



AGENDA

EL SEGUNDO CITY COUNCIL

6:00 PM Regular Session

January 19, 2021

DUE TO THE COVID-19 EMERGENCY, THIS MEETING WILL BE CONDUCTED PURSUANT TO THE GOVERNOR'S EXECUTIVE ORDER N-29-20.

TELECONFERENCE VIA ZOOM MEETING

MEETING ID: 920 3810 4572

PIN: 513979

PUBLIC ADVISORY:

THE CITY COUNCIL CHAMBER WILL NOT BE OPEN TO THE PUBLIC

How Can Members of the Public Observe and Provide Public Comments?

- Residents can watch the meeting live via Spectrum Channel 3 and 22, AT&T U-Verse Channel 99 and/or El Segundo TV at YouTube.com.
- Access remotely via Zoom from a PC, Mac, iPad, iPhone or Android device or by phone. Use URL [https://zoom.us/j/920 3810 4572](https://zoom.us/j/92038104572) and enter PIN: 513979; or visit www.zoom.us on device of choice, click on "Join a Meeting" and enter meeting ID: 920 3810 4572 and PIN: 513979
- Join by phone at 1-669-900-9128 and enter meeting ID and PIN.
NOTE: Your phone number is captured by the Zoom software and is subject to the Public Records Act, dial *67 BEFORE dialing in to remain anonymous.
- Note that you will be placed in a "listen only" mode and your video feed will not be shared with the Council or public.
- For Public Communications and comments during Public Hearings, please notify the meeting host by raising your virtual hand (see hand icon at bottom of screen) and you will be invited to speak. **(If you do not wish for your name to appear on the screen, then use the drop-down menu and click on "rename" to rename yourself "anonymous")**
- Do not simultaneously use a microphone through Zoom and a cellphone/telephone, this combination results in audio problems.
- For electronic public comments on a specific agenda item, submit comments to the following e-mail address, with a limit of 150 words and accepted up until 30 minutes prior to the meeting: PUBLICCOMMUNICATIONS@elsegundo.org, **in the subject line please state the meeting date and item number.** Depending on the volume of communications, the emails will be read to Council during public communications
- For Public Hearings: written communications will be accepted both before the meeting and during the open period of the Public Hearing at PUBLICCOMMUNICATIONS@elsegundo.org.
- All written communication, documents, email addresses of attendees captured by Zoom software will be considered a public document subject to possible posting on the City's website and are subject to disclosure under the Public Records Act.

Additional Information:

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 state: Your name and residence and the organization you represent, if desired. Please respect the time limits.

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, JANUARY 19, 2021 - 6:00 P.M.
REGULAR SESSION**

CALL TO ORDER

INVOCATION – Tracy Weaver, City Clerk

PLEDGE OF ALLEGIANCE – Council Member Giroux

ROLL CALL

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

CITY MANAGER FOLLOW-UP COMMENTS – (Related to Public Communications)

SPECIAL PRESENTATIONS:

- a) Proclamation – Los Angeles County Air Force Base – U.S. Space Force
- b) COVID-19 Update

A. PROCEDURAL MOTIONS

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

Recommendation – Approval.

B. CONSENT CALENDAR

1. Approve Regular and Special City Council Meeting Minutes of December 15, 2020.
2. Approve warrant numbers 3033878 - 3033968 and 9001775 – 9001776 on Register No. 6a in the total amount of \$453,744.03 and wire transfers from 12/07/2020 through 12/13/2020 in the total amount of \$3,412,868.34. Warrant numbers 3033969 – 3034054 and 9001777 – 9001778 on Register No. 6b in the total amount of \$1,932,818.90 and wire transfer from 12/14/2020 through 12/20/2020 in the total amount of \$377,575.77. Warrant numbers 3034055 – 3034108 and 9001779 – 9001780 on Register No. 6c in the total amount of \$199,871.93 and wire transfer from 12/21/2020 through 12/27/2020 in the total amount of \$444,955.32.
3. Approve Fiscal Year (FY) 2021-2022 budget calendar establishing study sessions and public hearing dates for FY 2021-2022 Operating Budget, Capital Improvement Program Budget and User Fees.
4. Approve continuing appropriations totaling \$646,451.42 from FY 2019-2020 to FY 2020-2021, thereby amending the Fiscal Year 2020-2021 Adopted Budget.
5. Authorize the Mayor to sign second amendment to the Measure R funding Agreement between City of El Segundo and Los Angeles County Metropolitan Transportation Authority to receive \$5,000,000 for a total of \$5,350,000 Measure R funds for Plans, Specifications and Estimate (PS&E) development phase of the Park Place Roadway Extension and Railroad Grade Separation Project and authorize staff to advertise the Design RFP for the Park Place Extension Project.
6. Approve an amendment to the KNN Public Finance LLC Agreement Number 5941 for financial municipal advisory services related to the issuance of Pension Obligation Bonds (POBs).
7. Authorize City Manager to sign a professional services agreement for an amount not to exceed \$70,000 with Orrick, Herrington & Sutcliffe LLP for professional bond counsel services related to the issuance of taxable pension obligation bonds (POBs).
8. Authorize City Manager to execute an amendment with Prosum Technology Services to increase the contract amount by \$350,000 for a total contract amount of \$2,150,000.
9. Authorize the City Manager to execute an agreement in a form approved by the City Attorney with Buffalo Computer Graphics for a total contract amount of \$193,000 to provide a crisis management software and appropriate \$193,000 from the State Homeland Security Grant Revenue Fund to the State Homeland Security Grant Expense Fund.

10. Adopt a resolution authorizing the City Manager to (a) submit annual applications to California Department of Resources Recycling and Recovery for Beverage Container Recycling City/County Payment Programs; (b) execute all grant documents; and (c) accept and spend any and all grant funds awarded to the City.
11. Authorize City Manager to execute a contract with CrowdStrike for \$57,000 for renewal of essential cyber security software and services.

C. PUBLIC HEARINGS

12. Adopt a resolution approving a proposed change to the City's CDBG FY 2020/2021 Program. The change temporarily cancels the implementation of CDBG Project 602062-19, Joslyn Center Americans with Disabilities Act (ADA) Compliant Restroom Facilities Improvement Project, and, alternatively re-appropriates funds totaling \$122,361 to a new FY 2020-2021 CDBG project entitled, "City Hall ADA Restroom Facilities Improvement Project"; and authorize the City Manager to execute all contracts, in a form approved by the City Attorney, with the Los Angeles County Development Authority (LACDA).

[This action is exempt from CEQA pursuant to CEQA Guidelines §15061(b)(3) which is the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment and CEQA does not apply where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.]

D. STAFF PRESENTATIONS

13. Receive and file an update on the City's efforts towards meeting State affordable housing mandates including Regional Housing Needs Assessment (RHNA) and the Housing Element.
14. Adopt a Resolution providing for the issuance and sale of taxable pension obligation bonds and authorizing the execution of a trust agreement, a validation action and other related matters; and authorize the City Manager and Chief Financial Officer to take all administrative and budgetary actions necessary to perform the bond issuance.
15. Approve the 2021 Legislative Platform representing the official City positions on proposed regional, state, and federal legislation.

E. COMMITTEES, COMMISSIONS AND BOARDS PRESENTATIONS:

F. REPORTS – CITY CLERK

G. REPORTS – CITY TREASURER

H. REPORTS – COUNCIL MEMBERS

Council Member Giroux –

Council Member Nicol -

Council Member Pirsztuk -

Mayor Pro Tem Pimentel –

Mayor Boyles –

I. REPORTS – CITY ATTORNEY

J. REPORTS/FOLLOW-UP – CITY MANAGER

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)

MEMORIAL –

ADJOURNMENT

POSTED:

DATE: January 15, 2021

BY: Tracy Weaver

TIME: 11am

Commendation

City of El Segundo, California

WHEREAS, *the U.S. Space Force (USSF) is a new branch of the Armed Forces. It was established on December 20, 2019 with enactment of the Fiscal Year 2020 National Defense Authorization and currently has around 16,000 individuals assigned to the U.S. Space Force which is now an option given to the Air Force cadets at the Air Force Academy, and for recruits during their enlistment process; and*

WHEREAS, *the primary mission of the U.S. Space Force as directed by Congress is to maintain, protect, and expand the U.S. fleet of advanced military satellites that form the backbone of U.S. global military operations; and*

WHEREAS, *the U.S. Space Force was established within the Department of the Air Force, meaning the Secretary of the Air Force has responsibility for the USSF, under the guidance of the Secretary of Defense. Additionally, a four-star general known as the Chief of Space Operations (CSO) serves as the senior military member of the USSF; and*

WHEREAS, *the Space and Missile Systems Center (SMC) located at Los Angeles Air Force Base in El Segundo, California, serves as the premier center of technical excellence for developing, acquiring, fielding, launching, and sustaining military space systems. SMC supports 200,000 Total Force and Joint Military/Civilian Employees, retirees and families in the Los Angeles area and has an economic impact of \$2.5 billion with 19.4 thousand total jobs created. SMC's mission is to deliver resilient, affordable and sustainable space capabilities and is responsible for on-orbit check-out, testing, sustainment and maintenance of military satellite constellations and other Department of Defense space systems; and*

WHEREAS, *SMC established the second iteration of the Space Enterprise Consortium, authorizing up to \$12 billion for space-related Department of Defense prototype projects over a 10-year period. Since its inception in 2017, membership has grown to 441 business, academia and industry partners and has awarded 80 prototype efforts. Additionally, Los Angeles Air Force Base is now the first-ever space-focused innovation hub with the stand-up of SpaceWERX, where acquisition stakeholders will match technologies to opportunities for integration.*

NOW, THEREFORE, *the Mayor and Members of the City Council of the City of El Segundo, California, hereby thank our local members of the U.S. Space Force and recognizes and celebrates the United States Space Force on its 1st Birthday.*



Mayor Drew Boyles

Mayor Pro Tem Chris Pimentel

Council Member Carol Pirsztuk

Council Member Scot Nicol

Council Member Lance Giroux

PLACE HOLDER

SPECIAL PRESENTATIONS

b) COVID-19 Update

REGULAR MEETING OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, NOVEMBER 3, 2020 - 6:00 P.M.
This meeting was conducted virtually via Zoom conferencing

CALL TO ORDER - Virtually by Mayor Boyles at 6:00PM

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

PLEDGE OF ALLEGIANCE – Council Member Pirsztuk

ROLL CALL

Mayor Boyles	-	Present via teleconferencing
Mayor Pro Tem Pimentel	-	Present via teleconferencing
Council Member Pirsztuk	-	Present via teleconferencing
Council Member Nicol	-	Present via teleconferencing
Council Member Giroux	-	Present via teleconferencing

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

CITY MANAGER FOLLOW-UP COMMENTS – (Related to Public Communications)

SPECIAL PRESENTATIONS:

- a) Recognition – Fire Department – Chief Donovan
 - James Carver – Fire Marshal – 29 yrs
- b) Recognition – Retirement
 - Jackie Day – Senior Admin Specialist – 10 yrs. – Melissa McCollum
 - Damian Vos - Water Maintenance Lead worker – 32 yrs. – Elias Sassoon
 - David Gray – Technical Services Analyst - 26 Years – Charles Mallory
 - Daniel Kim – Police Lieutenant - 28 Years – Chief Whalen
 - Donnella Nubia – Police Assistant II - 30 years – Chief Whalen
 - Larry Harrington – Police Service Officer II - 29 years – Chief Whalen
- c) Recognition – Frank Maranto, Mattel – Mayor Boyles
- d) Holiday Events Update – Melissa McCollum
- e) COVID-19 Update – Chief Donovan

PROCEDURAL MOTIONS

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

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

A. CONSENT CALENDAR

1. Approve Regular and Special City Council Meeting Minutes of December 1, 2020.
2. Approve warrant numbers 3033679 - 3033748 and 9001730 – 9001730 on Register No. 4b in the total amount of \$89,183.52 and wire transfers from 11/16/2020 through 11/22/2020 in the total amount of \$382,132.47. Approve warrant numbers 3033749 – 3033816 and 9001731 on Register No. 5a in the total amount of \$294,040.04 and wire transfers from 11/23/2020 through 11/29/2020 in the total amount of \$695,167.71. Approve warrant numbers 3033817 – 3033877 and 9001732 – 9001774 on Register No. 5b in the total amount of \$362,149.24 and wire transfers from 11/30/20 through 12/06/20 in the total amount of \$63,775.43. Ratified Payroll and Employee Benefit checks; checks released early due to contracts or agreement; emergency disbursements and/or adjustments; and wire transfers
3. Adopt proposed resolution no. 5240 to vacate the public water line service easement at 2000 El Segundo Boulevard.
(Fiscal Impact: None)
4. Adopt Resolution No. 5241 approving plans and specifications for FY 20/21 Pavement Rehabilitation and authorize staff to advertise project for construction bids. (Project No. PW 21-01)
(Fiscal Impact: \$1,244,217.83 for construction and inspection)
5. Approve an amendment no. 5853A to Agreement No. 5853 with Lionakis, an architecture design firm, for an additional \$14,300 to increase total contract amount from \$48,000 to \$62,300 for design service, adopt resolution no. 5242 approving Plans and Specifications for City Hall Window Replacement Project and authorize staff to advertise project for construction bids.
(Fiscal Impact: \$625,000 included in FY 2020-2021 budget)
6. Adopt Resolution No. 5243 to approve the amended Part-time/Hourly Classifications Salary Schedule to meet state requirements.
(Fiscal Impact: Funding incorporated in the Adopted FY 2020-2021 Citywide Budget)
7. Direct staff to open the recruitment process for positions on the Committees, Commissions and Boards
(Fiscal Impact: None)

MOTION by Council Member Pirsztuk, SECONDED by Council Member Nicol, approving Consent Agenda items 1, 2, 3, 4, 5, 6 and 7. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

B. PUBLIC HEARINGS: None

C. STAFF PRESENTATIONS:

8. Ratify amendment to Administrative Order #2.
(Fiscal Impact: None)

Randy Collins, Emergency Management Coordinator reported on the item.

Council discussion

MOTION by Council Member Pirsztuk, SECOND by Mayor Pro Tem Pimentel ratifying the Administrative Order. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Items #9 and #10 switched order

9. Review of water and wastewater rate studies, direct staff to commence with Proposition 218 protest procedures regarding proposed water and sewer rates for FY 2020-2021 through 2024-2025, using procedures adopted September 16, 2014 by resolution 4888 establishing procedures for mailing, handling and counting Proposition 218 ballots and set a public hearing for February 16, 2021 to consider an ordinance increasing water and wastewater rates and fees.
(Fiscal Impact: Proposed water and wastewater rates will be adjusted over the next five fiscal years as follows;
Water – FY 20-21 - 0%, FY 21-22 - 3%, FY 22-23 - 3%, FY 23-24 - 3%,
FY 24-25 - 3%;
Wastewater - FY 20-21 - 9%, FY 21-22 - 9%, FY 22-23 – 9.5%, FY 23-24 - 9.5%,
FY 24-25 - 9.5%)

Joe Lillio, Chief Financial Officer, introduced the item.

Sanjay Guar, Raftelis consultant, gave a presentation

Council discussion

Dale Burgoyne, Sr. Environmental Engineer with Los Angeles Hyperion Plant, Tim Dafeta, Plant Manager with Los Angeles Hyperion Plant, Elias Sassoon, Public Works Director all answered Council's questions.

SEE VIDEO

D. COMMITTEES, COMMISSIONS AND BOARDS PRESENTATIONS: None

10. Receive and file Arts and Culture Advisory Committee Report including: FY 2019-2020 Accomplishments, ACC Workflow Realignment and FY 2020-2021 Work Plan and direct ACC to implement FY 2020-2021 Work Plan.
(Fiscal Impact: None)

Melissa McCollum, Community Services Director introduced Neal Von Flue, Arts and Culture Committee Chairperson who gave a presentation.

Council discussion

Council consensus to receive and file presentation

MOTION by Council Member Pirsztuk, SECONDED by Mayor Pro Tem Pimentel directing the Arts and Culture Committee to implement FY 2020-2021 Work Plan.
MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

- E. REPORTS – CITY CLERK – Wished everyone a Merry Christmas, Happy Holidays and will see everyone in January.
- F. REPORTS – CITY TREASURER – Not present
- G. REPORTS – COUNCIL MEMBERS

Council Member Giroux – Passed

Council Member Nicol – Thanked the Arts and Culture Committee for tonight's presentation and stated a report is coming from the Park Vista Senior Housing Board in the near future. Thanked Paul Lanyi for his efforts in organizing the Community to send Holiday cards to residents of Park Vista.

Council Member Pirsztuk – Thanked the Arts and Culture Committee for tonight's presentation. Thanked Recreation and Parks, Library and Public Works for their efforts in organizing various holiday events throughout the month of December. Congratulated ESUSD on being able to send students K-2 back to the classroom.

Mayor Pro Tem Pimentel – Mentioned bus riders should be aware new routes are going into effect soon out of Torrance and stated Metro Micro rideshares serves Inglewood, Westchester and Northern half of El Segundo for only \$1.00 per ride. Mentioned the continued EIR notice period for LAWA will be presented to the SBCOG at their next meeting. Will attend the upcoming Sanitation District meeting.

Mayor Boyles – Mentioned SBCOG voted to form a stand-up committee to anyone wishing to serve to explore leveraging LA County Health Orders and attended the AQMD meeting.

The most important business at hand, is approving the following;

Approve request by Mr. S. Claus for a waiver of the permits required for doing business within the City of El Segundo as follows:

1. The use of air rights and waiver of the Santa Monica Radial 160 R procedure;
2. Grant a free business license for a non-profit organization;
3. Waiver of the Noise Ordinance to permit the sound of bells;
4. Waiver of the Trespass Ordinance including dealing with trespassing animals;
5. Waiver of the ordinance on Animal Regulations.

Council Consensus to approve the waivers for Mr. S Claus!

- H. REPORTS – CITY ATTORNEY – Wished everyone Happy Hanukah and Merry Christmas.
- I. REPORTS/FOLLOW-UP – CITY MANAGER – Commented on the year and praised the Council for the leadership during the pandemic and gave an overview of upcoming items for 2021 Council meeting.

MEMORIAL – George Hoopes and Henry Arredondo

ADJOURNED at 8:39 PM

Tracy Weaver, City Clerk

CITY OF EL SEGUNDO
WARRANTS TOTALS BY FUND

3033878 - 3033968
9001775 - 9001776

DATE OF APPROVAL: AS OF 1/5/21

REGISTER # 88

001	GENERAL FUND	358,627.02
104	TRAFFIC SAFETY FUND	-
106	STATE GAS TAX FUND	-
108	ASSOCIATED RECREATION ACTIVITIES FUND	-
109	ASSET FORFEITURE FUND	8,255.15
111	COMM. DEVEL. BLOCK GRANT	-
112	PROP "A" TRANSPORTATION	-
114	PROP "C" TRANSPORTATION	621.03
115	AIR QUALITY INVESTMENT PROGRAM	-
116	HOME SQUAD INSTALLATION FUND	-
117	HYPERION MITIGATION FUND	-
118	TDA ARTICLE 3 - SB 821 BIKEWAY FUND	-
119	MTA GRANT	-
121	FEMA	-
120	C.O.P.S. FUND	-
122	L.A.W.A. FUND	-
123	PSAF PROPERTY TAX PUBLIC SAFETY	-
124	FEDERAL GRANTS	-
126	STATE GRANT	-
126	AP CUPA Program Oversight Surcharge	1,729.00
128	SB-1	-
129	Certified Access Specialist Program (CAS)	-
130	AFFORDABLE HOUSING	-
131	COUNTY STORM WATER PROGRAM	-
202	ASSESSMENT DISTRICT #73	-
301	CAPITAL IMPROVEMENT FUND	28,195.50
302	INFRASTRUCTURE REPLACEMENT FUND	-
405	FACILITIES MAINTENANCE	-
504	WATER UTILITY FUND	1,545.67
502	WASTEWATER FUND	4,298.15
503	GOLF COURSE FUND	176.40
504	PARK VISTA	217.80
505	SOLID WASTE	42,000.00
601	EQUIPMENT REPLACEMENT	1,352.89
602	LIABILITY INSURANCE	72.80
603	WORKERS COMP. RESERVE/INSURANCE	-
701	RETIRED EMP. INSURANCE	-
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	9,638.72
703	EXPENDABLE TRUST FUND - OTHER	1,014.00
708	OUTSIDE SERVICES TRUST	-
	TOTAL WARRANTS	\$ 453,744.03

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Information on actual expenditures is available in the Director of Finance's office in the City of El Segundo.

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

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

CODES:

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

For Ratification:

A = Payroll and Employee Benefit checks

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

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

FINANCE DIRECTOR

Digitally signed by Joseph Lillio
DN: cn=Joseph Lillio, o=City of El Segundo,
ou=Director of Finance,
email=jllilio@elsegundo.org, c=US
Date: 2020.12.11 11:08:50 -0800

DATE: Joseph Lillio

CITY MANAGER

DATE:

Barbara Voss
1-5-21

VOID CHECKS DUE TO ALIGNMENT:

N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE:

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR:

NOTES

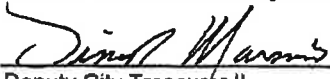
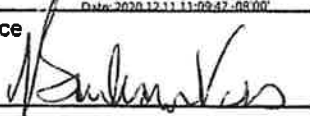
**CITY OF EL SEGUNDO
PAYMENTS BY WIRE TRANSFER
12/07/20 THROUGH 12/13/20**

<u>Date</u>	<u>Payee</u>		<u>Description</u>
12/7/2020	IRS	203,039.22	Federal 941 Deposit
12/7/2020	Employment Development	1,749.26	State SDI payment
12/7/2020	Employment Development	55,117.86	State PIT Withholding
12/7/2020	Manufacturers & Traders	59,858.73	457 payment Vantagepoint
12/9/2020	Cal Pers	500.00	Admin fee - 20283 Arrears, CalPERS 5/18-3/19
12/9/2020	Cal Pers	3,175.80	ArrearsContributions, CalPERS 5/18-3/19
12/10/2020	West Basin	1,899,886.91	H2O payment
12/10/2020	Cal Pers	11,020.93	EFT Retirement Safety-Fire-PEPRA New 25020
12/10/2020	Cal Pers	23,481.61	EFT Retirement Safety-Police-PEPRA New 25021
12/10/2020	Cal Pers	38,415.57	EFT Retirement Misc - PEPRA New 26013
12/10/2020	Cal Pers	48,577.04	EFT Retirement Misc - Classic 27
12/10/2020	Cal Pers	71,339.73	EFT Retirement Safety Police Classic - 1st Tier 28
12/10/2020	Cal Pers	56,324.87	EFT Retirement Safety Fire- Classic 30168
12/10/2020	Cal Pers	6,832.04	EFT Retirement Sfty Police Classic-2nd Tier 30169
12/10/2020	Cal Pers	11,020.93	EFT Retirement Safety-Fire-PEPRA New 25020
12/10/2020	Cal Pers	22,779.28	EFT Retirement Safety-Police-PEPRA New 25021
12/10/2020	Cal Pers	37,313.53	EFT Retirement Misc - PEPRA New 26013
12/10/2020	Cal Pers	48,561.38	EFT Retirement Misc - Classic 27
12/10/2020	Cal Pers	67,361.49	EFT Retirement Safety Police Classic - 1st Tier 28
12/10/2020	Cal Pers	56,232.42	EFT Retirement Safety Fire- Classic 30168
12/10/2020	Cal Pers	6,443.18	EFT Retirement Sfty Police Classic-2nd Tier 30169
12/10/2020	Manufacturers & Traders	53,571.65	457 payment Vantagepoint
12/10/2020	Manufacturers & Traders	1,130.77	401(a) payment Vantagepoint
12/10/2020	Manufacturers & Traders	550.00	IRA payment Vantagepoint
12/10/2020	Cal Pers	553,098.42	EFT Health Insurance Payment
12/11/2020	Dept. of Health Care Svcs	4,005.20	Ground EMT Transport Q2-20
12/11/2020	Dept. of Health Care Svcs	5,329.50	Ground EMT Transport Q3-20
11/30/20-12/06/20	Workers Comp Activity	25,868.84	SCRMA checks issued
11/30/20-12/06/20	Liability Trust - Claims	40,282.18	Claim checks issued
11/30/20-12/06/20	Retiree Health Insurance	0.00	Health Reimbursement checks issued
		<u>3,412,868.34</u>	

**DATE OF RATIFICATION: 12/10/20
TOTAL PAYMENTS BY WIRE:**

3,412,868.34

Certified as to the accuracy of the wire transfers by:


 Deputy City Treasurer II 12/10/2020
Digitally signed by Joseph Lillio
DN: cn=Joseph Lillio, o=City of El Segundo,
ou=Director of Finance,
email=jlillio@elsegundo.org, c=US
Date: 2020.12.11 11:09:47 -0800' Date
12-11-2020
 Joseph Lillio
 Director of Finance Date

 City Manager Date
1-5-21

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

CITY OF EL SEGUNDO
WARRANTS TOTALS BY FUND

3033969 - 3034054
9001777 - 9001778

DATE OF APPROVAL: AS OF 1/5/21

REGISTER # 6b

001	GENERAL FUND	559,202.35
104	TRAFFIC SAFETY FUND	-
106	STATE GAS TAX FUND	58.08
108	ASSOCIATED RECREATION ACTIVITIES FUND	-
109	ASSET FORFEITURE FUND	-
111	COMM. DEVEL. BLOCK GRANT	-
112	PROP "A" TRANSPORTATION	-
114	PROP "C" TRANSPORTATION	-
115	AIR QUALITY INVESTMENT PROGRAM	-
116	HOME SOUND INSTALLATION FUND	-
117	HYPERION MITIGATION FUND	-
118	TDA ARTICLE 9 - SB 821 BIKEWAY FUND	-
119	NTA GRANT	-
121	FEMA	-
120	C.O.P.S. FUND	-
122	L.A.W.A. FUND	-
123	PEAF PROPERTY TAX PUBLIC SAFETY	-
124	FEDERAL GRANTS	-
125	STATE GRANT	-
126	APF CUPA Program Oversight Surcharge	202.84
128	SB-1	302,507.68
129	Certified Access Specialist Program (CAS)	-
130	AFFORDABLE HOUSING	-
131	COUNTY STORM WATER PROGRAM	-
202	ASSESSMENT DISTRICT #73	-
301	CAPITAL IMPROVEMENT FUND	35,596.01
302	INFRASTRUCTURE REPLACEMENT FUND	-
405	FACILITIES MAINTENANCE	-
501	WATER UTILITY FUND	7,311.57
502	WASTEWATER FUND	871,094.18
503	GOLF COURSE FUND	8,000.00
504	PARK VISTA	-
505	SOLID WASTE	-
601	EQUIPMENT REPLACEMENT	-
602	LIABILITY INSURANCE	\$2.32
603	WORKERS COMP, RESERVE/INSURANCE	123,947.77
701	RETIRED EMP. INSURANCE	5,952.00
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	12,747.50
703	EXPENDABLE TRUST FUND - OTHER	6,046.60
708	OUTSIDE SERVICES TRUST	-
	TOTAL WARRANTS	<u>\$ 1,932,818.90</u>

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Information on actual expenditures is available in the Director of Finance's office in the City of El Segundo.

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

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

CODES:

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

For Ratification:

A = Payroll and Employee Benefit checks

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

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

FINANCE DIRECTOR

DATE:

Joseph Lillio

Digitally signed by Joseph Lillio
DN: cn=Joseph Lillio, o=City of El Segundo,
ou=Director of Finance,
email=jlillio@elsegundo.org, c=US
Date: 2020.12.18 17:15:05 -08'00'

CITY MANAGER

DATE:

Barbara Kees
1-5-21

VOID CHECKS DUE TO ALIGNMENT:

N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE:

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR:

NOTES

CITY OF EL SEGUNDO
WARRANTS TOTALS BY FUND

3034055 - 3034108
9001779 - 9001780

DATE OF APPROVAL: AS OF 1/5/21

REGISTER # 66

001	GENERAL FUND	133,823.10
104	TRAFFIC SAFETY FUND	.
106	STATE GAS TAX FUND	.
108	ASSOCIATED RECREATION ACTIVITIES FUND	.
109	ASSET FORFEITURE FUND	248.80
111	COMM. DEVEL. BLOCK GRANT	.
112	PROP "A" TRANSPORTATION	.
114	PROP "C" TRANSPORTATION	2,532.50
115	AIR QUALITY INVESTMENT PROGRAM	.
116	HOME SOUND INSTALLATION FUND	.
117	HYPERION MITIGATION FUND	55.00
118	TDARTICLE 3 - SB 821 BKWAY FUND	.
119	MTA GRANT	.
121	FEMA	.
120	C O P.S. FUND	31,083.00
122	L.A.W.A. FUND	.
123	PSAF PROPERTY TAX PUBLIC SAFETY	.
124	FEDERAL GRANTS	.
125	STATE GRANT	.
126	A/P CLUPA Program Oversight Surchage	.
128	SB-1	6,773.54
129	Certified Access Specialist Program (CAS	.
130	AFFORDABLE HOUSING	.
131	COUNTY STORM WATER PROGRAM	.
202	ASSESSMENT DISTRICT #73	.
301	CAPITAL IMPROVEMENT FUND	6,571.79
302	INFRASTRUCTURE REPLACEMENT FUND	.
405	FACILITIES MAINTENANCE	.
501	WATER UTILITY FUND	3,788.31
502	WASTEWATER FUND	2,228.24
503	GOLF COURSE FUND	1,215.00
504	PARK VISTA	.
505	SOLID WASTE	.
601	EQUIPMENT REPLACEMENT	7,401.76
602	LIABILITY INSURANCE	.
603	WORKERS COMP. RESERVE/INSURANCE	.
701	RETIRED EMP. INSURANCE	.
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	.
703	EXPENDABLE TRUST FUND - OTHER	500.00
708	OUTSIDE SERVICES TRUST	1,850.00

TOTAL WARRANTS \$ 199,871.93

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Information on actual expenditures is available in the Director of Finance's office in the City of El Segundo.

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

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

CODES:

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

For Ratification:

A = Payroll and Employee Benefit checks

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

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

FINANCE DIRECTOR

DATE:

Joseph Lillio

Digitally signed by Joseph Lillio
DN: cn=Joseph Lillio, o=City of El Segundo, ou=Director of Finance, email=jlillio@elsegundo.org, c=US
Date: 2021.01.04 13:53:08 -08'00'

CITY MANAGER

DATE:

Barbara V. [Signature]
1-5-21

VOID CHECKS DUE TO ALIGNMENT:
N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE:

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR:

NOTES

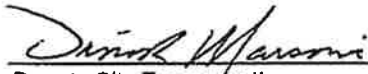
**CITY OF EL SEGUNDO
 PAYMENTS BY WIRE TRANSFER
 12/21/20 THROUGH 12/27/20**

<u>Date</u>	<u>Payee</u>		<u>Description</u>
12/23/2020	Manufacturers & Traders	55,794.46	457 payment Vantagepoint
12/23/2020	Manufacturers & Traders	1,130.77	401(a) payment Vantagepoint
12/23/2020	Manufacturers & Traders	550.00	IRA payment Vantagepoint
12/23/2020	ExpertPay	3,321.20	EFT Child support payment
12/24/2020	IRS	286,189.34	Federal 941 Deposit
12/24/2020	Employment Development	4,145.16	State SDI payment
12/24/2020	Employment Development	71,068.42	State PIT Withholding
12/14/20-12/20/20	Workers Comp Activity	22,755.97	SCRMA checks issued
12/14/20-12/20/20	Liability Trust - Claims	0.00	Claim checks issued
12/14/20-12/20/20	Retiree Health Insurance	0.00	Health Reimbursement checks issued
		<u>444,955.32</u>	

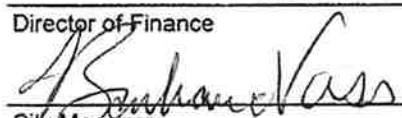
**DATE OF RATIFICATION: 12/29/20
 TOTAL PAYMENTS BY WIRE:**

444,955.32

Certified as to the accuracy of the wire transfers by:


 Deputy City Treasurer II 12/29/2020
 Date

Joseph Lillio Digitally signed by Joseph Lillio
 DN: cn=Joseph Lillio, o=City of El Segundo, ou=Director
 of Finance, email=jillio@elsegundo.org, c=US
 Date: 2021.01.04 14:02:22 -0800 01-04-2021
 Director of Finance Date


 City Manager 1-5-21
 Date

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

TITLE:

Fiscal Year 2021-22 Budget Calendar

RECOMMENDATION:

Approve Fiscal Year (FY) 2021-22 budget calendar establishing study sessions and public hearing dates for FY 2021-22 Operating Budget, Capital Improvement Program Budget, and User Fees.

FISCAL IMPACT:

No additional funding requested. The annual budget process requires significant staff time and effort, which is included in the Adopted FY 2020-21 General Fund Budget. The budget calendar is the first step in developing an adopted budget on schedule.

BACKGROUND:

On September 15, 2020, City Council adopted a balanced Operating and Capital Improvement Program (CIP) Budget for FY 2020-21. Prior to the adoption of the FY 2020-21 Budget, each fiscal year ran from October 1 through September 30. At the direction of City Council, a change in the fiscal year to July 1 through June 30 was implemented during the development of the FY 2020-21 Budget. In order to achieve this, the FY 2020-21 budget was adopted as a nine-month budget: October 1, 2020 through June 30, 2021. Subsequent fiscal years will be twelve-month budget cycles from July 1 through June 30. FY 2021-22 will be the first twelve-month budget in the July 1 through June 30 timeframe. The July 1 through June 30 budget cycle aligns with the State of California's budget, as well as a vast majority of municipalities in California. This change in the fiscal year period will also result in administrative efficiencies in accounting and auditing operations.




