AGENDA
EL SEGUNDO CITY COUNCIL
COUNCIL CHAMBERS - 350 Main Street

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

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

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

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

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

REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, MAY 17, 2011 – 5:00 P.M.

Next Resolution # 4718
Next Ordinance # 1461

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(a) -2- matters

1. City of El Segundo vs. City of Los Angeles, et. al. LASC Case No. BS094279
2. NSA Construction vs. City of El Segundo, LASC Case No. BC438182

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code §54956.9(b): -0-
Initiation of litigation pursuant to Government Code §54956.9(c): -1- matter.

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

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

CONFERENCE WITH CITY’S LABOR NEGOTIATOR (Gov’t Code §54957.6): -0- matters

CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov’t Code §54956.8): -0- matters
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REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, MAY 17, 2011 - 7:00 P.M.

Next Resolution # 4718
Next Ordinance # 1461

7:00 P.M. SESSION

CALL TO ORDER

INVOCATION – Pastor Mark Stepp, Oceanside Christian Fellowship

PLEDGE OF ALLEGIANCE – Council Member Carl Jacobson
PRESENTATIONS

a. Presentation from the Library about the upcoming Author Fair on June 5, 2011.
b. Acceptance of LEED Gold Certification for Fire Station No. 2 Building.
c. Proclamation announcing the Senior Citizen of the Year and Elderfest.
d. Proclamation announcing Public Works Week

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.

A. PROCEDURAL MOTIONS

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

Recommendation – Approval.

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

1. Consideration and possible action to increase Golf Course and Driving Range fees at The Lakes at El Segundo Golf Course, as recommended by the Golf Course Subcommittee. (Fiscal Impact: Estimated Annual Revenue Increase of $75,000-$100,000 to Golf Course Enterprise Fund)

   Recommendation – (1) Approve the proposed fee increases for The Lakes at El Segundo; (2) Adopt Resolution accepting the new fee schedule; (3) Alternatively, discuss and take other action related to this item.

2. Consideration and possible action to increase the participation fee for Non-Residents in the drop-in Swimnastics Program at Urho Saari Swim Stadium from $1.00 to $3.00. (Fiscal Impact: Estimated Increased Revenues from $1,500 to $4,500 Annually)

   Recommendation – (1) Approve the proposed non-resident fee increase for the drop-in Swimnastics Program at Urho Saari Swim Stadium; (2) Adopt Resolution accepting the new fee schedule; (3) Alternatively, discuss and take other action related to this item.
C. UNFINISHED BUSINESS

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

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 2582138 to 2582355 on Register No. 15 in the total amount of $494,899.93 and Wire Transfers from 4/22/11 through 5/05/11 in the total amount of $634,643.79.

Recommendation – Approve Warrant Demand Registers 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 – Approval.

5. Consideration and possible action to (1) accept a donation from El Segundo resident Alex Fowler to build a decorative garden wall, pull weeds, clean the fire pit, install cement cooking pads and a cement pad to store firewood at Camp Eucalyptus, located at 641 California Street, for his Boy Scout Eagle Project; (2) adopt a Resolution to approve the plan for the project; (3) authorize the City Manager to execute a contract with Alex Fowler and his parent/guardian in a form approved by the City Attorney.

Fiscal Impact: None

Recommendation – (1) Approve the acceptance of a donation from Alex Fowler; (2) Adopt Resolution that includes the approval of the project’s plan; (3) Authorize the City Manager to execute a contract with Alex Fowler and his parent/guardian in a form approved by the City Attorney; (4) Alternatively, discuss and take other action related to this item.
6. Consideration and possible action to accept the proposed donation of materials and labor in the amount of $4,235.19 from the Toyota Sports Center for installation of a roll-on court surface for the inline hockey rink at Recreation Park. (Fiscal Impact: None)

Recommendation – (1) Accept the proposed donation from the Toyota Sports Center in the amount of $4,235.19 for materials and labor to install the new hockey rink surface; (2) Adopt the Resolution outlining the scope of work; (3) Authorize the City Manager to execute a contract with Toyota Sports Center in a form approved by the City Attorney; (4) Alternatively, discuss and take other action related to this item.

7. Consideration and possible action to amend the 5-year contract with Nationwide Environmental Services for Street Sweeping services performed citywide. (Fiscal Impact: 4,177.00 this fiscal year, and a total of $17,476.00 over the next four (4) years.)

Recommendation – (1) Authorize the City Manager to execute a contract amendment in a form as approved by the City Attorney with Nationwide Environmental Solutions in the amount of $17,476.00 for fiscal years 2010/11 - 2013/14 based on the existing Street Sweeping Contract; (2) Alternatively, discuss and take other possible action related to this item.

8. Consideration and possible action to approve a request from the Center Street School Parent Teachers Association (PTA) to waive the banner fee per El Segundo Municipal Code Section 8-8-7 D1. (Fiscal Impact: $178)

Recommendation – (1) Approve the request to waive the banner user fees per El Segundo Municipal Code Section 8-8-7 D1; (2) Alternatively, discuss and take other action related to this item.

CALL ITEMS FROM CONSENT AGENDA

F. NEW BUSINESS

9. Consideration and possible action regarding the presentation of fiscal year 2010-2011 Midyear Financial Review and approval of fiscal year 2011-2012 Budget Calendar. (Fiscal Impact: None)

Recommendation – (1) Receive and file FY 2010-2011 Midyear Financial staff report; (2) Direct staff to proceed with Fiscal Year 2011-2012 Budget Calendar; (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 Fuentes –

Council Member Brann –

Council Member Jacobson –

Mayor Pro Tem Fisher –

Mayor Busch –

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MEMORIALS –
CLOSED SESSION

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

REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

ADJOURNMENT

POSTED:

DATE: May 11, 2011
TIME: 3:20 p.m.
NAME: [Signature]
Presentation from Ellen Cunningham, Senior Librarian, about the upcoming Author Fair on June 5, 2011.
Acceptance of LEED Gold Certification for Fire Station No. 2 Building.
Proclamation
City of El Segundo, California

WHEREAS, May is National Older Americans Month, a time to celebrate and pay tribute to the Senior Citizen Volunteers of El Segundo; and

WHEREAS, Older Americans possess and share a wealth of experience, background and history, making them one of the City’s most enduring resources and an important part of the ties that bind both family and community; and

WHEREAS, Individuals provide volunteer services contributing to a coordinated community-based system of care that facilitates the well-being of all Americans in the 21st century; and

WHEREAS, Polly Price was elected by her peers as the El Segundo 2011 Senior Citizen of the Year, a recognition which inspires, promotes and garnishes community spirit by giving back through volunteerism

NOW, THEREFORE, on this 17th day of May, 2011, the Mayor and Members of the City Council of the City of El Segundo, California, do hereby proclaim the month of May, 2011,

OLDER AMERICANS MONTH
and
Polly Price
the
2011 El Segundo Senior Citizen of the Year

And hereby invite the community to participate in the Elderfest Celebration on Saturday, May 21, 2011, from 11:00 a.m. to 2:00 p.m., at the Joslyn Center in Recreation Park honoring POLLY PRICE and other senior citizens who have given generously of their time and talent to improve the quality of life for all.
WHEREAS, public works services provided in our community are an integral part of our citizen's everyday lives; and

WHEREAS, the support of an understanding and informed citizenry is vital to the efficient operation of public works systems and programs such as water, sewers, streets, public buildings and solid waste collection; and

WHEREAS, the health, safety and comfort of this community greatly depends on these facilities and services; and

WHEREAS, the efficiency of the qualified and dedicated personnel who staff public works departments is materially influenced by the people's attitude and understanding of the work they perform.

NOW, THEREFORE, the Mayor and the member of the City Council of the City of El Segundo, do hereby proclaim May 15-21, 2011, as "National Public Works Week" in the City of El Segundo, and I call upon all citizens to acquaint themselves with the issues involved in providing our public works and to recognize the contributions which public works officials make every day to our health, safety, comfort, and quality of life.
AGENDA DESCRIPTION:
Consideration and possible action to increase Golf Course and Driving Range fees at The Lakes at El Segundo Golf Course, as recommended by the Golf Course Subcommittee.
(Fiscal Impact: Estimated Annual Revenue Increase of $75,000-$100,000 to Golf Course Enterprise Fund)

RECOMMENDED COUNCIL ACTION:
(1) Approve the proposed fee increases for The Lakes at El Segundo.
(2) Adopt Resolution accepting the new fee schedule.
(3) Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
(1) Resolution including Exhibit A, Schedule of Proposed Fees & Local Green Fee Comparison

FISCAL IMPACT: Estimated Annual Revenue Increase of $75,000-$100,000 to Golf Course Enterprise Fund

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<tr>
<th>Description</th>
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<tr>
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<td>Additional Appropriation</td>
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<tr>
<td>Account Number(s)</td>
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</tr>
</tbody>
</table>

ORIGINATED BY: Meredith Petit, Recreation Superintendent
REVIEWED BY: Bob Cummings, Director of Recreation and Parks
APPROVED BY: Doug Willmore, City Manager

BACKGROUND & DISCUSSION:
At the regular meeting of the Golf Course Subcommittee on April 6, 2011, the Subcommittee voted to recommend the City Council revise the fee schedule at the golf course and driving range. After surveying rates and service offerings of other public golf courses and driving ranges in the surrounding area, the Subcommittee proposed the fees be revised to establish more comparable rates while still remaining on the lower end of the spectrum. Furthermore, on April 20, 2011, the Recreation and Parks Commission voted unanimously to support the proposed fees and allow City Council to make a final decision.

The Subcommittee realizes the difficulties of raising fees during the current economic climate, but is confident that any customer attrition will be minimal due to the fact that the proposed fees will remain the lowest in the area and the quality and value of the product will remain high.

The Subcommittee also recognizes the need to focus on the long-term fiscal planning of operational costs compared to revenues generated. The Subcommittee will be working with the City’s Finance Department to identify a plan of action to pay down the loan which is scheduled to be paid off by the City’s General Fund in Spring 2012. Any profitability due to increased fees could be utilized in this manner.

