bait bike deployment, bait car deployment, burglary surveillance, prostitution/human trafficking enforcement, ABC decoy operations, homeless outreach and directed traffic enforcement.

A key piece to the crime suppression strategy is the effort put forth by the officers assigned to the patrol division. These officers made over 1,000 arrests for crimes including: attempted murder, robbery, and burglary while responding to 34,693 calls for service. The traffic division also plays an important role in crime suppression. In 2018 a total (patrol and traffic) of 2,244 citations were written, which was a 37% increase over 2017. While citations are an important component of the ESPD traffic safety efforts, there is empirical evidence (July 2013 NHTSA Technical Report) that high visibility traffic enforcement can reduce crime. While Police Cadets are not directly involved in crime suppression, they are involved in high visibility parking enforcement. In 2018, the ESPD Cadets wrote 10,932 parking citations, which was a 17.4% increase over 2017.

In 2018, the ESPD hired a part-time, contract Crime Analyst. The Analyst (who joined ESPD at the end of May) has been instrumental in thoughtfully directing patrol resources to areas where crimes are likely to occur. Additionally, the Analyst regularly reviews arrest and stop/detention information and provides this to officers to assist with maintaining situational awareness. The analyst also provides support to the detective bureau and has been instrumental in identifying crime suspects.

The Investigative Division (understaffed at 20%-40% during 2018 due to long term injuries) maintained an overall clearance rate of 54% of cases assigned. In 2016 (the most recent record available from the FBI), the national clearance average was 45.6% for violent crimes and 18.3% for property crimes. Given 91.5% of crimes investigated by the ESPD are property crimes, our crime clearance rate is significantly higher than the national average.

Also important to the crime suppression strategy is the deployment of the Automated License Plate Readers. This project was approved in the 2017/2018 budget. There were, however, significant challenges in getting the program on line. This was largely due to the City of Los Angeles owning the signal poles where the ESPD wanted to deploy the cameras. ESPD ultimately obtained permission to mount the cameras but not to access the power serving the signal poles. The ESPD is now in the process of receiving estimates from Southern California Edison to access their power from nearby street lights. It is expected this program will be fully operational during the first six months of calendar year 2019. Staff will be presenting to Council at the February 19th City Council meeting options to further expand this program.
EL SEGUNDO POLICE DEPARTMENT

The mission of the El Segundo Police Department is to provide a safe and secure community while treating all people with dignity and respect. Each year the El Segundo Police Department collects and disseminates an Annual Statistical Report. The statistical crime data in this report provides the Police Department a view of criminal trends and conduct as a tool for crime analysis.

OVERALL, CRIME IN 2018 INCREASED 8% COMPARED TO THE PREVIOUS YEAR

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<td>1</td>
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<td>0</td>
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<td>22</td>
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<td>22</td>
<td>+5%</td>
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<td>Aggravated Assaults</td>
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<td>24</td>
<td>14</td>
<td>34</td>
<td>+143%</td>
</tr>
</tbody>
</table>

TOTAL VIOLENT CRIMES | 38   | 37   | 49   | 41   | 53   | 40   | 67   | +68%             |

<table>
<thead>
<tr>
<th>OFFENSE</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burglary</td>
<td>156</td>
<td>143</td>
<td>161</td>
<td>147</td>
<td>186</td>
<td>183</td>
<td>202</td>
</tr>
<tr>
<td>Larceny</td>
<td>389</td>
<td>343</td>
<td>305</td>
<td>426</td>
<td>472</td>
<td>423</td>
<td>448</td>
</tr>
<tr>
<td>Motor Vehicle Thefts</td>
<td>50</td>
<td>52</td>
<td>72</td>
<td>48</td>
<td>73</td>
<td>81</td>
<td>64</td>
</tr>
<tr>
<td>Arson</td>
<td>5</td>
<td>6</td>
<td>12</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
</tbody>
</table>