DISCUSSION:

Attached is the proposed FY 2021-22 budget calendar. The budget calendar is the planning document for the development of the operating and capital improvement budgets. Documentation of a budget calendar assists departments in preparing for the five-month process of budget development.

Staff recommends City Council approve the attached proposed budget calendar.

CITY STRATEGIC PLAN COMPLIANCE:

Goal: 5 Champion Economic Development and Fiscal Sustainability
Objective: B El Segundo approaches its work in a financially strategic and responsible way.

PREPARED BY: Joseph Lillio, Chief Financial Officer 
REVIEWED BY: Barbara Voss, Deputy City Manager 
APPROVED BY: Scott Mitnick, City Manager 

ATTACHED SUPPORTING DOCUMENTS:

1. Proposed Budget Calendar for FY 2021-2022

CITY OF EL SEGUNDO
BUDGET CALENDAR
FOR FY 2021-2022

FY 2021-2022 Budget Preparation Calendar	
Date	ACTION/ACTIVITY
January 19, 2021	City Council approves Budget Calendar for Fiscal year 2021-2022.
January 25, 2021	Budget kick off meeting - CM to deliver Budget message; Finance, Dept Heads and departments' budget staff; distribute budget calendar and instructions.
January 29, 2021	Finance Manager send out O&M, Capital, Equipment Replacement schedules, and revenue worksheets to departments for completion; due in back to Finance February 26, 2021
February 2021	First CIPAC Meeting with Public Works Staff
February 17, 2021	Finance Department compiles personnel budgets
March 1, 2021 to March 11, 2021	Chief Financial Officer & staff meet with Dept Heads and their budget staff to review departments' requests
March 16, 2021	Mid-year financial report to City Council
April 6, 2021	City Council Annual Strategic Planning Session
April 2021	Second CIPAC Meeting with Public Works Staff
April 5, 2021	Finance finalize O&M and revenue worksheets for departmental budget hearings with the City Manager
April 6, 2021 to April 16, 2021	Departmental budget study sessions with the City Manager - Dept Heads, budget staff
April 20, 2021	City Council Operating & CIP Budget Study Session
April 20, 2021	Presentation to City Council on updating the Developer Impact Fees schedule
April 26, 2021	Review Proposed Capital Improvement Project (CIP) with the Planning Commission
May 4, 2021	Annual review of City-wide user fees and fines
May 18, 2021	Additional City Council Operating & CIP Budget Study Session
June 1, 2021	Distribute Preliminary Budget document
June 15, 2021	Public Hearing: Adoption of the FY 2021-2022 Operating and CIP Budget and GANN limit
June 21, 2021	Finance post Adopted Budget to general ledger
July 1, 2021	Post Adopted Budget on the City's website
July 1, 2021	New User Fees go into effect
July 8, 2021	Apply for the CSMFO Budget Award

TITLE:

Continuing Appropriations from FY 2019-20 to FY 2020-21.

RECOMMENDATION:

Approve continuing appropriations totaling \$646,451.42 from FY 2019-20 to FY 2020-2021, thereby amending the Fiscal Year 2020-21 Adopted Budget.

FISCAL IMPACT: Appropriate \$646,451.42 in continuing appropriations from the FY 2019-20 budget into the FY 2020-21 budget.

Amount Budgeted: \$0

Additional Appropriation: Carryover of \$646,451.42

Account Number(s): Various

BACKGROUND:

Continuing Appropriations

At the end of each fiscal year, funds for certain projects that commenced during the year are required to be carried forward into the next fiscal year to complete the project. These include multi-year Capital Improvement Program projects, professional service agreements that continue over multiple fiscal years, projects that were anticipated to be completed by the end of the fiscal year but were not, and large scale initiatives that require more than one year to complete. Staff recommends that the funds associated with these projects and services be carried over into the new budget year to complete the work.

DISCUSSION:

The attached schedule (Attachment 1) identifies projects/purchase orders that were included in the FY 2019-20 budget, but were not completed by September 30, 2020. Staff is requesting to carryover total appropriations of \$646,451.42 to the FY 2020-21 Budget to continue work on these important projects. The annual strategic planning and budgeting process over the past several years has resulted in greater precision in estimating operational needs, processes, and timing of projects. As a result, fiscal year budget projections have improved considerably and the amount required to be carried forward has decreased. The amount carried forward in FY 2019-20 was \$1.9 million, \$2.5 million in FY 2018-19, and \$6.2 million in FY 2017-18. \$646,451.42 for FY 2020-21 marks a significant decrease from previous years, which is a direct result of improved budget planning.

Carryover Report
January 19, 2021
Page 2 of 2

The following table is a summary of the requests listed by fund.

Table 1:



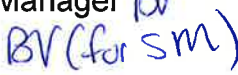
	Fund Name	Fund Number	Total Request
1	General Fund	001	\$244,466
2	Bikeway Fund	118	58,137
3	CIP Fund	301	343,838
	Total		\$646,451

The continuing appropriations from ongoing projects/purchases and encumbrances at the end of the fiscal year do not represent an additional appropriation of funds, but a carryover of unexpended funds from the prior fiscal year. Staff presented budgeted appropriations for FY 2020-21, including the amounts being requested as continuing appropriations in the analysis performed as part of the FY 2020-21 Strategic Planning and Budget process. The estimated beginning fund balances presented in the FY 2020-21 Budget factored in the proposed continuing appropriations. Approval of these items will have minimal impact on estimated ending fund balances at June 30, 2021.

CITY STRATEGIC PLAN COMPLIANCE:

Goal: 5 Champion Economic Development and Fiscal Sustainability:

Objective: B -- El Segundo approaches its work in a financially strategic and responsible way

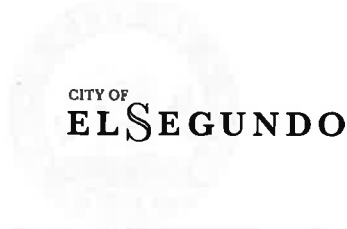
ORIGINATED BY: Joseph Lillio, Chief Financial Officer 
REVIEWED BY: Barbara Voss, Deputy City Manager 
APPROVED BY: Scott Mitnick, City Manager  (for S.M.)

ATTACHED SUPPORTING DOCUMENTS:

1. Listing of Budget Appropriations

City of El Segundo
Attachment 1 - Schedule of Purchase Orders and Budget Carryovers
Fiscal Year 2019-2020 to Fiscal Year 2020-2021

<u>PO #</u>	<u>Vendor Name</u>	<u>Department</u>	<u>Fund</u>	<u>Account Number</u>	<u>PO Carryover Request</u>	<u>Description</u>
41-00121	Alagia Engineering	PW	001	001-400-4101-6206	\$19,522.00	Project/work ongoing
41-00130	MNS Engineers Inc.	PW	001	001-400-4101-6206	\$25,000.00	Project/work ongoing
41-00137	Kosmont & Associates, Inc.	PW	001	001-400-4101-6206	\$15,313.65	Project/work ongoing
41-00143	KOA Corporation	PW	001	001-400-4101-6206	\$27,575.00	Project/work ongoing
41-00148	Kosmont & Associates, Inc.	PW	001	001-400-4101-6206	\$39,703.75	Project/work ongoing
41-00149	RTI Consulting Inc.	PW	001	001-400-4101-6206	\$20,000.00	Project/work ongoing
41-00150	Western Indoor Environmental Services	PW	001	001-400-4101-6206	\$37,220.00	Project/work ongoing
43-00239	Geosyntec Consultants	PW	001	001-400-4302-6206	\$38,259.52	Project/work ongoing
43-00242	MNS Engineers, Inc.	PW	001	001-400-4302-6206	\$21,872.50	Project/work ongoing
Total General Fund					\$244,466.42	
<u>SB 821 Bikeway Fund</u>						
30-00391	MNS Engineers, Inc.	PW	118	118-400-0000-8925	\$58,137.00	Project/work ongoing
Total SB 821 Bikeway					58,137.00	
<u>CIP Fund</u>						
30-00380	Superior, LLC	IT	301	301-400-8208-8718	\$232,910.00	Continuing project - Permitting System
30-00396	Nata Construction, Inc.	PW	301	301-400-8202-8215	\$68,944.00	Continuing project - Softball Bleachers
30-00396	Nata Construction, Inc.	PW	301	301-400-8202-8420	\$41,994.00	Continuing Project - Park Facilities Upgrades
Total CIP Fund					\$343,848.00	
Total All Funds					\$ 646,451.42	



TITLE:

Amendment to agreement with the Los Angeles County Metropolitan Transportation Authority to receive an additional \$5,000,000 for the Park Place Roadway Extension and Railroad Grade Separation Project.

RECOMMENDATION:

1. Authorize the Mayor to sign the second amendment to the Measure R Funding Agreement between City of El Segundo and the Los Angeles County Metropolitan Transportation Authority to receive an additional \$5,000,000 for a total of \$5,350,000 Measure R funds to fund the Plans, Specifications and Estimate (PS&E) development phase of the Park Place Roadway Extension and Railroad Grade Separation Project; and,
2. Authorize staff to advertise the Design RFP for the Park Place Extension project.

FISCAL IMPACT:

Receive \$5 million Measure R grant from the Los Angeles County Metropolitan Transportation Authority.

Amount Budgeted: \$5,000,000

Additional Appropriation: No

Account Number(s): 110-400-8203-8929 (Measure R Park Place Extension)

BACKGROUND:

The Park Place grade separation project will connect existing segments of Park Place between Allied Way and Nash St. to provide a continuous roadway from Douglas Street to Sepulveda Blvd. This connection will provide traffic relief to Rosecrans, as well as direct access from Sepulveda to Douglas and thereby to the 105 Freeway. The overall project consists of design, right-of-way acquisition, design of utilities extension/new utilities, design of the necessary environmental remediation work to the applicable standards, and construction a new four-lane roadway via an underpass beneath new bridges of two active railroad lines, the Union Pacific Railroad (UPRR) and Burlington Northern Santa Fe (BNSF), both of which serve the Chevron refinery. Other elements of the project include all the necessary remediation work, bridge construction, retaining structures, installation of storm drains, petroleum pipeline and other utility relocation/new utilities installation, traffic signal(s), curbs, gutters, sidewalk, landscaping, and possibly realignment of the existing BNSF switching yard to accommodate continuous rail operations during construction.

Metro agreement amendment for Park Place Extension

January 19, 2021

Page 2 of 2

In 2014, Metro originally approved \$350,000 to fund the development phase of the project through a Measure R funding agreement with the City, and subsequently approved first amendment to extend the EIR phase completion time to from 2016 to 2019.

DISCUSSION:

The Environmental Impact Report (EIR) for the project was completed in 2019. The EIR addendum for constructing two bridges instead of one per railroads' request is anticipated to be completed by fall of this year. Metro Board approved \$5,000,000 from Measure R Highway Sub-regional funding Program for the design of the project in summer 2020 in addition to the \$350,000 originally approved by Metro in 2014. A second funding agreement amendment between the Metro and the City is now ready for Council approval to add \$5,000,000 of Measure R funding to complete the design. An RFP for design is anticipated to be advertised this spring and selection of the design firm will be made and approved by Council in June 2021.


The estimated construction cost of the project is \$100 million, including right of way acquisition, and is currently unfunded. In an effort to identify potential funding sources for Park Place and other projects of regional significance, the City engaged Kosmont Companies to identify potential infrastructure funding sources for Park Place and regional infrastructure projects and a presentation of potential funding sources will be presented to City Council at its regular meeting on February 16, 2021.

Staff recommends that City Council approve the recommended actions as noted. With Council's authorization, design is anticipated to commence in June, 2021, and be completed in December, 2023.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 4: Develop Quality Infrastructure and Technology

Objective A: El Segundo's physical infrastructure supports an appealing, safe, and effective City

PREPARED BY: Lifan Xu, City Engineer 

REVIEWED BY: Elias Sassoon, Public Works Director 

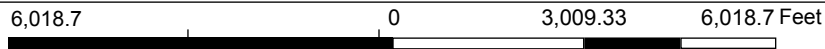
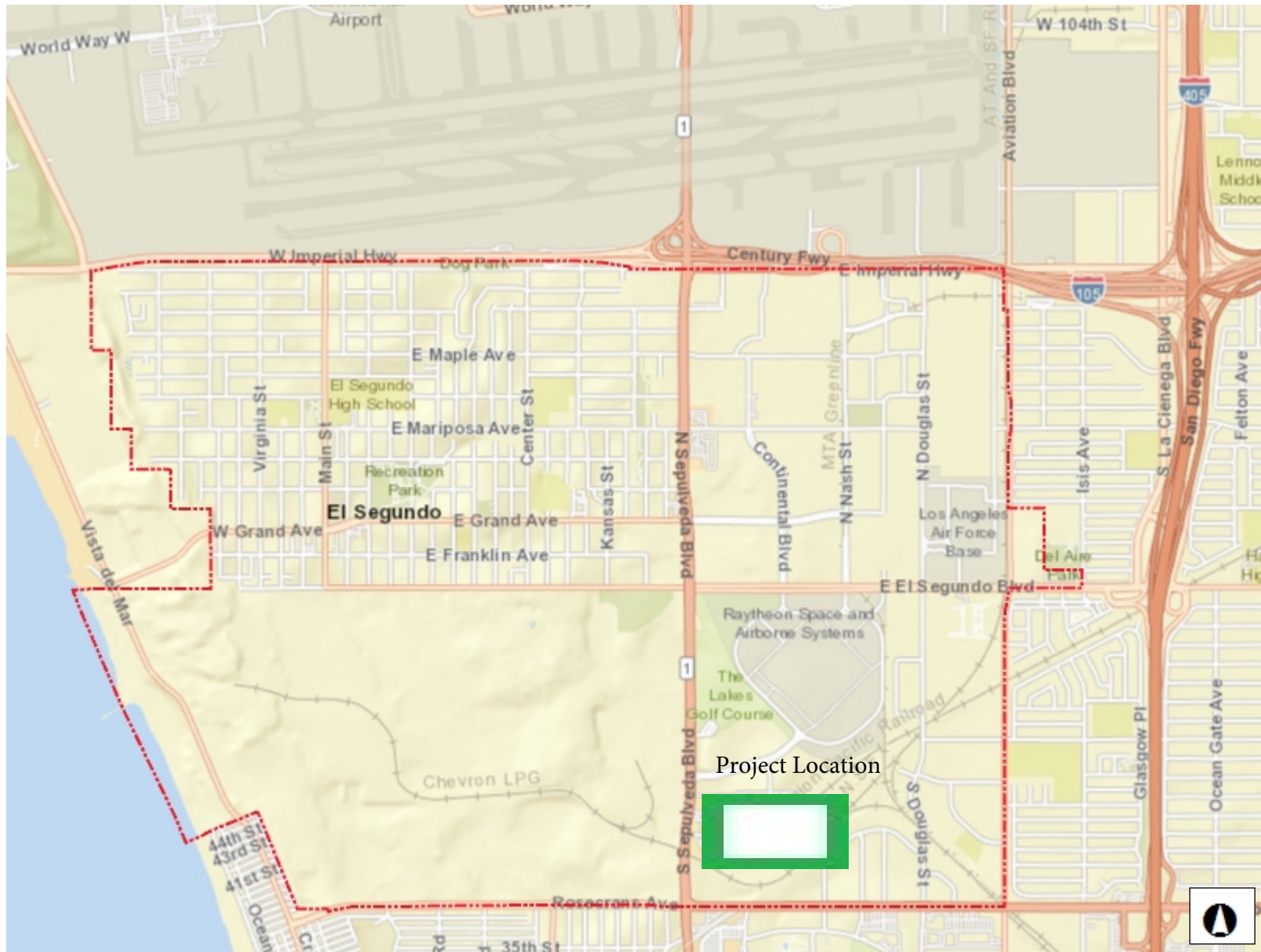
APPROVED BY: Scott Mitnick, City Manager 

SUPPORTING DOCUMENTS:

1. Vicinity Map
2. Location Map
3. Second Amendment to agreement with the Los Angeles County Metropolitan Transportation Authority



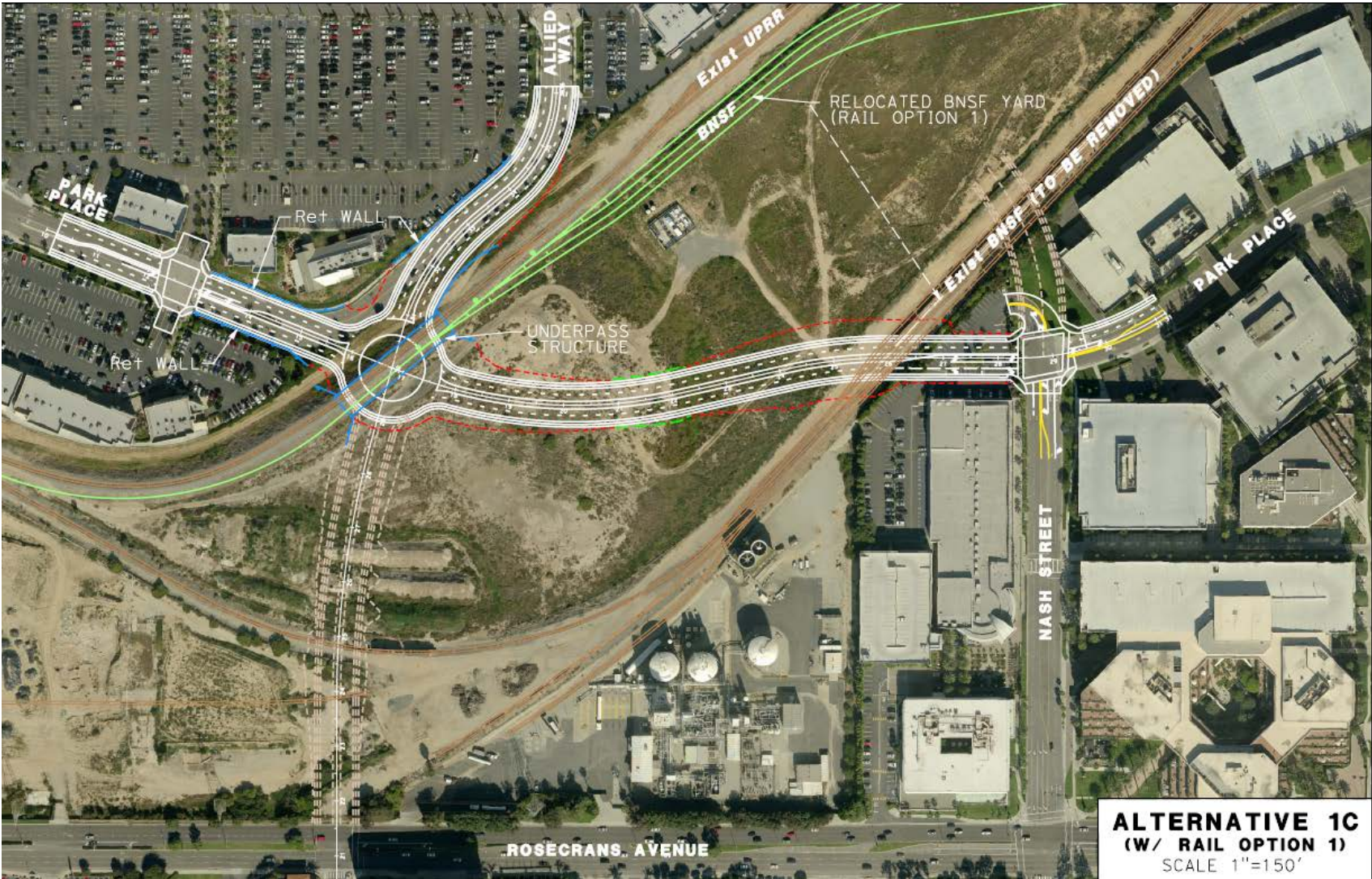
Vicinity Map Park Place Extension Project



WGS_1984_Web_Mercator_Auxiliary_Sphere

DISCLAIMER: The information shown on this map was compiled from different GIS sources. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. The City of El Segundo will not be held responsible for any claims, losses or damages resulting from the use of this map.

Park Place Extension Location Map



**AMENDMENT No. 2
TO MEASURE R FUNDING AGREEMENT BETWEEN
CITY OF EL SEGUNDO
AND
THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**

This Amendment No. 2 to the Funding Agreement (this "Amendment"), is dated as of August 25, 2020 by and between the City of El Segundo ("Grantee") and the Los Angeles County Metropolitan Transportation Authority ("LACMTA").

RECITALS:

A. WHEREAS, the Grantee and LACMTA entered into that certain Funding Agreement No. 920000000MR312.57 dated November 15, 2014, which was amended on December 15, 2019 (as amended the "Existing FA"), which Existing FA provides for the Project Development of Park Place Roadway Extension and Railroad Grade Separation Project (the "Project"); and

B. WHEREAS, at its June 25, 2020 meeting, the LACMTA Board of Directors approved an additional \$5,000,000 for a total budget of \$5,350,000 to fund Project Development and PS&E of the Project; and

C. WHEREAS, the Funds are currently programmed for the Project as follows \$350,000 in Measure R Funds in FY 2014-15, \$600,000 in Measure R Funds in FY 2020-21, \$3,200,000 in Measure R Funds in FY 2021-22 and \$1,200,000 in Measure R Funds in FY2022-23. The total designated amount for Project Development and Design of the Project is \$5,350,000; and

D. WHEREAS, the Grantee and LACMTA desire to amend the Existing FA as provided herein.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. Part I, Paragraph 2.2 of the Existing FA is hereby amended by deleting it in its entirety and replacing it with the following: "To the extent the Measure R funds are available, LACMTA shall make to GRANTEE a grant of the Measure R funds in the amount of \$5,350,000 (the "Funds") for the Project. LACMTA Board of Directors actions on November 15, 2014 and June 25, 2020 granted the Measure R Funds for the Project. The Funds are currently programmed over four Fiscal Years: \$350,000 in FY 2014-15, \$600,000 in FY 2020-21, \$3,200,000 in FY 2021-22 and \$1,200,000 in FY2022-23."

2. Part II, Section 9.1 (v) of the Existing FA is hereby amended by deleting it in its entirety and replacing it with the following: "(v) within **three years or 36 months** from July 1 of the Fiscal Year in which the Funds are programmed, unless otherwise stated in this FA. All funds programmed for FY 2014-15 have lapsed and are no longer available. All Funds programmed for FY 2020-21 are subject to lapse by June 30, 2023. All Funds programmed for FY 2021-22 are subject to lapse by June 30, 2024. All Funds programmed for FY 2022-23 are subject to lapse by June 30, 2025."

3. Attachment A of the Existing FA is hereby replaced by Attachment A-1, attached.

4. Attachment B1-1 of the Existing FA is hereby replaced by Attachment B1-2, attached.

5. Attachment C-1 of the Existing FA is hereby replaced by Attachment C-2, attached.

6. Except as expressly amended hereby, the Existing FA remains in full force and effect as originally executed. All rights and obligations of the parties under the Existing FA that are not expressly amended by this Amendment shall remain unchanged.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 2 to the FA to be executed by their duly authorized representatives as of the dates indicated below:

LACMTA:

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: _____ Date: _____
Phillip A. Washington
Chief Executive Officer

APPROVED AS TO FORM:

RODRIGO CASTRO-SILVA
Acting County Counsel

By: _____ Date: 12/3/2020

Deputy

GRANTEE:

CITY OF EL SEGUNDO

By: _____ Date: _____
Drew Boyles
City Mayor

APPROVED AS TO FORM:

By: _____ Date: _____
Mark Hensley
City Attorney

ATTEST:

By: _____ Date: _____
Tracy Weaver
City Clerk

ATTACHMENT A-1- PROJECT FUNDING

Measure R Program - Funding Agreement Projects - FA# 920000000MR312.57 A-2

Project Title: Park Place Roadway Extension and Railroad Grade Separation Project Project#: MR312.57

PROGRAMMED BUDGET - SOURCES OF FUNDS

SOURCES OF FUNDS	Prior Years	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Total Budget	% of Budget
LACMTA PROGRAMMED FUNDING								
MEASURE R FUNDS	\$ 350,000		\$ 600,000	\$ 3,200,000	\$ 1,200,000		\$ 5,350,000	
LACMTA PROGRAMMED FUNDS BY YEAR SUBTOTAL	\$ 350,000	\$ -	\$ 600,000	\$ 3,200,000	\$ 1,200,000		\$ 5,350,000	86%
OTHER SOURCES OF FUNDING:								
LOCAL:							\$ -	0%
STATE:							\$ -	0%
FEDERAL:	\$ 735,000						\$ 735,000	12%
PRIVATE OR OTHER:	\$ 150,000						\$ 150,000	2%
OTHER FUNDING SUBTOTAL	\$ 885,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 885,000	14%
TOTAL PROJECT FUNDS	\$ 1,235,000	\$ -	\$ 600,000	\$ 3,200,000	\$ 1,200,000	\$ -	\$ 6,235,000	100%

ATTACHMENT B1-2 - EXPENDITURE PLAN COST & CASH FLOW BUDGET

Measure R Program - Funding Agreement Projects - FA# 92000000MR312.57 A-2
 Project Title: Park Place Roadway Extension and Railroad Grade Separation Project Project#:MR312.57
 PROGRAMMED SOURCES OF FUNDS

SOURCES OF FUNDS	Prior Expenditures	FY 2020-21 Qtr 1	FY 2020-21 Qtr 2	FY 2020-21 Qtr 3	FY 2020-21 Qtr 4	FY 2021-22 Qtr 1	FY 2021-22 Qtr 2	FY 2021-22 Qtr 3	TOTAL BUDGET
LACMTA PROGRAMMED FUNDS:									
MEASURE R FUNDS:									
PAED	\$350,000								\$350,000
PS&E					\$600,000	\$600,000	\$600,000	\$700,000	\$2,500,000
RW Support									\$0
Const. Support									\$0
RW									\$0
Construction									\$0
Total MEASURE R	\$350,000	\$0	\$0	\$0	\$600,000	\$600,000	\$600,000	\$700,000	\$2,850,000
PROP C 25%									
PAED									\$0
PS&E									\$0
RW Support									\$0
Const. Support									\$0
RW									\$0
Construction									\$0
Total PROP C 25%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SUM PROG LACMTA FUNDS:	\$350,000	\$0	\$0	\$0	\$600,000	\$600,000	\$600,000	\$700,000	\$2,850,000
OTHER NON LACMTA FUNDING:									
LOCAL:									
PAED									\$0
PS&E									\$0
RW Support									\$0
Const. Support									\$0
RW									\$0
Construction									\$0
Total LOCAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
STATE:									
PAED									\$0
PS&E									\$0
RW Support									\$0
Const. Support									\$0
RW									\$0
Construction									\$0
Total STATE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FEDERAL:									
PAED	\$735,000								\$735,000
PS&E									\$0
RW Support									\$0
Const. Support									\$0
RW									\$0
Construction									\$0
Total FEDERAL	\$735,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$735,000
PRIVATE:									
PAED	\$150,000								\$150,000
PS&E									\$0
RW Support									\$0
Const. Support									\$0
RW									\$0
Construction									\$0
Total PRIVATE	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000
SUM NON-LACMTA FUNDS :	\$885,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$885,000
PROJECT FUNDING FY20-21 and FY21-22	\$1,235,000	\$0	\$0	\$0	\$600,000	\$900,000	\$600,000	\$700,000	\$3,735,000
SOURCES OF FUNDS	FY 2021-22 Qtr 4	FY 2022-23 Qtr 1	FY 2022-23 Qtr 2	FY 2022-23 Qtr 3	FY 2022-23 Qtr 4	FY 2023-24 Qtr 1	FY 2023-24 Qtr 2	FY 2023-24 Qtr 3	TOTAL BUDGET
LACMTA PROGRAMMED FUNDS:									
MEASURE R FUNDS:									
PAED									\$0
PS&E	\$700,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$2,500,000
RW Support									\$0
Const. Support									\$0
RW									\$0
Construction									\$0
Total MEASURE R	\$700,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$2,500,000
PROP C 25%									
PAED									\$0
PS&E									\$0
RW Support									\$0
Const. Support									\$0
RW									\$0
Construction									\$0
Total PROP C 25%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SUM PROG LACMTA FUNDS:	\$700,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$0	\$2,500,000
PROJECT FUNDING FY22-23 and FY23-24	\$700,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$0	\$2,500,000
SUMMARY OF ALL FUNDS									
PAED	\$1,235,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,235,000
PS&E	\$700,000	\$300,000	\$300,000	\$300,000	\$900,000	\$900,000	\$900,000	\$700,000	\$5,000,000
RW Support	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Const. Support	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RW	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL MILESTONES	\$1,935,000	\$300,000	\$300,000	\$300,000	\$900,000	\$900,000	\$900,000	\$700,000	\$6,235,000
SUM PROG LACMTA FUNDS	\$1,050,000	\$300,000	\$300,000	\$300,000	\$900,000	\$900,000	\$900,000	\$700,000	\$5,350,000
SUM NON-LACMTA FUNDS	\$885,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$885,000
TOTAL PROJECT FUNDING	\$1,935,000	\$300,000	\$300,000	\$300,000	\$900,000	\$900,000	\$900,000	\$700,000	\$6,235,000

ATTACHMENT C-2 SCOPE OF WORK

PROJECT TITLE:

Park Place Roadway Extension and Railroad Grade Separation Project

PROJECT LOCATION:

The project is located in the City of El Segundo, in the South Bay area.

PROJECT LIMITS:

The project limits are Pacific Coast Highway on the west side of Park Place, Nash Street on the east side of Park Place Avenue, and Rosecrans Ave. on the south side.

PROJECT BACKGROUND:

Park Place currently terminates at the intersection of Allied Way/Park Pl on the west side and the intersection of Park Pl/Nash Street on the east side with no east west connecting route. The gap along Park Place roadway results in a heavily congested Rosecrans Avenue corridor. With the growing number of planned developments near the Sepulveda Boulevard/Rosecrans Avenue intersection, further increase in congestion is expected.

Creating a connecting route between Sepulveda Blvd and Nash Street would not only provide an alternate route for commuters and relieve congestion on Rosecrans Avenue, but would also improve traffic and safety at SR-1 "Pacific Coast Highway by providing a new east/west route between PCH and Douglas Street and grade-separating the railroads. The project would also improve mobility and connectivity between the I-405, I-105 and the Metro Green Line Station at Douglas Street.

NEXUS TO HIGHWAY OPERATION DEFINITION/PROJECT PURPOSE:

The purpose of this project is to grade separate and extend Park Place between Nash St. and Sepulveda Blvd.

BUDGET:

Component	Measure R	Federal Funds	Other Funds
PAED	\$350,000	\$735,000	\$150,000
PS&E	\$5,000,000		
R/W Support			
R/W Capital			
Construction Support			
Construction Capital			
Project budget: \$6,235,000			

SCOPE:

Project features include, but not limited to:

1. Construct new road way extension to close the gap in the Park Place alignment between Allied Way and Nash St.
2. Relocate and realign railroad tracks to facilitate grade separation.
3. Construct underpass structure and overhead railroad bridges for the grade separation.
4. Relocate utilities to accommodate the project.
5. Construct retaining walls, drainage, street lights, shoofly and other infrastructures as necessitated by the project.

DESIGN:

City of El Segundo to Perform this Task

- I. Preliminary Design – Alternative Design Analysis has already been completed.**
- II. Environmental Analysis – Environmental Impact Report (EIR) has already been completed.**

Consultant to perform the following tasks:

- A. Prepare an EIR addendum to detail the impact of two railroad bridges instead of one for grade separation.**

III. Final Engineering and Design Service.

Consultant to perform the following tasks:

- A. Project management, Coordination and Administration.** Prepare a comprehensive Project Management Plan to communicate the scope of work, constraints, and technical requirements to all project participants. Meet as needed with the City to accomplish Project tasks as outlined shall be and not be limited to: Project Kick-off Meeting, progress meetings and meetings with affected parties to discuss issues pertinent to analysis, design, and effects of the Project. Provide periodic schedule updates and progress reports on deliverables and meetings as changes to original schedule occur or as needed based on the needs of the project. Maintain a Quality Assurance / Quality Control Plan.
- B. Environmental document verification, supplemental environmental document support, right of way impacts support.** Obtain existing study reports, topographic maps, as-built drawings, reports, and other available materials from railroads, the City, other agencies and entities, as appropriate. Prepare supplemental documents needed in support of the environmental clearance effort for the Project if required.
- C. Site investigation, mapping, reports, and railroad concept submittal.** Conduct a thorough independent field investigation of the project site to identifying pre-existing site conditions and physical constraints of the project areas. Provide aerial photography and topographic mapping. Perform and update design surveys. Prepare and submit a geotechnical review and exploration plan. Prepare and submit hydrologic and hydraulic analyses to support any required storm drain relocation and realignment. Prepare a concept submittal package as required under railroad Guidelines for Railroad Grade Separation.