The most recent fee increases at The Lakes were approved in July 2006. The summer months are an ideal time of year to implement increases due to longer days and warmer weather yielding more rounds played per day, as well as a potential influx of new customers.
RESOLUTION NO. ________

A RESOLUTION ADOPTING NEW FEES PURSUANT TO ESMC § 9-8-6 FOR THE EL SEGUNDO PARKS AND RECREATION DEPARTMENT TO RECOVER COSTS INCURRED FROM PROVIDING VARIOUS PUBLIC SERVICES.

BE IT RESOLVED by the Council of the City of El Segundo as follows:

SECTION 1: The City Council finds as follows:

A. The City Council may establish fees for services under various provisions of California law including, without limitation, Business & Professions Code § 16000; Education Code § 18926; Government Code §§ 36936.1, 43000, 54344, 65104, 65456, 65874, 65909.5, 65943, 66013, 66014, 66451.2; and Health & Safety Code §§ 510, 17951, 17980.1, 19852.

B. In addition, the City Council may establish fees pursuant to El Segundo Municipal Code § 9-8-6 including, without limitation, the Basic Rate for using park property and facilities.

C. Pursuant to Government Code § 66016, the City made data available regarding the cost, or estimated cost, of providing services for various fees ten (10) days before the public hearing held on May 17, 2011.

D. On May 17, 2011, the City Council heard public testimony and considered evidence in a public hearing held and noticed in accordance with Government Code § 66016.

E. At the recommendation of the City’s Departments and the City Manager, the City Council believes that it is in the public interest to establish the recommended fees to recover the costs of public services.

SECTION 2: The Fees attached as Exhibit “A,” and incorporated into this Resolution as if fully set forth, are approved and adopted. Those rates identified for using park facilities constitute the “Basic Rate” for purposes of ESMC § 9-8-9 and may be adjusted in accordance with ESMC §§ 9-8-1, et seq.

SECTION 3: This Resolution is exempt from review under the California Environmental Quality Act (Cal. Pub. Res. Code §§ 21000, et seq.; “CEQA”) and CEQA regulations (Cal. Code Regs. tit. 14, §§ 15000, et seq.) because it establishes, modifies, structures,
restructures, and approves rates and charges for meeting operating expenses; purchasing supplies, equipment, and materials; meeting financial requirements; and obtaining funds for capital projects needed to maintain service within existing service areas. This Resolution, therefore, is categorically exempt from further CEQA review under Cal. Code Regs. tit. 14, § 15273.

SECTION 4: This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

SECTION 5: The City Clerk will certify to the passage and adoption of this Resolution; will enter the same in the book of original Resolutions of said City; and will make a minute of the passage and adoption thereof in the record of proceedings of the City Council of said City, in the minutes of the meeting at which the same is passed and adopted.

PASSED AND ADOPTED this 17th day of May, 2011.

__________________________
Eric K. Busch, Mayor

ATTEST:

__________________________
Cindy Motesen, City Clerk

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

By: ________________________
Karl H. Berger
Assistant City Attorney
EXHIBIT A  
The Lakes at El Segundo Golf Course  
Schedule of Proposed Fees

<table>
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<th>WEEKDAY</th>
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<tr>
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<td>$13</td>
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<tr>
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<td>Replay Rate</td>
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<td><strong>MONTHLY PASSES</strong></td>
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<td><strong>Residents</strong></td>
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<td>w/ Rec ID Card</td>
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<tr>
<td><strong>PUNCH CARDS (5 Rounds + 1 Bucket)</strong></td>
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<tr>
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<tr>
<td><strong>DRIVING RANGE BUCKETS</strong></td>
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<tr>
<td>Small - 35 Balls</td>
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<td>Medium - 70 Balls</td>
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<tr>
<td>Large - 105 Balls</td>
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Justification for Fee Increase

The proposed fees are a result of Fee Benchmarking with comparable facilities in the region. After surveying rates and service offerings of other public golf courses and driving ranges in the surrounding area, the proposed fees will establish more comparable rates while still remaining on the lower end of the spectrum. In developing the proposed fees, consideration was given to minimize customer attrition by keeping the proposed fees among the lowest in the area. The fees were deemed reasonable due to the high quality and value of the product, as well as a method to recovering some of the increased expenses in operating the facility. Because most fees have not been increased in over six years, and the operating costs have inevitably increased over time, revenues above and beyond the cost of doing business can be utilized to pay down long-term debt.

See back page for the Local Green Fees Comparison.
<table>
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<th>Course</th>
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AGENDA DESCRIPTION:
Consideration and possible action to increase the participation fee for Non-Residents in the drop-in Swimmnastics Program at Urho Saari Swim Stadium from $1.00 to $3.00.
(Fiscal Impact: Estimated Increased Revenues from $1,500 to $4,500 Annually)

RECOMMENDED COUNCIL ACTION:
(1) Approve the proposed non-resident fee increase for the drop-in Swimmnastics Program at Urho Saari Swim Stadium.
(2) Adopt Resolution accepting the new fee schedule.
(3) Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
(1) Resolution including Exhibit A, Schedule of Proposed Fees

FISCAL IMPACT: Estimated Increased Revenues from $1,500 to $4,500 Annually
Amount Budgeted: $0
Additional Appropriation: N/A
Account Number(s): N/A

ORIGINATED BY: Meredith Petit, Recreation Superintendent
REVIEWED BY: Bob Cummings, Director of Recreation and Parks
APPROVED BY: Doug Willmore, City Manager

BACKGROUND & DISCUSSION:
The Department offers a variety of low-cost general fund supported programs at public parks and facilities called “drop-in” programs. Aquatics Drop-In Programs at the Urho Saari Swim Stadium include Swimmnastics, Lap Swim, Water Walking, and Rec Swim. These programs are currently offered to residents with a current Recreation ID Card with no additional fee. Non-Residents, however, are charged $1 per visit to Swimmnastics, and $3 per visit for the other programs. It is proposed to increase the Swimmnastics fee to $3 for Non-Residents for the following reasons:

- The Non-Resident fee will be consistent for all Aquatics Drop-In Programs, making administration and cash handling simpler by categorizing the fee as an “entrance fee” versus a fee for a specific program, and as a result, minimize customer confusion with various fees.
- The Swimmnastics program is instructional and is a value-added program by offering curriculum and leadership by a trained lifeguard.
- The high demand for the thirty-minute session, coupled with the extremely low fee has created instances where there are too many people to comfortably exercise in the space provided. A more appropriately attached fee will help to balance the limited space with the demand.

On April 20, 2011, the Recreation and Parks Commission unanimously voted to support this matter and allow City Council to make a final decision to approve or deny the proposed fee change.
RESOLUTION NO. _________

A RESOLUTION ADOPTING NEW FEES PURSUANT TO ESMC § 9-8-6 FOR THE EL SEGUNDO PARKS AND RECREATION DEPARTMENT TO RECOVER COSTS INCURRED FROM PROVIDING VARIOUS PUBLIC SERVICES.

BE IT RESOLVED by the Council of the City of El Segundo as follows:

SECTION 1: The City Council finds as follows:

A. The City Council may establish fees for services under various provisions of California law including, without limitation, Business & Professions Code § 16000; Education Code § 18926; Government Code §§ 36936.1, 43000, 54344, 65104, 65456, 65874, 65909.5, 65943, 66013, 66014, 66451.2; and Health & Safety Code §§ 510, 17951, 17980.1, 19852.

B. In addition, the City Council may establish fees pursuant to El Segundo Municipal Code § 9-8-6 including, without limitation, the Basic Rate for using park property and facilities.

C. Pursuant to Government Code § 66016, the City made data available regarding the cost, or estimated cost, of providing services for various fees ten (10) days before the public hearing held on May 17, 2011.

D. On May 17, 2011, the City Council heard public testimony and considered evidence in a public hearing held and noticed in accordance with Government Code § 66016.

E. At the recommendation of the City’s Departments and the City Manager, the City Council believes that it is in the public interest to establish the recommended fees to recover the costs of public services.

SECTION 2: The Fees attached as Exhibit "A," and incorporated into this Resolution as if fully set forth, are approved and adopted. Those rates identified for using park facilities constitute the "Basic Rate" for purposes of ESMC § 9-8-9 and may be adjusted in accordance with ESMC §§ 9-8-1, et seq.

SECTION 3: This Resolution is exempt from review under the California Environmental Quality Act (Cal. Pub. Res. Code §§ 21000, et seq.; “CEQA”) and CEQA regulations (Cal. Code Regs. tit. 14, §§ 15000, et seq.) because it establishes, modifies, structures,
restructures, and approves rates and charges for meeting operating expenses; purchasing supplies, equipment, and materials; meeting financial requirements; and obtaining funds for capital projects needed to maintain service within existing service areas. This Resolution, therefore, is categorically exempt from further CEQA review under Cal. Code Regs. tit. 14, § 15273.

SECTION 4: This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

SECTION 5: The City Clerk will certify to the passage and adoption of this Resolution; will enter the same in the book of original Resolutions of said City; and will make a minute of the passage and adoption thereof in the record of proceedings of the City Council of said City, in the minutes of the meeting at which the same is passed and adopted.

PASSED AND ADOPTED this 17th day of May, 2011.

__________________________
Eric K. Busch, Mayor

ATTEST:

__________________________
Cindy Mortesen,
City Clerk

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

By: ____________________________
   Karl H. Berger
   Assistant City Attorney
<table>
<thead>
<tr>
<th>Recreation &amp; Parks Department Fees</th>
<th>Current Fee</th>
<th>Proposed Fee</th>
<th>Justification for Increase</th>
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</thead>
<tbody>
<tr>
<td>Swimnastics Drop-In Program:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Resident Fee</td>
<td>$1.00 per occurrence</td>
<td>$3.00 per occurrence</td>
<td>Swimnastics is an instructional program three times per week which requires one hour of staff time from each of the following: one Senior Lifeguard on duty ($17.56/hr), two Lifeguards for instruction ($13.73/hr x 2), and one Cashier for cash handling duties ($9.92/hr). Total staffing costs per session equal $54.94 in salaries. Other indirect costs include facility operations, equipment, and supplies, the Pool Technician, and employee benefits. The class is offered at no-cost to El Segundo Residents, therefore yielding no cost recovery. The program typically includes 15-20 Non-Resident Participants. An increased fee to $3 is to recover a portion of the cost associated with staffing to administer and facilitate the program. Fifteen participants at $3 per session yield a cost recovery of $45, or 82%, of part-time employee salaries.</td>
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CITY OF EL SEGUNDO
PAYMENTS BY WIRE TRANSFER
4/22/11 THROUGH 05/05/11

<table>
<thead>
<tr>
<th>Date</th>
<th>Payee</th>
<th>Amount</th>
<th>Description</th>
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<td>Health Comp</td>
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<td>Lane Donovan Golf P't</td>
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<td>Payroll Transfer</td>
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<td>4/22-5/5/11</td>
<td>Workers Comp Activity</td>
<td>17,119.26</td>
<td>SCRMA checks issued</td>
</tr>
</tbody>
</table>

634,643.79

DATE OF RATIFICATION: 05/17/11
TOTAL PAYMENTS BY WIRE: 634,643.79

Certified as to the accuracy of the wire transfers by:

Deputy City Treasurer

Director of Finance

City Manager

Information on actual expenditures is available in the City Treasurer’s Office of the City of El Segundo.
REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, MAY 3, 2011 – 5:00 P.M.