TOTAL PROPERTY CRIMES | 600  | 544  | 550  | 623  | 734  | 687  | 717  | +4%             |

TOTAL PART I CRIMES  | 638  | 581  | 599  | 664  | 787  | 727  | 784  | +8%             |
<table>
<thead>
<tr>
<th>CRIME CLASSIFICATION</th>
<th>SUB-TOTAL</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOMICIDE</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>RAPE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FORCIBLE</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>ATTEMPTED</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>ROBBERY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIREARM</td>
<td>3</td>
<td>22</td>
</tr>
<tr>
<td>KNIFE OR CUTTING INSTR</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>OTHER DANGER WEAPONS</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>STRONG-ARM</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>ASSAULTS - AGGRAVATED</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIREARM</td>
<td>4</td>
<td>34</td>
</tr>
<tr>
<td>KNIFE OR CUTTING INSTR</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>OTHER DANGER WEAPONS</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>HANDS, FISTS, FEET, ETC</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>BURGLARY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FORCIBLE</td>
<td>93</td>
<td>202</td>
</tr>
<tr>
<td>UNLAWFUL NO FORCE</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>ATTEMPTED</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>LARCENY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PICKPOCKET</td>
<td>3</td>
<td>448</td>
</tr>
<tr>
<td>PURSE SNATCH</td>
<td>3</td>
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<tr>
<td>SHOPLIFTING</td>
<td>78</td>
<td></td>
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<tr>
<td>FROM VEHICLE</td>
<td>169</td>
<td></td>
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<tr>
<td>VEHICLE PARTS</td>
<td>28</td>
<td></td>
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<tr>
<td>BICYCLE</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>FROM BUILDING</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>COIN MACHINE</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>OTHER</td>
<td>88</td>
<td></td>
</tr>
<tr>
<td>GRAND THEFT AUTO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AUTOS</td>
<td>46</td>
<td>64</td>
</tr>
<tr>
<td>TRUCKS/BUSES</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>ALL OTHER</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>ARSON</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALL ARSON</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>784</strong></td>
<td>784</td>
</tr>
</tbody>
</table>

**VIOLENT CRIMES AGAINST PEOPLE**
- **HOMICIDE = 0 (0%)**
- **RAPE = ...**
- **ASSAULTS = 34 (51%)**
- **ROBBERY = 22 (33%)**

**CRIMES AGAINST PROPERTY**
- **BURGLARY, 202, (28%)**
- **LARCENY, 448, (63%)**
- **ARSON, 3, (0%)**
- **BURGLARY**
- **LARCENY**
- **GRAND THEFT AUTO**
- **ARSON**
AGENDA DESCRIPTION:
Consideration and possible action to receive and file results for the first and second quarter transaction point survey, explore discussion of evaluating the current effectiveness of the transaction point survey, and recommendations for potential restructure of the process during the Fiscal Year 2019-20 Strategic Planning and Budgeting sessions. (Fiscal Impact: $0)

RECOMMENDED COUNCIL ACTION:
1. Receive and file results for the first and second quarter transaction point survey
2. Consider possible action to explore reevaluating the current transaction point survey structure during the Fiscal Year 2019-20 Strategic Planning and Budgeting sessions.
3. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Transaction Point Survey Results from Quality Solutions

STRATEGIC PLAN:
Goal: 1b El Segundo’s engagement with the community ensures excellence – it understands and exceeds customer expectations

Objective: 2 The City engages in regular, intentional information gathering

FISCAL IMPACT: $ (0)
Amount Budgeted: $0
Additional Appropriation: N/A

PREPARED BY: Juliana Demers, Revenue Manager
REVIEWED BY: Joseph Lilio, Finance Director
APPROVED BY: Greg Carpenter, City Manager

BACKGROUND & DISCUSSION:
Following FY 16-17 strategic planning session, City Council asked staff to look into adding an additional customer satisfaction survey method to compliment the annual net promoter score survey. Staff looked into adding a transactional based survey at key customer service desks within the City. The survey would require feedback following an in person transaction completed in a City facility. The Transaction Point Survey was aligned in concept with the Annual Business and Residential survey by utilizing the Net Promoter Score to measure customer experience.

Taking in consideration the time factor of each respondent, the transaction point survey is a very
brief survey which allows for customized feedback in case there is a dissatisfied in person experience.