- D. 35% PS&E.** Establish procedures and obtain design criteria from meeting with the the City and railroad. Prepare and submit to the City a Design Standards Exception report identifying and evaluating the non-standard design features for the project in accordance with acceptable agencies' criteria, as applicable. Prepare a preliminary set of plans that include geometric base maps, structure site data, drainage and utilities layouts, initial right of way maps including temporary and permanent easements. Prepare a traffic study for the project area and vicinity. Prepare 35 percent level preliminary plans and estimates for the grade separation, including removals, grading, cross sections, staging, utilities, drainage facilities, and other necessary improvements for the project. Update the Draft Hydraulics and Hydrology Report to address existing and proposed drainage conditions and any changes caused by the proposed design including mitigation. Investigate hydrologic and hydraulic features of the site as necessary to accommodate the grade separation. Prepare the Structures Memorandum bridge type report and the bridge general plan. Prepare preliminary Shoofly Plans including preliminary track plans, profiles, phasing plans, details, rail signalization plans, retaining and crash walls if necessary and structural details within the Project's railroad shoofly limits as specified if needed.
- E. 65% PS&E.** Prepare roadway plans to incorporate all reviewing agency and the City independent third party plan checker comments into the roadway plans and estimates as a result of the 35% PS&E review. Prepare a drainage report to address the existing and proposed drainage conditions and the proposed mitigation and design. Update and complete the 65% utility composite plans based on continuing field investigations, pot holing, and further study. Update the hydraulic calculations for the pump station and complete the 65% pump station plans if needed, prepare force main plans, profiles, details, mechanical and electrical design for the pump facility. Prepare Stage Construction, Traffic Handling, Detour Plans, and Transportation Management Plan. Prepare pavement delineation plans to identify locations of painted and thermoplastic stripes and markings, pavement markers, and delineators. Prepare Sign Plans to show existing and proposed new signs. Prepare as required all traffic signal, and signal interconnect plans as well as street lighting plans. Coordinate railroad signalization plans with Railroad as required. Prepare landscaping and irrigation plans and details. Perform Record Data Search. Review Title Reports. Perform Land Net Recovery and Field Ties and prepare Land Net Map - "Before Condition" Record of Survey. Perform monument perpetuation surveys. Prepare Right of Ways maps and Resolution of Necessity Plats. Prepare Property, Part Take, Easement, and Temporary Easement Legal Description and Plats. Prepare required legal descriptions and attendant maps or plats. Monument new R/W boundaries and prepare Monumentation map. Prepare Geotechnical and foundation reports. Prepare layout plans, structural details and technical special provisions including aesthetic construction of Bridges and walls. Update vertical and horizontal railroad track alignments, and finalize railroad track shoofly design and rail service staging plans as necessary. Update the Water Quality Management Plan.
- F. 100% PS&E.** Complete Roadway Plans including Drainage Plans, Utility Plans, BMP Plans, Pump Station Plans, Stage Construction/Traffic Handling Plans, Signing and Striping Plans, Traffic Signal Improvement Plans, Planting and Irrigation Plans, Railroad Shoofly Plans, Quantity Sheets, Special and Technical Provisions and a Project cost estimate. Complete bridge and wall plans. Complete construction schedule and cost estimate, final geotechnical reports, project specifications and special provisions, and construction phasing plans.

MILESTONES: The implementation schedule for this project will be as follows.

	START DATE	COMPLETION DATE
SOLICITATION (BID/PROPOSAL)		
Develop Solicitation Package		Completed
Solicitation Response		Completed
Evaluations		Completed
Selection		Completed
Board Approval		Completed
Contract Award		Completed
Fully Executed Contract		Completed
PA&ED		
Prepare Environmental Document Document Type: CEQA and NEPA		Completed
Scoping		Completed
Technical Studies		Completed
Draft Environmental Document		Completed
Final Environmental Document		Completed
Community Outreach		Completed
Secure Project Approval		Completed
Additional Traffic Analysis		Completed
PS&E		
Preliminary Investigations	March 2021	December 2021
Preliminary Foundation	March 2021	December 2021
Geometric Drawings	March 2021	December 2021
Bridge Type Selection Roadway and Retrofit Strategy	March 2021	December 2021
ADL Review	March 2021	December 2021
35% PS&E	March 2021	December 2021
Utilities	March 2021	December 2022
Right-of-Way Engineering	March 2021	December 2022
Water Quality Management Plan	March 2021	December 2022
65% PS&E	January 2022	December 2022
Estimating	January 2022	December 2023
Railroad plan	March 2021	December 2023
Civic Design	March 2021	December 2023
Structural Design	March 2021	December 2023
100% PS&E	January 2023	December 2023

ATTACHMENT C-2 - Location Map(s)



Los Angeles Metropolitan Transportation Authority 2019 Federal Transportation Improvement Program (\$000)

TIP ID	LA0G321	Implementing Agency	El Segundo, City of		
Project Description: Park Place Extension and Rail Road Grade Separation project. (Grade separation is non-capacity). Completion of Park Place Extension & connection between Alaska Avenue and Sepulveda Boulevard in the City of El Segundo. Park Place four lane roadway extension between Nash and Allied Way.		SCAG RTP Project #: 1AL04 Study: YES Is Model: YES Model #: PM: Ken Berkman - (310) 524-2356 Email: kberkman@elsegundo.org LS: N LS GROUP#: Conformity Category: EXEMPT/ MODELED			
System :Local Hwy	Route :	Postmile:	Distance:	Phase: Engineering/Plans, Specifications and Estimates (PS&E)	Completion Date 12/31/2023
Lane # Extd: 0 Lane # Prop: 4 Imprv Desc: roadway extension		Air Basin: SCAB		Envir Doc: FINAL ENVIRONMENTAL IMPACT REPORT - 03/30/2019	
Toll Rate:	Toll Colc Loc:	Toll Method:	Hov acs eg loc:	Uza: Los Angeles-Long Beach-Santa Ana	Sub-Area: Sub-Region: South Bay Cities COG
Program Code: PLN40 - PLANNING Stop Loc:		CTIPS ID:	EA #:	PPNO:	

	PHASE	PRIOR	18/19	19/20	20/21	21/22	22/23	23/24	BEYOND	PROG TOTAL	
AGENCY - Agency	PE	\$150								\$150	
	RW	\$0								\$0	
	CON	\$0								\$0	
	SUBTOTAL	\$150								\$150	
Federal Disc - Section 125 - Surface Transportation Priorities	PE	\$735								\$735	
	RW	\$0								\$0	
	CON	\$0								\$0	
	SUBTOTAL	\$735								\$735	
MR20H - Measure R 20% Highway	PE				\$600	\$3,200	\$1,200			\$5,000	
	RW				\$0	\$0	\$0			\$0	
	CON				\$0	\$0	\$0			\$0	
	SUBTOTAL				\$600	\$3,200	\$1,200			\$5,000	
Measure R	PE	\$350								\$350	
	RW	\$0								\$0	
	CON	\$0								\$0	
	SUBTOTAL	\$350								\$350	
	TOTAL	\$1,235			\$600	\$3,200	\$1,200			\$6,235	
TOTAL PE:		\$6,235	TOTAL RW:		\$0	TOTAL CON:		\$0	TOTAL PROGRAMMED:		\$6,235

- General Comment: Update programming for \$5,000,000 Measure R approved for Design
- Modeling Comment: Update programming for \$5,000,000 Measure R approved for Design
- TCM Comment:
- Amendment Comment:
- CMP Comment:
- Narrative:

Last Revised Amendment 19-29 - Submitted	Change reason: New Project	Total Project Cost	\$6,235
---	-----------------------------------	---------------------------	----------------

TITLE:

Amendment to the KNN Public Finance LLC agreement for financial municipal advisory services related to the issuance of pension obligation bonds.

RECOMMENDATION:

Authorize the City Manager to approve third amendment to agreement #5941 with KNN Public Finance, LLC for an additional \$32,600 to increase the total contract amount to \$82,500 for financial municipal advisory services and to execute the amended agreement.

FISCAL IMPACT:

The total cost of the project is estimated to be \$82,500 for financial municipal advisory services. The funding source is as follows:

Amount Budgeted: \$25,000

Additional Appropriation: \$57,500 (from GF fund balance: 001-299-0000-2990)

Account Number: 001-400-2501-6214 (Finance Admin Professional Services)

BACKGROUND:

In July 2020 the chief financial officer approved a professional services agreement for KNN Public Finance, LLC (KNN) to provide financial municipal advisory services to the City Council, City Manager, and the Finance Department in the amount of \$25,000. KNN's scope of work included taking a holistic and strategic approach to analyzing whether proposed financial transactions fit within the City's long-term financial and policy goals, developing a plan of financing and evaluating alternatives, and developing recommended financial best practices and financial policies for consideration. A second amendment to the contract was done administratively with the beginning of the current fiscal year. The second amendment included the term being extended through June 30, 2021, as well as the contract amount was amended from \$25,000 to \$49,900. It is anticipated an additional contract amount of \$32,600 will be necessary to meet the needs of the City processing the pension obligation bonds, bringing the contract total to an amount not to exceed \$82,500. Because this third amendment brings the total for the agreement over \$50,000, City Council approval is required.

At this time, staff is requesting City Council approve a third amendment to the agreement for an additional amount of \$32,600 for KNN Public Finance LLC to provide professional consulting services to the City. Staff is also requesting an additional appropriation of \$57,500. Currently, only \$25,000 is budgeted for this agreement.

KNN Public Finance LLC has provided customer service consistent with their agreement terms and conditions.

DISCUSSION:

Scope of Services

KNN shall perform the following services, as appropriate, in connection with the 2021 POBs transaction:

- i) Prepare transaction schedule, distribution list, and other documents ancillary to the transaction.
- ii) Issue, review, and evaluate RFPs for bond counsel, disclosure counsel, and underwriters.
- iii) Provide estimated debt service schedules and review such schedules developed by the underwriter.
- iv) Coordinate financing team efforts, including City staff, bond and disclosure counsel, underwriter, and any other party, with respect to the preparation, review and approval of the financing.
- v) In conjunction with the underwriter and bond counsel, recommend specific financial covenants, terms and provisions, including, maturity schedules, timing of sale, call provisions and related matters.
- vi) Review and provide appropriate revisions and recommendations to legal documents, including the official statement, the indenture and other documents.
- vii) Assist the City in the preparation of documents related to the bond issue, including staff reports.
- viii) Review debt policy for updates and disclosure reporting as needed.
- ix) Attend meetings with City staff, consultants and council, as requested.
- x) Review the underwriter's proposed discount and expenses, proposed interest rates, sales effort and generally assist City in pricing negotiations.
- xi) Assist with the review and execution of closing documents.

Fees

KNN has provided a fee of \$80,000 for municipal advisor services associated with the City's 2021 POBs. Expenses will be capped at \$2,500, for a total not to exceed of \$82,500.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion Economic Development and Fiscal Sustainability:

Objective B: El Segundo approaches its work in a financially strategic and responsible way

PREPARED BY: Joseph Lillio, Chief Financial Officer *JK*
REVIEWED BY: Barbara Voss, Deputy City Manager *BV*
APPROVED BY: Scott Mitnick, City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Addendum to Professional Services Agreement: Scope of Services, Fee Proposal and Disclosures Pursuant to MSRB Rules G-42 and G-10
2. Third Amendment (5941C) to Agreement No. 5941
3. Second Amendment to Agreement No. 5941 (as reference only)
4. Professional Services Agreement No. 5941 and Scope of Work

Date: December 3, 2020

To: Joseph Lillio, Director of Finance
City of El Segundo

From: Mark Young, Managing Director
KNN Public Finance, LLC

Re: Addendum to Professional Services Agreement: Scope of Services, Fee Proposal and Disclosures Pursuant to MSRB Rules G-42 and G-10

This memo sets forth KNN's proposed scope of services and fees for the City of El Segundo's proposed 2021 Taxable Pension Obligation Bonds ("2021 POBs"). This letter supplements the approved Professional Services Agreement No. 5941 Between the City of El Segundo and KNN Public Finance, LLC, dated July 22, 2020 (the "Agreement"), and the approved Second Amendment to the Agreement, dated October 12, 2020.

Scope of Services

KNN shall perform the following services, as appropriate, in connection with the 2021 POBs transaction:

- i) Prepare transaction schedule, distribution list, and other documents ancillary to the transaction.
- ii) Issue, review, and evaluate RFPs for bond counsel, disclosure counsel, and underwriters.
- iii) Provide estimated debt service schedules and review such schedules developed by the underwriter.
- iv) Coordinate financing team efforts, including City staff, bond and disclosure counsel, underwriter, and any other party, with respect to the preparation, review and approval of the financing.
- v) In conjunction with the underwriter and bond counsel, recommend specific financial covenants, terms and provisions, including, maturity schedules, timing of sale, call provisions and related matters.
- vi) Review and provide appropriate revisions and recommendations to legal documents, including the official statement, the indenture and other documents.
- vii) Assist the City in the preparation of documents related to the bond issue, including staff reports.
- viii) Review debt policy for updates and disclosure reporting as needed.
- ix) Attend meetings with City staff, consultants and council, as requested.
- x) Review the underwriter's proposed discount and expenses, proposed interest rates, sales effort and generally assist City in pricing negotiations.
- xi) Assist with the review and execution of closing documents.

Fees

KNN proposes a fee of \$80,000 for municipal advisor services associated with the City's 2021 POBs. Expenses will be capped at \$2,500. Fees are contingent on the successful sale of the financing.

Disclosures Pursuant to MSRB Rules G-42 and G-10

Pursuant to Municipal Securities Rulemaking Board (“MSRB”) Rule G-42, on Duties on Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary Events of KNN Public Finance, LLC (“KNN Public Finance”) and its associated persons.

Below please find disclosures from KNN Public Finance to the City in each area.

Conflicts of Interest

Other Municipal Advisor Relationships. KNN serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of the City of El Segundo. For example, KNN serves as municipal advisor to other municipal advisory clients and, in such cases, depending on the client, owes either a fiduciary duty or a duty of care to such other clients just as it does to City of El Segundo under this engagement. Overlapping clients may include overlapping jurisdictions within the County. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, KNN could potentially face a conflict of interest arising from these competing client interests. KNN fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with City of El Segundo.

Compensation. KNN Public Finance represents that in connection with the issuance of municipal securities, KNN Public Finance may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, KNN Public Finance hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding KNN Public Finance’s ability to provide unbiased advice to enter into such transaction. This conflict of interest will not impair KNN Public Finance’s ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

If KNN Public Finance becomes aware of any additional potential or actual conflict of interest after this disclosure, KNN Public Finance will disclose the detailed information in writing to the Issuer in a timely manner.

Legal or Disciplinary Events

KNN Public Finance, LLC, has never been subject to any legal, disciplinary or regulatory actions nor was it ever subject to any legal, disciplinary or regulatory actions previously, when it was a division of Zions First National Bank or Zions Public Finance, Inc.

A regulatory action disclosure has been made on Form MA-I for one of KNN’s municipal advisory personnel relating to a 1998 U.S. Securities and Exchange Commission (“SEC”) order that was filed while the municipal advisor was employed with a prior firm, (not KNN Public Finance). The details of which are available in Item 9; C(1), C(2), C(4), C(5) and the corresponding regulatory action DRP section on Form MA and Item 6C; (1), (2), (4), (5) and the corresponding regulatory action DRP section on Form MA-I. Issuers may electronically access KNN Public Finance’s most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: www.sec.gov/edgar/searchedgar/companysearch.html.

The SEC permits certain items of information required on Form MA and Form MA-I to be provided by reference to such required information already filed on a regulatory system (e.g., FINRA CRD). The above noted regulatory action has been referenced on both Form MA and MA-I due to the information already filed

on FINRA's CRD system and is publicly accessible through BrokerCheck at <http://brokercheck.finra.org>. For purposes of accessing such BrokerCheck information, the Municipal Advisor's CRD number is 4457537.

There has been no change to any legal or disciplinary event that has been disclosed on KNN Public Finance's original SEC registration Form MA filed on February 8, 2016 or Form MA-I's filed on January 22, 2016.

Additional Disclosures – MSRB Rule G-10

Pursuant to Municipal Securities Rulemaking Board Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

- a) KNN Public Finance, LLC is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.
- b) Within the Municipal Securities Rulemaking Board ("MSRB") website at www.msrb.org, City of El Segundo may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

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

KNN Public Finance, LLC
2054 University Avenue, Suite 300
Berkeley, CA 94704

Signed: _____

Signed:  _____

Name: _____

Name: Mark Young _____

Title: _____

Title: Managing Director _____

Date: _____

Date: December 3, 2020 _____

**THIRD AMENDMENT TO
AGREEMENT NO. 5941 BETWEEN
THE CITY OF EL SEGUNDO AND
KNN PUBLIC FINANCE, LLC**

THIS THIRD AMENDMENT (“Amendment”) is made and entered into this 19th day of January 2021, by and between the CITY OF EL SEGUNDO, a general law city and municipal corporation existing under the laws of California (“CITY”), and KNN Public Finance, LLC a California Corporation (“CONSULTANT”).

The parties agree as follows:

1. The parties also desire to amend the Agreement by increasing the total amount of the Agreement by \$32,600, so that the total, not-to-exceed amount of the Agreement is \$82,500.
2. 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.
3. Except as modified by this Amendment, all other terms and conditions of Agreement No. 5941 remain the same.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF the parties hereto have executed this Amendment the day and year first hereinabove written.

CITY OF EL SEGUNDO

RIESTER PACIFIC
INC.

Scott Mitnick,
City Manager

Tim Riester
CEO

ATTEST:

Tracy Weaver,
City Clerk

Taxpayer ID No. _____

APPROVED AS TO FORM:

Mark D. Hensley,
City Attorney

**SECOND AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT NO. 5941
BETWEEN
THE CITY OF EL SEGUNDO AND
KNN PUBLIC FINANCE, LLC**

This Second Amendment is entered into this 12th day of October, 2020, by and between the CITY OF EL SEGUNDO, a municipal corporation and general law city (“CITY”) and KNN PUBLIC FINANCE, LLC, a limited liability corporation (“CONSULTANT”). The parties agree as follows:

1. Pursuant to Section 35 of the Agreement between the parties, Section 2 of the Agreement (“Scope of Services”) is amended to increase the total amount of the Agreement by \$25,000 for Fiscal Year 2020 - 2021, so the total, not-to-exceed amount of the Agreement is \$49,900.
2. The term of this amendment is October 1, 2020 to June 30, 2021.
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. 5941 remain the same.

[Signatures on next page]

IN WITNESS WHEREOF the parties hereto have executed this Amendment the day and year first hereinabove written.

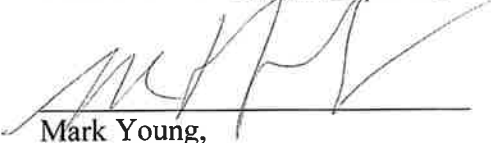
CITY OF EL SEGUNDO

KNN PUBLIC FINANCE, LLC.

Joseph Lillio

Digitally signed by Joseph Lillio
DN: cn=Joseph Lillio, o=City of El Segundo,
ou=Director of Finance, email=jlillio@elsegundo.org,
c=US
Date: 2020.10.13 09:53:05 -0700

Joseph Lillio,
Director of Finance



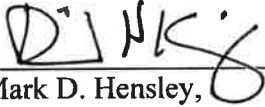
Mark Young,
Managing Director

ATTEST:

Taxpayer ID No. 81-0958321

Tracy Weaver,
City Clerk

APPROVED AS TO FORM:

 for

Mark D. Hensley,
City Attorney



**PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF EL SEGUNDO AND
KNN PUBLIC FINANCE LLC**

This AGREEMENT is made and entered into this 22nd day of July, 2020, by and between the CITY OF EL SEGUNDO, a municipal corporation and general law city ("CITY") and KNN PUBLIC FINANCE, a limited liability corporation ("CONSULTANT"). The parties agree as follows:

1. CONSIDERATION.

- A. As partial consideration, CONSULTANT agrees to perform the work listed in the SCOPE OF SERVICES, below;
- B. As additional consideration, CONSULTANT and CITY agree to abide by the terms and conditions contained in this Agreement;
- C. As additional consideration, CITY agrees to pay CONSULTANT a sum not to exceed Twenty-Four Thousand Nine hundred dollars (\$24,900) for CONSULTANT's services. CITY may modify this amount as set forth below. Unless otherwise specified by written amendment to this Agreement, CITY will pay this sum as specified in the attached Exhibit "A," which is incorporated by reference.

2. SCOPE OF SERVICES.

- A. CONSULTANT will perform services listed in the attached Exhibit "A," which is incorporated by reference.
- B. CONSULTANT will, in a professional manner, furnish all of the labor, technical, administrative, professional and other personnel, all supplies and materials, equipment, printing, vehicles, transportation, office space and facilities, and all tests, testing and analyses, calculation, and all other means whatsoever, except as herein otherwise expressly specified to be furnished by CITY, necessary or proper to perform and complete the work and provide the professional services required of CONSULTANT by this Agreement.

3. PERFORMANCE STANDARDS. While performing this Agreement, CONSULTANT will use the appropriate generally accepted professional standards of practice existing at the time of performance utilized by persons engaged in providing similar services. CITY will continuously monitor CONSULTANT's services. CITY will notify CONSULTANT of any deficiencies and CONSULTANT will have fifteen (15) days after such notification to

cure any shortcomings to CITY's satisfaction. Costs associated with curing the deficiencies will be borne by CONSULTANT.

4. PAYMENTS. For CITY to pay CONSULTANT as specified by this Agreement, CONSULTANT must submit a detailed invoice to CITY which lists the hours worked and hourly rates for each personnel category and reimbursable costs (all as set forth in Exhibit "A") the tasks performed, the percentage of the task completed during the billing period, the cumulative percentage completed for each task, the total cost of that work during the preceding billing month and a cumulative cash flow curve showing projected and actual expenditures versus time to date.

5. NON-APPROPRIATION OF FUNDS. Payments due and payable to CONSULTANT for current services are within the current budget and within an available, unexhausted and unencumbered appropriation of the CITY. In the event the CITY has not appropriated sufficient funds for payment of CONSULTANT services beyond the current fiscal year, this Agreement will cover only those costs incurred up to the conclusion of the current fiscal year.

6. FAMILIARITY WITH WORK.

- A. By executing this Agreement, CONSULTANT agrees that it has:
 - i. Carefully investigated and considered the scope of services to be performed;
 - ii. Carefully considered how the services should be performed; and
 - iii. Understands the facilities, difficulties, and restrictions attending performance of the services under this Agreement.
- B. If services involve work upon any site, CONSULTANT agrees that CONSULTANT has or will investigate the site and is or will be fully acquainted with the conditions there existing, before commencing the services hereunder. Should CONSULTANT discover any latent or unknown conditions that may materially affect the performance of the services, CONSULTANT will immediately inform CITY of such fact and will not proceed except at CONSULTANT's own risk until written instructions are received from CITY.

7. TERM. The term of this Agreement will be from July 1, 2020, to September 30, 2020. Unless otherwise determined by written amendment between the parties, this Agreement will terminate in the following instances:

- A. Completion of the work specified in Exhibit "A";

- B. Termination as stated in Section 15.

8. TIME FOR PERFORMANCE.

- A. CONSULTANT will not perform any work under this Agreement until:
 - i. CONSULTANT furnishes proof of insurance as required under Section 22 of this Agreement; and
 - ii. CITY gives CONSULTANT a written notice to proceed.
- B. Should CONSULTANT begin work on any phase in advance of receiving written authorization to proceed, any such professional services are at CONSULTANT's own risk.

9. TIME EXTENSIONS. Should CONSULTANT be delayed by causes beyond CONSULTANT's control, CITY may grant a time extension for the completion of the contracted services. If delay occurs, CONSULTANT must notify the Manager within forty-eight (48) hours, in writing, of the cause and the extent of the delay and how such delay interferes with the Agreement's schedule. The Manager will extend the completion time, when appropriate, for the completion of the contracted services.

10. CONSISTENCY. In interpreting this Agreement and resolving any ambiguities, the main body of this Agreement takes precedence over the attached Exhibits; this Agreement supersedes any conflicting provisions. Any inconsistency between the Exhibits will be resolved in the order in which the Exhibits appear below:

- A. Exhibit: A: Scope of Work.

11. CHANGES. CITY may order changes in the services within the general scope of this Agreement, consisting of additions, deletions, or other revisions, and the contract sum and the contract time will be adjusted accordingly. All such changes must be authorized in writing, executed by CONSULTANT and CITY. The cost or credit to CITY resulting from changes in the services will be determined in accordance with written agreement between the parties.

12. TAXPAYER IDENTIFICATION NUMBER. CONSULTANT will provide CITY with a Taxpayer Identification Number.

13. PERMITS AND LICENSES. CONSULTANT, at its sole expense, will obtain and maintain during the term of this Agreement, all necessary permits, licenses, and certificates that may be required in connection with the performance of services under this Agreement.

14. WAIVER. CITY's review or acceptance of, or payment for, work product prepared by CONSULTANT under this Agreement will not be construed to operate as a waiver of

any rights CITY may have under this Agreement or of any cause of action arising from CONSULTANT's performance. A waiver by CITY of any breach of any term, covenant, or condition contained in this Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this Agreement, whether of the same or different character.

15. TERMINATION.

- A. Except as otherwise provided, CITY may terminate this Agreement at any time with or without cause.
- B. CONSULTANT may terminate this Agreement at any time with CITY's mutual consent. Notice will be in writing at least thirty (30) days before the effective termination date.
- C. Upon receiving a termination notice, CONSULTANT will immediately cease performance under this Agreement unless otherwise provided in the termination notice. Except as otherwise provided in the termination notice, any additional work performed by CONSULTANT after receiving a termination notice will be performed at CONSULTANT's own cost; CITY will not be obligated to compensate CONSULTANT for such work.
- D. Should termination occur, all finished or unfinished documents, data, studies, surveys, drawings, maps, reports and other materials prepared by CONSULTANT will, at CITY's option, become CITY's property, and CONSULTANT will receive just and equitable compensation for any work satisfactorily completed up to the effective date of notice of termination, not to exceed the total costs under Section 1(C).
- E. Should the Agreement be terminated pursuant to this Section, CITY may procure on its own terms services similar to those terminated.
- F. By executing this document, CONSULTANT waives any and all claims for damages that might otherwise arise from CITY's termination under this Section.

16. OWNERSHIP OF DOCUMENTS. All documents, data, studies, drawings, maps, models, photographs and reports prepared by CONSULTANT under this Agreement are CITY's property. CONSULTANT may retain copies of said documents and materials as desired but will deliver all original materials to CITY upon CITY's written notice. CITY agrees that use of CONSULTANT's completed work product, for purposes other than identified in this Agreement, or use of incomplete work product, is at CITY's own risk.

17. PUBLICATION OF DOCUMENTS. Except as necessary for performance of service under this Agreement, no copies, sketches, or graphs of materials, including graphic art

work, prepared pursuant to this Agreement, will be released by CONSULTANT to any other person or public CITY without CITY's prior written approval. All press releases, including graphic display information to be published in newspapers or magazines, will be approved and distributed solely by CITY, unless otherwise provided by written agreement between the parties.

18. INDEMNIFICATION.

A. CONSULTANT agrees to the following:

- i. ***Indemnification for Professional Services.*** CONSULTANT will save harmless and indemnify and at CITY's request reimburse defense costs for CITY and all its officers, volunteers, employees and representatives from and against any and all suits, actions, or claims, of any character whatever, brought for, or on account of, any injuries or damages sustained by any person or property resulting or arising from any negligent or wrongful act, error or omission by CONSULTANT or any of CONSULTANT's officers, agents, employees, or representatives, in the performance of this Agreement, except for such loss or damage arising from CITY's sole negligence or willful misconduct.
- ii. ***Indemnification for other Damages.*** CONSULTANT indemnifies and holds CITY harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, arising out of this Agreement, or its performance, except for such loss or damage arising from CITY's sole negligence or willful misconduct. Should CITY be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, CONSULTANT will defend CITY (at CITY's request and with counsel satisfactory to CITY) and will indemnify CITY for any judgment rendered against it or any sums paid out in settlement or otherwise.

- B. For purposes of this section "CITY" includes CITY's officers, officials, employees, agents, representatives, and certified volunteers.
- C. It is expressly understood and agreed that the foregoing provisions will survive termination of this Agreement.
- D. The requirements as to the types and limits of insurance coverage to be maintained by CONSULTANT as required by Section 22, and any

approval of said insurance by CITY, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONSULTANT pursuant to this Agreement, including, without limitation, to the provisions concerning indemnification.

19. ASSIGNABILITY. This Agreement is for CONSULTANT's professional services. CONSULTANT's attempts to assign the benefits or burdens of this Agreement without CITY's written approval are prohibited and will be null and void.

20. INDEPENDENT CONTRACTOR. CITY and CONSULTANT agree that CONSULTANT will act as an independent contractor and will have control of all work and the manner in which it is performed. CONSULTANT will be free to contract for similar service to be performed for other employers while under contract with CITY. CONSULTANT is not an agent or employee of CITY and is not entitled to participate in any pension plan, insurance, bonus or similar benefits CITY provides for its employees. Any provision in this Agreement that may appear to give CITY the right to direct CONSULTANT as to the details of doing the work or to exercise a measure of control over the work means that CONSULTANT will follow the direction of the CITY as to end results of the work only.

21. AUDIT OF RECORDS. CONSULTANT will maintain full and accurate records with respect to all services and matters covered under this Agreement. CITY will have free access at all reasonable times to such records, and the right to examine and audit the same and to make transcript therefrom, and to inspect all program data, documents, proceedings and activities. CONSULTANT will retain such financial and program service records for at least three (3) years after termination or final payment under this Agreement.

22. INSURANCE.

- A. Before commencing performance under this Agreement, and at all other times this Agreement is effective, CONSULTANT will procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

<u>Type of Insurance</u>	<u>Limits</u>
Commercial general liability:	\$2,000,000
Professional Liability	\$1,000,000
Business automobile liability	\$1,000,000
Workers compensation	Statutory requirement

- B. Commercial general liability insurance will meet or exceed the requirements of the most recent ISO-CGL Form. The amount of insurance set forth above will be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies will be endorsed to name CITY, its officials, and employees as "additional insureds" under said insurance coverage and to state that such insurance will be deemed "primary" such that any other insurance that may be carried by CITY will be excess thereto. Such endorsement must be reflected on ISO Form No. CG 20 10 11 85 or 88, or equivalent. Such insurance will be on an "occurrence," not a "claims made," basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to CITY.
- C. Professional liability coverage will be on an "occurrence basis" if such coverage is available, or on a "claims made" basis if not available. When coverage is provided on a "claims made basis," CONSULTANT will continue to renew the insurance for a period of three (3) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement and will cover CONSULTANT for all claims made by CITY arising out of any errors or omissions of CONSULTANT, or its officers, employees or agents during the time this Agreement was in effect.
- D. Automobile coverage will be written on ISO Business Auto Coverage Form CA 00 01 06 92, including symbols 8 & 9 (hired and non-owned).
- E. CONSULTANT will furnish to CITY duly authenticated Certificates of Insurance evidencing maintenance of the insurance required under this Agreement and such other evidence of insurance or copies of policies as may be reasonably required by CITY from time to time. Insurance must be placed with insurers with a current A.M. Best Company Rating equivalent to at least a Rating of "A:VII."
- F. Should CONSULTANT, for any reason, fail to obtain and maintain the insurance required by this Agreement, CITY may obtain such coverage at CONSULTANT's expense and deduct the cost of such insurance from payments due to CONSULTANT under this Agreement or terminate pursuant to Section 155.

23. USE OF SUBCONTRACTORS. CONSULTANT must obtain CITY's prior written approval to use any consultants while performing any portion of this Agreement. Such approval must approve of the proposed consultant and the terms of compensation.

24. INCIDENTAL TASKS. CONSULTANT will meet with CITY monthly to provide the status on the project, which will include a schedule update and a short narrative

description of progress during the past month for each major task, a description of the work remaining and a description of the work to be done before the next schedule update.

25. NOTICES. All communications to either party by the other party will be deemed made when received by such party at its respective name and address as follows:

If to CONSULTANT:

KNN Public Finance LLC
5901 W. Century Blvd, Suite 750
Los Angeles, CA 90045
Attention: Mark Young
Phone: (310) 348-2901
Email: myoung@knninc.com

If to CITY:

City of El Segundo
350 Main Street
El Segundo, CA
Attention: Joseph Lillio
Phone: (310) 524-2318
Email: jlillio@elsegundo.org

Any such written communications by mail will be conclusively deemed to have been received by the addressee upon deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above. In all other instances, notices will be deemed given at the time of actual delivery. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this paragraph.

26. CONFLICT OF INTEREST. CONSULTANT will comply with all conflict of interest laws and regulations including, without limitation, CITY's conflict of interest regulations.

27. SOLICITATION. CONSULTANT maintains and warrants that it has not employed nor retained any company or person, other than CONSULTANT's bona fide employee, to solicit or secure this Agreement. Further, CONSULTANT warrants that it has not paid nor has it agreed to pay any company or person, other than CONSULTANT's bona fide employee, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Should CONSULTANT breach or violate this warranty, CITY may rescind this Agreement without liability.

28. THIRD PARTY BENEFICIARIES. This Agreement and every provision herein is generally for the exclusive benefit of CONSULTANT and CITY and not for the benefit of any other party. There will be no incidental or other beneficiaries of any of CONSULTANT's or CITY's obligations under this Agreement.

29. INTERPRETATION. This Agreement was drafted in and will be construed in accordance with the laws of the State of California, and exclusive venue for any action involving this agreement will be in Los Angeles County.

30. COMPLIANCE WITH LAW. CONSULTANT agrees to comply with all federal, state, and local laws applicable to this Agreement.

31. ENTIRE AGREEMENT. This Agreement, and its Exhibit(s), sets forth the entire understanding of the parties. There are no other understandings, terms or other agreements expressed or implied, oral or written. This Agreement will bind and inure to the benefit of the parties to this Agreement and any subsequent successors and assigns.

32. RULES OF CONSTRUCTION. Each Party had the opportunity to independently review this Agreement with legal counsel. Accordingly, this Agreement will be construed simply, as a whole, and in accordance with its fair meaning; it will not be interpreted strictly for or against either Party.

33. SEVERABILITY. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion will be deemed modified to the extent necessary in the opinion of the court to render such portion enforceable and, as so modified, such portion and the balance of this Agreement will continue in full force and effect.

34. AUTHORITY/MODIFICATION. The Parties represent and warrant that all necessary action has been taken by the Parties to authorize the undersigned to execute this Agreement and to engage in the actions described herein. This Agreement may be modified by written amendment.