5:00 P.M. SESSION

CALL TO ORDER – Mayor Busch at 5:00 p.m.

ROLL CALL

Mayor Busch - Present
Mayor Pro Tem Fisher - Present – arrived at 5:02 p.m.
Council Member Brann - Present
Council Member Fuentes - Present
Council Member Jacobson - Present

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.

Mark Hensley, City Attorney, announced that Council would be meeting in closed session pursuant to the items listed on the agenda and that the Government Code §54956.9(b) item is based upon a claim filed by Shannon David, Inc. filed on or about March 1, 2011 for $48,745.47.

SPECIAL ORDER OF BUSINESS:

1. Interviews of Candidates for the Community Cable Advisory Committee, Recreation and Parks Commission and Senior Citizen Housing Corporation Board and possible appointments to these Boards and Commissions (Interviews to be conducted in West Conference Room).

MOTION by Council Member Jacobson, SECONDED by Council Member Brann to appoint Brian Mitchell to the Community Cable Advisory Committee to a full term expiring 10/30/14. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

MOTION by Council Member Brann, SECONDED by Mayor Pro Tem Fisher to appoint Robert Croxell to the Recreation and Parks Commission to a full term expiring 5/31/15. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

MOTION by Council Member Fuentes, SECONDED by Council Member Brann to appoint Karen Goren and Laura Freeman to the Senior Citizen Housing Corporation Board to full terms expiring 6/30/15. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

MINUTES OF THE REGULAR CITY COUNCIL MEETING
MAY 3, 2011
PAGE NO. 1
Council moved to closed session at 6:05 p.m.

CLOSED SESSION:
The City Council moved 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(a) -2- matters

City of El Segundo vs. City of Los Angeles, et. al. LASC Case No. BS094279
NSA Construction vs. City of El Segundo, LASC Case No. BC438182

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code §54956.9(b): -1-
Initiation of litigation pursuant to Government Code §54956.9(c): -0- matter.

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

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

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

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

Council recessed at 6:50 p.m.
REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL  
TUESDAY, MAY 3, 2011 - 7:00 P.M.

7:00 P.M. SESSION

CALL TO ORDER – Mayor Busch at 7:00 p.m.

INVOCATION – Pastor John Svendsen, First Baptist Church

PLEDGE OF ALLEGIANCE – Council Member Don Brann

PRESENTATIONS

a. Mayor Busch presented the CERT Certificates to the recent graduates.

b. Council Member Jacobson presented a Proclamation announcing Saturday, May 21, 2011 as Super CPR Saturday.

c. Marissa Christenson, Bicycle Coalition, made a presentation regarding the South Bay Bicycle Master Plan.

ROLL CALL

---
Mayor Busch - Present
Mayor Pro Tem Fisher - Present
Council Member Brann - Present
Council Member Fuentes - Present
Council Member Jacobson - Present

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.

A. PROCEDURAL MOTIONS

Consideration of a motion to read all ordinances and resolutions on the Agenda by title only.
MOTION by Council Member Brann, SECONDED by Council Member Jacobson to read all ordinances and resolutions on the Agenda by title only. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

B. SPECIAL ORDERS OF BUSINESS (PUBLIC HEARING)

C. UNFINISHED BUSINESS

1. Consideration and possible action regarding a request for a new Alcoholic Beverage Control (ABC) license for on-site sale and off-site consumption of alcohol at an existing convenience store located at 601 North Sepulveda Boulevard. Applicant: Veronica Becerra (Fiscal Impact: N/A)

Greg Carpenter, Director of Planning and Building Safety, gave a brief report.

Council took no action on this item.

D. REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS

2. Consideration and possible action to announce the appointment to the Community Cable Advisory Committee, Recreation and Parks Commission and Senior Citizen Housing Corporation Board. (Fiscal Impact: None)

Mayor Busch announced the appointment of Brian Mitchell to the Community Cable Advisory Committee to a full term expiring 10/30/14; the appointment of Rob Croxell to the Recreation and Parks Commission, to a full term expiring 5/30/15; and the appointment of Laura Freeman and Karen Gorin to the Senior Citizen Housing Corporation Board to full terms expiring 6/30/15.

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. Approved Warrant Numbers 2581923 to 2582137 on Register No. 14 in the total amount of $703,373.83 and Wire Transfers from 4/8/11 through 4/21/11 in the total amount of $1,961,307.38. Authorized 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.

4. Approved Regular City Council Meeting Minutes of April 19, 2011.
5. Awarded standard Public Works Contract No. 4158 to NIC Partners, Inc., for the installation of surveillance equipment at the City Police Station. Project No.: PW 11-03 (Fiscal Impact: $57,148.79 COPS Funds) Authorized the City Manager to execute the Contract in a form as approved by the City Attorney with NIC Partners, Inc., in the amount of $57,148.79.

MOTION by Council Member Jacobson, SECONDED by Mayor Pro Tem Fisher to approve Consent Agenda items 3, 4, and 5. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

CALL ITEMS FROM CONSENT AGENDA

F. NEW BUSINESS

G. REPORTS – CITY MANAGER - None

H. REPORTS – CITY ATTORNEY - None

I. REPORTS – CITY CLERK - None

J. REPORTS – CITY TREASURER - None

K. REPORTS – CITY COUNCIL MEMBERS

Council Member Fuentes – Spoke regarding the Easter Egg Hunt at Recreation Park; Thanked the Public Works Director and the Public Works crew on their quick response on graffiti removal.

Council Member Brann – Congratulated Eric Martin (a former student) as the Facility Director of the Round House Aquarium at Manhattan Beach Pier and on the awards he has received. Reported that he attended an economic development conference in Sacramento.

Council Member Jacobson – Announced Super CPR Saturday, May 21, 2011.

Mayor Pro Tem Fisher – Thanked the Chamber of Commerce for organizing the meeting of a coalition of Downtown Businesses to help promote business in the downtown area.

Mayor Busch – Announced the Hometown Fair this Saturday and the Education Foundation Golf Tournament on Friday. Also reminded the public to vote at the Special Election on May 17th to fill the seat for United States Representative, 36th District.
PUBLIC COMMUNICATIONS – (Related to City Business Only – 5 minute limit per person, 30 minute limit total) Individuals who have receive value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of $250. While all comments are welcome, the Brown Act does not allow Council to take action on any item not on the agenda. The Council will respond to comments after Public Communications is closed.

MEMORIALS – NONE

CLOSED SESSION – NONE

ADJOURNMENT at 7:46 p.m.

______________________________
Cindy Mortesen, City Clerk
AGENDA DESCRIPTION:
Consideration and possible action to (1) accept a donation from El Segundo resident Alex Fowler to build a decorative garden wall, pull weeds, clean the fire pit, install cement cooking pads and a cement pad to store firewood at Camp Eucalyptus, located at 641 California Street, for his Boy Scout Eagle Project; (2) adopt a Resolution to approve the plan for the project; (3) authorize the City Manager to execute a contract with Alex Fowler and his parent/guardian in a form approved by the City Attorney. Fiscal Impact: None

RECOMMENDED COUNCIL ACTION:
1. Approve the acceptance of a donation from Alex Fowler;
2. Adopt Resolution that includes the approval of the project’s plan;
3. Authorize the City Manager to execute a contract with Alex Fowler and his parent/guardian in a form approved by the City Attorney;
4. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Letter from Alex Fowler
2. Resolution
3. Site plan provided by Alex Fowler

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

ORIGINATED BY: Mark Trujillo, Parks Superintendent
REVIEWED BY: Bob Cummings, Director of Recreation and Parks
APPROVED BY: Doug Willmore, City Manager

BACKGROUND AND DISCUSSION:
Alex Fowler, a resident Boy Scout and Eagle Scout candidate has offered to donate his time and materials to complete the following project at Camp Eucalyptus for his Eagle project:

- Build a decorative wall along the northwest corner of the lot to assist in preventing erosion of the soil onto the walkway.
- Pull weeds from the flower bed on the north side of the building.
- Clear approximately 6 inches of burnt wood out of the fire pit
- Install two (2) 3’ x 4’ x 4’ decorative cement cooking pads
- Install a 2’ x 6’ x 4’ cement pad to stack firewood

Alex Fowler will provide materials and supplies for this project. The project will be completed by a group of 15 – 20 volunteers and managed by Alex Fowler.

To work on public property, Alex Fowler and his parent/guardian will be required to enter into an agreement with the City in a form approved by the City Attorney.

This project will enhance the appearance of Camp Eucalyptus without cost to the City and will provide Alex an Eagle Scout leadership service project.
Alex Fowler
1420 E. Mariposa Ave.
El Segundo, CA 90245

April 22, 2011

El Segundo City Council
348 Main Street
El Segundo, CA 90245

Dear Mayor Eush and Council Members:

My name is Alex Fowler and I am in El Segundo Boy Scout Troop 762. I have been active in scouts since I was five years old and am now ready to plan my Eagle project, the highest rank to attain in scouting.

Boy Scouts require an Eagle project as part of the advancement to Eagle rank. This project is very challenging, yet very rewarding. It is my responsibility to plan, direct, and follow through the project to its successful completion. As part of the project requirements, I must come up with an original service project, get all the necessary approvals from the organization benefitting from the work, the Troop parent committee and scoutmaster, as well as approval by the scout district advancement committee. I come before you to obtain your approval for my service project as described below at Camp Eucalyptus.