The survey launched July 1, 2018 and the communication outreach process included a Facebook, website, and LinkedIn posting in addition to the staff solicitation at the time of the encounter with the customer.

The survey is offered onsite through iPads stationed at various City-wide service counters:
• Four iPads are at the Planning and Building, Public Works, Business License transaction counters at City Hall
• Two iPads are located at the Library, one at each floor

The survey consisted of four questions:

1. **What department did you visit today?**
   (Dropdown menu: Business Tax, Water, Planning, Building and Public Works, Library)

2. **What was the reason for you visit?** (Based on the answer for question 1, each department will have a drop down menu (limited to six (6) options):

   a. **Business License**
      □ Apply/renew/pay for business tax
      □ Apply for a Film Permit
      □ Public Records Request
      □ Request Information related to City Services
      □ Trash/Recycle Questions

   b. **Water**
      □ Pay Bill
      □ Start/Stop Service
      □ Change/update mailing Address
      □ Inquiry about a high bill
      □ Report a Leak
      □ Pay for a Red Tag or Shut Off

   c. **Planning & Building**
      □ Apply for Building Permits
      □ Apply for discretionary planning Permits
      □ Check the zoning of a property
      □ Review Plans
      □ Ask about code requirement/Report code violation
      □ Apply for Special Events Permit

   □ **Public Works**
      □ Encroachment Permits
      □ Drawings, utility placement plans
      □ Inspections
      □ Traffic Committee reports
Temporary water meters
Fire flow check

d. Library
Check out/return/extend library material
Register/renew library card
Paying Fines and fees
Purchasing DVDs ordered from the cable office
Request/receiving receipt for donated materials
Library Event

3. Where you able to complete your transaction?
Yes
No

4. Based on your recent experience, how satisfied were you with the service provided?
Scale:
5 Very Satisfied
4 Satisfied
3 Neutral
2 Less than Satisfied
1 Not Satisfied at All

If rated 3 or under from question 4:
5. Based on your score above, please tell us why you were not satisfied or very satisfied with our performance. (Open ended question)

RESULTS:

During the first six months of the surveys (July 1, 2018 – December 31, 2018) the respective counters processed approximately 15,000 transactions and less than 1% of the customers served participated in the survey (total of 142 customers). The highest participation was at the Library with 97 respondents (almost 70% of the entire group of respondents).

Despite the communication efforts with customers, the survey results demonstrate that not many people are willing to spend the extra time to complete the survey in-person.

In addition, with the implementation of several efficiencies and customer service conveniences such as online business license transactions and increased subscription to online utility billing, staff noticed a decline in over the counter transactions which also has an impact on this survey outcome.

In doing research from other agencies and businesses who have successfully implemented the same type of surveys, staff would like to explore more efficient alternatives for the transaction point survey such as “pop-up windows” during or after online transactions and follow up email with survey link.

The contract for the current in-person transaction point survey expires June 30, 2019.
Transactional Survey –
City of El Segundo
First Quarter – October 2018

Conducted by
Quality Solutions, Inc.
P.O. Box 40147
Cleveland, OH 44140
(440) 933-9946
Business Tax

Business Tax - Apply for Film Permit

- July
- August
- September

Very Satisfied Satisfied Neutral Not Satisfied
Business Tax

Business Tax - Apply/Renew/Pay for Business Tax

- July
- August
- September

Very Satisfied
Satisfied
Neutral
Not Satisfied
Business Tax

Business Tax - Request Information Related to City Services

- July
- August
- September

Very Satisfied
Satisfied
Neutral
Not Satisfied
Library - Check Out/Return/Extend Library Material

- **Very Satisfied**
  - July: 10
  - August: 4
  - September: 20

- **Satisfied**
  - July: 2
  - August: 1
  - September: 5

- **Neutral**
  - July: 1
  - August: 0
  - September: 0

- **Not Satisfied**
  - July: 0
  - August: 0
  - September: 0
Planning and Building