35. ACCEPTANCE OF ELECTRONIC SIGNATURES. The Parties agree that this Agreement, agreements ancillary to this Agreement, and related documents to be entered into in connection with this Agreement will be considered signed when the signature of a party is delivered by electronic (.pdf) or facsimile transmission. Such electronic or facsimile signature will be treated in all respects as having the same effect as an original signature.

36. CAPTIONS. The captions of the paragraphs of this Agreement are for convenience of reference only and will not affect the interpretation of this Agreement.

37. TIME IS OF ESSENCE. Time is of the essence for each and every provision of this Agreement.

38. FORCE MAJEURE. Should performance of this Agreement be prevented due to fire, flood, explosion, acts of terrorism, war, embargo, government action, civil or military authority, the natural elements, or other similar causes beyond the Parties' reasonable control, then the Agreement will immediately terminate without obligation of either party to the other.

Agreement No. ___[City Clerk assigns]__

39. STATEMENT OF EXPERIENCE. By executing this Agreement, CONSULTANT represents that it has demonstrated trustworthiness and possesses the quality, fitness and capacity to perform the Agreement in a manner satisfactory to CITY. CONSULTANT represents that its financial resources, surety and insurance experience, service experience, completion ability, personnel, current workload, experience in dealing with private consultants, and experience in dealing with public agencies all suggest that CONSULTANT is capable of performing the proposed contract and has a demonstrated capacity to deal fairly and effectively with and to satisfy a public CITY.

[Signatures on next page]

Agreement No. ____ [City Clerk assigns] ____

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first hereinabove written.

CITY OF EL SEGUNDO

Joseph Lillio

Joseph Lillio,
Director of Finance

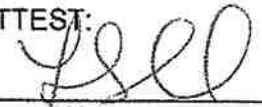
Digitally signed by Joseph Lillio
DN: cn=Joseph Lillio, o=City of El Segundo, ou=Director of
Finance, email=j.lillio@elsegundo.org, c=US
Date: 2020.07.27 16:19:15 -0730'

KNN PUBLIC FINANCE LLC

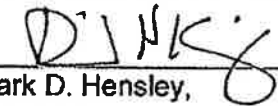
Mark Young
Managing Director



ATTEST:


Tracy Weaver,
City Clerk

APPROVED AS TO FORM:


Mark D. Hensley,
City Attorney



Qualifications for Municipal Advisory Services

City of El Segundo

February 26, 2020



1300 Clay Street, Suite 1000 | Oakland, CA 94612 | Main 510-839-8200 | Fax 510-208-8282
1451 Quail Street, Suite 200 | Newport Beach, CA 92660 | Main 949-346-4900 | Fax 510-208-8282
5901 West Century Boulevard, Suite 750 | Los Angeles, CA 90045 | Main 310-348-2901 | Fax 510-208-8282

A Limited Liability Company



February 26, 2020

Joseph Lillio, Director of Finance
City of El Segundo
350 Main Street
El Segundo, California 90245

Dear Mr. Lillio,

Thank you for the opportunity for KNN Public Finance, LLC (“KNN”) to submit our qualifications to the City of El Segundo (the “City”) to provide municipal advisory services (though “financial advisory” and “municipal advisory” are sometimes used interchangeably, we use municipal advisory throughout our response being a registered and regulated Municipal Advisor). We have the combination of experience, resources and perspective to help you achieve your financial objectives. We highlight the following key strengths of our firm and qualifications:

- **Holistic Advisory Approach.** Our practice is built on a philosophy of providing comprehensive service to our clients, and ensuring they make informed decisions regarding capital financing and debt management activities. We view finance and debt issuance as just one component of meeting public goals and we are strategic in making sure a potential transaction fits within longer-term financial and policy objectives. A robust plan of finance will evaluate alternatives and tradeoffs in terms of benefit, risk, cost, legal constraints, credit, investor concerns, and public policy to support balanced recommendations.
- **Large California Practice.** KNN is a leading municipal advisory firm in California, ranking among the top three in terms of par amount and number of transactions in California in most years, and ranking in the top ten nationally, which is significant given our exclusive California focus. This experience and market presence translate into resources available to provide you the highest level of service.
- **California City Finance Expertise.** KNN has a practice group dedicated to California cities. Our proposed team has the experience and capabilities to plan, structure and execute virtually every form of municipal financing that a California city may contemplate. We have served as Municipal Advisor to the largest cities in the State – Los Angeles, San Diego, San Francisco, Long Beach, Fresno, Oakland – and to cities as small as Calistoga, Capitola, Davis, and Gridley. We bring a special expertise to the non-transaction side of the municipal advisory business, helping many entities formulate long-term financing plans and develop written policies. We also apply unmatched diligence in the area of disclosure, recognizing that this represents the area of greatest risk to the individuals we work with at municipal issuers.
- **Integrity.** KNN is an independent Municipal Advisory practice and does not market or underwrite securities of any kind or offer other services that might conflict with our duty to provide independent and objective analysis and advice. The integrity of your advisor is particularly important in meeting your financial objectives, managing risk and making sure management, council members, and the public are appropriately informed of key financial decisions.



In closing, we welcome the opportunity to help you in tackling your financing objectives. I, Mark Young, would be the primary contact person and am authorized by the firm to solicit business and enter into contracts for KNN. I am located at our Los Angeles office: 5901 W. Century Boulevard, Suite 750, Los Angeles, CA 90045, and can be reached by phone: (310) 348-2901 or email: myoung@knninc.com.

Sincerely,

A handwritten signature in dark ink, appearing to read "M. Young", written over a light blue horizontal line.

Mark Young
Managing Director

cc: Scott Mitnick

Table of Contents

1.	About KNN	1
	Overview	1
	History and Ownership	1
	Registration	1
	Organizational and Management Structure	2
	California Advisory Focus	3
	Technology and Information Services	3
2.	City Experience	4
	California Cities	4
3.	KNN Personnel	5
4.	Scope of Services	7
	On-Call Advisory Services	7
	Transaction Advisory Services	9
5.	References	12
6.	Fees	13
	On-Call Advisory / Pre-Transaction Fees (Hourly)	13
	Transaction Fees (Fixed)	13
	Reimbursable Expenses	14

Appendix A: MSRB Rule G-42 Additional Disclosures

1. About KNN

Overview

KNN Public Finance (“KNN”) is an Independent Registered Municipal Advisor (“IRMA”), registered as a Municipal Advisor with both the U.S. Securities and Exchange Commission (“SEC”) and the Municipal Securities Rulemaking Board (“MSRB”). KNN provides municipal advisory services to a wide array of state and local agencies in the State of California. Our clients include State agencies, cities and counties, special districts, and school and community college districts. Headquartered in Oakland, with two Southern California offices in Los Angeles and Newport Beach, KNN is among the largest advisory firms based in California. The firm employs 19 professionals, including 15 advisors and four administrative support personnel.

Our sole business is municipal advisory work with state and local governments and agencies. To maintain our independence and have no conflicts of interest, we do not act as underwriter, swap counterparty or other principal in a financing transaction, or as a placement agent for a direct placement with a bank or other institution. As Municipal Advisor, we can propose and recommend ideas for a financing or financing alternatives as a solution to a financing need.

The diversified backgrounds of our team, many of whom come from the public sector, rating agencies, underwriting and legal communities, provide us with a broad perspective. Our practice is built on a philosophy of providing comprehensive service to our clients, and ensuring they make informed decisions with regard to all aspects of their capital financing and debt management.

History and Ownership

KNN was first established in 1982 and operated for many years as Kelling, Northcross & Nobriga, Inc. In 1997, KNN became a division of Zions First National Bank and later Zions Public Finance, Inc., though we continued to operate exclusively as a municipal advisor and had no affiliation with the bank’s broker-dealer business. In February 2016, a management group acquired the firm from Zions Bank. This was precipitated by new Municipal Advisor regulations that came into effect in 2016, leading us to separate from the bank to help us avoid any potential or perceived conflicts of interest in the future. KNN is now 100% employee owned and operated. KNN is structured as a California Limited Liability Company.

Registration

KNN and its advisors are registered as a Municipal Advisor with the SEC and the MSRB. Our MSRB ID Number is K1151; our SEC File Number is 867-01996, and SEC CIK Number is 0001664477.

Please see the MSRB’s and the SEC’s websites:

- <http://www.msrb.org/MARegistrants.aspx>
- <https://www.sec.gov/cgi-bin/browse-edgar?company=KNN+Public+Finance&owner=exclude&action=getcompany>

All KNN advisors have taken and passed the MSRB Series 50 Financial Advisor exam.

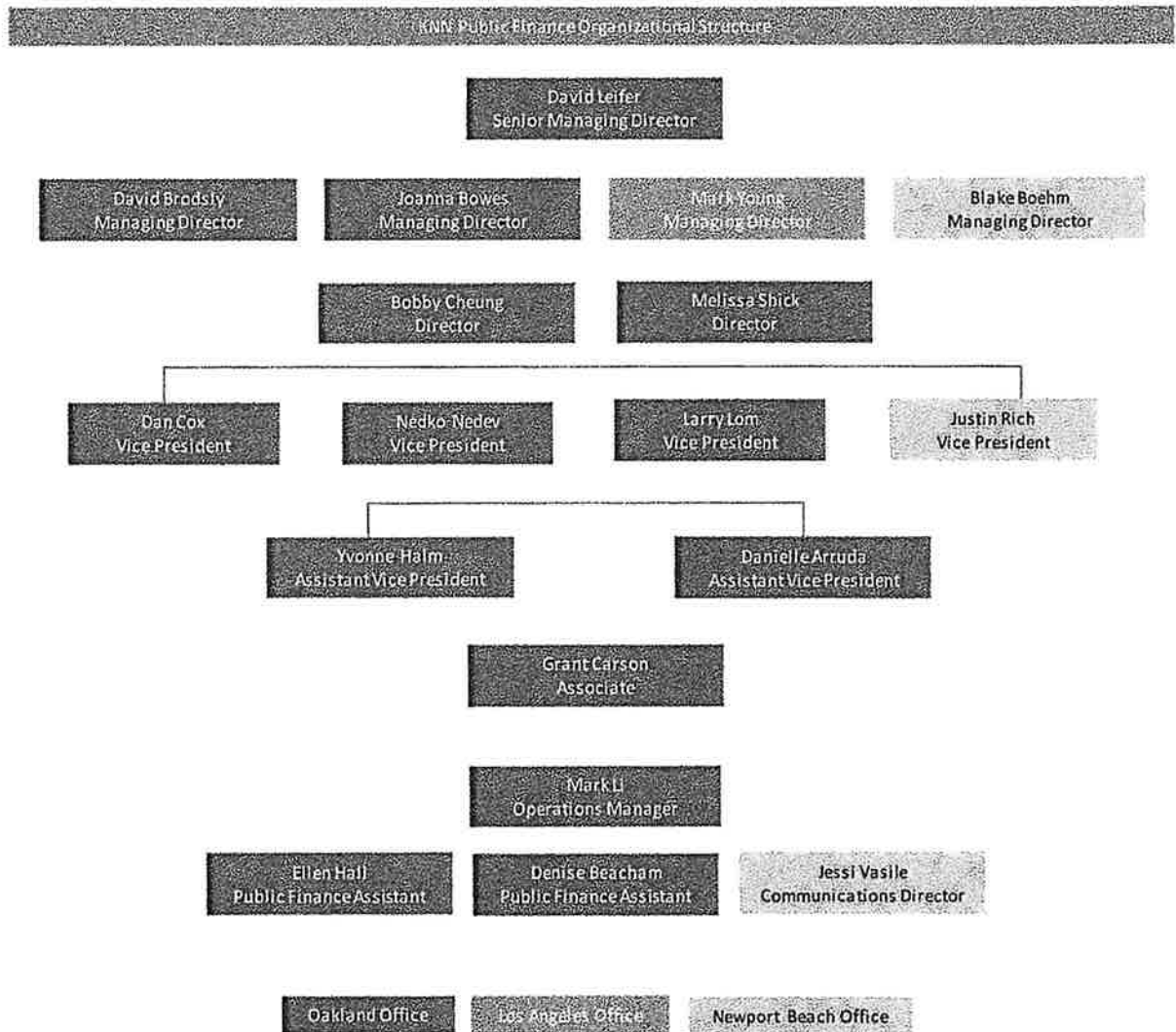
The MSRB recently initiated the requirement for at least one member of a firm to pass a Municipal Advisor Principal Qualification Examination (Series 54). The MSRB administered its first such exam this summer, and five members of our firm, including Mark Young and David Brodsky, currently hold a Series 54 License.

Organizational and Management Structure

The firm employs 18 professionals, including 14 advisors and four administrative support personnel, which exclusively perform municipal advisory work. 11 advisors and three administrative staff work in our Oakland headquarters; one advisor works in our Los Angeles office; and two advisors and one administrative staff work in our Newport Beach office.

KNN is managed by David Leifer, Senior Managing Director. The firm has six principals: David Leifer, Mark Young, David Brodsky, Joanna Bowes, Bobby Cheung, and Blake Boehm.

There have been no recent significant changes in our organization, and we do not expect any significant changes in the near future.



California Advisory Focus

KNN is a leading municipal advisory firm in the California public finance market, ranking among the Top 3 Municipal Advisory firms in terms of par amount and number of transactions in California in most years.¹ Over the last five years, KNN has served as advisor on over 487 transactions, totaling over \$46.7 billion in issuance par – all for California issuers. In 2019, KNN was ranked 9th nationally based on par, despite our California focus (*US Municipals Review, Full Year 2019* dated January 2, 2020). The importance, however, is not in the rankings but in the depth of our leadership and experience in California municipal finance – translating into real knowledge and resources to provide the highest level of service to the City.

The volume of issuance and diversity of our client base, exemplified by the table below, provides us with a broad perspective as well as professional relationships that offer value in understanding the latest trends in public finance. Our firm culture and practice promote open communication and collegiality among our professionals, so that all our clients benefit from our collective experiences.

KNN California Financing Experience by Issuer Type (January 1, 2015 – February 21, 2020)²

Type of Issuer	# of Transactions	Par Value	# of Agencies
Cities	66	\$ 3,526,635,028	23
Counties	67	5,534,381,390	24
K-12 School Districts	154	8,979,181,760	40
Community College Districts	59	7,189,305,008	26
Special Districts	21	678,614,984	12
Transportation Agencies	9	1,473,710,000	4
State & State Agencies	111	19,313,710,000	9
Total	487	\$46,695,538,170	

Technology and Information Services

While our primary resources are the experience, skill, judgment and integrity of our staff, we invest heavily in technology and information services. We subscribe to both Bloomberg and Thomson Municipal Market Monitor Services (“TM3”), investing more than \$75,000 annually, which provide virtually boundless resources of historical and upcoming pricing data, various market indices and statistics. We use this data, among other purposes, for interest rate planning assumptions, to monitor market conditions and to inform our price views while working on negotiated sales.

Our debt structuring and analytic capabilities are supported by our subscription to bond sizing software known in the industry as “DBC”. Our DBC package includes Project Finance, which coordinates interdependent projects under a common plan of financing to optimize complicated financing solutions. In addition to debt structuring, our staff are well versed in developing a wide variety of cash flow models customized to the specific requirements of each of our clients.

As a result of the number of transactions we complete in California, we are in frequent contact with all the active underwriting desks. With our access to market information from information services and direct relations, combined with our long history of pricing California paper and strong analytical skills, we

¹ Source: Thomson Reuters

² Includes experience of KNN advisors since February 2016 at KNN Public Finance, LLC and prior to February 2016 at KNN Public Finance, a division of Zions First National Bank and a division of Zions Public Finance, Inc. Applies to all tables herein dated prior to February 2016.

leave no stone unturned in our efforts to achieve the most favorable pricing results possible on behalf of our clients.

2. City Experience

California Cities

KNN has a practice group focused on California cities. We have had the opportunity to serve as municipal advisor to an eclectic mix of small and medium sized cities, located throughout the State, as well as some of the largest cities in California. Below we have included a list of some of our recent city clients. Much of the experience gleaned from these clients can be applied to the City and your financing needs.

KNN City Clients (January 1, 2015 – February 25, 2020)

Bell	Livermore	Poway
Davis	Lompoc	Rolling Hills Estates
East Palo Alto	Long Beach	San Diego
Emeryville	Los Angeles	San Francisco
Fremont	Manhattan Beach	Santa Barbara
Fresno	Marina	Santa Clara
Gardena	Morgan Hill	Santee
Huntington Beach	Newport Beach	Vacaville
Lathrop	Oakland	

KNN provides both on-call advisory services and debt issuance services to most of our municipal clients. Our on-call financial advisory work includes financial plan preparation, cash flow modeling, debt capacity and affordability analysis, staff and governing board training, and internal financial policy development. Debt issuance services include all aspects of managing a financing transaction.

KNN California Financing Experience by Type of Transaction (January 1, 2015 – February 21, 2020)

Type of Transaction	All Types of Issuers		City Issuers Only	
	# of Transactions	Par Value	# of Transactions	Par Value
General Obligation Bonds	193	\$16,007,412,270	4	\$ 328,780,000
Revenue Bonds	105	17,224,367,108	12	420,520,000
Lease Revenue Bonds / Certificates of Participation	78	6,355,362,125	17	805,952,125
Commercial Paper	38	2,136,757,000	4	1,170,000,000
TRANS / BANs	19	1,677,584,499	2	154,035,000
Land Secured Bonds	13	220,822,903	11	171,382,903
PACE and Energy Financings	7	78,632,265	0	0
Successor Redevelopment Agency Bonds	22	908,590,000	16	475,965,000
Pension Obligation Bonds	7	1,741,740,000	0	0
Other Bonds	5	344,270,000	0	0
Total	487	\$46,695,538,170	66	\$3,526,635,028

Besides our extensive experience in financing transactions, we bring a special expertise to the non-transaction side of the financial advisory business, helping many entities formulate long-term financing plans and develop written policies. We also apply consummate diligence in the area of disclosure, recognizing that this represents the area of greatest risk to the individuals we work with at municipal issuers

3. KNN Personnel

We have assembled a very senior and seasoned team to serve the City. **Mark Young**, Managing Director, would serve as the lead municipal advisor and project manager for the City. He will be supported by **David Brodsky**, Managing Director, and **Larry Lom**, Vice President. KNN's proposed core team has significant experience covering many of California's largest and most complex municipal issuers. Our team members bring forth complementary skill sets and regularly work together to bring our clients the specific expertise needed for each transaction.

Our team approach to client coverage lets us rely on the strengths of various individuals to maximize the collective quality of our service. Also, by having more than one advisor actively working the assignment, we can ensure that an advisor with real knowledge of your project or transaction is always available to meet your needs.

Mark Young, *Managing Director*

Mark joined KNN Public Finance as Managing Director in June 2014 and opened KNN's Los Angeles office. Mr. Young brings over 34 years of experience serving municipalities and has worked on over \$35 billion in short and long-term debt. Mr. Young's experience includes serving both as financial advisor and investment banker, most recently as a Managing Director and Co-Head of the Western Region for Loop Capital Markets. Prior to Loop, he was a Principal at the financial advisory firm of Gardner, Underwood & Bacon LLC.

Mark has advised or led financings for just about every type of municipal credit, including: general obligation, lease revenue, pension obligation, tax allocation/increment, special tax/assessments, port revenue, water/sewer revenue, and school district general obligation. The depth and diversity of his experience provides important value in approaching client engagements.

His clients have included the counties of Los Angeles, San Bernardino and San Diego, the cities of Los Angeles, San Diego, Long Beach, Manhattan Beach, Redondo Beach, Newport Beach, Rolling Hills Estate and Phoenix, San Diego and Los Angeles Unified School Districts, Long Beach Airport, the Port of Los Angeles, the Los Angeles Department of Water and Power and the Metropolitan Water District of Southern California.

Mr. Young has a B.A. in Economics with departmental honors from the University of California, Berkeley. Mark currently serves as the Vice Chairman of the City of Palos Verdes Estates Finance Advisory Committee. Additionally, Mark serves on the Compliance Advisory Group to the MSRB Board of Directors. Mark holds Series 50 and Series 54 Municipal Advisor Licenses.

address: 5901 W. Century Blvd., Suite 750, Los Angeles, CA 90045 • phone: 310-348-2901 • email: myoung@knninc.com

David Brodsky, *Managing Director*

David has more than 38 years' experience in municipal finance. He joined KNN early in 1998 to lead KNN's city, redevelopment and special district consulting practice, and he serves as financial advisor to a number of agencies throughout the State. Among the agencies with which he has worked are the cities of Los Angeles, San Francisco, San José, San Diego, Fresno, Oakland, Santa Barbara, Daly City, Davis, Elk Grove, Mission Viejo, Santee, and Santa Clara; Alameda, Orange and San Bernardino counties; and a number water and transportation special districts, including the Bay Area Water Supply and Conservation Agency. His tax allocation experience includes new money issues before dissolution, as well as several post-dissolution refundings, including the Los Angeles County local successor agency refunding program, Orange County, and the cities of Santee and Davis.

For nearly six years, Mr. Brodsky was a Vice President and Senior Credit Officer with Moody's Investors Service. He served as a senior member of the analytic and management team responsible for all types of local government bond and note ratings on the Pacific Coast, and was a member of Moody's national rating committee.

Prior to joining Moody's, David spent over 12 years with the City of Los Angeles, where he was responsible for financial planning, debt issuance, and bond administration for general government departments of the City of Los Angeles.

David is a graduate of the University of California, Santa Cruz, and the author of *L.A. Freeway: An Appreciative Essay*, published by UC Press. He is a frequent speaker on public finance issues and is a regular faculty member in the educational programs of the California Debt and Investment Advisory Commission. David was also one of the four members of CDIAC's Debt Primer Advisory Group, assisting in the rewriting of that core public finance document. David holds Series 50 and Series 54 Municipal Advisor Licenses.

address: 1300 Clay Street, Suite 1000, Oakland, CA 94612 • phone: 510-208-8205 • email: dbrodsky@knninc.com

Larry Lom, *Vice President*

Larry joined KNN in 2013, and currently provides analytical and transactional support for KNN's practice groups and leads continuing disclosure services.

Larry has served as financial advisor to numerous public governments, including the State of California; Fresno, Kern, Monterey, San Bernardino, and Tulare counties; cities of East Palo Alto, Long Beach, Manhattan Beach, Poway, Huntington Beach, Rolling Hills Estate, Santee and San Diego; school districts including Grossmont Union HSD and San Diego USD; as well as special districts such as Contra Costa Transportation Authority, Santa Barbara County Association of Governments, United Water Conservation District to name a few.

Larry earned his master's degree in International Affairs, with specializations in Finance and Management, from Columbia University and his B.A. in International Studies: Economics from the University of California, San Diego. Larry holds a Series 50 Municipal Advisor License.

address: 1300 Clay Street, Suite 1000, Oakland, CA 94612 • phone: 510-208-8208 • email: llom@knninc.com

4. Scope of Services

KNN takes a holistic and strategic approach to make sure a potential transaction fits within longer-term financial and policy goals. We are committed to developing a robust plan of finance and evaluating alternatives in terms of cost, legal constraints, credit, investor concerns, and public policy to support balanced recommendations. There are numerous tradeoffs in the development of a capital plan: the relationship of direct funding through pay-as-you go as compared to the issuance of debt; the structure of the bond issue in terms of maturity and debt service structure; the integration of debt structure into reserve, rate setting and other financial policies; and ongoing administrative responsibilities. In advance of any bond offering, we will begin by working with City staff to understand your financing needs and objectives and to build an enhanced knowledge of your general fund and enterprise credits.

On-Call Advisory Services

We consider most planning or pre-transaction work as “on-call” advisory. In addressing these areas, we operate as an extension of staff, meeting any financing needs, financial analyses, and finance related issues that may or may not be directly attributable or result in a bond financing. On any given assignment, we will prepare a detailed time and responsibilities schedule to ensure that project and financing objectives are met under the required timeframes.

Strategic Planning. In our planning work, we would expect to review documentation, financial data and existing planning models, as well as conduct meetings and conference calls with staff to best understand your priorities. Upon the conclusion of the review of your needs and objectives, we would work with you to develop an approach and work plan specific to the assignment. KNN has notable experience assisting with long-term strategic financial planning, including providing debt capacity review studies and developing debt affordability models. Updates to cash flow models and/or the development of debt affordability models will provide the means to determine debt capacity, and its integration with the City’s Capital Improvement Program.

Financial Modeling. An important component of our technical competence is our staff’s ability to build, improve, and manage custom financial models. For many of our revenue bond clients, we have created and maintain the revenue and expenditure cash flow models that they continue to use to manage their programs. Our team has built numerous such models from scratch, as well as reviewing and adapting existing cash flow models to support a financing program. Overall, our models or our enhancements to existing models are designed to be comprehensive. We construct the models to make assumptions and results obvious and to facilitate changes in assumptions.

Debt Portfolio Analysis. We view one of our key roles is to provide ongoing monitoring of your outstanding debt portfolio, including the refunding of fixed rate obligations for savings or restructuring variable rate obligations through the renewal/replacement of bank credit facilities or other products. In addition, serving as Independent Registered Municipal Advisor (“IRMA”) to many of our clients, we are accustomed to reviewing unsolicited proposals from market participants and underwriters and evaluating and monitoring refunding opportunities.

Ongoing Debt Reporting. There are a number of areas pertaining to the ongoing management of your debt programs where we would assist as may be needed. For example, California SB 1029 requires that upon the issuance of any new debt after January 2017 that the City prepare an annual debt transparency report for each debt issue to track expenditure proceeds, debt authorization and debt service.

Additionally, California SB 450, signed into law on October 9, 2017, requires the governing body of a local issuer to obtain and disclose, prior to authorization of the issuance of bonds, good faith estimates of the following information in a meeting open to the public: i) TIC of the bonds; ii) fees paid to third parties; iii) bond proceeds net of fees; and iv) total debt service. KNN can assist the City in the preparation of its staff report on any given bond issue to address these areas.

Policy Review and Updates. Policies have a direct impact on capital financings including reserves, revenues, bond issuance and management, financial reporting and capital asset management. As financial policies are a key criterion in the rating review, we would work with you to ensure your policies (reserve, debt, and disclosure) adequately balance your needs and industry standards.

Continuing Disclosure Practices. In an increasingly scrutinized regulatory environment, KNN can assist with areas of continuing disclosure. KNN takes a very thorough approach and goes beyond the minimum filing responsibility of a Dissemination Agent. For each issuer, we review and catalog in a database of all reporting requirements listed within each continuing disclosure agreement (“CDA”). Databases are regularly updated for new CDAs and matured bond issues.

For annual reporting requirements, we correspond with issuers to facilitate production; collect reporting information, including contracting with outside data services; collect the issuer’s financial statements; and prepare and submit reports to EMMA. We provide filing confirmations and copies of annual reports to issuers.

For event-based reporting, we communicate with issuers to determine if any significant events have or are expected to occur. We also regularly track certain event-based disclosures such as notices for rating changes, redemptions and defeasances, and prepare and file event notices as needed.

Our involvement in continuing disclosure allows us to add value outside of the annual/event filings. With the knowledge of a clients’ continuing disclosure obligations and undertakings, we help verify third-party disclosure reviews during a public financing and proactively comment on the disclosure representations of an offering document. We also review new CDAs for consistency with prior CDAs and recommend updates as needed.

Staff and Council Training. KNN advisors are experienced in leading presentations before councils and community groups. Our team will provide support in preparing presentations and staff reports and providing back-up analyses. We also offer “Bonds 101” educational seminars for the City’s Council members and staff, as needed and arrange for disclosure training to be provided by Disclosure Counsel.

Additional “On-Call” Advisory Services. To the right we display non-transaction related services that we often provide. In fact, it is in these

"On-Call" Advisory Services	
<ul style="list-style-type: none"> ▪ Resource for General Financial Analysis and Market Conditions ▪ Analysis of Financial Alternatives and Development of a Plan of Finance ▪ Cash Flow Modeling and Analysis (Revenue Bonds, Capital Financing Plans) ▪ Risk/Benefit Analysis of Financing Strategies and Debt Structures ▪ Debt Affordability Review ▪ Debt Policy Development ▪ Pension, OPEB, and Liability Analysis ▪ Creation of Facility Districts and Assessment Districts ▪ “Best Practices” for Disclosure and Post-Issuance Compliance and Reporting 	<ul style="list-style-type: none"> ▪ Monitoring of Outstanding Debt Refunding Opportunities and Restructuring Needs ▪ Variable Rate Remarketing Oversight ▪ LOC/Liquidity/Direct Purchase Bank Procurement ▪ Rating Agency Strategy and Outreach Programs ▪ Investor Outreach and Relations Programs ▪ Presentations and Agenda Items for Council/Board and Finance Committee Meetings ▪ “Bonds 101” Educational Workshops for staff and Board ▪ Continuing Disclosure Report Preparation and Dissemination. ▪ Evaluation of Underwriter Proposals (Solicited and Unsolicited)

areas where we believe we provide the most value. Overall, we are prepared to assist the City in virtually any area that may have financial and debt implications.

Transaction Advisory Services

KNN has the experience, capabilities, and resources to add value in all areas of your Scope of Services. Below we outline our approach to providing the requested Scope of Services, highlighting key areas where we believe we can provide the most value.

We expect most of the transaction to take place over conference calls, including calls for working group check-ins, rating agency, bond insurers, investor and pricing and closing. In-person meetings would be kept to a minimum and would include the “Kick-Off” meeting.

Develop the Financing Timetable. We take ownership of the financing schedule and distribution list to make sure that the City’s required milestones are met and that all members of the team understand their assignments and deadlines. We will be your strongest advocate in ensuring the financing process goes smoothly and according to the timetable envisioned. The schedule will focus on major stages in the life cycle of a transaction.

Monitor the Transaction Process. As part of taking ownership of the financing schedule and facilitating the roles of team members, KNN will actively assist with administrative matters throughout the financing process (even beyond closing if needed). We regularly correspond with parties and do preparations for matters including but not limited to onboarding, invoicing, rating application forms, official statement hard copy orders, and closing memorandums. Furthermore, the schedule includes working group conference calls to discuss progress, deliverables, and scheduling. These regularly scheduled calls are effective at keeping parties on task and accountable and ensures the City’s timeframe is met.

Assist in the Selection of Additional Service Providers. KNN can assist with the RFP process to complete the staffing of financing or project teams, including the necessary due diligence and selection of underwriter(s) for a negotiated sale as well as obtaining bids from bond and/or disclosure counsel firms, trustee banks, fiscal consultants, verification agents (if needed), bond insurers and printers. For all RFP responses, we will summarize key areas in a side by side comparison for the City. As we’ve touched upon, we facilitate activities of all team members, assist the City in defining team member roles and responsibilities and track team member performance.

Provide Financial Advice to the City, relating to Financing Documents. We review and comment on all legal, disclosure and closing documentation. We help to highlight the key policy decisions imbedded in legal covenants, and we help ensure that your disclosure documents protect the City in this era of increased regulatory scrutiny. For offering documents, we thoroughly review any “canned” language to make sure it properly characterizes the current facts and circumstances of a given issuer, undertake due diligence of disclosure facts, and draft accurate updates of evolving disclosures items. Our leadership in this area is well recognized. For example, the City of Los Angeles has relied on KNN to serve as its disclosure consultant for 17 years.

Compute Sizing and Design Structure of Debt Issue. KNN’s in-house team of quantitative experts routinely perform all the bond structuring, pricing analysis, and quantitative analysis in connection with a financing engagement. We typically lead the structuring process with the input of the client and work side by side with the underwriter (if negotiated sale) to develop the structure for each specific bond issue and

ensure that all potential options are properly evaluated. As a rule, we recommend the use of relatively conservative debt assumptions in financial planning, and we carefully review with the client the advantages and disadvantages of alternative structuring scenarios.

Plan and Coordinate Presentations to Rating Agencies and Investors. We manage the credit rating strategy and approach for virtually all our clients and have helped numerous clients prepare successful rating presentations to all of the (now four) rating agencies. We have assisted many clients in obtaining rating upgrades. As a transaction advisor, we take ownership of the rating process by preparing the rating presentation, facilitating rating discussions, scheduling, as well as attending and helping clients prepare for rating meetings.

Working with the senior managing underwriter (if a negotiated sale), we develop an investor electronic roadshow presentation (if applicable) to highlight the key credit features of your offering. We are also accustomed to facilitating direct contact between City staff and key national institutional buyers to educate the “buy-side” about the credit strengths of the City’s offering and to stimulate demand for the bonds. KNN maintains a list of investor contacts at most of the major municipal bond investment firms and we actively engage these contacts ahead of any given transaction. This pro-active approach can increase the number of investors that pre-qualify your credit and can result in lower interest rates at the time of pricing.

Furthermore, as part of the credit structuring, KNN continues to have active relationships with credit enhancement providers (e.g. letters of credit, bond insurance and surety reserves) and can assist the City in evaluating such products as well as soliciting providers. The use of bond insurance has been limited following the 2008 Great Recession and numerous insurer downgrades. Assured Guaranty Municipal and Build America Mutual Assurance are the two remaining major players. They both offer “AA” S&P insured ratings (which is more relied upon than the Kroll “AA+” for AGM). A surety reserve policy in lieu of a fully funded debt service reserve may be useful and cost effective. In today’s market, a highly rated credit, in the “AA” category, can likely issue bonds without a reserve fund and face no rating or market penalty.

Conduct Market Analysis and Evaluate Timing of Market Entry. As your partner from beginning to end of the financing process, our role is to ensure that your credits optimally approach the market at pricing. Below we thoroughly discuss how we would assess the markets in preparation for any of your bond issuances with the overall objective of ensuring the lowest cost of borrowing on the day of sale.

Monitor Interest Rate Environment. As previously mentioned, we maintain access to a broad array of paid subscription services to monitor market conditions. We provide our clients with weekly market updates, economic and interest rate data points and update bond structures (and savings results) consistently throughout the transaction process. We are active in adapting bonds structures and transaction sizing based on evolving market conditions to ensure that there are no “surprises” closer to the pricing date.