My vision is to build a decorative wall along the hill of dirt in the northwest corner of the lot. This garden wall will assist in preventing the erosion of soil onto the walkway. The wall will be constructed from stacking cement garden wall block, which will also be glued. The maximum height would be approximately 24” to 30” along the west side/northwest corner sloping to a minimum height of 8” on the east end.

Other improvements include to pull weeds from the flower bed on the north side of the building, dig approximately 6 inches of burnt wood out of the fire pit, pour two 3’ x 4’ x 4” decorative cooking pads, and pour a 2’ x 6’ x 4” cement pad to stack firewood.

I estimate I will need $700 to cover materials for this project. The funds will be raised through car washes and donations. The labor will be donated from 15 – 20 volunteers I recruit from my Troop and friends. There will be no financial obligation from the City; however, I estimate the value of the improvements to be $2,500.00.

Your approval for this project is greatly appreciated. I will do a great job and the finished product will last for many generations.

Sincerely,

Alex Fowler
RESOLUTION NO. _____

A RESOLUTION APPROVING THE DESIGN AND PLANS FOR THE CONSTRUCTION OF GARDEN WALL AND OTHER MAINTENANCE IMPROVEMENTS THAT SURROUNDS THE CAMP EUCALYPTUS PARK LOCATED AT 641 CALIFORNIA ST. PURSUANT TO GOVERNMENT CODE § 830.6 AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH ALEX FOWLER AND HIS PARENT/GUARDIAN.

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

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

A. On March 22, 2011, the City received a proposal by Alex Fowler ("VOLUNTEER") to construct a garden wall and improve areas surrounding Camp Eucalyptus Park.

B. The Project consists of construction of a decorative wall, pull weeds from the flower bed on the north side of the building, dig burnt wood out of the fire pit, pour two decorative cooking pads, and pour cement pad to stack firewood (the "Project");

C. VOLUNTEER proposes to donate all materials and labor for the Project. The City would not incur any cost;

D. Based upon information supplied by the VOLUNTEER, the Council understands and believes that the total value of the materials and labor would be $3,200. Volunteer will utilize additional 15-20 community volunteers.

E. Ordinarily, the City would need to comply with the competitive bidding requirements set forth in the California Public Contracts Code for this type of project;

F. The purpose of such bidding requirements is to guard against favoritism, improvidence, extravagance, fraud and corruption, to prevent waste of public funds, and to obtain the best economic result for the public;

G. The facts and circumstances of this Project, however, demonstrate that competitive bids would be unavailing or would not produce an advantage, and the advertisement for competitive bid would thus be undesirable and impractical for the following reasons:

1. There is, at most, only a nominal cost to the public for the reason that VOLUNTEER will donate all materials and labor;
2. VOLUNTEER will not receive any public funds for completing the Project;

3. VOLUNTEER's only motivation in constructing the Project is to accomplish charitable works for the City;

4. It is improbable that any other private contractor can construct the Project for a lesser amount; and

5. To complete the Project, VOLUNTEER will still be required to comply with the City's standard contract requirements.


I. The City Engineer designed the Project and prepared the Project's plans and specifications. The plans are now complete and the Project may be constructed;

J. The City Council wishes to obtain the immunities set forth in Government Code § 830.6 with regard to the plans and construction of the Project; and

K. In accepting VOLUNTEER's donation of the Project, the City notes that Labor Code § 1720.4 specifically exempts work performed by volunteers from payment of prevailing wages. In addition, the Department of Industrial Relations ("DIR") has determined that prevailing wages need not be paid for the Project (see DIR Decision No. 98-004 dated June 10, 1998 [donated pergola on city property]; and DIR Decision No. 99-058 dated January 7, 2000 [volunteer labor]). Accordingly, the Project is not a "public work" under the Labor Code and 15-20 volunteers need not be paid prevailing wages.

SECTION 2: Design Immunity.

A. The design and plans for the Project are determined to be consistent with the City's standards and are approved.

B. The design approval set forth in this Resolution occurred before actual work on the Project construction commenced.

C. The approval granted by this Resolution conforms with the City's General Plan.

D. The approval and authorization granted by this Resolution is intended to
avail the City of the immunities set forth in Government Code § 830.6.

SECTION 3: Authorizations.

A. The City Engineer, or designee, is authorized to act on the City's behalf in approving any alterations or modifications of the design and plans approved by this Resolution.

B. The City Manager is authorized to execute a contract with VOLUNTEER for construction of the Project in a form approved by the City Attorney.

SECTION 4: The City Clerk is directed to certify the adoption of this Resolution.

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

PASSED AND ADOPTED this 17th day of May, 2011.

________________________________________
Eric Busch, Mayor

ATTEST:

______________________________
Cindy Mortesen, City Clerk

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

By
Karl H. Berger, Assistant City Attorney
AGENDA DESCRIPTION:

Consideration and possible action to accept the proposed donation of materials and labor in the amount of $4,235.19 from the Toyota Sports Center for installation of a roll-on court surface for the inline hockey rink at Recreation Park.

(Fiscal Impact: None)

RECOMMENDED COUNCIL ACTION:

1. Accept the proposed donation from the Toyota Sports Center in the amount of $4,235.19 for materials and labor to install the new hockey rink surface;
2. Adopt the Resolution outlining the scope of work;
3. Authorize the City Manager to execute a contract with Toyota Sports Center in a form approved by the City Attorney;
4. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

1. Resolution

FISCAL IMPACT:

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

ORIGINATED BY: Meredith Petit, Recreation Superintendent

REVIEWED BY: Bob Cummings, Director of Recreation and Parks

APPROVED BY: Doug Willmore, City Manager

BACKGROUND AND DISCUSSION:

The Toyota Sports Center (TSC) is in the planning stages of converting their existing inline hockey rink to an ice hockey rink. As a result, TSC is looking for an inline hockey rink in close proximity to host its displaced adult inline hockey league. Toyota Sports Center has submitted a facility reservation permit to reserve the City’s inline hockey rink for its upcoming summer season and will pay the current facility rental rate.

In addition to renting the facility for the upcoming season, Toyota Sports Center has also offered to donate materials and labor to install a new epoxy Roll-On surface at the inline hockey rink at Recreation Park to improve rink performance. Resident youth sports groups that use the rink have been consulted by Recreation Staff and are in favor of the improvements and rink usage. Available rink time has been determined by working cooperatively with the youth sports groups that practice and play at the rink to ensure that the needs of all user groups are met.

The new surface would be a Super Base Two Part Epoxy Roll-On Surface. The surface would improve playability by allowing players of all ages the ability to skate faster and have more traction while using the rink. The new surface would be a significant upgrade to the current surface, in which the concrete is in need of repair.

By accepting this donation, Toyota Sports Center would coordinate the project with the appropriate City staff and would be held to the same standards as all Contractors.
RESOLUTION NO. ______

A RESOLUTION APPROVING MAINTENANCE IMPROVEMENT PLANS TO THE ROLLER HOCKEY RINK AT RECREATION AND PARKS LOCATED AT 401 SHELDON ST. PURSUANT TO GOVERNMENT CODE § 830.6 AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH TOYOTA SPORTS CENTER.

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

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

A. On April 19, 2011 the City received a proposal by Toyota Sports Center (TSC) ("VOLUNTEER") to prepare skating floor at Roller Hockey Rink located at Recreation and Parks.

B. The Project consists of the following: clean concrete floor, paint all lines and circles with red and blue, apply one coat of constant shield, and apply one coat of roll-on clear (the "Project");

C. VOLUNTEER proposes to donate all materials and labor for the Project. The City would not incur any cost;

D. Based upon information supplied by the VOLUNTEER, the Council understands and believes that the total value of the materials and labor would be $4,235.19. VOLUNTEER will utilize their staff of four for three days, eight hours each day.

E. Ordinarily, the City would need to comply with the competitive bidding requirements set forth in the California Public Contracts Code for this type of project;

F. The purpose of such bidding requirements is to guard against favoritism, improvidence, extravagance, fraud and corruption, to prevent waste of public funds, and to obtain the best economic result for the public;

G. The facts and circumstances of this Project, however, demonstrate that competitive bids would be unavailing or would not produce an advantage, and the advertisement for competitive bid would thus be undesirable and impractical for the following reasons:

1. There is, at most, only a nominal cost to the public for the reason that VOLUNTEER will donate all materials and labor;

2. VOLUNTEER will not receive any public funds for completing the Project;
3. VOLUNTEER’s only motivation in constructing the Project is to accomplish charitable works for the City;

4. It is improbable that any other private contractor can construct the Project for a lesser amount; and

5. To complete the Project, VOLUNTEER will still be required to comply with the City’s standard contract requirements.


I. The City Engineer designed the Project and prepared the Project’s plans and specifications. The plans are now complete and the Project may be constructed;

J. The City Council wishes to obtain the immunities set forth in Government Code § 830.6 with regard to the plans and construction of the Project; and

K. In accepting VOLUNTEER’s donation of the Project, the City notes that Labor Code § 1720.4 specifically exempts work performed by volunteers from payment of prevailing wages. In addition, the Department of Industrial Relations (“DIR”) has determined that prevailing wages need not be paid for the Project (see DIR Decision No. 98-004 dated June 10, 1998 [donated pergola on city property]; and DIR Decision No. 99-058 dated January 7, 2000 [volunteer labor]). Accordingly, the Project is not a “public work” under the Labor Code and 15-20 volunteers need not be paid prevailing wages.

SECTION 2: Design Immunity.

A. The design and plans for the Project are determined to be consistent with the City’s standards and are approved.

B. The design approval set forth in this Resolution occurred before actual work on the Project construction commenced.

C. The approval granted by this Resolution conforms with the City’s General Plan.

D. The approval and authorization granted by this Resolution is intended to avail the City of the immunities set forth in Government Code § 830.6.

SECTION 3: Authorizations.
A. The City Engineer, or designee, is authorized to act on the City's behalf in approving any alterations or modifications of the design and plans approved by this Resolution.

B. The City Manager is authorized to execute a contract with VOLUNTEER for construction of the Project in a form approved by the City Attorney.

SECTION 4: The City Clerk is directed to certify the adoption of this Resolution.

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

PASSED AND ADOPTED this ___ day of ____________, 20___.