Planning & Building - Apply for Building Permit

- Very Satisfied: 0
- Satisfied: 1
- Neutral: 0
- Not Satisfied: 1

July
August
September
Planning and Building

Planning & Building - Apply for Special Events Permit

- July
- August
- September

Very Satisfied  | Satisfied  | Neutral  | Not Satisfied
---|---|---|---
1 | 0 | 0 | 0
Public Works - Apply for Encroachment Permits

- July
- August
- September

Very Satisfied: 2
Satisfied: 1
Neutral: 0
Not Satisfied: 0

City of El Segundo
Quality Solutions, Inc.
Public Works - Pay for Temporary Water Meters

- Very Satisfied
- Satisfied
- Neutral
- Not Satisfied

- July
- August
- September
Public Works

Public Works - Submit a Traffic Committee Request

- July
- August
- September

Very Satisfied | Satisfied | Neutral | Not Satisfied
---|---|---|---
0 | 0 | 0 | 0
0 | 0 | 0 | 0
0 | 0 | 0 | 0
1 | 0 | 0 | 0
Based on your score, please tell us what we need to do in order to earn a higher score.

<table>
<thead>
<tr>
<th>Satisfaction with Service Provided</th>
<th>Response to Question</th>
<th>Month Completed</th>
<th>Department Visited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neutral</td>
<td>Allow the parent to check out books for their child under the child's library account.</td>
<td>July</td>
<td>Library</td>
</tr>
<tr>
<td>Not Satisfied</td>
<td>Communicate.</td>
<td>September</td>
<td>Planning and Building</td>
</tr>
<tr>
<td>Not Satisfied</td>
<td>Make faster.</td>
<td>September</td>
<td>Public Works</td>
</tr>
<tr>
<td>Not Satisfied</td>
<td>None qualified personnel.</td>
<td>July</td>
<td>Planning and Building</td>
</tr>
</tbody>
</table>
Transactional Survey –
City of El Segundo
Second Quarter – January 2019

Conducted by
Quality Solutions, Inc.
P.O. Box 40147
Cleveland, OH 44140
(440) 933-9946
City of El Segundo

Business Tax

Business Tax - Request Information Related to City Services

- October
- November
- December

Very Satisfied | Satisfied | Neutral | Not Satisfied
---|---|---|---
0 | 0 | 0 | 0
0 | 0 | 0 | 0
1 | 0 | 0 | 0
0 | 0 | 0 | 0
Library

Library - Check Out/Return/Extend Library Material

- Very Satisfied: October - 11, November - 4, December - 2
- Satisfied: October - 7, November - 0, December - 1
- Neutral: October - 1, November - 0, December - 1
- Not Satisfied: October - 1, November - 0, December - 0
Library

Library - Library Event

- Very Satisfied: 0, 0, 0
- Satisfied: 0, 1, 1, 1
- Neutral: 0, 0, 0, 0
- Not Satisfied: 0, 0, 0, 0

- October
- November
- December
Library

Library - Register/Renew Library Card

- October
- November
- December

Very Satisfied  | Satisfied  | Neutral  | Not Satisfied
---|---|---|---
0  | 0  | 0  | 0
1  | 0  | 0  | 0
City of El Segundo

Planning and Building

Planning & Building - Apply for Building Permit

<table>
<thead>
<tr>
<th></th>
<th>October</th>
<th>November</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Satisfied</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Satisfied</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Neutral</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Not Satisfied</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Planning and Building

Planning & Building - Ask about Code Requirement/Report Code Violation

- October
- November
- December

Very Satisfied  Satisfied  Neutral  Not Satisfied
Based on your score, please tell us what we need to do in order to earn a higher score.

<table>
<thead>
<tr>
<th>Satisfactory with Service Provided</th>
<th>Response to Question</th>
<th>Month Completed</th>
<th>Department Visited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neutral</td>
<td>Make the library quieter and have the bathrooms less smelly.</td>
<td>October</td>
<td>Library</td>
</tr>
<tr>
<td>Less than Satisfied</td>
<td>Settle the library.</td>
<td>October</td>
<td>Library</td>
</tr>
<tr>
<td>Not Satisfied</td>
<td>Have someone available to tell you what is going on at the desk and return phone calls.</td>
<td>October</td>
<td>Planning and Building</td>
</tr>
</tbody>
</table>