Target Issuance Timing. Utilizing TM3, Bloomberg, and our personal relationships with underwriting desks, we compile a complete schedule of upcoming transactions and key economic releases to avoid particularly busy supply slates (down to even the particular time slots on a given day), or market-moving economic data, either of which could complicate a sale. Depending on the size of a sale and timelines for raising funds, we typically recommend staying attentive to macro-market factors and supply calendars in timing your issuance to optimize your market timing.

Identify Pricing Comparables. With an active California issuance practice and given our team structure and strong internal communication, we all share in and benefit from the broader experience of our colleagues. This ensures we remain current on a diverse spectrum of pricings, investor preferences, and issuance trends. Leading into pricing, we share a summary of pricing expectations with our clients to serve as a benchmark by:

- Developing our own benchmark pricing scales or ranges, based on recent sales of comparable credits and secondary market trades, all examined as spreads to Municipal Market Data (“MMD”). We subscribe to the full complement of MMD indices, including interpolated month-by-month MMD, daily sector and state-specific yield curves, intra-day reads, and closing recaps.
- Analyzing comparable pricing yield and spread data detailing specific transaction elements – rating category, credit and issuer sectors, couponing, call features, and maturities among other factors. We summarize such data in a spreadsheet such that your proposed pricing can be readily evaluated to the benchmark comparables.
- Evaluating alternative coupon structures to adequately balance yield to maturity savings and future optionality. We closely monitor to the spread differential between a mix of coupons – 3%, 4%, and 5% structures and analyze the value of pursuing one structure over the other.

Using various MMD indices, actual pricing data, feedback from non-participating desks and, perhaps most importantly, our own judgment and experience to make appropriate adjustments to each comparable to derive our own pricing view as a reference.

Coordinate Competitive Sale of Bonds. KNN has demonstrated significant expertise and experience managing both competitive and negotiated bond sales. In a competitive sale, we actively review the Notice of Sale and reach out to bidders to increase the visibility of the sale and make the bidding process user-friendly.

Recommend Award of Debt Issuance. In a competitive sale, we would verify all bids to ensure the proposed bond pricing/structures meet the City’s desired result and that Notice of Sale parameters are met. The award is then given to the lowest cost conforming bid. The remainder of this discussion concerns the negotiated sale. We are recognized among underwriting desks as “tough but fair,” because our pricing negotiations are based on a sound understanding of the market and verifiable market information.

- We perform a complete analysis of the underwriter’s proposed scale, not just a quick comparison of the comparable yields and play a pro-active role in negotiations with the underwriter before and during the order period;
- We closely monitor the book of orders by maturity and advise regarding any adjustments to the scale based on the number and quality of orders.

In evaluating the underwriter’s pricing proposals against our benchmarks, we take into account the tone of the market, the relative depth of demand for the issue or particular maturity and feedback from the presale marketing. When we suggest lower yields, we provide the rationale for why. Negotiating the final price adjustments is largely a function of orders but final adjustments can be affected by the type and amount of orders, the direction of the market, orders in adjacent maturities and new information on other pricings.

Coordination of Pre-Closing and Closing Activities. As previously discussed, we actively monitor all stages of the financing. We regularly correspond with parties to facilitate the production of closing documents, the final official statement, invoicing, closing memorandums and closing call scheduling.

5. References

City of Huntington Beach



Dahle Bulosan, Chief Financial Officer

2000 Main Street
Huntington Beach, CA 92648
Phone: (714) 536-5648
Email: dbulosan@surfcity-hb.org

Municipal Advisor(s): Mark Young, Larry Lom
Length of Engagement: KNN since 2018
Deal Types and Size: We are currently advising on the City's 2020 Pension Obligation Bonds estimated at \$440,000,000 of par value
Work Performed: General municipal advisor, including financial planning and policy development, and pension obligation bonds.

City of Manhattan Beach



Bruce Moe, City Manager

1400 Highland Avenue
Manhattan Beach, CA 90266
Phone: (310) 802-5053
Email: bmoe@citymb.info

Municipal Advisor(s): Mark Young, Larry Lom
Length of Engagement: Mark Young since 1998; KNN since 2015
Deal Types and Size: \$106,255,714 par value total aggregate COPs, POBs, Limited Obligation Bonds
Work Performed: General municipal advisor, including financial planning and policy development, certificates of participation/lease revenue bonds, assessment bonds, and pension obligation bonds.



David Nakamoto, City Treasurer
 411 West Ocean Boulevard, 6th Floor
 Long Beach, CA 90802
 Phone: (562) 570-6843
 Email: david.nakamoto@longbeach.gov

Municipal Advisor(s): Mark Young, Larry Lom
 Length of Engagement: Mark Young since 2002; KNN since 2015
 Deal Types and Size: \$400,000,000+ par value total aggregate
 Lease Revenue Bonds, Revenue Bonds, Sewer Revenue Bonds, POBs, TABs, Mello-Roos
 Work Performed: General municipal advisor for financial planning, lease revenue bonds, redevelopment, pension, airport, water/sewer, tidelands revenue, and Mello-Roos formation and financing.

6. Fees

KNN's standard approach to billing is to charge transaction services (i.e. financings) on a fixed/capped fee basis and on-call advisory or pre-transaction work (i.e. modelling/planning) on an hourly basis.

On-Call Advisory / Pre-Transaction Fees (Hourly)

For on-call financial advisory (e.g. policy development, new project analysis, debt capacity studies, etc.) and pre-transaction services (e.g. development of cash-flow model, preparation of a plan of finance, analysis of alternative financing approaches, presentations to staff and Council, etc.), we customarily propose billing based on hourly rates. Our standard hourly fees are provided in the adjacent table.

Title	Hourly Fee
Managing Director	\$325
Director	\$300
Vice President	\$275
Assistant Vice President	\$245
Associate	\$215
Analyst	\$190

Transaction Fees (Fixed)

For advisory services related to debt offerings, KNN typically negotiates fixed fees at the time the plan of finance is known, based on factors that impact complexity and time commitments, such as bond structure, credit structure, financing vehicle, interest rate mode, and the method of sale. Typically, fixed transaction fees are paid from bond proceeds (i.e. cost of issuance) and payment is often contingent on the successful closing the bonds. The adjacent table provides a range of fees we would expect to negotiate from. We do note that contingent fee structures

Transaction Type	Fee Range
General Obligation Bonds	\$35,000 - \$60,000
Lease Revenue Bonds or COPs	\$35,000 - \$60,000
Enterprise Revenue Bonds	\$35,000 - \$60,000
Refunding Tax Allocation Bonds	\$40,000 - \$65,000
Special Assessment Bonds	\$45,000 - \$70,000
Mello-Roos Bonds	\$45,000 - \$70,000

do raise a potential conflict of interest, which is addressed in our MSRB G-42 disclosure statement contained in **Appendix A**.

While we do not strive to be the low-cost provider of municipal advisory services and prefer to work in environments where the emphasis is on doing the job thoroughly to high standards, we also strive to be cost-efficient and competitive. We have found that we can always agree on a level of fees that is mutually acceptable and are open to negotiating whatever compensation approach the City deems appropriate.

Reimbursable Expenses

KNN seeks reimbursement for a limited number of out-of-pocket expenses, such as conference call services, color copying and statistical data obtained from outside sources. We would also seek reimbursement for air travel and hotels. Such costs should be minimal and would be capped at \$2,500.

Appendix A: MSRB Rule G-42 Additional Disclosures

MSRB Rule G-42

Disclosure of Conflicts of Interest and Legal or Disciplinary Events

Pursuant to Municipal Securities Rulemaking Board (“MSRB”) Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of KNN Public Finance, LLC (“KNN Public Finance”) and its associated persons.

Conflicts of Interest

Other Municipal Advisor Relationships. KNN serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another KNN client. For example, KNN serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it will to your entity, if hired. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, KNN could potentially face a conflict of interest arising from these competing client interests. KNN fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with its clients.

Compensation. KNN Public Finance represents that in connection with the issuance of municipal securities, KNN Public Finance may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, KNN Public Finance hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding KNN Public Finance’s ability to provide unbiased advice to enter into such transaction. This conflict of interest will not impair KNN Public Finance’s ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

If KNN Public Finance becomes aware of any additional potential or actual conflict of interest after this disclosure, KNN Public Finance will disclose the detailed information in writing to the Issuer in a timely manner.

Legal or Disciplinary Events

KNN Public Finance, LLC, has never been subject to any legal, disciplinary or regulatory actions nor was it ever subject to any legal, disciplinary or regulatory actions previously, when it was a division of Zions First National Bank or Zions Public Finance, Inc.

A regulatory action disclosure has been made on Form MA-I for one of KNN Public Finance municipal advisory personnel relating to a 1998 U.S. Securities and Exchange Commission (“SEC”) order that was filed while the municipal advisor was employed with a prior firm, (not KNN Public Finance). The details of which are available in Item 9; C(1), C(2), C(4), C(5) and the corresponding regulatory action DRP section on Form MA and Item 6C; (1), (2), (4), (5) and the corresponding regulatory action DRP section on Form MA-I. Issuers may electronically access KNN Public Finance’s most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: www.sec.gov/edgar/searchedgar/companysearch.html.

The SEC permits certain items of information required on Form MA and Form MA-I to be provided by reference to such required information already filed on a regulatory system (e.g., FINRA CRD). The above noted regulatory action has been referenced on both Form MA and MA-I due to the information already filed on FINRA’s CRD system and is publicly accessible through BrokerCheck at <http://brokercheck.finra.org>. For purposes of accessing such BrokerCheck information, the Municipal Advisor’s CRD number is 4457537.

There has been no change to any legal or disciplinary event that has been disclosed on KNN Public Finance’s original SEC registration Form MA filed on February 8, 2016 or Form MA-I’s filed on January 22, 2016.

TITLE:

Professional services agreement with Orrick, Herrington & Sutcliffe LLP for professional bond counsel services related to the issuance of taxable pension obligation bonds.

RECOMMENDATION:

Authorize the City Manager to sign a professional services agreement for an amount not to exceed \$70,000 with Orrick, Herrington & Sutcliffe LLP for professional bond counsel.

FISCAL IMPACT:

Amount Budgeted: \$0
Additional Appropriation: \$70,000 from account 001-299-0000-2990
(General Fund undesignated fund balance)
Account Number(s): 001-400-2501-6214
(transfer to Finance Admin. Professional Services)

BACKGROUND:

At the September 21, 2020 ad-hoc Pension Committee (Committee) meeting, staff was directed to research the process and pros and cons of issuing Pension Obligation Bonds (POBs). At the October 14, 2020 Committee meeting, staff and the City's Municipal Advisor presented POB options to the Committee involving the issuance of POB funding in the range of 90%-95% of the City's Unfunded Actuarial Liability (UAL). At the November 16, 2020 Committee meeting, there was further discussion on POBs. At this meeting, staff was directed to bring forward to City Council the consideration of POBs with the best financing option available.

At its December 1, 2020 meeting, City Council directed staff to begin the process to issue Pension Obligation Bonds (POBs) at 95%-100% of the CalPERS UAL at time of issuance, in order to maximize the present value (PV) savings to take advantage of historically low interest rates. This will pay down the current UAL with CalPERS and save the City approximately \$61 million (present value) in pension amortization cash payments over the next 20 years, with an average recurring annual savings of \$3.25 million (PV).

POBs are used to reduce budgetary impacts from rising UAL contributions. A POB is a taxable debt issuance used to pay some or all of a public agency's UAL. The bond proceeds are deposited with CalPERS to reduce an agency's UAL. Debt service

payments for the bond issuance will then replace the agency’s UAL payments that would have been owed to CalPERS for the UAL amount that was paid off.

Issuing POBs removes an unknown, fluctuating variable cost and replaces it with a stable, fixed payment amount. POBs should only be issued when the all-in interest rate of the bond issue is significantly below the actuarial rate of interest factored into the calculation of the UAL.

One of the first steps in the implementation process is to retain professional bond counsel to guide the City through the complex and legal process of issuing a POB. In December, a request for proposals (RFP) for professional bond counsel services was sent out to professional bond counsel firms. Responses from six firms were received. KNN Public Finance (City’s Municipal Advisor) and City staff reviewed each RFP response and rated each firm on their professional personnel, technical qualifications in regards to pension obligation bond issuance within the last five years, and the price for the engagement. Orrick, Herrington & Sutcliffe LLP (Orrick) was rated the highest by three of the three raters. The City Attorney, not one of the raters, also supported the selection of Orrick as a highly professional and skilled bond counsel firm. Of the six firms that responded, Orrick had the most competitive pricing structure: \$70,000. The prices submitted by the other firms for the engagement ranged from \$78,750 to \$100,000.

DISCUSSION:

In Orrick’s role as Bond Counsel, Orrick shall perform the following legal services to the City (Issuer):

- (1) Analysis of eligibility of the Project under state law and for interest on the Bonds to be excluded from gross income for federal income tax purposes.
- (2) Consultation with representatives of the Issuer, Issuer’s counsel, and any financial advisor or underwriters, and others, with respect to the timing, terms, and legal structure of the proposed Bonds.
- (3) Preparation of the resolution of the governing board of the Issuer approving the issuance and sale of the Bonds and the documents to be adopted or entered into by the Issuer required for the issuance of the Bonds, including the bond resolution or the indenture of trust or trust agreement between the Issuer and a trustee (or, if applicable, the supplement to an existing bond resolution, indenture or trust agreement) (the “Major Legal Documents”).
- (4) If the Bonds are to be sold through a competitive sale, preparation of the official notice of sale and the notice of intention to sell.
- (5) In the case of a refunding, preparation of the refunding escrow agreement.

(6) Preparation of summaries of the Major Legal Documents included in the official statement for the Bonds (the “Official Statement”).

(7) Participation in such meetings of the Issuer and working group meetings or conference calls as the Issuer may request.

(8) Preparation of final closing papers to be executed by Issuer required to effect delivery of the Bonds (including the Tax Agreement).

(9) Rendering of Orrick’s customary form of final legal opinion to the Issuer on the validity of the Bonds and the tax-exempt status of interest thereon, and, if required by the underwriters of the Bonds, Orrick’s customary form of supplemental opinion to the underwriters on the accuracy of summaries contained in the Official Statement of the Major Legal Documents and the tax portion of said final legal opinion and certain other matters and, in the case of a refunding, Orrick’s customary form of defeasance opinion.

(10) Providing, in electronic form, closing transcripts.

In addition to the customary bond counsel services described above, the following additional services will be provided to the City: (i) preparation and filing of the validation action with respect to the Bonds; (ii) attendance at court hearings in the validation action, so long as the validation action is uncontested; (iii) preparation of the memorandum of points and authorities for the validation action, if such action is uncontested; and (iv) obtaining the final judgment in the validation action, if such action is uncontested.

Based on staff’s evaluation, Orrick’s exceptional qualifications and price point, it is recommended that a professional service contract be awarded to Orrick, Herrington & Sutcliffe LLP for services related to bond counsel for the issuance of taxable POBs.

CITY STRATEGIC PLAN COMPLIANCE:

Goal: 5: Champion Economic Development and Fiscal Sustainability:

Objective: B: El Segundo approaches its work in a financially strategic and responsible way

ORIGINATED BY: Joseph Lillio, Chief Financial Officer
REVIEWED BY: Barbara Voss, Deputy City Manager
APPROVED BY: Scott Mitnick, City Manager



ATTACHED SUPPORTING DOCUMENTS:

1. Professional Services Agreement
2. Proposal from Orrick for professional bond counsel services
3. Pension Committee Report to City Council – 12/1/20



**PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF EL SEGUNDO AND
ORRICK, HERRINGTON, & SUTCLIFFE, LLP**

This AGREEMENT is made and entered into this 19th day of January, 2021, by and between the CITY OF EL SEGUNDO, a municipal corporation and general law city ("CITY") and ORRICK, HERRINGTON, & SUTCLIFFE, LLP, a Professional Corporation ("CONSULTANT"). The parties agree as follows:

1. CONSIDERATION.

- A. As partial consideration, CONSULTANT agrees to perform the work listed in the SCOPE OF SERVICES, below;
- B. As additional consideration, CONSULTANT and CITY agree to abide by the terms and conditions contained in this Agreement;
- C. As additional consideration, CITY agrees to pay CONSULTANT a sum not to exceed Seventy thousand dollars (\$70,000) for CONSULTANT's services. CITY may modify this amount as set forth below. Unless otherwise specified by written amendment to this Agreement, CITY will pay this sum as specified in the attached Exhibit "A," which is incorporated by reference.

2. SCOPE OF SERVICES.

- A. CONSULTANT will perform services listed in the attached Exhibit "A," which is incorporated by reference.
- B. CONSULTANT will, in a professional manner, furnish all of the labor, technical, administrative, professional and other personnel, all supplies and materials, equipment, printing, vehicles, transportation, office space and facilities, and all tests, testing and analyses, calculation, and all other means whatsoever, except as herein otherwise expressly specified to be furnished by CITY, necessary or proper to perform and complete the work and provide the professional services required of CONSULTANT by this Agreement.

3. PERFORMANCE STANDARDS. While performing this Agreement, CONSULTANT will use the appropriate generally accepted professional standards of practice existing at the time of performance utilized by persons engaged in providing similar services. CITY will continuously monitor CONSULTANT's services. CITY will notify CONSULTANT of any deficiencies and CONSULTANT will have fifteen (15) days after such notification to

cure any shortcomings to CITY's satisfaction. Costs associated with curing the deficiencies will be borne by CONSULTANT.

4. PAYMENTS. For CITY to pay CONSULTANT as specified by this Agreement, CONSULTANT must submit a detailed invoice to CITY which lists the hours worked and hourly rates for each personnel category and reimbursable costs (all as set forth in Exhibit "A") the tasks performed, the percentage of the task completed during the billing period, the cumulative percentage completed for each task, the total cost of that work during the preceding billing month and a cumulative cash flow curve showing projected and actual expenditures versus time to date.

5. NON-APPROPRIATION OF FUNDS. Payments due and payable to CONSULTANT for current services are within the current budget and within an available, unexhausted and unencumbered appropriation of the CITY. In the event the CITY has not appropriated sufficient funds for payment of CONSULTANT services beyond the current fiscal year, this Agreement will cover only those costs incurred up to the conclusion of the current fiscal year.

6. FAMILIARITY WITH WORK.

- A. By executing this Agreement, CONSULTANT agrees that it has:
 - i. Carefully investigated and considered the scope of services to be performed;
 - ii. Carefully considered how the services should be performed; and
 - iii. Understands the facilities, difficulties, and restrictions attending performance of the services under this Agreement.
- B. If services involve work upon any site, CONSULTANT agrees that CONSULTANT has or will investigate the site and is or will be fully acquainted with the conditions there existing, before commencing the services hereunder. Should CONSULTANT discover any latent or unknown conditions that may materially affect the performance of the services, CONSULTANT will immediately inform CITY of such fact and will not proceed except at CONSULTANT's own risk until written instructions are received from CITY.

7. TERM. The term of this Agreement will be from January 19, 2021, to December 31, 2021. Unless otherwise determined by written amendment between the parties, this Agreement will terminate in the following instances:

- A. Completion of the work specified in Exhibit "A";

- B. Termination as stated in Section 15.

8. TIME FOR PERFORMANCE.

- A. CONSULTANT will not perform any work under this Agreement until:
 - i. CONSULTANT furnishes proof of insurance as required under Section 22 of this Agreement; and
 - ii. CITY gives CONSULTANT a written notice to proceed.
- B. Should CONSULTANT begin work on any phase in advance of receiving written authorization to proceed, any such professional services are at CONSULTANT's own risk.

9. TIME EXTENSIONS. Should CONSULTANT be delayed by causes beyond CONSULTANT's control, CITY may grant a time extension for the completion of the contracted services. If delay occurs, CONSULTANT must notify the Manager within forty-eight (48) hours, in writing, of the cause and the extent of the delay and how such delay interferes with the Agreement's schedule. The Manager will extend the completion time, when appropriate, for the completion of the contracted services.

10. CONSISTENCY. In interpreting this Agreement and resolving any ambiguities, the main body of this Agreement takes precedence over the attached Exhibits; this Agreement supersedes any conflicting provisions. Any inconsistency between the Exhibits will be resolved in the order in which the Exhibits appear below:

- A. Exhibit: A: Scope of Work.

11. CHANGES. CITY may order changes in the services within the general scope of this Agreement, consisting of additions, deletions, or other revisions, and the contract sum and the contract time will be adjusted accordingly. All such changes must be authorized in writing, executed by CONSULTANT and CITY. The cost or credit to CITY resulting from changes in the services will be determined in accordance with written agreement between the parties.

12. TAXPAYER IDENTIFICATION NUMBER. CONSULTANT will provide CITY with a Taxpayer Identification Number.

13. PERMITS AND LICENSES. CONSULTANT, at its sole expense, will obtain and maintain during the term of this Agreement, all necessary permits, licenses, and certificates that may be required in connection with the performance of services under this Agreement.

14. WAIVER. CITY's review or acceptance of, or payment for, work product prepared by CONSULTANT under this Agreement will not be construed to operate as a waiver of

any rights CITY may have under this Agreement or of any cause of action arising from CONSULTANT's performance. A waiver by CITY of any breach of any term, covenant, or condition contained in this Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this Agreement, whether of the same or different character.

15. TERMINATION.

- A. Except as otherwise provided, CITY may terminate this Agreement at any time with or without cause.
- B. CONSULTANT may terminate this Agreement at any time with CITY's mutual consent. Notice will be in writing at least thirty (30) days before the effective termination date.
- C. Upon receiving a termination notice, CONSULTANT will immediately cease performance under this Agreement unless otherwise provided in the termination notice. Except as otherwise provided in the termination notice, any additional work performed by CONSULTANT after receiving a termination notice will be performed at CONSULTANT's own cost; CITY will not be obligated to compensate CONSULTANT for such work.
- D. Should termination occur, all finished or unfinished documents, data, studies, surveys, drawings, maps, reports and other materials prepared by CONSULTANT will, at CITY's option, become CITY's property, and CONSULTANT will receive just and equitable compensation for any work satisfactorily completed up to the effective date of notice of termination, not to exceed the total costs under Section 1(C).
- E. Should the Agreement be terminated pursuant to this Section, CITY may procure on its own terms services similar to those terminated.
- F. By executing this document, CONSULTANT waives any and all claims for damages that might otherwise arise from CITY's termination under this Section.

16. OWNERSHIP OF DOCUMENTS. All documents, data, studies, drawings, maps, models, photographs and reports prepared by CONSULTANT under this Agreement are CITY's property. CONSULTANT may retain copies of said documents and materials as desired but will deliver all original materials to CITY upon CITY's written notice. CITY agrees that use of CONSULTANT's completed work product, for purposes other than identified in this Agreement, or use of incomplete work product, is at CITY's own risk.

17. PUBLICATION OF DOCUMENTS. Except as necessary for performance of service under this Agreement, no copies, sketches, or graphs of materials, including graphic art

work, prepared pursuant to this Agreement, will be released by CONSULTANT to any other person or public CITY without CITY's prior written approval. All press releases, including graphic display information to be published in newspapers or magazines, will be approved and distributed solely by CITY, unless otherwise provided by written agreement between the parties.

18. INDEMNIFICATION.

A. CONSULTANT agrees to the following:

- i. *Indemnification for Professional Services.* CONSULTANT will save harmless and indemnify and at CITY's request reimburse defense costs for CITY and all its officers, volunteers, employees and representatives from and against any and all suits, actions, or claims, of any character whatever, brought for, or on account of, any damages resulting or arising from any negligent or wrongful act, error or omission by CONSULTANT or any of CONSULTANT's officers, agents, employees, or representatives, in the performance of legal services pursuant to this Agreement, except for such loss or damage arising from CITY's sole negligence or willful misconduct.**
- ii. *Indemnification for other Damages.* CONSULTANT indemnifies and holds CITY harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, in each case relating to personal injury or damage to property sustained by any person caused by the consultant, except for such loss or damage arising from CITY's sole negligence or willful misconduct. Should CITY be named in any suit, or should any claim be brought against it by suit or otherwise, in each case relating to the foregoing in this clause A.ii, whether the same be groundless or not, CONSULTANT will defend CITY (at CITY's request and with counsel satisfactory to CITY) and will indemnify CITY for any judgment rendered against it or any sums paid out in settlement or otherwise.**

- B. For purposes of this section "CITY" includes CITY's officers, officials, employees, agents, representatives, and certified volunteers.**
- C. It is expressly understood and agreed that the foregoing provisions will survive termination of this Agreement.**
- D. The requirements as to the types and limits of insurance coverage to be**

maintained by CONSULTANT as required by Section 22, and any approval of said insurance by CITY, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONSULTANT pursuant to this Agreement, including, without limitation, to the provisions concerning indemnification.

19. ASSIGNABILITY. This Agreement is for CONSULTANT's professional services. CONSULTANT's attempts to assign the benefits or burdens of this Agreement without CITY's written approval are prohibited and will be null and void.

20. INDEPENDENT CONTRACTOR. CITY and CONSULTANT agree that CONSULTANT will act as an independent contractor and will have control of all work and the manner in which it is performed. CONSULTANT will be free to contract for similar service to be performed for other employers while under contract with CITY. CONSULTANT is not an agent or employee of CITY and is not entitled to participate in any pension plan, insurance, bonus or similar benefits CITY provides for its employees. Any provision in this Agreement that may appear to give CITY the right to direct CONSULTANT as to the details of doing the work or to exercise a measure of control over the work means that CONSULTANT will follow the direction of the CITY as to end results of the work only.

21. AUDIT OF RECORDS. CONSULTANT will maintain full and accurate records with respect to all services and matters covered under this Agreement. CITY will have free access at all reasonable times to such records, and the right to examine and audit the same and to make transcript therefrom, and to inspect all program data, documents, proceedings and activities. CONSULTANT will retain such financial and program service records for at least three (3) years after termination or final payment under this Agreement.

22. INSURANCE.

- A. Before commencing performance under this Agreement, and at all other times this Agreement is effective, CONSULTANT will procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

<u>Type of Insurance</u>	<u>Limits</u>
Commercial general liability:	\$2,000,000
Professional Liability	\$1,000,000
Business automobile liability	\$1,000,000
Workers compensation	Statutory requirement

- B. Commercial general liability insurance will meet or exceed the requirements of the most recent ISO-CGL Form. The amount of insurance set forth above will be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies will be endorsed to name CITY, its officials, and employees as “additional insureds” under said insurance coverage and to state that such insurance will be deemed “primary” such that any other insurance that may be carried by CITY will be excess thereto. Such endorsement must be reflected on ISO Form No. CG 20 10 11 85 or 88, or equivalent. Such insurance will be on an “occurrence,” not a “claims made,” basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to CITY.
- C. Professional liability coverage will be on an “occurrence basis” if such coverage is available, or on a “claims made” basis if not available. When coverage is provided on a “claims made basis,” CONSULTANT will continue to renew the insurance for a period of three (3) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement and will cover CONSULTANT for all claims made by CITY arising out of any errors or omissions of CONSULTANT, or its officers, employees or agents during the time this Agreement was in effect.
- D. Automobile coverage will be written on ISO Business Auto Coverage Form CA 00 01 06 92, including symbol 1 (Any Auto).
- E. CONSULTANT will furnish to CITY duly authenticated Certificates of Insurance evidencing maintenance of the insurance required under this Agreement and such other evidence of insurance or copies of policies as may be reasonably required by CITY from time to time. Insurance must be placed with insurers with a current A.M. Best Company Rating equivalent to at least a Rating of “A:VII.”
- F. Should CONSULTANT, for any reason, fail to obtain and maintain the insurance required by this Agreement, CITY may obtain such coverage at CONSULTANT’s expense and deduct the cost of such insurance from payments due to CONSULTANT under this Agreement or terminate pursuant to Section 155.

23. USE OF SUBCONTRACTORS. CONSULTANT must obtain CITY’s prior written approval to use any consultants while performing any portion of this Agreement. Such approval must approve of the proposed consultant and the terms of compensation.

24. INCIDENTAL TASKS. CONSULTANT will meet with CITY monthly to provide the status on the project, which will include a schedule update and a short narrative description of progress during the past month for each major task, a description of the work remaining and a description of the work to be done before the next schedule update.

25. NOTICES. All communications to either party by the other party will be deemed made when received by such party at its respective name and address as follows:

If to CONSULTANT:

Orrick, Herrington, & Sutcliffe, LLP
2050 Main Street, Suite 1100
Irvine, CA 92614-8255
Attention: Donald S. Field
Phone: (949) 852-7727
Email: dfield@orrick.com

If to CITY:

City of El Segundo
350 Main Street
El Segundo, CA
Attention: Joseph Lillio
Phone: (310) 524-2318
Email: jlillio@elsegundo.org

Any such written communications by mail will be conclusively deemed to have been received by the addressee upon deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above. In all other instances, notices will be deemed given at the time of actual delivery. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this paragraph.

26. CONFLICT OF INTEREST. CONSULTANT will comply with all conflict of interest laws and regulations including, without limitation, CITY's conflict of interest regulations.

27. SOLICITATION. CONSULTANT maintains and warrants that it has not employed nor retained any company or person, other than CONSULTANT's bona fide employee, to solicit or secure this Agreement. Further, CONSULTANT warrants that it has not paid nor has it agreed to pay any company or person, other than CONSULTANT's bona fide employee, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Should CONSULTANT breach or violate this warranty, CITY may rescind this Agreement without liability.

28. THIRD PARTY BENEFICIARIES. This Agreement and every provision herein is generally for the exclusive benefit of CONSULTANT and CITY and not for the benefit of any other party. There will be no incidental or other beneficiaries of any of CONSULTANT's or CITY's obligations under this Agreement.

29. INTERPRETATION. This Agreement was drafted in and will be construed in accordance with the laws of the State of California, and exclusive venue for any action involving this agreement will be in Los Angeles County.

30. COMPLIANCE WITH LAW. CONSULTANT agrees to comply with all federal, state, and local laws applicable to this Agreement.

31. ENTIRE AGREEMENT. This Agreement, and its Exhibit(s), sets forth the entire understanding of the parties. There are no other understandings, terms or other agreements expressed or implied, oral or written. This Agreement will bind and inure to the benefit of the parties to this Agreement and any subsequent successors and assigns.

32. RULES OF CONSTRUCTION. Each Party had the opportunity to independently review this Agreement with legal counsel. Accordingly, this Agreement will be construed simply, as a whole, and in accordance with its fair meaning; it will not be interpreted strictly for or against either Party.

33. SEVERABILITY. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion will be deemed modified to the extent necessary in the opinion of the court to render such portion enforceable and, as so modified, such portion and the balance of this Agreement will continue in full force and effect.

34. AUTHORITY/MODIFICATION. The Parties represent and warrant that all necessary action has been taken by the Parties to authorize the undersigned to execute this Agreement and to engage in the actions described herein. This Agreement may be modified by written amendment.

35. ACCEPTANCE OF ELECTRONIC SIGNATURES. The Parties agree that this Agreement, agreements ancillary to this Agreement, and related documents to be entered into in connection with this Agreement will be considered signed when the signature of a party is delivered by electronic (.pdf) or facsimile transmission. Such electronic or facsimile signature will be treated in all respects as having the same effect as an original signature.

36. CAPTIONS. The captions of the paragraphs of this Agreement are for convenience of reference only and will not affect the interpretation of this Agreement.

37. TIME IS OF ESSENCE. Time is of the essence for each and every provision of this Agreement.

38. FORCE MAJEURE. Should performance of this Agreement be prevented due to fire, flood, explosion, acts of terrorism, war, embargo, government action, civil or military authority, the natural elements, or other similar causes beyond the Parties' reasonable

Agreement No. ____*[City Clerk assigns]*__

control, then the Agreement will immediately terminate without obligation of either party to the other.

39. STATEMENT OF EXPERIENCE. By executing this Agreement, CONSULTANT represents that it has demonstrated trustworthiness and possesses the quality, fitness and capacity to perform the Agreement in a manner satisfactory to CITY. CONSULTANT represents that its financial resources, surety and insurance experience, service experience, completion ability, personnel, current workload, experience in dealing with private consultants, and experience in dealing with public agencies all suggest that CONSULTANT is capable of performing the proposed contract and has a demonstrated capacity to deal fairly and effectively with and to satisfy a public CITY.

[Signatures on next page]

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first hereinabove written.

CITY OF EL SEGUNDO

ORRICK, HERRINGTON, &
SUTCLIFFE, LLP

Scott Mitnick,
City Manager

Donald S. Field,
Partner

ATTEST:

Tracy Weaver,
City Clerk

APPROVED AS TO FORM:

Mark D. Hensley,
City Attorney



December 8, 2020

Via E-Mail

jlillio@elsegundo.org

Joseph Lillio
Director of Finance
City of El Segundo
350 Main Street
El Segundo, CA 90245

Orrick, Herrington & Sutcliffe LLP
2050 Main Street
Suite 1100
Irvine, CA 92614-8255
+1 949 567 6700
orrick.com

Donald S. Field

E dfield@orrick.com
D +1 949 852 7727
F +1 949 567 6710

Re: 2021 Pension Obligation Bonds

Dear Mr. Lillio:

On behalf of Orrick, Herrington & Sutcliffe LLP (“Orrick”), I would like to express our appreciation for your choice of our firm to serve as bond counsel (“Bond Counsel”) to the City of El Segundo (the “Issuer”), in connection with the proposed issuance of taxable pension obligation bonds (referred to herein as, the “Bonds”) to refund the Issuer’s unfunded accrued actuarial liability with respect to its pension obligations to the California Public Employees’ Retirement System (the “Project”). The purpose of this engagement letter and the attached Standard Terms of Engagement (collectively, the “Agreement”) is to confirm the terms and conditions upon which Orrick will be providing legal services to the Issuer. We believe that a mutual understanding of these terms and conditions at the outset is fundamental to establishing a good working relationship.