Eric Busch, Mayor

ATTEST:

Cindy Mortesen, City Clerk

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

By ___________
Karl H. Berger, Assistant City Attorney
EL SEGUNDO CITY COUNCIL
AGENDA STATEMENT

MEETING DATE: May 17, 2011
AGENDA HEADING: Consent Agenda

AGENDA DESCRIPTION:
Consideration and possible action to amend the 5-year contract with Nationwide Environmental Services for Street Sweeping services performed citywide. (Fiscal Impact: $4177.00 this fiscal year, and a total of $17,476.00 over the next four (4) years.)

RECOMMENDED COUNCIL ACTION:
1. Authorize the City Manager to execute a contract amendment in a form as approved by the City Attorney with Nationwide Environmental Solutions in the amount of $17,476.00 for fiscal years 2010/11 - 2013/14 based on the existing Street Sweeping Contract.
2. Alternatively, discuss and take other possible action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
Contract Amendment

FISCAL IMPACT: Budget Adjustment Required
Amount Budgeted: $696,188.40
Additional Appropriation: Yes $17,476.00
Account Number(s): 001-400-4201-6206

ORIGINATED BY: Stephanie Katsouleas, Public Works Director
REVIEWED BY: Stephanie Katsouleas, Public Works Director
APPROVED BY: Douglas Willmore, City Manager

BACKGROUND AND DISCUSSION:
In 2003, El Segundo entered a three-year contract with Nationwide Environmental Services for street sweeping services conducted citywide. The contract was renewed in 2006 for an additional three years. Both contracts included annual escalations of 3% in the cost of the services provided. In the last year of the contract, the annual rate for street sweeping had reached $135,182.00.

In 2009, just prior to the end term of Nationwide’s contract, the City released a Request for Proposals (RFP) seeking new quotes from qualified vendors for street sweeping services. The bids received were substantially higher than the City was paying Nationwide ($259,000 – $317,000). The City then investigated whether it could piggyback on another local government contract at a lower rate. The lowest rate found was still more than $190,000. Upon being advised that the City was considering changing contractors, Nationwide proposed a five-year extension at a new base rate of $139,237.62, which was 3% more than its last contracted rate. The city accepted that proposal and entered into a five-year contract agreement which expires in

7
2014. The contract amendment stated that other than a change to the base rate, all other contract provisions would remain in effect. However, it has come to light that there is a discrepancy in interpretation of the contract provision. Nationwide thought at the time that it was negotiating the continuance of a 3% annual increase over the five-year term. However, staff has confirmed through the City Attorney that the contract does not specifically allow the 3% annual escalation. Nationwide recently met with staff and requested that this issue be brought forward for consideration and that a contract amendment be approved to include the annual escalation. Staff reviewed email correspondence in 2009 and has concluded that it was the intent of both parties to include the escalation. If approved, at the end of the five-year contract the 2014 total annual street sweeping amount of $169,244 will still be more than $20,000 less than the next closest 2009 competitor rate. Therefore, staff recommends approval of the attached 4th Amendment with Nationwide Environmental Services, with a 3% escalation rate as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Base Rate</th>
<th>Monthly Base Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009/10</td>
<td>$139,237.62</td>
<td>$11,603.14</td>
</tr>
<tr>
<td>2010/11</td>
<td>$146,199.50</td>
<td>$12,183.29</td>
</tr>
<tr>
<td>2011/12</td>
<td>$153,509.48</td>
<td>$12,792.46</td>
</tr>
<tr>
<td>2012/13</td>
<td>$161,184.95</td>
<td>$13,432.08</td>
</tr>
<tr>
<td>2013/14</td>
<td>$169,244.20</td>
<td>$14,103.68</td>
</tr>
</tbody>
</table>
FOURTH AMENDMENT TO AGREEMENT NO. 3168 BETWEEN THE CITY OF EL SEGUNDO AND NATIONWIDE ENVIRONMENTAL SERVICES

THIS FOURTH AMENDMENT ("Amendment") is made and entered into this first day of June, 2011, by and between the CITY OF EL SEGUNDO, a general law city and municipal corporation existing under the laws of California ("CITY"), and NATIONWIDE ENVIRONMENTAL SERVICES, INC. a California Corporation ("CONTRACTOR").

1. Section 1A: Consideration of Monthly Payment of Agreement No. 3168 ("Agreement"), executed by parties on July 1, 2003 is amended to increase the base monthly amount on an annual basis by 3% as follows:

   i. For the first year of the term (2009/10): The base monthly payment = $11,603.14
   ii. For the second year of the term (2010/11): The base monthly payment = $12,183.29
   iii. For the third year of the term (2011/12): The base monthly payment = $12,792.46
   iv. For the fourth year of the term (2012/13): The base monthly payment = $13,432.08
   v. For the fifth year of the term (2013/14): The base monthly payment = $14,103.68

2. The term of this contract will remain in effect through September 30, 2014. The City may exercise an option to renew this Agreement for an additional five (5) years for a total of (10) years. The City must notify Contractor of exercising such option thirty (30) days before the initial term expires.

3. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitutes one instrument executed on the same date.

4. Except as modified by this Amendment, all other terms and conditions of Agreement No. 3898 remain the same.

[SIGNATURES ON NEXT PAGE]
IN WITNESS WHEREOF the parties hereto have executed this contract the day and year first hereinabove written.

CITY OF EL SEGUNDO

________________________________________
Doug Willmore
City Manager

________________________________________

ATTEST:

________________________________________
Cindy Mortensen,
City Clerk

Taxpayer ID No. _________________

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

By: __________________________________
Karl H. Berger, Assistant City Attorney
AGENDA DESCRIPTION:

Consideration and possible action to approve a request from the Center Street School Parent Teachers Association (PTA) to waive the banner fee per El Segundo Municipal Code section 8-8-7 D1.
(Fiscal Impact: $178.00)

RECOMMENDED COUNCIL ACTION:

1. Approve the request to waive the banner user fees per El Segundo Municipal Code Section 8-8-7 D1.
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:

Letter from the Center School PTA

FISCAL IMPACT: Budget Adjustment Required

Amount Requested: $178.00 (requesting to be waived)
Additional Appropriation: No
Account Number(s):

ORIGINATED BY: Maryam M. Jonas, Principal Engineer
REVIEWED BY: Stephanie Katsouelas, Public Works Director
APPROVED BY: Doug Willmore, City Manager

BACKGROUND AND DISCUSSION:

The City of El Segundo has been approached by Ms. Gilda Dyckman, Center Street PTA Treasurer, requesting a $178.00 fee waiver for the use of City banner poles on Main Street in front of the El Segundo High School. The banner, announcing the PTA Annual Ice Cream Social on June 10th at Center Street School, would be hung from May 31 to June 12, 2011.

The Annual Ice Cream Social is the major fundraiser event for the school and is supported by the community and businesses. Proceeds from this event allow the PTA to purchase the school’s paper supply for the entire school year as well as other items not funded through the school district budget.
March 28, 2011

El Segundo City Council

Dear Ms. Jennings,

On behalf of Center Street School PTA, we would like to request to the Council to waive the fee to hang a banner over Main Street. I have already made the reservation to hang the banner for the week of May 31-June 12, 2010. Our banner is to advertise our annual Ice Cream Social at Center Street School on June 10th, from 5pm-8pm. This event is organized by our school's PTA and the proceeds raised from this event will help fund our field trip school buses for each Kinder-5th grade, approximately 28 classes taking 2 field trips per school year for next school year (2011-2012).

Our PTA continues through the school year to grant our school & teacher's wish list that the school district may not be able to pay for through their budget. This year were able to grant 5000.00 to purchase smart boards in our remaining classrooms and purchase our school paper supply for the entire school year (approximate $10,000.00). These are just a few things that we do to support our children and campus at Center Street School.

Thanking you in advance for your consideration in waiving this fee.

Sincerely,

Gilda Dyckman
CSS PTA Treasure & Ice Cream Coordinator

C/O Center Street School
700 Center Street
El Segundo, CA 90245
310-615-2676
310-640-9105 fax
AGENDA DESCRIPTION:
Consideration and possible action regarding the presentation of fiscal year 2010-2011 Midyear Financial Review and approval of fiscal year 2011-2012 Budget Calendar. (Fiscal Impact: none)

RECOMMENDED COUNCIL ACTION:
(1) Receive and file FY 2010-2011 Midyear Financial staff report
2) Direct staff to proceed with Fiscal Year 2011-2012 Budget Calendar
3) Alternatively discuss and take other action related to this item

ATTACHED SUPPORTING DOCUMENTS:
1. Proposed 2010-2011 Budget Calendar

FISCAL IMPACT: None
Amount Budgeted: $0
Additional Appropriation: N/A
Account Number(s): None

ORIGINATED BY: Angelina Garcia, Fiscal Services Manager
REVIEWED BY: Deborah Cullen, Director of Finance
APPROVED BY: Doug Willmore, City Manager

BACKGROUND AND DISCUSSION:

Midyear Financial Review Fiscal Year 2010-2011

Staff has reviewed all revenues and expenditures for midyear Fiscal Year 2010-2011, with an emphasis on the General Fund, to determine if all sources and uses are on target with the originally adopted budget and to highlight any areas that may end the fiscal year significantly above or below budget. As we review the midyear results and begin the budgeting process for FY 2011-2012, the City continues to encounter uncertain economic times and financial challenges. As of March, the Bureau of Labor and Statistics reports that the state of California has the second largest unemployment rate in the nation, coming in at 12%.
Current economic forecasts cautiously predict a slow growth within the state of California until the end of 2011. Although the number of employed Americans rose by 291,000 in March (and despite the fact that this was the nation’s fourth consecutive civilian employment increase, with the gain over the period totaling 955,000 persons), the number of employed Californians fell by 61,000 (0.4 percent) over the year ending in March 2011. This was a much more moderate loss than in either March 2009 or March 2010, when California’s civilian employment losses totaled 659,000 (3.9 percent) and 385,000 (2.4 percent), respectively.

There are some indicators that show the economy is beginning to experience a bit of recovery. However, the revenue loss that the City has experienced related to the price of natural gas takes related revenues back to FY 2004 levels. This loss of revenue will take several years to fully recover and Gas Utility Users Tax and Cogenerated Electric Tax are performing below same period last year and below budget targets. These two revenue producers are very sensitive to the price of natural gas and the commodity is still well below historical levels.