Orrick’s services as bond counsel to the Issuer in this transaction will consist of the Customary Bond Counsel Services described in the Standard Terms of Engagement and the following additional services to the Issuer: (i) preparation and filing of the validation action with respect to the Bonds; (ii) attendance at court hearings in the validation action, so long as the validation action is uncontested; (iii) preparation of the memorandum of points and authorities for the validation action, if such action is uncontested; and (iv) obtaining the final judgment in the validation action, if such action is uncontested.

In consideration of the services set forth above, assuming the validation action for the Bonds is uncontested and the other assumptions described below are correct, the Issuer shall pay to Orrick a fee of \$67,500. This fee is based upon the assumption that the validation action for the Bonds is uncontested, the Bonds will be issued within four months from the date the validation judgment is obtained, the Bonds will be issued on a single date, the scope of services will be limited and conform to the description thereof contained in this Agreement, the transactions will not have an extraordinary number of problems/issues, the parties will work to minimize the number of meetings, conference calls and document distributions, and the purposes of the financing and the structure of



Joseph Lillio
December 8, 2020
Page 2

the transactions will not materially change after preparation of the documents has commenced. If any of these assumptions are incorrect, or if any unusual or unforeseen circumstances arise, and occasions substantial additional work or responsibility on the part of Orrick, Orrick will be entitled to seek additional compensation in such amount as the Issuer and Orrick shall mutually agree to be appropriate.

If the validation action for the Bonds is contested, Orrick's fees with respect to the contested portion of the validation action will be based on the amount of time spent and invoiced monthly. The current hourly rates for our team of litigators expected to work on the validation action are as follows: Kristopher Wood \$945, Krystal Anderson \$755, and Julie Lee \$685. These billing rates, which are set based upon seniority and experience, are subject to adjustment annually. We will provide you with a discount of 15% off of our then current rates, as they may be adjusted. Orrick would also charge for costs and disbursements incurred in connection with rendering of the services with respect to the contested validation action.

In addition to the fees provided above, Orrick shall be paid a fixed amount of \$2,500 to cover costs and expenses (direct and indirect) incurred in connection with the services rendered as set forth herein, including (without limitation) document reproduction and delivery, travel, long distance telephone, telecopy, word processing, computer research, secretarial overtime and other similar expenses; provided that legal publication charges and printing expenses shall be the responsibility of the Issuer.

Orrick's fees (together with expenses) shall be contingent and payable upon the issuance of the Bonds, so long as any failure to issue is for reasons beyond the control of the Issuer.

Invoices shall be payable by the Issuer upon issuance of the Bonds if payable from Bond proceeds and otherwise within 30 days of receipt. The obligation to pay our invoices is solely the Issuer's and is not contingent upon any right of the Issuer may have for reimbursement, indemnification or insurance; or the Issuer's receipt of any other form of payment the Issuer may claim or expect to receive from some other party.

This engagement letter and the attached Standard Terms of Engagement represent the entire understanding and agreement between the Issuer and Orrick with respect to the subject matter referred to herein. The Issuer acknowledges that this engagement letter and the attached Standard Terms of Engagement have been carefully reviewed and their content understood and that the Issuer agrees to be bound by all of the terms and conditions and represents that the person signing below has been authorized to close on behalf of the Issuer. Furthermore, the Issuer acknowledges that Orrick has made no representations or guarantees to the Issuer regarding the successful issuance of the Bonds or the time necessary to complete the issuance of the Bonds.



Joseph Lillio
December 8, 2020
Page 3

Nothing in the Agreement or in any of the documents contemplated hereby, expressed or implied, is intended or shall be construed to give any person other than the Issuer and Orrick any legal or equitable right or claim under or in respect of the Agreement or with respect to services contemplated hereby, and the Agreement shall inure to the sole and exclusive benefit of the Issuer and Orrick.

The provisions of this engagement letter may only be amended in writing and signed by both parties.

The Agreement will take effect upon execution of this engagement letter, but its effective date will be retroactive to the date Orrick first performed services. This engagement letter may be executed in counterparts, and an electronically transmitted signature shall be deemed to be the legal equivalent of an original signature.

If you have any questions, please feel free to contact the undersigned. If the foregoing, together with the attached Standard Terms of Engagement, is satisfactory, please sign and return a copy of this letter to me. We look forward to working with you and to a successful completion of this transaction.

Very truly yours,

Orrick, Herrington & Sutcliffe LLP

A handwritten signature in black ink, appearing to read "Donald S. Field". The signature is written in a cursive, flowing style.

Donald S. Field

ACKNOWLEDGED AND AGREED TO:

CITY OF EL SEGUNDO

By _____
Joseph Lillio - Director of Finance

STANDARD TERMS OF ENGAGEMENT

Except as modified in writing by the engagement letter accompanying these Standard Terms of Engagement (the “Engagement Letter”) or in another agreement signed by the Issuer (as defined in the Engagement Letter) and Orrick, Herrington & Sutcliffe LLP (“Orrick”) the following provisions shall apply to the relationship between Orrick and the Issuer.

1. Issuer

Orrick’s engagement is only on behalf of the Issuer. In performing the services set forth in the Engagement Letter, Orrick will act as special counsel to the Issuer with respect to issuance of the Bonds; Orrick will assist the Issuer’s counsel in representing the Issuer with respect to the Bonds in a manner consistent with Orrick’s role set forth in the Engagement Letter. Orrick’s representation of the Issuer, does not encompass any governing board member, officer or employee of the Issuer; any agency, department or office part of or affiliated with the Issuer; or any other person or entity affiliated with the Issuer. If any of these persons or entities require the services of counsel in connection with the Bonds, Orrick would be pleased to discuss whether Orrick might be able to represent any of them, but any such representation would need its own engagement letter, and would depend on Orrick’s review and disclosure to all concerned of any conflicts of interest that may arise in connection with any such concurrent representation, and on appropriate consents being obtained from the Issuer and from those seeking such additional representation.

2. Scope of Engagement

The scope of Orrick’s representation of the Issuer is limited to the specific services identified in the Engagement Letter and such additional matters as the Issuer and Orrick may in their mutual discretion agree to in writing from time to time. In each case, Orrick’s agreement to any expansion of the scope of its representation of the Issuer will be subject, among other things, to such additional conflict checks, waivers, approvals and other arrangements as Orrick may in its professional judgment deem necessary or appropriate in the circumstances and may be conditioned upon such fee adjustments or retainers as Orrick may require. Except as otherwise expressly provided in any written engagement letter (or a written amendment of a prior engagement letter) between Orrick and Issuer entered into in connection with such expansion of the scope of Orrick’s representation, the agreement reflected in these Standard Terms of Engagement and in the Engagement Letter applies to Orrick’s current representation of the Issuer and, to the fullest extent practicable, to any subsequent matters that Orrick agrees to undertake on the Issuer’s behalf. Orrick’s services will not extend to other business or legal affairs of the Issuer or to any other aspect of the Issuer’s activities. Orrick’s receipt or use of confidential or other information from the Issuer or others in the course of the representation described in the Engagement Letter does not mean that Orrick will render any advice or services other than those described in the Engagement Letter.

The parties agree that Orrick is not acting in a staff capacity or otherwise assuming the responsibilities for any public official currently designated in the Issuer's conflict of interest code. The parties also agree that Orrick is not being retained to, has no duty to, and will not, advise the Issuer or otherwise be involved in the Issuer's decisions as to (a) whether the Issuer should issue the Bonds, (b) the principal amount, interest rate or other pricing terms of the Bonds, (c) what project(s) is/are to be financed or refinanced through the issuance of the Bonds (the "Project"), (d) whether the Issuer should enter into contracts related to the possible issuance of the Bonds or (e) the financial terms to be included in the Bonds and/or any such contracts (collectively, the "Governmental Decisions"). Instead, Orrick is being retained to advise and to render opinions as to the validity of or other legal matters respecting the issuance or sale of the Bonds the Issuer determines to issue and certain contracts the Issuer determines to enter into in connection with the Bonds, as set forth in the Engagement Letter. The parties also agree that Orrick is not being retained, and has no duty, to provide financial advice of any kind to the Issuer in connection with the foregoing. The Issuer, through its governing board, staff and independent legal counsel, will be exercising its independent judgment regarding the Governmental Decisions. The Issuer acknowledges that Orrick has not been involved with the preliminary discussions, evaluation, planning, drawing of plans and specifications and solicitation of bids related to the Project.

Customary Bond Counsel Services

When Orrick's role is Bond Counsel, Orrick shall perform the following legal services to the Issuer:

- (1) Analysis of eligibility of the Project under state law and for interest on the Bonds to excluded from gross income for federal income tax purposes.
- (2) Consultation with representatives of the Issuer, Issuer's counsel, and any financial advisor or underwriters, and others, with respect to the timing, terms, and legal structure of the proposed Bonds.
- (3) Preparation of the resolution of the governing board of the Issuer approving the issuance and sale of the Bonds and the documents to be adopted or entered into by the Issuer required for the issuance of the Bonds, including the bond resolution or the indenture of trust or trust agreement between the Issuer and a trustee (or, if applicable, the supplement to an existing bond resolution, indenture or trust agreement) (the "Major Legal Documents").
- (4) If the Bonds are to be sold through a competitive sale, preparation of the official notice of sale and the notice of intention to sell.
- (5) In the case of a refunding, preparation of the refunding escrow agreement.

(6) Preparation of summaries of the Major Legal Documents included in the official statement for the Bonds (the “Official Statement”).

(7) Participation in such meetings of the Issuer and working group meetings or conference calls as the Issuer may request.

(8) Preparation of final closing papers to be executed by Issuer required to effect delivery of the Bonds (including the Tax Agreement).

(9) Rendering of Orrick’s customary form of final legal opinion to the Issuer on the validity of the Bonds and the tax-exempt status of interest thereon, and, if required by the underwriters of the Bonds, Orrick’s customary form of supplemental opinion to the underwriters on the accuracy of summaries contained in the Official Statement of the Major Legal Documents and the tax portion of said final legal opinion and certain other matters and, in the case of a refunding, Orrick’s customary form of defeasance opinion.

(10) Providing, in electronic form, closing transcripts.

Limitations

Bond Counsel services are limited to those specifically set forth above. For example, Bond Counsel services do not include representation of the Issuer or any other party in any litigation or other legal or administrative proceeding, audit or investigation involving the Bonds or any use or investment of the proceeds thereof, or any related matter. Additionally, Bond Counsel services do not include any responsibility for the preparation or content of any Official Statement or other disclosure document or presentation (other than preparation of a summary of the Major Legal Documents and of the portion of the opinion to be rendered by Bond Counsel concerning certain tax matters) or any rating agency or investor presentation or the preparation of any credit enhancement agreement, investment agreement or swap agreement. Bond Counsel services also do not include any responsibility for compliance with any federal or state securities laws, environmental, land use, procurement, real estate, construction, insurance or (except as required for tax exemption of the Bonds) tax laws or for title to, recording, filing or perfection or continuation of any liens or security interests in real or personal property. It is not the role or responsibility of Bond Counsel to assure that the interests of any parties other than the Issuer are addressed or that any conditions to closing the transaction, other than as necessary in Bond Counsel’s judgment to render the legal opinions delivered by Bond Counsel, have been satisfied or addressed. Neither Bond Counsel’s role in the Bond closing nor Bond Counsel’s provision of closing transcripts shall imply the completeness or adequacy of any items included in the closing transcript for any purpose other than as expressly addressed in the legal opinions delivered by Bond Counsel. Bond Counsel services are limited to legal advice and do not include any financial advice or analysis, including advice concerning whether or not to issue the Bonds, or adopt any

Bond related resolutions or enter into any Bond related agreements. Bond Counsel services do not extend past the date of issuance of the Bonds and do not, for example, include services related to rebate or other post-issuance tax compliance, continuing disclosure, amendments to any of the Bond related documents, post-issuance investments, interest rate swaps or management contracts entered into after the date of issuance of the Bonds, or redemption or defeasance of the Bonds. Any involvement by Bond Counsel in any of the matters referred to in this paragraph shall not constitute a waiver of any of the foregoing limitations on Bond Counsel's responsibilities unless otherwise agreed to in writing.

Customary Disclosure Counsel Services

When Orrick's role is Disclosure Counsel, Orrick shall perform the following legal services to the Issuer:

(1) Assistance in preparing a preliminary official statement (the "Preliminary Official Statement") and a final official statement (the "Official Statement") for the Bonds. Such assistance will consist of participation in conferences with the Issuer, the underwriters of the Bonds (the "Underwriters"), their respective counsel, the Issuer's financial advisor and other relevant participants, assistance in the preparation of information about the Bonds, the Issuer and other material information and assistance in coordinating posting, printing or reproduction of the Preliminary Official Statement and the Official Statement, the cost of which shall be the responsibility of the Issuer.

(2) Rendering, in Orrick's customary form, addressed only to the Underwriters, of a so-called "10b-5 letter" (subject to customary limitations and exclusions).

Unless Orrick is also bond counsel, the Issuer will rely upon, and Orrick will assume the accuracy of, the opinion of bond counsel with respect to the validity of the Bonds and the Bond documents, the federal and state tax-exempt status of interest on the Bonds, exemption from registration of the Bonds under applicable securities laws, and other matters customarily covered by opinions of bond counsel and counsel to other parties, and Orrick will not undertake any independent consideration thereof or have any other responsibility therefor. Bond counsel will also be responsible for preparing summaries of legal documents for inclusion in the Preliminary Official Statement and the Official Statement and giving an opinion as to the accuracy of the summaries of the legal documents and the Bonds and of Orrick's tax opinion contained in the Official Statement.

In performing Disclosure Counsel services, in addition to relying on the opinions described above, Orrick will be entitled to rely on the accuracy and completeness of information provided and certifications made by the Issuer, the financial advisor, consultants, accountants, the underwriters, various counsel and other parties, without independent investigation or verification.

While Orrick will undertake certain activities in order to provide the negative conclusion that constitutes the so-called “10b-5 letter”, such activities are inherently limited in character and in scope. They cannot and will not encompass all of the activities an underwriter may be required to undertake in order to establish a due diligence or reasonable investigation defense (if available), and the securities laws do not permit an underwriter to delegate completely duties of due diligence or reasonable investigation it may have to counsel.

Limitations

Disclosure Counsel services will be limited to those specifically set forth above and, for example, will not include other services, including but not limited to matters relating to the mode or manner of dissemination of the official statement, the accuracy of any printing or posting of the official statement, registration or qualification of the Bonds under federal or state securities laws, derivative products, regulatory matters (such as compliance with FINRA or MSRB rules or other broker-dealer regulations) or independent investigation of prior compliance with continuing disclosure undertakings, and will not include preparation or review of any rating agency or investor presentation or representation in any litigation or other legal or administrative proceeding, audit or investigation involving the Official Statement, the Bonds, the Project or any related matter. Disclosure Counsel services do not include any financial advice or analysis. Disclosure Counsel services are limited to legal advice and do not extend past the date of issuance of the Bonds and do not, for example, include services related to any post-issuance amendment of or supplement to the Official Statement or to any continuing disclosure. Any involvement by Disclosure Counsel in any of the matters referred to in this paragraph shall not constitute a waiver of any of the foregoing limitations on Disclosure Counsel’s responsibilities unless otherwise agreed to in writing.

3. Costs and Expenses

Unless otherwise provided in the Engagement Letter, the Issuer will pay Orrick for costs and expenses (direct and indirect) incurred in connection with the services set forth in the Engagement Letter, including (without limitation) filing and publication, document reproduction and delivery, travel, long distance telephone, telecopy, word processing, computer research, secretarial overtime, closing transcript and other similar expenses. Indirect costs, such as word processing, document reproduction and transcript costs, shall be payable at Orrick’s standard cost recovery rates from time to time in effect.

Any filing, publication or printing costs required in connection with the Bonds shall be paid directly by the Issuer, but if paid by Orrick on behalf of the Issuer, the Issuer shall reimburse Orrick for such costs upon demand.

If any claim or action is brought against Orrick or any of its personnel which alleges negligence or wrongdoing of the Issuer, or if Orrick or any current or former attorney or employee of Orrick is asked or required by a third party to testify or produce documents as a result of Orrick's representation of the Issuer, the Issuer agrees to pay Orrick for any resulting costs or expenses, including Orrick's time, even if Orrick's representation of the Issuer has ended. This paragraph is not intended to apply to any claim brought by or on behalf of the Issuer alleging wrongdoing by Orrick.

4. Waiver of Conflicts of Interest

Orrick's agreement to represent the Issuer is conditioned upon the understanding that Orrick is free to represent any clients (including entities that may be adverse to the Issuer) and to take positions adverse to either the Issuer or an affiliate in any matters (whether involving the same substantive area(s) of law for which the Issuer has retained Orrick or some other unrelated area(s), and whether involving business transactions, counseling, litigation or otherwise). Orrick agrees, however, to not represent any party other than the Issuer in connection with the Bond financing prior to the date of termination determined in accordance with Paragraph 8 hereof without the consent of the Issuer. In this connection, the Issuer should be aware that Orrick regularly provides legal services for many private and public entities in connection with a wide variety of matters. (A summary of Orrick's current practice areas and the principal industries in which Orrick represents clients can be found on Orrick's web site at www.orrick.com.) For example, Orrick has represented, is representing or may in the future represent other public entities, underwriters, trustees, rating agencies, insurers, credit enhancement providers, lenders, borrowers, developers, contractors, suppliers, financial and other consultants/advisors, accountants, investment and swap providers/brokers, providers/brokers of derivative products and others who may have a role or interest in the Bond financing or the Project or that may be involved with or adverse to Issuer. In addition, Orrick's wholly-owned subsidiary BLX Group LLC may provide financial advisory services, including arbitrage rebate compliance and other post-issuance compliance services, to other parties involved in the Bond financing and Orrick may provide legal advice to such other parties in connection with such BLX Group LLC services. Orrick will, of course, hold in confidence the Issuer's secrets and confidences. Similarly, the Issuer understands that while Orrick may obtain confidential information from other clients that may be of interest to the Issuer, Orrick cannot share such information with the Issuer. The Issuer acknowledges that it has had the opportunity to consult with its counsel about the consequences of the waiver set forth in this paragraph. The Issuer consents to these other representations, agrees that it will not seek to disqualify Orrick from any such present or future representations, and waives any actual or potential conflict of interest that might arise or be deemed to arise, now or in the future, from this engagement of Orrick to serve as Bond Counsel or Disclosure Counsel and any past, current or future representations.

5. Internal Communications

The occasion might arise for the Orrick attorneys providing service to the Issuer to consult regarding Orrick's engagement for the Issuer with Orrick's own counsel (e.g., Orrick's Chief Legal Officer, other firm lawyers working with Orrick's Chief Legal Officer who do not perform work for the Issuer with respect to the Bonds, or Orrick's own outside counsel). To the extent that Orrick is addressing Orrick's own rights or responsibilities, a conflict of interest might be deemed to exist between Orrick and the Issuer as to such consultation or resulting communications, particularly if a dispute were ever to arise between Orrick and the Issuer regarding the Bonds or matters relating to the issuance of the Bonds. The Issuer hereby consents to such consultation occurring, and waives any claim of conflict of interest based on such consultation or resulting communications that could otherwise disqualify Orrick from continuing to represent the Issuer or from acting in Orrick's own behalf, even if such consultation or communications might be deemed adverse to the interests of the Issuer. The Issuer acknowledges and agrees that any such consulting and communications are protected by Orrick's own attorney-client privilege from disclosure to the Issuer.

6. Responsibilities of Orrick and the Issuer

The Issuer shall have and will rely on the Issuer's elected, appointed or retained chief legal officer or on outside counsel (other than Orrick) ("Issuer Counsel") to render day-to-day and ongoing general legal services and to advise the Issuer with respect to all Governmental Decisions. Orrick shall circulate documents to and coordinate its services with Issuer Counsel to the extent requested by Issuer or Issuer Counsel. Orrick shall be entitled to assume that Issuer Counsel has reviewed all documents and matters submitted to Issuer for adoption or approval or to officers of Issuer for execution prior to such adoption, approval or execution.

In rendering opinions and performing legal services, Orrick shall be entitled to rely on the accuracy and completeness of information provided and certifications made by, and opinions provided by counsel to, Issuer and other parties, counsel and consultants, without independent investigation or verification. Knowledge of attorneys and non-attorneys at Orrick not working directly on the Bond issue will not be imputed to Orrick nor shall there be any duty on Orrick's part to make any inquiry of such other attorneys or non-attorneys.

Orrick will provide to the Issuer legal counsel and assistance in accordance with the accompanying engagement letter and this Standard Terms of Engagement. The Issuer will not look to or rely upon Orrick for any investment, accounting, financial or other non-legal advice or for any advice with respect to Governmental Decisions, including without limitation any advice regarding the character or credit of any person with whom the Issuer may be dealing. Although Orrick will at times communicate with the Issuer by e-mail, letter, or other written form, Orrick may provide much of its counsel and assistance in telephone conversations and meetings with the

Issuer. In addition, Orrick shall have the right, subject to applicable rules of professional responsibility, to discard any files or other materials relating to the Bonds either before or after termination of Orrick's representation of the Issuer.

For Orrick to represent the Issuer effectively, Orrick needs the Issuer to provide Orrick with complete and candid information regarding matters relating to the Bonds and the Project, and, if Orrick is providing Disclosure Counsel Services, regarding financial, operating and other information material to prospective investors in the Bonds, to keep Orrick informed of relevant developments, to make decisions necessary for Orrick to fulfill its responsibilities with respect to the Bonds and otherwise to provide to Orrick the Issuer's reasonable assistance and cooperation.

Orrick shall maintain errors and omissions insurance coverage applicable to the services to be rendered pursuant to the Engagement Letter.

The Engagement Letter and these Standard Terms and Conditions shall not be the basis of any breach of contract claim that would have the effect of extending any statute of limitations pertaining to legal malpractice to the statute of limitations pertaining to breach of contract.

Orrick will not be responsible for any services performed by, or acts or omissions of, any co-counsel or other transaction participant.

7. Client Files (Cloud Storage, Retention and Disposition)

Orrick recognizes that cloud computing services offer valuable tools to Orrick's clients and has entered into arrangements with certain providers of those services to host, process, and analyze data, including client data. Like online services or platforms, cloud computing services are not immune from security compromises. While Orrick maintains a cyber security vendor risk management program, Orrick cannot guarantee the security of any cloud computing service, including third-party cloud computing services utilized by Orrick. If the Issuer does not wish to have its information and data stored with third party cloud service providers, the Issuer must advise Orrick not to do so. Orrick will not be responsible for security or confidentiality breaches that occur with respect to any cloud computing service.

Unless otherwise required by specific Issuer instruction, Orrick will retain all hardcopy and electronic records for a period of years consistent with Orrick's internal record retention policy. When that time expires, Orrick's policy is to destroy all records related to the Bonds in a manner that preserves confidentiality. The Issuer understands and agrees that records related to the Bonds will be destroyed in the absence of such alternate instruction. For these purposes "records" includes paper files as well as information in other mediums of storage including voicemail, email, printer files, electronic document files, facsimiles, dictation recordings, video files, and other formats.

Orrick reserves the right to make, at Orrick's expense, certain copies of all documents generated or received by Orrick in the course of Orrick's representation of the Issuer. Orrick will maintain the confidentiality of all documents throughout this process.

Orrick's own files pertaining to the Bonds will be retained by the firm (as opposed to being sent to the Issuer) or destroyed. These firm files may include internal communications, firm administrative records, time and expense reports, personnel and staffing materials, and credit and account records. Orrick reserves the right to destroy or otherwise dispose of any of Orrick's own files within a reasonable time after the engagement has concluded.

8. Termination

The Issuer may terminate Orrick's representation of the Issuer at any time, with or without cause. Orrick may terminate its representation of the Issuer at any time, with or without cause, subject to applicable rules of professional responsibility, including if, among other things, the Issuer fails to cooperate or follow Orrick's advice on a material matter, or any fact or circumstance arises that, in Orrick's view, renders Orrick's continuing representation unlawful or unethical. Orrick may terminate or suspend its representation of the Issuer, subject to applicable rules of professional responsibility, if the Issuer fails to make timely payment on any invoice. In the event of termination by either the Issuer or Orrick, the Issuer shall pay Orrick fees and costs for work performed prior to termination and Orrick will have no responsibility or liability whatsoever for any subsequent use of documents prepared or advice provided by Orrick prior to termination. The Issuer acknowledges that it has had an opportunity to consult with its counsel about the consequences of Orrick's disclaimer of responsibility and liability herein.

9. Date of Termination

Orrick's representation of the Issuer with respect to the matters covered by the Engagement Letter will be considered terminated at the earliest of (i) the Issuer's termination of the representation, (ii) Orrick's termination of the representation, (iii) the issuance of the Bonds or (iv) the Issuer's abandonment of the Bond financing. Sections 3, 4, 5 and 7 of this Standard Terms of Engagement shall survive termination of the representation.

10. Arbitration Right – Applicable to State of New York Transactions Only

Please note that in the event that a dispute arises relating to Orrick's fees, the Issuer may have the right to arbitration of the dispute pursuant to Part 137 of the Rules of the Chief Administrator of the Courts, a copy of which will be provided to the Issuer upon the Issuer's request.



**Proposal to Provide Bond Counsel and Disclosure
Counsel Services to:**

The City of El Segundo

December 4, 2020

Orrick Contacts:

Donald Field

T (213) 612-2287 (LA)
T (949) 852-7727 (OC)
E dfield@orrick.com

Kevin Hale

T (213) 612-2356 (LA)
E khale@orrick.com

PROPOSAL TO THE CITY OF EL SEGUNDO

December 4, 2020

Via Email

Mr. Joseph Lillio, Director of Finance
City of El Segundo
jlillio@elsegundo.org

Mr. Mark Young, Managing Director
KNN Public Finance
myoung@knninc.com

Mr. Larry Lom, Vice President
KNN Public Finance
llom@knninc.com



777 South Figueroa Street, Suite 3200
Los Angeles, CA 90017

2050 Main Street, Suite 1100
Irvine, CA 92614-8255

Re: Proposal to Provide Bond Counsel and Disclosure Counsel Services to the City of El Segundo

Thank you for inviting Orrick, Herrington & Sutcliffe LLP to submit the attached Proposal to Provide Bond and Disclosure Counsel Services to the City of El Segundo. We understand the City is looking to engage a firm to serve as bond and disclosure counsel to the City with respect to the issuance of pension obligation bonds to refinance a portion of the City's unfunded accrued liabilities. We would very much like the opportunity to work on the City's financing and to establish a relationship with the City.

We believe that our firm is especially qualified to serve as bond and disclosure counsel for the City for the following reasons:

- We have vast experience with pension obligation bonds issued in California, California law and the practices governing such financings;
- Orrick is unmatched in its expertise in California public finance and securities/disclosure issues relevant to the proposed financing;
- With few exceptions, each year for many years Orrick has been involved as bond counsel in more financings by principal amount than any other public finance firm in the country; and
- We have a core belief in and commitment to prompt, effective, high quality, cost effective service to our clients and to staffing our matters and allocating our resources however necessary to provide that service.

We also pride ourselves on understanding the needs of our clients and providing them personal and responsive service. We are committed to providing the City with the attention and resources required to ensure that the City's goals are accomplished in a timely and efficient manner. We look forward to discussing further the City's plans and Orrick's qualifications. Please call either of us at the numbers shown below if you have any questions or require any further information.

Very truly yours,

A handwritten signature in black ink, appearing to read "Donald Field".

Donald Field
Partner
Orrick, Herrington & Sutcliffe LLP
(213) 612-2287/(949) 852-7727

A handwritten signature in black ink, appearing to read "Kevin Hale".

Kevin Hale
Of Counsel
Orrick, Herrington & Sutcliffe LLP
(213) 612-2356

Orrick, Herrington & Sutcliffe LLP is pleased to present this Proposal to Provide Bond and Disclosure Counsel Services to the City of El Segundo. We understand the City is looking to engage a firm to serve as bond and disclosure counsel to the City with respect to the issuance of pension obligation bonds to refinance a portion of the City's unfunded accrued liabilities. We believe that the breadth and depth of Orrick's knowledge and experience in public finance, as well as Orrick's creative approach to problem solving, enables us to offer the City expertise of the highest caliber, combined with responsive and personal service. Set forth below is the information requested in the City's Request for Proposals:

1. Firm Description. Provide a brief description of your firm and qualifications in the area of public finance law, particularly in California. Indicate your firm's ownership and legal structure, location of your main office and the office serving the City, and a brief description of resources and depth of staff in the office from which services would be provided.

Firm Ownership and Legal Structure. Orrick is a limited liability partnership organized under the laws of the State of California.

Location of Main Office. Orrick's largest California office is located in San Francisco. If engaged as bond and/or disclosure counsel, the majority of the work will be handled by attorneys and paraprofessionals in Orrick's Los Angeles and Orange County offices.

Los Angeles Office.

Name: Orrick, Herrington & Sutcliffe LLP
Address: 777 South Figueroa, Suite 3200
Los Angeles, CA 90017-5855
Phone: (213) 629-2020

Orange County Office.

Name: Orrick, Herrington & Sutcliffe LLP
Address: 2050 Main Street, Suite 1100
Irvine, CA 92614-8255
Phone: (949) 567-6700

Firm Description. Orrick is a leading global law firm with a particular focus on serving clients in the technology, energy and financial sectors. We are recognized worldwide for delivering the highest-quality, commercially oriented legal advice and fostering a culture of innovation and collaboration with our clients, among our lawyers and staff and within our communities. Founded in San Francisco a century and a half ago, Orrick today is named by Law360 as one of the "Global 20" leading firms. With more than 1,200 lawyers across the United States, Europe and Asia, our platform offers clients a distinctive combination of local insight and consistent global quality across our key market locations.

Practice Areas. The firm's practice groups are organized into five business units – Finance; Energy & Infrastructure; Litigation; Intellectual Property; and Corporate. The Finance, Corporate and Litigation business units are comprised of multiple practice groups.

- **Finance:** Banking & Finance; Public Finance; Real Estate; Restructuring; Structured Finance.
- **Energy & Infrastructure:** Energy & Infrastructure
- **Litigation:** Antitrust; Commercial Litigation & Dispute Resolution; Employment; Insurance; International Arbitration; Public Policy; Supreme Court & Appellate; White Collar Investigations, Securities Litigation & Compliance
- **Intellectual Property:** Intellectual Property
- **Corporate:** Capital Markets; Compensation & Benefits; Emerging Markets; M&A and Private Equity; Tax; Technology Companies.

Public Finance Experience. We are very conscious of the importance of your decision in selecting a bond and disclosure counsel. We believe Orrick is the best firm with the necessary experience and resources to serve as bond and disclosure counsel to the City with respect to the City's pension obligation bond financing. We take particular pride in being able to provide our clients the comfort of entrusting us with the most complex legal and technical aspects of their financial transactions:

**2019 California
Bond Counsel Rankings**
#1 \$24.60 bn
42.3% Market Share

- Orrick has maintained a substantial practice in the area of public finance for over 100 years.
- Orrick has been the premier bond counsel firm in California throughout that period and has been ranked first in the country for most of the last two decades in total volume of financings for which it served as bond counsel. Moreover, Orrick has been ranked number one in total volume as disclosure counsel both nationally and in California nearly every year since such rankings began.
- With nearly 100 attorneys practicing public finance, Orrick is the best known, most widely respected and experienced bond counsel firm in California and in the country.

Our public finance department presently consists of 99 attorneys practicing in the areas of public finance or public finance tax, with 23 in Houston/Austin, 16 in New York, 28 in San Francisco, 10 in Los Angeles/Orange County, 9 in Sacramento, 10 in the Pacific Northwest and 3 in Washington, D.C. Orrick is the largest bond counsel firm in California, possibly the largest in the country, and is strategically situated to provide the best legal services for our clients.

The quality of our attorneys, the depth of resources, the diversity of practice and the unmatched level of tax and disclosure experience are considered to be particular strengths of our public finance department. Moreover, we pride ourselves in giving our clients personal and responsive attention. As a result, our clients have the advantage of a large firm's resources without compromising the attention they deserve.

Bond Counsel. As indicated above, Orrick has maintained a substantial practice in the area of public finance for over a hundred years and has been ranked first in the country as bond counsel for most of the last two decades. Nationally, during 2019, Orrick served as bond counsel on 482 transactions aggregating more than \$46 billion (representing a national market share of 11.4%).

**2019 National
Bond Counsel Rankings**
#1 \$46.39 bn
11.4% Market Share

In addition to serving as bond counsel, underwriters' counsel and disclosure counsel, Orrick also acts as special tax counsel, issuer counsel, credit provider counsel, lender counsel, trustee counsel and swap/derivative provider counsel in connection with the issuance of tax-exempt and taxable bonds. We also provide post-issuance services on arbitrage rebate and private use compliance, continuing disclosure, Internal Revenue Service ("IRS") audits, Securities and Exchange Commission ("SEC") investigations, defaults, bankruptcies and other workouts.

Disclosure Experience. A necessary part of our public finance practice, as both bond counsel and disclosure counsel, is extensive knowledge of and experience with securities laws and disclosure issues. Orrick has been ranked number one in total volume as disclosure counsel both nationally and in California nearly every year since such rankings began.

**2019 National
Disclosure Counsel Rankings**
#1 \$28.61 bn
19.5% Market Share

No other firm matches Orrick's experience in public finance securities law issues, and never has such experience with securities laws generally and disclosure matters in particular been so important. Applicable laws continue to grow more lengthy and complex and the SEC and other regulatory bodies, including the

Federal Bureau of Investigation and the Department of Justice, are pursuing investigations, prosecutions, enforcement actions and audits against municipal market participants, including issuers, across the country on an unprecedented scale.

Orrick is fundamentally a finance firm and as such has diverse experience in federal and state securities laws relating to the sale and disclosure of about virtually all types of securities, both in the initial and secondary markets. As a leading firm both in volume and complexity of issues, Orrick (including the members of our proposed team for the City) has dealt with a wide range of disclosure issues in public finance and is known as the firm of choice when difficult disclosure issues are involved. Moreover, for 2019, Orrick was ranked the number one disclosure counsel firm in the country by Thomson Reuters.

We also were at the forefront in assisting issuers in complying with the continuing disclosure requirements imposed by Rule 15c2-12 and in responding to the SEC's Municipalities Continuing Disclosure Cooperation Initiative as well as the recent amendments to Rule 15c2-12 adding additional event notices with respect to financial obligations.

For the City, this means we go the extra mile in addressing disclosure, credit and market issues, and we understand the requirements and constraints applicable to underwriters and issuers. We can be particularly effective in advising on the structural elements of bond documents, in negotiating bond purchase agreements and continuing disclosure undertakings, in working with accountants, financial advisors and consultants and in developing an effective balance in official statements.

Tax Expertise. Nationally recognized for its expertise in tax matters related to public finance, Orrick's Public Finance Tax Group is involved in every aspect of the firm's public finance practice. The great diversity of our public finance practice, together with its emphasis on sophisticated tax-driven transactions, gives us unmatched strength and breadth in analyzing and opining on public finance tax matters.

Resources and Staffing. Orrick's public finance team includes nearly 100 public finance and public finance tax attorneys who are located in offices in Austin, Houston, Los Angeles, New York, Orange County, Portland, Sacramento, San Francisco, Seattle and Washington, DC. Orrick's proposed team members for the City are based in Orrick's Los Angeles and Orange County offices. The quality of our attorneys, the depth of resources, the diversity of practice and the unmatched level of tax and disclosure expertise are particular strengths of our public finance department. As a partner of the firm, Don Field can assure the City of priority access to the full resources of the department and the firm, including every office and practice unit.

Orrick's approach to providing bond and/or disclosure counsel services to our clients has always been to provide services of the highest quality in an efficient and collegial manner. Orrick's Public Finance lawyers work as a team, not only with the public finance tax lawyers but also with each other. Each of the lawyers on Orrick's proposed team will be available in person (when permitted) or by telephone or e-mail as necessary for the City's financing, with backup from other Orrick public finance and public finance tax attorneys as needed. All of them will be available as appropriate to participate in meetings and conference calls.

Orrick's public finance team in Los Angeles and Orange County includes four (4) partners, three (3) associates, two (2) legal assistants and two (2) administrative staff.

2. Assigned Personnel. Identify your firm's team for the financing, specifically identifying the individual(s) who would serve as the lead for bond and disclosure services and the primary support. Include only those persons who are expected to work on the financing. Provide resumes for each participating team member, highlighting relevant experience.

The work for the City's financing will be performed by attorneys and other professionals in Orrick's public finance group located in California. Four attorneys will be assigned to provide bond and disclosure counsel services to the City. Don Field (Partner) and Kevin Hale (Of Counsel) will serve as the City's lead attorneys and points of contact. Both are authorized to answer questions and negotiate the terms and conditions of this engagement. Don and Kevin will be supported by Andrea Greenwald (Senior Associate). Kris Wood (Senior Associate) will provide litigation support to the City. This four-person team will allow us to provide any legal services the City may need, but the rest of the Orrick public finance attorneys and support personnel firm-wide are always available to support the City if needed.

With respect to pension obligation bonds, Don Field and Kevin Hale are currently working on an Orrick bond counsel and disclosure counsel team representing the City of Huntington Beach, and have provided bond counsel services to the counties of San Bernardino, San Diego and Riverside, and the cities of Fountain Valley, Inglewood and Pasadena. In addition, Kevin has broad experience completing disclosure on some of these engagements, as well serving as underwriters' counsel on offerings for the cities of Azusa, Riverside, Glendora and Manhattan Beach, among others.

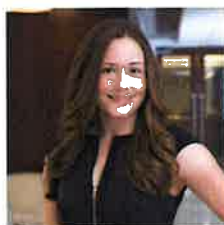
Proposed Legal Team for the City



Don Field, Don Field is a Partner in the Los Angeles and Orange County offices, and a member of the firm's Public Finance Department. He is the co-chair of Orrick's School and Community College Finance/General Obligation Bonds Practice Group. Don has more than 22 years of experience working as bond counsel and disclosure counsel on a variety of tax-exempt and federally-taxable bond financings for cities, counties and school districts in California.



Kevin Hale, Kevin Hale is Of Counsel in the Los Angeles office, and a member of the firm's Public Finance Department. Kevin has more than 25 years of experience working as bond counsel and disclosure counsel on a variety of tax-exempt and federally-taxable bond financings including lease revenue financings, tax increment redevelopment financings, Mello-Roos district financings, assessment district financings, transportation and capital improvement revenue financings, both pooled and stand-alone Marks-Roos financings and pension obligation bonds.



Andrea Greenwald, Andrea Greenwald is a Senior Associate in the Orange County office, and a member of the Public Finance Department. Andrea represents school districts and community college districts, transportation agencies, cities and counties across California in financings that improve California's schools, roads, bridges, and other infrastructure and public facilities.



Kris Wood, Kristopher Wood is a Senior Associate in the Orange County office and is a member of Orrick's Complex Litigation and Dispute Resolution Group. In addition to representing municipalities in bond validation actions, Mr. Wood represents clients in a broad array of litigation matters, including intellectual property disputes, shareholder disputes, class action defense, complex breach of contract actions, and other commercial litigation matters. Kris recently completed the successful pension obligation bond validation action for the City of Huntington Beach, in a COVID-19 virtual hearing, including pleadings to compel the court to take expedited action to conclude the matter in a congested court calendar.

Please see **Exhibit 1** for attorney resumes.

3. Experience. Describe the firm's experience as Bond and/or Disclosure Counsel in California over the past 5 years for pension obligation issuances. Indicate where the proposed primary service provider(s) contributed to the firm's experience. Provide one or more relevant case studies.

Pension Obligation Bonds. Pension obligation bonds, which are used to pay unfunded accrued actuarial and/or current pension liability and are payable from any available funds of the city or county issuing the bonds, rely on an exception to the California constitutional debt limitation for "obligations imposed by law" and are issued under the Local Agency Refunding Law, the relevant portions of which were written by one of Orrick's attorneys. Because the "obligations imposed by law" exception has been infrequently affirmed by the courts in general case-law, each issuance of bonds is validated pursuant to Code of Civil Procedure §860 *et seq.* Orrick is ready to assist the City in obtaining the necessary validation action and/or determining whether any proceedings would be necessary for the City to issue pension obligation bonds.

Orrick originated the concept of bonds to finance unfunded pension liabilities with the famous City of Oakland tax-exempt pension bond financing in 1985, and we have since completed a second (tax-exempt) refunding of those bonds. We have also worked with several other entities on pre-1986 Tax Act and special transition rule tax-exempt pension bond financings, as well as tax-exempt pension obligation bonds in other states where the structure of municipal pension obligations qualify for tax-exemption.

Since 1994, we have completed taxable pension bond financings as bond counsel for Orange County, Contra Costa County, San Diego County, San Bernardino County, Imperial County, Sacramento County, Alameda County, Mendocino County, Merced County, Sonoma County, City of Fresno, City of Long Beach, City of San Bernardino, City of Claremont, City of Downey, City of Glendora, City of Oakland, City of Pasadena, City of San Ramon and the Sacramento Metropolitan Fire District. In addition, we are Bond Counsel for the California Statewide Communities Development Authority for its pension obligation bond pool for cities and counties, which included pools for such cities as Auburn, Benicia, Capitola, Claremont, Novato, Pacific Grove and Pinole. We have also completed refundings of original issue pension obligation bonds for Contra Costa County, the City of Fresno, the City of Long Beach and the City of Oakland.

Litigation and Judicial Validation Expertise. Orrick has a substantial Complex Litigation & Dispute Resolution group which puts the firm's trial and arbitration prowess to work resolving the largest, messiest business disputes our clients face. Orrick trial attorneys complete the pleadings and argue validation actions handled by our public finance attorneys.

Our experience is extensive, validating not less than 16 in the past ten years (this being just one type of local agency obligation where our proposed trial counsel has completed judicial actions validating obligations imposed by law).

An unopposed validation action in Los Angeles County Superior Court would be expected to take between 100 and 130 days from the date the complaint is filed. This time estimate includes the 30-day appeal period following entry of a validation judgment. While this estimate is realistic, the actual time frame is controlled largely by the court by how promptly the court calendars the key milestones in the validation action, e.g., obtaining the order for publication of summons, obtaining the hearing on the motion for the validation judgment. If the validation action is opposed, the time frame to final determination is uncertain and unpredictable other than in rough estimates. A ballpark estimate is 9 months to a year to obtain a trial court ruling, with another year to 18 months in the appellate court if the losing party appealed. Again, the time frame is largely dictated by the court's calendar and case load and is unpredictable during the current pandemic.

Throughout the validation process, the plaintiff should take every opportunity to emphasize the statutory calendar preference a validation action must be given. More specifically, an unopposed validation action can be accelerated to the extent possible by ensuring that each step in the process is sought promptly and at the earliest permitted opportunity. For instance, after filing the complaint, the plaintiff should seek an immediate hearing with the court to obtain the order for publication of summons. Order in hand, the plaintiff should then expedite the notice process by timely working with the publishing newspaper to start and complete the publication of summons at the earliest compliant date. (Expediting this step must be balanced with ensuring that the plaintiff complies with the statutorily-required minimum notice period.) Similarly, the final stages of the validation process may be expedited by promptly seeking and obtaining the earliest possible hearing with the court for the approval and issuance of the validation judgment. While the court ultimately controls how fast these milestones occur, prompt action and persistence can generate time savings if the court and clerks are reasonably cooperative.

City of Huntington Beach Pension Obligation Bonds. We offer the City of Huntington Beach as a case study example, where Don Field and Kevin Hale have served for much of the past year as bond counsel and disclosure counsel, respectively, to prepare that city's initial offering of pension obligation bonds. Working with your municipal advisor, KNN, Orrick has been engaged providing the city advice prior to the initial kick-off meeting, through a successful but challenging validation action, completed in a COVID-19 virtual hearing, including pleadings to compel the court to take expedited action to conclude the matter in a congested court calendar, and through the drafting of authorizing, legal and disclosure documents. Like the City, Huntington Beach made an evaluation of savings to refund a significant portion of its unfunded liability (nearly \$400 million) over its two principal plans. Over time Orrick assisted the city with advice as market conditions and proposed legislation presented potential obstacles to the financing schedule. The financing stands ready for final approval, to market, price and close as the city determines its best timing for sale and delivery. At its core, the financing is another example of our team approach to provide a level of client service and responsiveness which yields a sense of confidence and best results.

Please see **Exhibit 2** for Orrick's bond and disclosure counsel experience in California in the last 5 years for pension obligation issuances.

4. Additional Information. Please comment on any other key aspects that your firm believes to be critical to the legal structure and/or disclosure document and how your firm is best qualified to assist the City in developing the financing documents for the bonds. Provide any other information that you believe might be useful in the City’s decision-making.

In a way that we believe to be unique, Orrick offers the City an innovative, solution-oriented approach to public finance issues, combining thorough analysis, breadth of experience, and unparalleled reputation. Orrick is a leader in a variety of constitutionally or statutorily imposed financing structures, including transactions to finance pension and other post-employment benefit liabilities. Orrick attorneys have advised clients with respect to funding annual normal costs, the funding of pension trusts, and considered with our clients the issues impacting pension obligation bonds following the municipal bankruptcy proceedings, many of which were handled by Orrick bankruptcy lawyers. Our proposed team is working together with your municipal advisor to complete a similar financing for the City of Huntington Beach. We have worked collegially together and together with a variety of finance teams, providing value-added service, for many years. Each of us have broad experience, but each has been brought together to offer specialized services as part of the overall engagement. Resources of this sort and our commitment to innovation will be available to the City in connection with any financing it may consider. We look forward to the opportunity to work with the City of El Segundo.

5. References. Please provide three (3) references, preferably individuals who have worked directly with the proposed primary service provider(s) in the role of Bond and/or Disclosure Counsel. Indicate name and title of the individual, issuer, email, and phone number.

Sunny Rief, CPA, CFE
 Assistant Chief Financial Officer
City of Huntington Beach
 2000 Main Street
 Huntington Beach, CA 92648
 Phone: (714) 536-5907
 sunny.rief@surfcity-hb.org

Jeff Muir
 Director of Finance
City of Beverly Hills
 455 N. Rexford Dr.
 Beverly Hills, CA 90210
 Phone: (310)-285-2423
 jmuir@beverlyhills.org

Sarah J. Knecht
 Assistant City Attorney
City of Santa Barbara
 740 State Street, Suite 201
 Santa Barbara, CA 93101
 Phone: (805) 564-5332
 sknecht@santabarbaraca.gov

6. Fees. Please indicate your firm’s not-to-exceed fees for Bond Counsel and Disclosure Counsel. Flat fees contingent on closing are strongly preferred. However, to the extent hourly fees are proposed, please include an estimate of the total fee and/or expected range, and not-to-exceed amount if feasible. Also, please indicate what expenses you would bill in addition to the fee and a proposed cap.

If selected as your bond and disclosure counsel, we propose flat fees as set forth in the table below. These fees assume an uncontested validation and the likelihood of no significant costs or out-of-pocket expenses, in which event we would respectfully request to review our fee agreement with the City.

Bond Counsel	Disclosure Counsel	Bond and Disclosure Counsel
\$67,500	\$35,000	\$90,000

In addition to fees, we generally request reimbursement for expenses fixed at \$2,500 per financing, except for publication and printing costs, and outside services (such as publications, if any, Cal-Muni or other database providers), which we would expect to have billed directly to the City or through costs of issuance. The City can expect publication costs with respect to the summons for validation.

The fees and expenses provided above would be payable at or after the issuance of the bonds, from the proceeds of such bonds, and would be entirely contingent upon their issuance. We attempt to remain flexible and are ready to discuss alternative arrangements if the City desires to approach our engagement in a different manner.

CONCLUSION.

If selected, each of the Orrick attorneys proposed for this engagement will be committed to bringing a focused contribution to your financing, to working collegially with other members of your finance team and to being considered a trusted advisor. We provide the following to summarize our work ethic.



Personal and Responsive Client Service; Partner-Level of Attention. We pride ourselves on understanding the needs of our clients and providing them personal and responsive service. As a result, our clients have the advantage of a large firm's resources without compromising the attention they deserve. Moreover, we are very mindful of the frustration clients experience when they engage a partner and his finance team in a law firm to handle a matter only to have that partner hand the matter over to an inexperienced lawyer. We are committed to providing the City the attention necessary from partners, senior counsel and all other members of the finance team to ensure that the City's goals are achieved in a timely and efficient manner and with the level of quality the City should demand.



Knowledgeable, Experienced and Established Counsel. We have found that firms practicing in the area of public finance for less than half the number of years as Orrick and with less than half the number of public finance attorneys as Orrick, claim to be just the right size with just the right number of public finance attorneys, and assert that larger firms will not be able sustain their public finance practices. However, Orrick has maintained a substantial practice in the area of public finance for over 100 years and continues to be the nation's leading bond counsel. We consistently achieve this status by holding ourselves to the highest standards of technical expertise, professional dedication, client service and ethical responsibility.



Importance of Teamwork Coupled with Client Dedication. We also know the importance of teamwork when working on a financing. Our clients' interests always come first. However, we understand the dynamics of being an effective team player while protecting our clients' interests. We consistently achieve our status as the undisputed number one bond counsel across the nation by holding ourselves to the highest standards of technical expertise, professional dedication, client service and ethical responsibility.

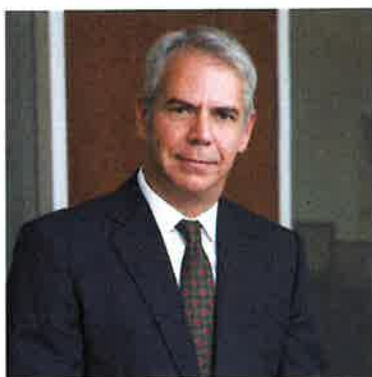


Long-Term Commitment to Clients. Finally, our goal is to develop long-term relationships with our clients. Therefore, we would like to use the opportunity to serve as the City's bond and disclosure counsel to demonstrate our responsive and personal service and superior public finance knowledge and experience with the goal of developing a long-term relationship with the City.

PROPOSAL TO THE CITY OF EL SEGUNDO

We thank you for this opportunity to present our proposal and express our sincere interest in providing bond and disclosure counsel services to the City of El Segundo for your pension obligation bond financing. We appreciate your considering us for this engagement. We are prepared to begin working as soon as you indicate you are ready. If you have any questions, or if additional information or materials are required, please contact [Don Field](#) at (213) 612-2287/(949) 852-7727 or [Kevin Hale](#) at (213) 612-2356.

ORRICK, HERRINGTON & SUTCLIFFE LLP



DONALD FIELD

Partner

Los Angeles, Orange County

T +1 949 852 7727

E dfield@orrick.com

Practice Areas

- Public Finance

Honors

- Named as one of the Top 25 Municipal Lawyers of 2011 in California by the Los Angeles and San Francisco *Daily Journal*

Education

- LL.M., New York University School of Law, 1994
- J.D., Southwestern University School of Law, 1993, *magna cum laude*
- B.A., Economics, University of California, Irvine, 1990

Donald Field is a partner in Orrick's Public Finance Group and the co-chair of Orrick's School and Community College Finance/General Obligation Bonds Practice Group.

He is also a member of Orrick's Leasing Practice Group, Assessment/Mello-Roos Practice Group, and Revenue Practice Group. Don has extensive experience, as bond counsel, disclosure counsel and underwriter's counsel, in the financing techniques used by school and community college districts, cities and counties in California. His practice focuses on local governmental infrastructure financing, including general obligation bond financing, municipal lease financing, and land-secured financing, as well as tax and revenue anticipation note (TRAN), pension obligation and other post-employment benefit (OPEB) obligation financings. Don serves as the lead lawyer for the California School Boards Association's annual tax and revenue anticipation note pool.

Publications

- Principal author and editor of "The XYZs of California School District Debt Financing," published by Orrick in 2005.

Speeches and Programs

- Co-Chair, The Bond Buyer's California Public Finance Conference (September 2016)
- California School Boards Association's Annual Conference (2009-2017)
- Coalition for Adequate School Housing's Annual Conference (2006-2017)
- Coalition for Adequate School Housing's Spring Conference (May 2007, March 2009)
- Coalition for Adequate School Housing's Facilities Leadership Academy (November 2007; November 2008; November 2010)
- Coalition for Adequate School Housing's Fall Conference (October 2011)
- California Association of Latino Superintendents and Administrators' Annual Conference (July 2011)

EXHIBIT 1: ATTORNEY RESUMES

- Vanir Construction Management, Inc. PM/CM Conference (November 2009)
- California Community College League's Annual Conference (November 2008)
- California Community College League's Trustees Annual Conference (May 2006; May 2008)
- California Society of Municipal Finance Officers' Legislative Seminar (May 2006)
- California Newspaper Editor's Association/Associated Press News Editor's Council Conference (June 2006)
- California Redevelopment Association's Fall Conference (September 2006)
- League of California Cities Financial Management Seminar (December 2006)
- California Redevelopment Association's Fall Conference (September 2006; September 2007)

Admissions

- California



KEVIN HALE

Of Counsel

Los Angeles

T +1 213 612 2356

E khale@orrick.com

Practice Areas

- Public Finance

Education

- J.D., University of Southern California Gould School of Law, 1989
- B.A., Michigan State University, 1983

Clerkships/Externships

- United States Department of Justice, Organized Crime Strike Force (1988)

Memberships

- State Bar of California

Kevin Hale is resident in the Los Angeles office and a member of the firm's Public Finance Department. Kevin has more than 25 years of experience working as bond counsel and disclosure counsel on tax-exempt bond financings including certificates of participation and lease revenue financings, tax increment redevelopment financings, Mello-Roos district financings, assessment district financings, single- and multi-family housing financings, transportation and capital improvement revenue financings, both pooled and stand-alone Marks-Roos financings and general obligation bonds.

Kevin has also served as bond counsel in conduit financings by the California Educational Facilities Authority (CEFA), the California Infrastructure and Economic Development Bank (I-Bank), the California Statewide Communities Development Authority (CSCDA) and several local agency issuers for the benefit of educational and cultural facilities throughout California.

Kevin also has extensive experience working as counsel to underwriters and placement agents and is routinely engaged and consulted on disclosure and structuring issues by national and regional investment banks working with public sector clients.

Prior to joining the firm, he was an associate with Wehner & Perlman where he had significant responsibility in the litigation of actions for fraud and securities fraud under California and federal securities laws, both civil and criminal.

Admissions

- California



ANDREA NICOLE GREENWALD

Senior Associate

Orange County

T +1 949 852 7739

E agreenwald@orrick.com

Practice Areas

- Public Finance

Honors

- Jurisprudence Award in Lawyering as Problem Solving, University of California, Berkeley School of Law, 2014
- Prosser Prize in Intellectual Property, University of California, Berkeley School of Law, 2014
- Student Co-director, Written and Oral Advocacy Program, University of California, Berkeley School of Law, 2014

Education

- J.D., University of California, Berkeley School of Law, 2014
- B.A., English, Wittenberg University, 2009, *summa cum laude*, *Phi Beta Kappa*

Andrea Greenwald is a public finance attorney in Orrick's Orange County office. Andrea represents school districts and community college districts, transportation agencies, and counties across California in financings that improve California's schools, roads, bridges, and other infrastructure and public facilities.

Andrea has served as bond counsel, disclosure counsel, and underwriter's counsel in a range of financings, including general obligation bonds, revenue and lease revenue bonds, leases and certificates of participation.

Andrea transitioned to the public finance practice in 2016 after successfully defending a Southern California school district in a taxpayer dispute over bond funds during a nine day bench trial.

Admissions

- California

Court Admissions

- [United States District Courts](#) | Central District of California



KRISTOPHER R. WOOD

Senior Associate

Orange County

T +1 949 852 7722

E kristopher.wood@orrick.com

Practice Areas

- Complex Litigation & Dispute Resolution
- Class Action Defense

Honors

- *Pepperdine Law Review* - Note & Comment Editor

Education

- J.D., Pepperdine University School of Law, 2012, Order of the Coif, Summa Cum Laude, Salutatorian, Dean's Honors
- B.S., Biological Sciences, University of California, Santa Barbara

Clerkships/Externships

- Oregon Court of Appeals - Office of the Appellate Commissioner & Hon. Rex Armstrong

Kristopher Wood is a Managing Associate in Orrick's Orange County office and is a member of the Complex Litigation and Dispute Resolution Group. Mr. Wood represents clients in a broad array of litigation matters, including intellectual property disputes, shareholder disputes, class action defense, complex breach of contract actions, and other commercial litigation matters.

He has represented plaintiffs and defendants in litigation, arbitration and mediation in jurisdictions across the United States.

Mr. Wood joined Orrick in October, 2015. Prior to his tenure at Orrick, Mr. Wood was an associate attorney at the Orange County office of Paul Hastings LLP in the Complex Litigation Group and a judicial extern for the Hon. Rex Armstrong and Appellate Commissioner James C. Nash of the Oregon Court of Appeals.

Admissions

- California

Court Admissions

- [United States District Courts](#) | Central District of California
- [United States Courts of Appeals](#) | Ninth Circuit

EXHIBIT 2: ORRICK EXPERIENCE WITH PENSION OBLIGATION BOND FINANCINGS

**Orrick's Experience With California Pension Obligation Bond Financings
in the last Five Years**

Sale Date	Amount of Issue (\$ mils)	Issuer	Issue Description	Series	Orrick Role
06/04/20	432.165	Riverside City-California	Pension Obligation Bonds	2020 Series A	Underwriters' Counsel
04/22/20	719.995	Riverside Co-California	Pension Obligation Bonds	Series 2020	Bond Counsel
01/14/20	463.895	Orange Co-California	Pension Obligation Bonds	2020 Series A	Bond Counsel
12/05/19	272.605	California Infrstr & Eco Dev Bank	Lease Revenue Bonds	Series 2019	Bond Counsel
08/22/19	64.420	Glendora City-California	Pension Obligation Bonds	Series 2019	Underwriters' Counsel
01/14/19	402.102	Orange Co-California	Pension Obligation Bonds	2019 Series A	Bond and Disclosure Counsel
01/10/17	375.570	Orange Co-California	Pension Obligation Bonds	2017 Series A	Bond Counsel
01/07/16	334.275	Orange Co-California	Pension Obligation Bonds	2016 Series A	Bond and Disclosure Counsel
08/19/15	15.995	Fountain Valley City-California	Pension Obligation Bonds	Series 2015 A	Bond Counsel
01/08/15	339.625	Orange Co-California	Pension Obligation Bonds	2015 Series A	Bond and Disclosure Counsel

TITLE:

Ad Hoc Pension Committee Update Report & Authorization to Begin Process to Issue Pension Obligation Bonds for Long-Term CalPERS Pension Liabilities.

RECOMMENDATION:

1. Receive Ad Hoc Pension Committee Update Report on the following:
 - Use of Pension Obligation Bonds as a method to reduce future recurring costs
 - Ability to exit CalPERS pension system and pursue alternative retirement options
 - Current funding status of City's Other Post-Employment Benefits (OPEB)
2. Direct staff to begin process to issue Pension Obligation Bonds (POBs) at 95% of the CalPERS Unfunded Actuarial Liability (UAL) at time of issuance in order to maximize the present value savings to take advantage of historically low interest rates.

FISCAL IMPACT:

Issuance of POBs to pay down the current UAL of \$151,300,000 is estimated to save the City approximately \$55,000,000 (present value) in pension amortization cash payments over the next 20 years, with an average recurring annual savings of \$2,750,000. Approximately 95% of recurring savings will take place within the General Fund.

BACKGROUND:

Reconstituted Ad Hoc Pension Committee

At its July 22, 2020 Strategic Planning Study Session, City Council appointed Mayor Pro Team Chris Pimentel and Councilmember Scot Nicol to serve on the Ad Hoc Pension Committee to review the City's pension obligations, including conducting a review of the City's ability to exit CalPERS pension system and use of alternative retirement options. Since that time, the Committee has met four times on September 21, October 14, November 16, and November 23. Other attendees in these meetings included City Treasurer Matthew Robinson, City Manager Scott Mitnick, Chief Financial Officer Joe Lillio, and KNN Public Finance Municipal Advisor Mark Young.

**Ad-hoc Pension Committee Update Report
December 1, 2020
Page 2 of 11**

Pension Obligation Bonds (POBs)

Most of the Committee's work to date has focused on issuing POBs as a mechanism to significantly reduce the City's recurring pension costs, saving approximately \$55,000,000 over the next 20 years. The bulk of rest of this report is dedicated to this effort.

Alternative Retirement Options

In early November, the City hired the actuarial services consulting firm of Bartel Associates, LLC to conduct an analysis of the City's ability to review the financial considerations associated with the potential option of withdrawing from the f CalPERS pension system and to pursue alternative retirement options. This firm has begun its analysis and will issue a report within the next month. Once completed, this report will be reviewed by the Committee and then shared with the full City Council. This report will be for information purposes as any change in the City's retirement/pension plan would be subject to negotiation with the City's represented employees.

Other Post-Employment Benefits (OPEB)

The Committee has also done a cursory review of the funding status of the City's OPEB (primarily retiree medical insurance benefits). The findings of this review are provided in the discussion section below.

DISCUSSION:

Use of Pension Obligation Bonds (POBs) to Reduce City's Recurring Retirement Costs

Defined Benefit Retirement Pension Plan:

The City provides retirement benefits by contracting with the California Public Employees' Retirement System (CalPERS). CalPERS offers a defined benefit plan where retirement benefits are based on a formula which takes into consideration employee years of service, age at retirement, and final compensation (which is determined by an employee's average salary, excluding overtime, for a defined period of employment). Retirement formulas for employee groups vary based on classification (Miscellaneous [non-sworn] or Safety [sworn police and fire]), and within these groups, by date of entering CalPERS membership category ("Classic" for those who entered on or before December 31, 2012 or "PEPRA" for those who entered on or after January 1, 2013).

CalPERS Retirement benefits are funded by contributions from both employees and the City, as well as investment earnings. CalPERS invests contribution payments with the goal of earning sufficient returns over the long-term to pay defined benefits as promised and cover CalPERS expenses. When investment earnings do not meet expectations over extended periods, the funded status of the entire retirement system is at risk with all member agencies sharing the burden.

City's Pension Plan "Unfunded Actuarial Liability" (UAL):

CalPERS actuaries perform annual evaluations of each plan to determine the accrued actuarial liability (i.e., defined benefits that will be owed in the future to all active employees, as well as existing retirees) for each member agency. The accrued actuarial liability is determined by discounting future benefits payable using a rate equal to the expected long-term earnings rate of CalPERS investments (also referred to as the discount rate), currently at 7.0%. The discount rate signifies CalPERS' assumed return on investments and is used by CalPERS actuaries to calculate the UAL (described below). In the event that CalPERS reduces the current discount rate, all agencies in CalPERS will be impacted by a one-time adjustment which will result in higher liabilities and, consequently, additional required payment contributions on those liabilities. However, going forward, a lower discount rate will bring greater long-term stability and certainty to the CalPERS investment portfolio.

The funded status of the plan is determined by the difference between the accumulated financial assets of the plan (fiduciary position) and the accrued actuarial liability. If the fiduciary position is less than the accrued actuarial liability, the plan is underfunded, and an Unfunded Actuarial Liability (UAL) exists. The UAL is pension debt the City owes to CalPERS on behalf of existing retirees and active employees. CalPERS is assessing the City an interest rate of 7.0% (current discount rate) on the UAL. Employers have the responsibility to pay down their UAL by increasing contributions to CalPERS since the accrued benefits earned by an active employee/current retiree may not be reduced per California law.

Similar to bonded debt or a home loan mortgage, the UAL is "amortized" (i.e., gradually reduced or paid off with regular payments covering both principal and interest) over a period of time. To calculate the interest cost of the City gradually paying down its outstanding UAL of \$151,300,000, the UAL is multiplied by the discount rate. At the current discount rate of 7.0%, the implicit interest cost in Fiscal Year (FY) 2020-2021 is roughly \$10,600,000. By accelerating payments to CalPERS, the City will be paying down the principal balance of the UAL, thereby saving on future interest costs. When CalPERS began the process in December 2012 to reduce the discount rate from 7.5% to 7.0% over the course of a four year period, this caused employer liabilities to significantly increase. In response, CalPERS implemented a "ramp up" strategy to smooth out the increases in UAL contributions. As opposed to a fixed-level payment schedule, CalPERS started using a 30-year amortization schedule where payments are ramped up in years 1-5 and ramped down in the ending years. The ramping up in years 1-5 resulted in negative amortization for those member agencies that only pay the annual minimum payment to CalPERS. For agencies wanting to eliminate negative amortization, or wanting to accelerate the payoff of their UAL, CalPERS allows additional discretionary payments towards the UAL at any time.

Tools to Reduce the City's Unfunded Actuarial Liability (UAL):

Discretionary tools available to the City to reduce its \$151,300,000 UAL include:

1. Reduce the length of the amortization period with CalPERS ("fresh start")

Reducing the amortization period is permitted; however, increasing it is not. Unlike a traditional home loan mortgage refinance, lowering the amortized years from 25 years to 15 years will not result in a reduced interest rate. CalPERS will still assess the discount rate of 7.0%. However, this will save the City significant interest costs by reducing the number of actual years being amortized.

The City previously used this tool to conduct a "fresh start" for each of the Safety Plans (Fire & Police) as well as the Miscellaneous Plan (for the non-safety employees). These fresh starts were implemented over FY 2018-19 and FY 2019-20 and were refinanced with a 20-year amortization versus the previous 28-30 year amortizations. This tool has eliminated the effects of negative amortization and will save the City approximately \$7,100,000 over a 30-year period.

2. Make additional discretionary payments toward the UAL

The City can make additional miscellaneous payments toward the UAL at any time. This is equivalent to a homeowner making an additional payment toward his/her mortgage loan. While the additional payment reduces the UAL, it does not reduce the amortized years remaining. Nor does this impact the discount rate assessed on the UAL (currently set at 7.0%).

The City has used this tool to make several additional discretionary payments (ADP) for each of the Safety Plans (Fire & Police) as well as the Miscellaneous Plan. The ADPs were implemented in FY 2017-18 and FY 2018-19. This tool will save the City approximately \$3,750,000 over a 30-year period.

3. Prepay the annual UAL amount up front rather than making monthly payments

CalPERS provides member agencies with a discount for prepayment of their UAL. The UAL is the employer annual payment toward the unfunded pension liability as measured on the actuarial valuation report issued by CalPERS each July. CalPERS provides a discount rate in the amount of 3.5% toward the prepayment amount resulting in immediate savings.

The City has used this tool to make annual prepayments of the UAL for each of the Safety Plans (Fire & Police) as well as the Miscellaneous Plan. The prepayments were implemented for FY 2017-18, FY 2018-19, FY 2019-20, and FY 2020-21. This tool

has saved the City approximately \$1,250,000 over the past four years. Using this tool going forward will continue to save the City several hundred thousand dollars per year.

4. Set up a Pension Trust Fund to pre-fund CalPERS UAL obligations.

IRS Section 115 allows CalPERS agencies to set up their own Pension Trust Funds to pre-fund future UAL obligations. Some of the benefits of using this approach include:

- Contributions placed in a benefit trust may lower the City's Net Pension Liability
- Greater investment flexibility and returns compared to General Fund investments
- Increased risk diversification of plan assets through different asset management
- Investments may be tailored to the City's unique demographics
- Enhanced oversight and control of fund management, monitoring of performance, and ability to replace fund management based on performance criteria
- Increased flexibility on use of trust assets (trust assets may be accessed at any time as long as the assets are used to fund the City's pension obligations and defray reasonable pension plan related expenses)
- Lower investment management and administrative expenses
- Positive rating agency and investor consideration

The City opened a section 115 Pension Trust Fund with Public Agency Retirement Services (PARS) in late 2017. The first contribution was made in May of 2018. The City has been diligently funding this Trust Fund each year since and currently has a balance of approximately \$4,500,000. These funds will be used to pay for future City CalPERS payments.