The City’s business and industry sectors provide the majority of sales and use tax and this sector has shown improvement but is still sensitive to the overall economy.

Detailed information is provided below, but for summary purposes staff is projecting that General Fund revenues will fall short of the adopted budget by $1,316,650 and will end the fiscal year $548,000 below FY 2009-2010 actuals.

To minimize the projected deficit staff has taken the following actions to reduce expenditures:

- A hiring freeze has been instituted for all vacancies and only critical positions are being filled with the approval of the City Manager; Currently, the City is operating with 48 vacant positions.
- A retirement incentive was offered and 8 employees opted to retire. Many of those positions have remained vacant or are being filled with part-time employees with no benefits provided;
- The Fire Department is continuing to run down staffing levels to reduce overtime;
- All employee labor groups have agreed to labor concessions for the remainder of the FY 2010-2011 fiscal year.

Currently the City has sufficient General Fund unreserved/undesignated funds available to accommodate the estimated shortfall and as usual if the revenues perform stronger during the summer months or expenditures are further reduced the estimated shortfall will be revised at third quarter.
General Fund Revenues

The following is a list of major General Fund revenues and the performance of each source through midyear:

**Table 1: General Fund Revenues**

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Prior Year Midyear FY 2009-2010</th>
<th>Current Year Midyear FY 2010-2011</th>
<th>FY 2010-2011 Adopted Budget</th>
<th>% of Budget Received</th>
<th>FY 2010-2011 Year-end Estimate</th>
<th>Variance Over/ (Under) FY 2010-2011 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business License</td>
<td>8,951,293</td>
<td>9,530,782</td>
<td>10,043,000</td>
<td>94.90%</td>
<td>9,850,000</td>
<td>(193,000)</td>
</tr>
<tr>
<td>Sales &amp; Use Tax</td>
<td>3,913,330</td>
<td>3,999,520</td>
<td>8,185,000</td>
<td>48.86%</td>
<td>8,185,000</td>
<td>-</td>
</tr>
<tr>
<td>Sales Tax in Lieu</td>
<td>1,418,599</td>
<td>1,248,417</td>
<td>2,400,000</td>
<td>52.02%</td>
<td>2,497,000</td>
<td>97,000</td>
</tr>
<tr>
<td>Property Tax</td>
<td>3,437,980</td>
<td>3,168,070</td>
<td>6,188,800</td>
<td>51.19%</td>
<td>6,007,250</td>
<td>(181,550)</td>
</tr>
<tr>
<td>Transient Occupancy (TOT)</td>
<td>1,817,070</td>
<td>1,898,877</td>
<td>3,890,000</td>
<td>48.81%</td>
<td>3,890,000</td>
<td>-</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>1,682,132</td>
<td>1,760,260</td>
<td>3,510,850</td>
<td>50.14%</td>
<td>3,561,200</td>
<td>50,350</td>
</tr>
<tr>
<td>Electric Utility Tax</td>
<td>1,557,699</td>
<td>1,711,948</td>
<td>3,348,000</td>
<td>51.13%</td>
<td>3,422,000</td>
<td>74,000</td>
</tr>
<tr>
<td>Franchise Tax</td>
<td>175,802</td>
<td>186,804</td>
<td>2,350,000</td>
<td>7.95%</td>
<td>2,487,750</td>
<td>137,750</td>
</tr>
<tr>
<td>Cogeneration Electric</td>
<td>662,896</td>
<td>517,872</td>
<td>1,400,000</td>
<td>36.99%</td>
<td>1,100,000</td>
<td>(300,000)</td>
</tr>
<tr>
<td>License &amp; Permits</td>
<td>626,517</td>
<td>575,414</td>
<td>1,343,100</td>
<td>42.84%</td>
<td>1,186,100</td>
<td>(157,000)</td>
</tr>
<tr>
<td>Gas Utility Tax</td>
<td>682,582</td>
<td>412,654</td>
<td>1,500,000</td>
<td>27.51%</td>
<td>825,000</td>
<td>(675,000)</td>
</tr>
<tr>
<td>Interest on Investments</td>
<td>350,920</td>
<td>403,677</td>
<td>875,000</td>
<td>46.13%</td>
<td>875,000</td>
<td>-</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>1,949,605</td>
<td>1,947,842</td>
<td>4,093,800</td>
<td>47.58%</td>
<td>3,924,600</td>
<td>(169,200)</td>
</tr>
<tr>
<td><strong>Total General Fund Revenues</strong></td>
<td><strong>27,226,425</strong></td>
<td><strong>27,362,137</strong></td>
<td><strong>49,127,550</strong></td>
<td><strong>55.70%</strong></td>
<td><strong>47,810,900</strong></td>
<td><strong>(1,316,650)</strong></td>
</tr>
<tr>
<td>Net of Transfers</td>
<td>27,226,425</td>
<td>27,362,137</td>
<td>49,127,550</td>
<td>55.70%</td>
<td>47,810,900</td>
<td>(1,316,650)</td>
</tr>
<tr>
<td><strong>Transfers In</strong></td>
<td>246,850</td>
<td>1,268,004</td>
<td>3,286,000</td>
<td></td>
<td>3,286,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total General Fund Revenues</strong></td>
<td><strong>27,473,275</strong></td>
<td><strong>28,630,141</strong></td>
<td><strong>52,413,550</strong></td>
<td></td>
<td><strong>51,096,900</strong></td>
<td><strong>(1,316,650)</strong></td>
</tr>
</tbody>
</table>

**Business License Tax** is the City's second largest General Fund revenue source, accounting for 20% of total revenues. The majority of this revenue stream is collected in January and February, and based on the revenues received in the first 6 months of the fiscal year this category is projected to fall short by approximately $200,000 of the adopted budget.

**Business License Tax**

FY 2010 Actual Revenue: $9,305,037
FY 2011 Adopted Budget: $10,043,000
FY 2011 Yearend Estimate: $9,850,000

Sales & Use Tax and Sales Tax in Lieu combined is the City's largest revenue source, accounting for 22% of the General Fund revenues. Sales and Use Tax receipts for the City's October through December sales (4th quarter for sales tax reporting) were 38.7% higher than the same quarter last year. Actual sales activity was up 34.6% when reporting aberrations were factored out. The City has experienced an increase in the business and industry sector due primarily to a use tax increase in the public utilities sector and the transportation non-auto sector had prior period fund transfers. While this increase is significant over the same period last year...
these were on-time increases that somewhat exaggerate the quarterly performance. Although, yearend estimates track to budget and show and increase over yearend FY 09-10 of $950,000. Adjusted for reporting aberrations, taxable sales for all of Los Angeles County showed an increase to fourth quarter last year of 7.1% while the Southern California region as a whole was up 6.8%.

**Sales Tax in Lieu** is received in two payments each year (January and May) and is calculated as a percentage of the estimated Sales and Use Tax and is projected to end the year slightly over budget by $97,000 and $340,200 below last year actual revenue.

**Sales & Use Tax**

<table>
<thead>
<tr>
<th>FY 2010 Actual Revenue:</th>
<th>$7,230,732</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2011 Adopted Budget:</td>
<td>$8,185,000</td>
</tr>
<tr>
<td>FY 2011 Yearend Estimate:</td>
<td>$8,185,000</td>
</tr>
</tbody>
</table>

**Sales Tax in Lieu**

<table>
<thead>
<tr>
<th>FY 2010 Actual Revenue:</th>
<th>$2,837,197</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2011 Adopted Budget:</td>
<td>$2,400,000</td>
</tr>
<tr>
<td>FY 2011 Yearend Estimate:</td>
<td>$2,497,000</td>
</tr>
</tbody>
</table>

**Property Tax** is currently 7.8% or $269,909 less than the same period last year and is projected to end the approximately $250,000 below budget. The City has experienced a net taxable value decrease of -3.0% for the 2010-2011 tax roll, which was slightly more than the decrease experienced countywide at -1.7%. The assessed value decrease between 2009-2010 and 2010-2011 was $19.4 million, which contributed to the overall decline in assessed value this year. Real property values were reduced 0.237%, the first ever negative inflationary adjustment since the adoption of Proposition 13.

**Property Taxes**

<table>
<thead>
<tr>
<th>FY 2010 Actual Revenue:</th>
<th>$6,291,148</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2011 Adopted Budget:</td>
<td>$6,188,800</td>
</tr>
<tr>
<td>FY 2011 Yearend Estimate:</td>
<td>$6,007,250</td>
</tr>
</tbody>
</table>

**Transient Occupancy Tax (TOT)** is currently 3.1% or $57,423 above the same period last year, with 48.2% of budget received. Although this revenue stream is starting to show slight indications of recovery, it remains especially sensitive to the economy. Through the second quarter of FY 2010-2011, TOT was showing a slight increase compared to the second quarter of FY 2009-2010, and it is hopeful that the trend will continue during the next two quarters. Based on staff inquiries the increase in this category is due to higher than projected occupancy levels driven by the increase in tourism and business travel. Staff will continue to monitor and report any changes due to the economic conditions at third quarter, but is projecting this revenue source to remain at the budgeted amount.
Transient Occupancy Tax
FY 2010 Actual Revenue: $3,954,416
FY 2011 Adopted Budget: $3,890,000
FY 2011 Yearend Estimate: $3,890,000

Charges for Services includes Zoning and Planning fees, Plan Check fees, Plan Retention fees, Energy Plan Check fees, and Planning Service fees and have a combined budget of $3,510,850. The City has received $1,760,260 or 50.1% combined through midyear. Staff had factored in the continued slowdown in housing and construction in the budget estimate for FY 2010-2011, and this revenue group is trending close to the budget estimate. At this time staff is estimating this revenue group to end the year on target.

Charges for Services
FY 2010 Actual Revenue: $3,196,415
FY 2011 Adopted Budget: $3,510,850
FY 2011 Yearend Estimate: $3,510,850

Electric Utility User’s Tax is estimated to come in higher than budget by approximately $74,000. The increase is attributable to an increase in consumption in the commercial and industrial sector. As of March 31, 2011, this revenue source is at 51.13% of the Adopted Budget. Based on staff research, electric rates have not changed and this modest increase is attributed to gradual economic recovery. This UUT is rebounding from the drop of 6% from the prior fiscal year.

Electric Utility User’s Tax
FY 2010 Actual Revenue: $3,374,081
FY 2011 Adopted Budget: $3,348,000
FY 2011 Yearend Estimate: $3,422,000

Franchise Tax is another one of the City’s major revenue sources that has been impacted by the fluctuating price of natural gas. The average price of natural gas for the 2010 calendar year is up 15% compared to calendar year 2009. This year’s annual payment from the two top tax producers was $157,500 higher than last year’s payment primarily due to a slight increase in the price of natural gas. These two companies account for over 90% of the total revenue received in this category and payments are made to the City once each year. However, this revenue category is down approximately $1.1 million compared to its high in FY 2008-09.

Franchise Tax
FY 2010 Actual Revenue: $2,327,662
FY 2011 Adopted Budget: $2,350,000
FY 2011 Yearend Estimate: $2,487,750
Cogenerated Electric Utility User’s Tax is estimated to come in lower than budget by $300,000 attributable to a reduction in the Short Run Avoided Cost (SRAC), which is the cost that the local refinery pays Southern California Edison (SCE) for electricity purchased and used to value the Cogenerated production for the tax payment. This SRAC formula is tied to changes in natural gas prices, which have continued to be unstable and this revenue is projected to end the year approximately $200,000 lower than FY 2010 yearend.

**Cogenerated Electric Utility User’s Tax**

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual Revenue</th>
<th>Adopted Budget</th>
<th>Yearend Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2010</td>
<td>$1,290,413</td>
<td>$1,400,000</td>
<td>$1,100,000</td>
</tr>
<tr>
<td>FY 2011</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**License and Permits** In the first quarter this revenue group recorded revenues of $322,698 or 24.0% of budget. At midyear this revenue stream is tracking at 42.8% of the estimated budget and is anticipated to end the year under budget by $157,000 due to a decrease in anticipated building and electrical permits.

**License and Permits**

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual Revenue</th>
<th>Adopted Budget</th>
<th>Yearend Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2010</td>
<td>$1,079,956</td>
<td>$1,343,100</td>
<td>$1,186,100</td>
</tr>
<tr>
<td>FY 2011</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Gas Utility Tax** is currently at 27.5% of budget. This revenue source continues to be difficult to forecast based on the uncertainty of the local power plant and the fluctuation of the price of natural gas.

**Gas Utility Tax**

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual Revenue</th>
<th>Adopted Budget</th>
<th>Yearend Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2010</td>
<td>$1,107,441</td>
<td>$1,500,000</td>
<td>$825,000</td>
</tr>
<tr>
<td>FY 2011</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Interest on Investments** has experienced a significant reduction due to the continued economic downturn and the result of the Federal Reserve Bank’s rate reduction in short-term and long-term interest rates over the last couple of years. Currently, the City’s portfolio is invested in Local Agency Investment Funds (LAIF) (21% of the portfolio value), money market accounts (15% of the portfolio value), negotiable CD’s, (8% of the portfolio value), Federal Agency Issues (28% of the portfolio value), and miscellaneous securities (28% of the portfolio value). The average return on our miscellaneous securities through midyear was 4.8%, and LAIF was 0.54%, and with the total average return for entire portfolio being 3.1%. LAIF is predicted to continue to return 0.54% or less through the end of the year we are estimating interest income will be on target with budget.
**Interest on Investments**

FY 2010 Actual: $836,000  
FY 2011 Adopted Budget: $875,000  
FY 2011 Yearend Estimate: $875,000  

**Estimated Revenues for Enterprise Funds**

Revenues in the Water and Sewer Fund are both on track to meet budget at yearend. The Golf Course Fund is currently showing 38% of budget received but is expected to be on target with budget at year end due to increased spring and summer usage.

**General Fund Expenditures**

**Fiscal Year 2010-2011 Budget Reduction Overview**

During the preliminary planning for the Fiscal Year 2010-2011 General Fund budget a deficit of approximately $10 million was identified. Staff presented an initial reduction of $4.8 million from the prior years adopted budget, as shown in Table 2 (below). This reduction was achieved through savings in professional technical and contract costs. The salary and benefit savings were attributed to 28 full time vacant positions.

*Table 2 – General Fund Budget Reductions – FY 2009-2010 compared to FY 2010-2011*

<table>
<thead>
<tr>
<th>Expenditure Group</th>
<th>Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Personnel</td>
<td>$1,095,491</td>
</tr>
<tr>
<td>Salaries</td>
<td>3,549,407</td>
</tr>
<tr>
<td>Benefits</td>
<td>173,302</td>
</tr>
<tr>
<td><strong>Total General Fund Expenditure Reductions</strong></td>
<td><strong>4,818,200</strong></td>
</tr>
</tbody>
</table>

To address the remaining $5.2 million deficit Council directed the City Manager to begin meeting with the labor unions regarding employee concessions and early retirement options to reduce personnel expenditures. The City successfully negotiated personnel reductions and employee concessions totaling $5.2 million or a 17% reduction in salaries and benefits. The summary of these savings is shown below in Table 3.
The Fiscal Year 2010-2011 Personnel Cost Reductions are valued as follows:

### Table 3 – Fiscal Year 2010-2011 Personnel Cost Reductions

<table>
<thead>
<tr>
<th>Personnel Cost Reductions</th>
<th>Value ($)</th>
<th>Value (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reduction in Workforce:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Early Retirements</td>
<td>$415,623</td>
<td>1.39%</td>
</tr>
<tr>
<td>7 Planned Retirements</td>
<td>762,942</td>
<td>2.54%</td>
</tr>
<tr>
<td>3 Resignations</td>
<td>314,775</td>
<td>1.05%</td>
</tr>
<tr>
<td>1 Reclassifications</td>
<td>37,210</td>
<td>0.12%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,530,550</td>
<td>5.10%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Concessions by Labor Groups:</strong></th>
<th>Value ($)</th>
<th>Value (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Employees Association</td>
<td>$365,749</td>
<td>1.22%</td>
</tr>
<tr>
<td>Firefighters Association</td>
<td>747,208</td>
<td>2.49%</td>
</tr>
<tr>
<td>Police Management Association</td>
<td>199,949</td>
<td>0.67%</td>
</tr>
<tr>
<td>Police Officers' Association</td>
<td>843,705</td>
<td>2.81%</td>
</tr>
<tr>
<td>Police Support Services Employees Association</td>
<td>68,117</td>
<td>0.23%</td>
</tr>
<tr>
<td>Supervisory and Professional Association</td>
<td>219,016</td>
<td>0.73%</td>
</tr>
<tr>
<td>Management/Confidential (unrepresented)</td>
<td>708,606</td>
<td>2.36%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$3,152,350</td>
<td>10.51%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Layoffs:</strong></th>
<th>Value ($)</th>
<th>Value (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 City Employees Association</td>
<td>$304,791</td>
<td>1.02%</td>
</tr>
<tr>
<td>1 Police Support Services Employees Association</td>
<td>56,764</td>
<td>0.19%</td>
</tr>
<tr>
<td>2 Supervisory and Professional Association</td>
<td>182,513</td>
<td>0.61%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$544,068</td>
<td>1.81%</td>
</tr>
</tbody>
</table>

**Total Reductions in Personnel Costs**

*The excess over the $5.1 million relates to the first 5% concession which began August 1, 2010.

$5,226,968* 17.42%

Table 4 shows the total budget reductions by department from FY 09/10 to FY 10/11:

### Table 4 – Fiscal Year 2009-2010 v. Fiscal Year 2010-2011 Adopted Budgets

<table>
<thead>
<tr>
<th>Department</th>
<th>Adopted Budget 09/10</th>
<th>Amended Budget 10/11</th>
<th>Total Budget Reductions by Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elected Officials</td>
<td>$924,900</td>
<td>$758,715</td>
<td>($166,185)</td>
</tr>
<tr>
<td>Administrative Support</td>
<td>5,815,050</td>
<td>4,846,818</td>
<td>(968,232)</td>
</tr>
<tr>
<td>Police</td>
<td>16,325,720</td>
<td>14,432,127</td>
<td>(1,893,593)</td>
</tr>
<tr>
<td>Fire</td>
<td>15,706,900</td>
<td>12,629,813</td>
<td>(3,077,087)</td>
</tr>
<tr>
<td>Communications Center</td>
<td>2,337,050</td>
<td>1,420,100</td>
<td>(916,950)</td>
</tr>
<tr>
<td>Planning /Building Safety</td>
<td>3,577,850</td>
<td>2,345,380</td>
<td>(1,232,470)</td>
</tr>
<tr>
<td>Public Works</td>
<td>5,104,830</td>
<td>5,177,767</td>
<td>(927,063)</td>
</tr>
<tr>
<td>Recreation and Parks</td>
<td>4,610,400</td>
<td>4,101,680</td>
<td>(508,720)</td>
</tr>
<tr>
<td>Library</td>
<td>2,296,450</td>
<td>2,099,835</td>
<td>(196,615)</td>
</tr>
<tr>
<td>Nondepartment</td>
<td>4,128,250</td>
<td>4,296,919</td>
<td>168,669</td>
</tr>
<tr>
<td>Transfers to Other Funds</td>
<td>501,000</td>
<td>301,000</td>
<td>(200,000)</td>
</tr>
<tr>
<td><strong>Total General Fund Expenditures</strong></td>
<td>$62,328,400</td>
<td>$52,410,156</td>
<td>($9,918,244)</td>
</tr>
</tbody>
</table>
Fiscal Year 2010-2011 Midyear Review of General Fund Expenditures

The General Fund expenditures through March 31, 2011 are illustrated in the following table:

<table>
<thead>
<tr>
<th>Department</th>
<th>Midyear 10/11</th>
<th>Midyear 09/10</th>
<th>Change from PY Midyear</th>
<th>% Change from PY Midyear</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elected Officials</td>
<td>$432,572</td>
<td>$404,541</td>
<td>$28,031</td>
<td>6.93%</td>
</tr>
<tr>
<td>Administrative Support</td>
<td>2,131,353</td>
<td>2,532,946</td>
<td>(401,593)</td>
<td>-15.85%</td>
</tr>
<tr>
<td>Police</td>
<td>8,115,039</td>
<td>8,160,762</td>
<td>(45,723)</td>
<td>-0.56%</td>
</tr>
<tr>
<td>Fire</td>
<td>7,093,274</td>
<td>7,411,103</td>
<td>(317,829)</td>
<td>-4.29%</td>
</tr>
<tr>
<td>Communications Center</td>
<td>990,468</td>
<td>1,055,728</td>
<td>(65,260)</td>
<td>-6.18%</td>
</tr>
<tr>
<td>Planning /Building Safety</td>
<td>1,077,065</td>
<td>1,171,478</td>
<td>(94,413)</td>
<td>-8.06%</td>
</tr>
<tr>
<td>Public Works</td>
<td>2,360,958</td>
<td>2,923,324</td>
<td>(562,366)</td>
<td>-19.24%</td>
</tr>
<tr>
<td>Recreation and Parks</td>
<td>2,026,777</td>
<td>2,105,254</td>
<td>(78,477)</td>
<td>-3.73%</td>
</tr>
<tr>
<td>Library</td>
<td>1,005,079</td>
<td>1,129,311</td>
<td>(124,232)</td>
<td>-11.00%</td>
</tr>
<tr>
<td>Nondepartment</td>
<td>2,348,622</td>
<td>2,700,768</td>
<td>(352,146)</td>
<td>-13.04%</td>
</tr>
<tr>
<td>Transfers to Other Funds</td>
<td>150,504</td>
<td>250,458</td>
<td>(99,954)</td>
<td>-39.91%</td>
</tr>
<tr>
<td><strong>Total General Fund Expenditures</strong></td>
<td><strong>27,731,711</strong></td>
<td><strong>29,845,673</strong></td>
<td><strong>(2,113,962)</strong></td>
<td><strong>-7.08%</strong></td>
</tr>
</tbody>
</table>

As demonstrated in Table 5, the City has been able to save $2.1 million or approximately 7.08% compared to the first six months of Fiscal Year 2009-2010.

Attributed to these savings are:

1. $1.5 million reduction in salaries paid to full-time employees;
2. $555,000 reduction in Vacation/Sick Leave Payouts;
3. $218,000 reduction in pension funding costs (direct effect of reduction in salaries);
4. $163,000 reduction in overtime pay;
5. $100,000 reduction in interfund transfers $78,000 reduction in supplies;
6. $22,000 reduction in books and printed materials;

However, the following expenditures show an increase when compared to Fiscal Year 2009-2010. These increases were included in the adopted budget:

1. $365,000 increase in Health Insurance costs due to premium increases; and
2. $545,000 increase in contractual services primarily due to annual increase in existing contract costs that were included in the adopted budget.

The projected General Fund expenditures at yearend are estimated to come in under prior year's actual expenditures by approximately $4.2 million and end the year slightly over current year budget by approximately $171,041 or 0.3%, as illustrated in Table 6 below. The primary reason for the slight overrun is due to additional costs for retiree payouts that will not provide the required savings target for Non Department. The table below shows non department ending the year $126,444 below budget but this amount will fall short of the projected savings by 171,041.

It is important to note that the value of the concessions totaling $5.1 million is the annualized
savings and will be realized but is offset by the slight overrun. This amount is shown separate from the department totals due to timing of budget adoption and finalizing concessions with the bargaining groups. Additionally, two employee groups agreed to concessions that included a reduction in vacation balances, which totaled $218,447. This amount is listed separately to show the value that will positively impact the City’s long-term liabilities.

Table 6 – Fiscal Year 2010-2011 Budget v. Projected Year-end – General Fund

<table>
<thead>
<tr>
<th>Department</th>
<th>Budget 09/10</th>
<th>Budget 10/11</th>
<th>Projected Year-End 10/11</th>
<th>FY 09/10 Actual</th>
<th>(Over) Under FY 10/11 Actual</th>
<th>$ (Over) Under 10/11 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elected Officials</td>
<td>$ 924,900</td>
<td>909,439</td>
<td>775,901</td>
<td>828,007</td>
<td>52,106</td>
<td>133,538</td>
</tr>
<tr>
<td>Administrative Support</td>
<td>5,815,050</td>
<td>5,376,441</td>
<td>4,397,663</td>
<td>5,177,946</td>
<td>780,283</td>
<td>978,778</td>
</tr>
<tr>
<td>Fire</td>
<td>15,706,900</td>
<td>14,160,358</td>
<td>13,257,498</td>
<td>13,591,663</td>
<td>334,165</td>
<td>902,860</td>
</tr>
<tr>
<td>Communications Center</td>
<td>2,337,050</td>
<td>1,420,100</td>
<td>1,380,700</td>
<td>1,802,452</td>
<td>421,752</td>
<td>39,400</td>
</tr>
<tr>
<td>Planning/Building Safety</td>
<td>3,577,850</td>
<td>2,592,329</td>
<td>2,193,092</td>
<td>2,341,384</td>
<td>148,292</td>
<td>399,237</td>
</tr>
<tr>
<td>Public Works</td>
<td>6,104,830</td>
<td>5,496,562</td>
<td>4,974,756</td>
<td>5,296,757</td>
<td>322,001</td>
<td>521,806</td>
</tr>
<tr>
<td>Recreation and Parks</td>
<td>4,610,400</td>
<td>4,546,184</td>
<td>4,004,287</td>
<td>4,509,013</td>
<td>504,726</td>
<td>541,897</td>
</tr>
<tr>
<td>Library</td>
<td>2,296,450</td>
<td>2,318,029</td>
<td>1,974,250</td>
<td>2,110,018</td>
<td>135,768</td>
<td>343,779</td>
</tr>
<tr>
<td>Nondepartment</td>
<td>4,128,250</td>
<td>4,504,059</td>
<td>4,377,617</td>
<td>6,053,483</td>
<td>1,675,866</td>
<td>126,442</td>
</tr>
<tr>
<td>Transfers to Other Funds</td>
<td>501,000</td>
<td>301,000</td>
<td>301,000</td>
<td>151,000</td>
<td>(150,000)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>62,328,400</td>
<td>57,724,449</td>
<td>53,013,937</td>
<td>57,217,704</td>
<td>4,203,767</td>
<td>4,710,512</td>
</tr>
</tbody>
</table>

The following is summary of General Fund expenditures by major categories:

**Elected Officials and Administrative Support Services**

The Elected Officials category, which consists of the City Council, City Clerk and City Treasurer, has expenditures totaling $432,572 or 57.01% of the adjusted budget. It is expected that this category comes in on target with budgeted amounts.

The Administrative Support category, which includes the City Manager’s office, Finance and Human Resources, has expenditures totaling $2,131,353 or 43.97% of budget. This category currently has a total of 7 vacant positions to which these cost savings can be attributed. It is expected that this category comes in on target with budgeted amounts.
Public Safety

The Police Department is projected to come in on target with budget at yearend, primarily due to cost savings on salaries for unfilled positions. This category currently has a total of 8 vacant positions to which some cost savings can be attributed. Midyear expenditures totaled $8,131,039 or 56.34% of budget. It is expected that the year-end expenditures for this department will be within the budgeted amounts as this department has no plans of expending any General Fund monies towards filling any of the vacancies. In addition, this department is expected to save approximately $226,000 in furloughs during the last 6 months of the fiscal year. This department also shows a reduction in overtime expense of 10% when compared to the first six months of the prior year.

The Fire Department is projected to come in under budget at yearend as well, primarily due to cost savings resulting from running down daily staffing levels from 18 to 14. This is accomplished through absences and current vacant positions not being filled. Midyear expenditures totaled $7,093,274 or 56.16% of budget. This category currently has a total of 3 sworn and 1 civilian vacant positions and is expected to come in within budget due to these vacant positions in addition to approximately $97,000 in furloughs to be taken during the last 6 months of the fiscal year. Additionally, Leave Replacement Overtime is down 35.6% and FLSA overtime is down 33.7% compared to the same period last year.

The Communications Center is projected to come in at budget at yearend. Midyear expenditures totaled $990,468 or 69.75% of budget. This category is expected to come in within budget as there is only one additional payment of approximately $300,000 to be made during this fiscal year.

Planning and Building Safety

Midyear expenditures totaled $1,077,065 or 45.92% of the budget. This department continues to maximize staffing efficiency with consultant resources; this, in turn enables them to more effectively control expenditures when necessary due to the uncertain economic conditions and fluctuation in the volume of permit applicants. This department is projected to come in under budget at year-end. This category currently has a total of 2 vacant positions to which some of these cost savings can be attributed.

Public Works

This function’s General Fund divisions consist of Government Buildings, Engineering, Street Services, Street Maintenance, Traffic Safety, Solid Waste Recycling, Wastewater, Storm Drains, Equipment Maintenance and Administration. As of March 31, 2011, the department is slightly below budget with actual expenditures at $2,360,958 or 45.92% of budget. This category currently has a total of 5 vacant positions to which these cost savings can be attributed.
Recreational, Cultural and Information Services

The Recreation, Cultural and Information Services function includes the Recreation and Parks Department and the Library Department.

For the first six months of the fiscal year, the Recreation and Parks department is slightly below budget with actual expenditures at $2,026,777 or 49.41% of budget. Currently, the Parks Division is $1,003,490 or 21.76% of budget and the Recreation Division is $1,101,765 or 23.89% of budget. This category currently has a total of 3 vacant positions to which these cost savings can be attributed.

Library Services is on target with budget at $1,005,079 or 47.86% of expenditures realized though the first six months of the fiscal year. This category currently has a total of 1 vacant position to which these cost savings can be attributed. Also, the Library Department has reduced their hours/days of operations.

Nondepartment

Nondepartment is projected to end the year slightly over plan. The primary reason for the slight overrun is due to additional costs for retiree payouts that will not provide the required savings falling short by 171,041.

Summary

This midyear review shows that the approved budget realistically forecasted revenues and expenses and staff has been managing operations within the constraints of the current budget. However, with half of the fiscal year complete, General Fund expenditures are at 52.91% of budget and are projected to come in slightly over budget by approximately $171,050 or 0.3%. While revenues are estimated to end the year $1.3 million below plan this is still a preliminary estimate and staff will be monitoring both revenues and expenditures and at the third quarter review will provide updated yearend estimates. Staff will continue to identify expenditures savings and continue to implement cost reduction measures in an effort to reduce or eliminate the estimated shortfall.