5. Issue Pension Obligation Bonds (POBs) to reduce future recurring costs

How do POBs work?

POBs are used to reduce budgetary impacts from rising UAL contributions. A POB is a taxable debt issuance used to pay some or all of a public agency's UAL. The bond proceeds are deposited with CalPERS to reduce an agency's UAL. Debt service payments for the bond issuance will then replace the agency's UAL payments that would have been owed to CalPERS for the UAL amount that was paid off.

Issuing POBs removes an unknown, fluctuating variable cost and replaces it with a stable, fixed payment amount. POBs should only be issued when the all-in interest

Ad-hoc Pension Committee Update Report
December 1, 2020
Page 6 of 11

rate of the bond issue is significantly below the actuarial rate of interest factored into the calculation of the UAL.

What is City's Funded and Unfunded Pension Status?

As of August 2020, the funded status of all City retirement plans is estimated to be 65%. As noted above, City's Unfunded Actuarial Liability (UAL) will be approximately \$151,300,000, as of June 30, 2021. Note that CalPERS' most recent return on investments for FY 2019-2020 which ended on June 30, 2020 was 4.7%. This will be factored into next year's valuation report and may have a negative impact on the City's UAL.

While the City's past use of the four above-referenced tools have been beneficial, there is still a large pension debt of at least \$151,300,000 owed to CalPERS being assessed an annual interest rate of 7.0%. The previous City actions over the past four years have saved over \$12,000,000, as highlighted in detail above, and established a Trust Fund that will provide future General Fund budget relief. However, without a change in the borrowing rate (currently 7.0%), the UAL will become increasingly financially challenging for the City to address over the next two decades.

What would be the goals of issuing City POB?

This demand on City resources over the next 20 to 25 years will need to be balanced with liquidity needs for ongoing City operations, community priorities, and long-term infrastructure needs. Staff analyzed various options to reduce the City's UAL, while preserving the City's fiscal integrity, with the following goals in mind:

- Preserve financial flexibility to meet or maintain City service obligations while funding pension benefit obligations.
- Consistent with the Government Finance Officers Association (GFOA) recommendation, strive to repay or amortize unfunded pension liabilities over a period not-to-exceed 20 years (ideally fall in the 15 to 20 year range; but, never exceed 25 years).
- Use shorter amortization periods to reduce interest costs and better match cost with the work-life of plan participants (i.e., equitable allocation of cost among generations).
- Pay at least the interest owed on the UAL to avoid negative amortization which ultimately increases UAL and interest costs.
- Use a level dollar repayment schedule to improve the likelihood that funds will be available to meet future payment demands. A level dollar payment plan becomes a decreasing percentage of the annual budget over time, whereas an increasing dollar payment plan moves in a commensurate manner with rising budgets. Level

Ad-hoc Pension Committee Update Report
December 1, 2020
Page 7 of 11

dollar repayment plan also helps facilitate the budget process and long-term financial planning

What type of POBs should the City issue?

At the September 21, 2020 Committee meeting, staff was directed to research the process and pros and cons of issuing Pension Obligation Bonds (POBs). At the October 14, 2020 Committee meeting, staff and the City's Municipal Advisor presented POB options involving the issuance of POB funding in the range of 90%-95% of the City's UAL. At the November 16, 2020 Committee meeting, there was further discussion on POBs. At this meeting, staff was directed to bring forward to City Council the consideration of POBs with the best financing option available.

Upon further review, staff is recommending that the City Council authorize the concept of issuing POBs at 95% of the current UAL in order to take advantage of historically low interest rates and maximize cost savings.

Staff also contracted with Bartel Associates, LLC for actuarial services to independently evaluate the City's UAL position under a variety of discount rates and financial return scenarios. These different scenarios enable the City to develop a long-term financial plan and budget depending on future anticipated outcomes. Bartel Associates provides more updated actuarial information which is not available from CalPERS. As mentioned earlier in this report, Bartel is also conducting an analysis for the City associated with pulling out of CalPERS, the costs associated with this action, and alternative retirement plan options for active employees. Pulling out of CalPERS would not negate the City's current pension debt with CalPERS in the amount of approximately \$151,300,000. This amount will be due with or without the City pulling out of CalPERS. The POBs are recommended to move forward in order to effectively address the \$151,300,000 in pension debt owed to CalPERS.

Staff has also been in contact with the City's CalPERS actuary regarding the impact of issuing POBs. Assuming POBs are issued by May 2021, CalPERS will recalculate the required UAL payment for FY 2021-22 that was originally calculated in the actuarial report issued in June 2020. In addition, the City's next actuarial valuation report will reflect the payment of bond proceeds in May 2021 and factor this into the FY 2022-23 required UAL payment. The amount of the required UAL payment will depend on the amount contributed from bond proceeds.

How much would POBs cost the City in today's market place?

The City's Municipal Advisor has estimated the City's cost of borrowing to be in the approximate range of 2.85% to 3.05%, which is well below CalPERS' discount rate of 7.0%. With this criterion met, the amount of the POBs is the next consideration.

How much total POBs debt should the City take out?

A prudent objective is to fund pension plans near 100% of the total accrued liability and no less than 80%, whenever possible. For this reason, staff reviewed options for issuing POBs at the following payoff percentages of the UAL:

- 100% = \$151,300,000 for Present Value Savings of \$58,000,000
- 95% = \$144,100,000 for Present Value Savings of \$55,000,000
- 90% = \$136,500,000 for Present Value Savings of \$52,000,000

To achieve the most savings for the City, staff recommends issuing POBs at 95% of the current UAL. If CalPERS does not achieve its annual discount rate return of 7.0% in any given year, an amortized investment loss will be created and the City's UAL will increase due to the establishment of a new UAL. In the event that CalPERS exceeds the 7.0% annual return in any given year, which may happen, an amortized investment gain will be created and the City's UAL will be reduced.

The possibility of CalPERS exceeding its 7% return is unclear at this time, especially with the impact of COVID-19 on the markets. In the event that this occurs and the City becomes over 100% funded, CalPERS will not return the excess funding to the City. This would result in stranded assets with CalPERS. While issuing POBs at 100% of our UAL yields the largest theoretical savings, there is also potential risk in creating stranding City assets by paying off more than 100% of the UAL and becoming overfunded with CalPERS. Again, CalPERS will not return excess assets (earnings) to a public agency if it becomes overfunded. This is a valid risk and legitimate reason not to issue the POBs at 100% of the UAL.

How much money would the City save if it issues POBs?

If the City issues POBs near 95% of the UAL, the projected recurring budgetary savings over the next 20 years will range from \$889,000 to \$4,100,000 each year (displayed as present value). The projected average recurring annual savings is \$2,750,000. Approximately 95% of this recurring savings will benefit the General Fund.

Need for Adoption of a Formal City Pension Policy

With the issuance of POBs, the adoption of a Pension Policy is strongly recommended to memorialize how the City intends to use the budgetary savings that will result from the issuance of such debt. On November 23, 2020, the Committee reviewed several policy options with the goal of making a recommendation of a Proposed Pension Policy to City Council at its December 15, 2020 meeting.

What other California cities have issued POBs?

Several dozen cities throughout California have recently issued, or are in the process of issuing, POBs. A sample of Southern California cities that have recently issued POBs include: Carson, Covina, Gardena, Glendora, Montebello, Ontario, Pasadena, and Riverside. A sample of Southern California cities that are in the process exploring/issuing POBs include: Hawthorne, Huntington Beach, Manhattan Beach, and Orange.

Use of Alternative Retirement Options

As noted above, an actuarial services consulting firm is conducting this analysis and a report will be submitted to City Council in the near future.

Update on Other Post-Employment Benefits (OPEB) Savings

The City provides retiree medical for vested employees who retire from the City of El Segundo. This benefit is also referred to as Other Post-Employment Benefits (OPEB). In general, the vesting requirement for retiree medical is employment with the City for five years. In order to set funds aside for the OPEB benefit, the City opened a section 115 Trust account with CalPERS in 2008. The City initially funded the OPEB Trust in the amount of \$2,425,000 in 2008. As of November 19, 2020, the balance in the OPEB Trust is \$29,176,411. This is a combination of \$17,725,000 in contributions, \$1,000,000 in withdrawals, and \$12,451,652 in investment earnings.

The total OPEB liability for the City is \$55,862,000. With \$29,176,411 prefunded in the OPEB Trust, the OPEB unfunded liability is \$26,685,589. This equates to a funded status of 52%. About 75% of municipalities in the State of California that offer retiree medical insurance benefits have a funded ratio of 25% or less. The City of El Segundo is well positioned to be fully funded for the OPEB liability by 2031.

As of the latest actuary report (dated October 2020), the City no longer needs to make additional contributions into the OPEB Trust. The investment earnings over the next ten years is expected to get the OPEB Trust to 100% funded status. The annual contribution to the OPEB Trust has been \$548,000 over the past several years. These are General Fund dollars that can now be earmarked for other City Council strategic goal purposes. Once the OPEB Trust is 100% funded, the City can begin to pull money out of the OPEB Trust to make the monthly medical retiree premium payments. This will provide further monetary relief the General Fund.

NEXT STEPS:

If City Council approves moving forward with the POBs as articulated in this report, the next steps will be for staff to do the following:

- City Council approval of City Pension Policy -- December 15, 2020
- Municipal Advisor and City staff assemble POB “Transactional Team” (Bond Counsel and Disclosure Counsel and return to City Council approval – December 15, 2020
- City Council approval of Municipal Advisor to coordinate POB process – December 15, 2020
- Share Bartel Associates report re the financial considerations of a potential withdrawal from CalPERS pension system and costing of other alternative retirement options with Ad-Hoc Pension Committee in mid-December. The final report will be shared with full City Council after Committee review..
- Municipal Advisor and City staff assemble POB “Transactional Team” (Underwriter(s), etc.) and return to City Council approval – January/February, 2021
- City Council approval of POB Resolution and Bond Indenture -- January 19, 2021
 - File validation complaint – Judicial validation process begins (week of January 25)
 - Obtain order for publication of summons (week of February 1)
 - First publication of summons in the newspaper of general circulation (week of February 8)
 - Second publication of summons in the newspaper of general circulation (week of February 15)
 - Third publication of summons in the newspaper of general circulation (week of February 22)
 - Submit final documentation and request judgement (week of March 29)
 - Receipt of validation judgement (week of April 5)
- Complete First Draft of POB Preliminary Official Statement (POS) – mid-February 2021
- Complete Second Draft of POS – mid-March 2021

Ad-hoc Pension Committee Update Report
December 1, 2020
Page 11 of 11

- Complete Third Draft of POS – early April 2021
- Credit rating review with credit rating agency – late-April
- Receive credit rating – early May 2021
- City Council approval of POS and Bond Purchase Agreement – early May 2021
- Pricing of POBS – early June 2021
- Financing close – mid-June 2021
- Other transactional steps as needed
- City’s new fiscal year begins July 1, 2021

CITY STRATEGIC PLAN COMPLIANCE:

Goal: 5 -- Champion Economic Development and Fiscal Sustainability:

Objective: B -- El Segundo approaches its work in a financially strategic and responsible way

ORIGINATED BY: Joseph Lillio, Chief Financial Officer

REVIEWED BY: Barbara Voss, Deputy City Manager

APPROVED BY: Scott Mitnick, City Manager

ATTACHED SUPPORTING DOCUMENTS:

None.

TITLE:

Amendment to contract with Prosum Technology Services for technical consulting and project management services for the Information Technology Services Department

RECOMMENDATION:

Authorize the City Manager to execute an amendment with Prosum Technology Services to increase the contract amount by \$350,000 for a total contract amount of \$2,150,000.

FISCAL IMPACT:

The fiscal impact will be \$350,000 for the cost of outside consultants. The FY 2020-2021 General Fund Budget and Capital Improvement Budget (Fund 301) have sufficient appropriations to cover the full amount of the Prosum contract.

Amount Budgeted: \$350,000

Additional Appropriation: No

Account Number(s): 001-400-2505-6214 (GF/Professional Services)

301-400-8208-8714 (CIF/Website & Intranet)

301-400-8208-8717 (CIF/Laserfiche Workflow & Scan)

301-400-8208-8718 (CIF/Building Permitting System)

BACKGROUND:

Prosum is a local El Segundo company that provides project consulting and technical services to aid in daily Information Technology Services Department (ITSD) processes and long-term projects. There has been a working relationship between ITSD and Prosum since July 2017 which has allowed for timely completion of many projects in addition to assistance in the Service Desk which provides on-call assistance to City employees as needed.

DISCUSSION:

ITSD currently has 19 ongoing projects covering areas such as the City website and employee intranet, building permitting system, and the audiovisual refresh for the Council Chambers and Conference rooms. These professionals work closely with City staff spanning all departments to successfully complete projects. With the time sensitive nature of these endeavors, it is important to continue the relationship with the consultants. Further details are included in the attached ITSD Project list.

SUMMARY:

Staff recommends approving a new amendment to the current contract with Prosum Technology Services for \$350,000 to continue providing consulting services to the Information Technology Services Department to finish out the current Fiscal Year 2020-2021.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service and Engagement

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

Objective B: El Segundo's engagement with the community ensures excellence.

Goal 4: Develop Quality Infrastructure and Technology

Objective A: El Segundo's physical infrastructure supports an appealing, safe, and effective community.

Objective B: El Segundo's technology support s effective, efficient, and proactive municipal operations.

PREPARED BY: Charles Mallory, ITSD Director 

REVIEWED BY: Mark D. Hensley, City Attorney

APPROVED BY: Scott Mitnick, City Manager

Barbara Voss, Deputy City Manager 

ATTACHED SUPPORTING DOCUMENTS:

1. Information Technical Services Department Project List

ITSD Projects									
Project Number	Project	Department(s)	Funding Source	PM/BA	Department POC	Start Date	End Date		Status
1	<p>Laserfiche Add On (Scanning) Scan microfiche and plans to pdf and have it available via Laserfiche</p> <p>Laserfiche Add On (Contract/Insurance Mgmt. Workflow Upgrade) Enhancement of Contract / Insurance / Management workflow currently implemented in Laserfiche to manage contract templates, approvals, compliance with ISO/C terms, along with associated required legal of liability structure terms, separate records, automatic email reminders, to use Finance system (SaaS)</p> <p>Laserfiche Add On (City Clerk) Upgrade Laserfiche's Document Imaging System to include additional records kept in the City Clerk's office and other department(s) records. Set up Archiving, records retention schedules and establish functionality (Electronic Document or Record Preservation)</p>	<p>FD/PM/FP</p> <p>City Clerk/Finance</p> <p>City Clerk</p>	Technology Software/Implementation CP	Scott Kim Darlene Farnell Margaret Liu	Emme Johnson PD Sam Lee PBS Mina Shihing City Clerk James Crowe - FD	10/1/2017	<p>PD 1/31/2021</p> <p>PBS 3/31/2021</p> <p>Fire: N/A 2021</p>	<p>Scanning</p> <p>PD</p> <ul style="list-style-type: none"> Last set of boxes to be sent to Motion - TBD QA of scanned records in progress <p>PBS</p> <ul style="list-style-type: none"> Completed QA process Packed boxes ready to send back Waiting for quote for further scanning <p>FD: Will start working with Environmental Safety & Fire Prevention</p> <p>Contract/Insurance Mgmt: Will organize demo of Laserfiche form for contract management capabilities. Project on hold until a comprehensive demo is scripted and executed</p> <p>After demo, a test environment will be accessible to test functionality</p> <p>Records Retention: City Clerk requested this project be on hold until the Laserfiche scanning project is in progress</p>	
2	CAD/MMS (Munkit) The City's computer-aided dispatch (CAD) system records management system (RMS) software and files on multiple data computers (MDC) are supported by the Regional Communication Center (RCC). The applications created and the RCC has used an API for a new system	FD/PD	ITSD/PD	Margaret Liu	Emme Johnson	3/1/2018	<p>PD RMS Done</p> <p>CAD: 3/31/21</p>	<ul style="list-style-type: none"> MMS is complete CAD delayed to 2021, currently paused. 	
3	Website This project will replace the City's current website to improve its ease of use and expose information to the public	All City	Technology Software/Implementation CP	Margaret Liu	Charles Malins	9/1/2017	12/31/2021	<ul style="list-style-type: none"> Report: - configuration cleanup, in progress - test capability, approved for implementation (waiting to hear back from Granicus) - Training was done on December 15th - Submitted Communications Request for go/delivery & possible PSA video - E-Team demo scheduled for January 	
4	Intranet This project is to create a City employee intranet	All City	Technology Software/Implementation CP	Margaret Liu	Dalyne Meier	5/1/2020	3/31/2024	<ul style="list-style-type: none"> Granicus RFP issue - all updates on hold - awaiting a resolution Delayed by one RFP Need more content from departments 	
5	Building Permitting System This project would procure a CADS (computer-aided design) solution that would support developer requests (currently a manual process), integrate document imaging, support electronic plan submission and review, automate required reporting (e.g. ADO, SAMP, SEAD) and support workflow for track activity. In addition, mobile access for field inspections and online enforcement options is desired. Additional enhancements for the public include the ability to view project status, request inspections and view inspection results, and the ability to search permit history by location. Integration with the Finance system would eliminate the current process which requires duplication of effort to enter permit information into the CADS point of sale system to send each message.	PBS	Technology Software/Implementation CP	Margaret Liu	Sam Lee	6/1/2018	9/30/2021	<ul style="list-style-type: none"> QA timeline has been extended to the end of January SSAS (Reporting) testing passed after 1/2 day SSAS training hours are currently being utilized to address new tasks City was unaware of technical requirements to connect to DR to access SMS - no current solution Website (public facing online portal) currently being set up / configured by Central Square 1/4/2021 estimated delivery date to city QA is estimated to take three (3) weeks Estimated M8 April launch 	
6	Utility Billing - Paymentus Implement a billing and/or payment platform that offers a variety of payment types and channels, create APIs and communications between City staff and the community and facilitates the access to documents such as bill and payment history in an easy and complete vendor solution	Finance	TBD	Margaret Liu	Dino Menozzi	6/12/2019	3/31/2025	<p>T21: notified Paymentus of desire to part way. Paymentus provided a new proposal. Final decision will have to be made.</p> <p>T22: call w/Paymentus implementation manager -> provide Tyler export samples for assessment to Paymentus -> Paymentus to provide implementation timeline to city on T29</p> <p>T23: meeting w/Paymentus PM to review what sample does they need</p> <p>T29E: no updates from Paymentus on blockers resolution</p> <ul style="list-style-type: none"> Four major issues - Paymentus unable to attach bill files to accounts - Paymentus unable to apply \$0 balance with no due date - Paymentus unable to import correct account info without custom development - ACH customization was not applied to schedule loader 	
7	Fire/Police Staff Scheduling Staff schedules are compiled using Excel spreadsheets. This project would procure automatic scheduling software, integrate with the payroll application and reduce further administrative manual processes. The scheduling of fire personnel follows specific labor agreed practices which are very complex, yet the system minimizes developing staff cas and to minimize automates from leave usage to payroll billing.	FD/PD	Fire Prevention Operations Support	Margaret Liu	FD Fire Chief Saffie FD: JJ Corbin	7/3/2018	<p>FD: 3/2021</p> <p>PD: 1/2021</p>	<ul style="list-style-type: none"> FD: - up and running - self and leadership training, in progress <ul style="list-style-type: none"> PD: - Configuration, complete - full training 	

Project Number	Project	Department(s)	Funding Source	PM/MA	Department POC	Start Date	End Date	Status
8	HR Application in Excel Ensure payroll and HR support Human Resources activity. The HR Department does not have a system to track and manage personnel needs, skills, assignments, performance, training, evaluation and reporting. Excel spreadsheets are used to track longevity, benefits, step increase, FMLA, ACA, etc. The HR application is typically included in ERP systems, which allows coordination between payroll and HR.	HR	Technology Software/Implementations	Charles Maloney	Lauren Daniels	4/1/2019	3/31/2023	<ul style="list-style-type: none"> Schedule meeting with HR about NextGov onboarding Restarted project
9	MPR Camera System Installation of Automated License Plate Reader (ALPR) camera at designated high traffic perimeter intersections. The work includes 1) ALPR camera and software program, integration with current PMS platform, a server/essential	PD	Parking fee Fund	Margaret Liu	D. Ray Garcia	10/1/2017	TBD	<ul style="list-style-type: none"> Traffic lights installation complete Cams are still in process (dependent on MDC implementation) Need Blue Check information
10	MDC Replacement Replacing MDCs and changing vendor	PD	FD	Margaret Liu	CC Delmonico Sgt. Midmore	11/1/2019	7/31/2023	<ul style="list-style-type: none"> Hardware will not be ready to begin downloading connection between REC & B1 Segments until at least January 2024 Receiving computers "December 20" Begin gathering formal quotes for software required software installation start REC (software) contract w/ City PD expires end of September 2020 & City will assume control of software installation and maintenance
11	Virtual Desktop Replacement Replace current Desktop before end of life	IS	Equipment Replacement Fund	Charles Maloney	Scott Kim	4/1/2018	3/31/2023	<ul style="list-style-type: none"> Testing with employees Have all employees switch over January 26 Make sure everyone receives files onto the drives
12	Mainframe Replacement Replace Mainframe servers before end of life	IS	Equipment Replacement Fund	Charles Maloney	Scott Kim	8/1/2018	3/31/2023	<ul style="list-style-type: none"> File server has to be moved
13	Storage Area Network Replace the existing SAN before end of life. Expand current storage	IS	Equipment Replacement Fund	Charles Maloney	Scott Kim	8/1/2019	7/31/2023	<ul style="list-style-type: none"> Almost completed
14	Network Switch Replace the existing network switch before it is at end of life for vendor support	IS	Equipment Replacement Fund	Charles Maloney	Scott Kim	5/1/2023	TBD	<ul style="list-style-type: none"> Currently on hold, will initiate in May
15	Agenda Management System Agenda Management System/Software workflow to automate the labor intensive assembly, approval and distribution process and assist with minute management tasks, connect to Laserfiche (document imaging system)	City Clerk	Capital Investment Fund	Debra Farnell	Mona Shilling Dalyne Moser	4/1/2020	3/31/2023	<ul style="list-style-type: none"> Met with individual departments about their agenda management processes Double check integration with website, streaming, Laserfiche, and Active Directory
16	Library Integrated Library System (ILS) The current ILS agreement has expired and the library is still in a new system that is configurable with the program currently in use to perform circulation, OASIS/Discovery, catalog reports, book tracking and other seamless customer data and bibliographic migration	Library	Library	Debra Farnell	Mark Hubbard Jesse Lee	1/1/2020	3/31/2023	<ul style="list-style-type: none"> The migration and upgrades have been successfully completed Integrating another aspect of innovative software to complete troubleshooting process Amendment has been executed, Change Order submitted to Finance
17	Time Keeping System Installation of a timekeeping system that allows employees to clock in and out on location. A system that will permit remote clock in and out, which can be verified a similar operation	Rec & Pers/CR	Capital Investment Fund	Debra Farnell	Melissa McCullum	2/24/2020	3/31/2023	<ul style="list-style-type: none"> Time Clock installation and configuration complete Trained on to support team Working on uploading part time worker's info
18	TV Update for Council Chambers The equipment in the City of Chambers is outdated and in need of urgent replacement. This includes camera equipment, tv screens, etc	City Council	IT / CIP	Debra Farnell	Arlene Bala Darnell Jenkins Anello Sciala	11/1/2020	TBD	<ul style="list-style-type: none"> Contract is executed Vendor providing timeline and ordering equipment
19	Security Cameras Upgrade security camera in round PD, IO and City Hall	All City	CIP	Margaret Liu	Scott Kim	9/1/2020	TBD	<ul style="list-style-type: none"> Inflating design contract execution => awaiting vendor insurance docs and city attorney approval received contract language Completing contracting process Police, City Hall, Fire Station 1, Fire Station 2, Fire Station 3, Fire Station 4
		TOTALS:						<p>Project Status Color Code:</p> <ul style="list-style-type: none"> Green: Project on track and running within budget, timeline, and expectation Yellow: Some aspect of the project is at risk or deserves special attention Red: Some aspect of the project has fallen dramatically behind, has encountered a major setback, is over budget, or is outside the expected parameters Light Blue: Project has not yet been initiated Dark Blue: Project has been completed



TITLE:

Contract with Buffalo Computer Graphics to provide crisis management software following a formal request for proposal.

RECOMMENDATION:

1. Authorize the City Manager to execute an agreement with Buffalo Computer Graphics for a total contract amount of \$193,000 to provide a crisis management software; and
2. Appropriate \$193,000 from the State Homeland Security Grant Revenue Fund to the State Homeland Security Grant Expense Fund.

FISCAL IMPACT:

The City of El Segundo has been allocated \$686,300 in the 2018 State Homeland Security Grant Program (SHSGP) funding, which is passed to the local area through Los Angeles County via a Sub-Recipient agreement. This funding supports and further develops the training and response readiness of Los Angeles area fire agencies for incidents of national significance. While the grant does not provide up-front funding. Municipalities submit reimbursement requests to the grant administrator (e.g., Los Angeles County) after expenditures are made and processed for payment. Approved requests are then reimbursed by the County of Los Angeles. If funds are not used from 2018 they will not be re-allocated for use, thus, it's important to expend our full allocation.

Amount Budgeted: \$0

Additional Appropriation: Yes

Account Number(s): 124-300-3202-3767 (2018 HSGP Grant Revenue)

124-400-3202-3767 (2018 HSGP Grant Expense)

BACKGROUND:

The State Homeland Security Grant Program (SHSGP) allocated \$686,300 in their 2018 allocation to address the unique equipment, training, organizational and exercise needs of the sub-recipient. A portion of this funding, which is passed to the local area through Los Angeles County via a Sub-Recipient Agreement has allocated funding to cover expenses associated with a virtual emergency operations center.

The City of El Segundo has been identified to be the fiduciary agent for the purchase of a crisis management operating platform for numerous cities within the Los Angeles operational area. Through the provision of a Homeland Security Grant, El Segundo and partnering stakeholders evaluated crisis management operating platforms and determined the desired features to be included in a Request for Proposal process. The

selected product and supporting vendor was then selected using the City of El Segundo procurement process and in alignment with City Code governing procurement.

DISCUSSION:

On September 14, 2020 the City of El Segundo issued a Request for Proposal (RFP) from fourteen (14) qualified companies to provide emergency management situational awareness and management software systems. On September 22, 2020 the project manager held a mandatory pre-bid/proposal virtual meeting to discuss the scope of the RFP and clarify any questions potential bidders had regarding the criteria contained in RFP 20-03. On September 28, 2020 the City re-released the RFP with minor changes, and provided the bidders with written responses to questions brought forward at the pre-bid conference. On October 14, 2020, the City received seven responsive bids that met the bid requirements. Software demonstrations were held during October 19, 2020-November 05, 2020. After narrowing down the top four vendors, additional demonstrations were requested to clarify proposed architecture and functionality at a City and/or County level. On December 29, 2020, the evaluation team viewed the final software demonstrations for consideration and Buffalo Computer Graphics was chosen as the most responsible bidder.

Staff recommends the City Council authorize the City Manager to execute the professional services agreement.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 2: Support Community Safety & Preparedness

Objective A: The City of El Segundo is a safe and prepared community.

PREPARED BY: Dr. Randal A. Collins, CEM *RC*

REVIEWED BY: Chris Donovan, Fire Chief

APPROVED BY: Scott Mitnick, City Manager *SM (for SMC)*

ATTACHED SUPPORTING DOCUMENTS:

Procurement documents



Proposal for Emergency Management Situational Awareness and Management Software System

City of El Segundo

RFP 20-03

Prepared for:

Randy Collins

Project Manager

City of El Segundo Fire Dept.

314 Main Street

El Segundo, CA 90245

Phone: (310) 524-2235 / (310) 414-0929

rcollins@elsegundo.org

Prepared by:

Kristen Lovejoy

Buffalo Computer Graphics, Inc.

4185 Bayview Road

Blasdell, NY 14219-2732

716-822-8668

klovejoy@bcgeng.com

TABLE OF CONTENTS

A. CONTACT INFORMATION	1
B. COMMENTS	1
C. APPROACH.....	1
D. COST	10
E. REFERENCES.....	10
APPENDIX A: SIGNED DOCUMENTS	1

A. CONTACT INFORMATION

Company Name: Buffalo Computer Graphics, Inc.
Address: 4185 Bayview Road, Blasdell, NY 14219
Primary Contact: Kristen Lovejoy
Phone: 716-822-8668
Email: klovejoy@bcgeng.com

B. COMMENTS

N/A

C. APPROACH

DLAN System

BCG's commercially available DisasterLAN (DLAN) software can fully meet the requirements laid out in this RFP.

For this project BCG would recommend a DLAN cloud-hosted system with the following modules:		
Asset Tracking & Resource Database	Mobile Responder App	Social Media Basic & Streaming Video
Communication Center (with Chat)	Phonebook Premium	Status Board (with Status Board Builder)
Damage Assessment Form & Board	Road Closures Form & Board	System Administration (with User List)
GIS Premium	Role Checklists & Role Task Tracking	Ticket Manager Premium
Incident Folders & Reference Library	Shelter Management Form & Board	Training Site
IAP Module (with ICS Forms)	Situation Reports	Online Help & Documentation
Additional modules and features can be added at any time. Ask your BCG representative for additional information.		

Maintenance & Support

DLAN Updates follow BCG's Software Development Lifecycle which is an agile development process that produces update patches every eight to ten weeks. These updates will be coordinated with El Segundo and will only be installed after an approved maintenance window has been determined by El Segundo and BCG.

For this project BCG is recommending Gold Level Support which includes the following support features:	
Business Day (9am-5pm PST) Email & Phone Support	New Releases of the Product
24/7 Activation Support (4 cases per year)	Point Patches & Hot Fixes for each Release
Custom BCG Services (up to 40 hours per year)	New Release Review Webinars
Server Node Support (up to 2 nodes)	24/7 Release Installations
Upgrades may be purchased to enhance your support package. As El Segundo moves beyond the pilot program, BCG recommends our Platinum Plus support model to ensure all cities receive the support they need (see optional pricing)	

Hosting

BCG has partnered with CentriLogic for enterprise-class hosting and will use its secure infrastructure to provide a hosted solution in one of CentriLogic's US data centers. Offering high SLAs, failover, redundancy, data privacy, and security compliance, the proposed cloud solution includes all of the hardware, third-party software (aside from GIS), and bandwidth to support at least **150 concurrent users**. Highly available, this solution will provide an **uptime of 99.9%** (excluding scheduled maintenance windows) and will include **full nightly backups** using enterprise grade backup and retention software. Finally, in addition to the guaranteed levels of service above, the proposed system is designed for scalability and surge capacity during an incident. BCG monitors hardware utilization 24/7 and can provide additional resources on demand to support higher user loads.

In addition to scalable hardware, operational use is also scalable. Using DLAN, the city can provide access to supporting users as needed because our enterprise licensing allows for **unlimited named accounts at no additional charge**. This flexibility also extends into concurrent user hardware provisioning. Unlike other vendors, BCG does not impose a hard cap on the number of concurrent users. This means that during temporary surge activities, the City can temporarily exceed 150 concurrent user connections without issue or fees. If the City notices a performance degradation for higher user loads, it can contact BCG Support to have additional resources allocated to temporarily meet the hardware gap. Should sustained larger user loads be needed, BCG can work with the City to purchase additional cloud hardware resources through contract change order. In all cases, BCG's goal is to "right size" cloud resources for the City both during daily use and periods of heightened user activity.

Implementation Services

The BCG Team believes that the technical support we provide to our customers sets us apart from our competition. We pride ourselves on being not just a product vendor, but also being an emergency management partner with our customers. From the time of award, BCG will work closely with both the IT and Emergency Management departments to ensure that we configure and field a solution that will perform both technically and operationally. We spend considerable time up-front to ensure that we adequately understand your processes so that we can best configure our system to work as you desire.

Implementation Services / Implementation Plan Included in Project	
Typical time duration from contracting to go-live is 12 weeks . This allows time for project management, planning, workflow analysis, system configuration, and training to occur. However, different duration implementations are common, and rush implementation is also available. BCG will work with El Segundo to establish a mutually agreeable implementation timetable.	
Dedicated Project Liaison & Project Management BCG will appoint a project liaison. This project liaison will be responsible for ensuring the completion of all project deliverables as well as conducting project status meetings with the city and regional stakeholder group on an as needed basis. As part of this project tracking, BCG will also track issues in an issue ledger or software system. It will be the responsibility of the project manager to facilitate communication between BCG and El Segundo's teams.	
Kick-Off Meeting	1 Day
During the Kickoff Meeting, BCG meets with the customer project lead and key project stakeholders from the region to establish key project parameters and review expected responsibilities for each party.	
Needs Analysis & Workflow Analysis	3 Days
DLAN's administrative controls allow the system to be setup to meet a wide variety of operational workflow requirements. In order to best understand how the tools need to be setup to meet the regional needs of this project, BCG staff will meet with regional stakeholders in a series of Needs Analysis and Workflow analysis meeting. Topics to be discussed in these meetings include a review of operational workflows, discussion on regional resource requesting processes, review of data repositories and integrations needed throughout the region, and other meetings that are determined as necessary during the kickoff meetings. During these Needs Analysis Meetings, BCG emergency management specialists will work with your key staff to ensure that we understand your regional requirements and adjust the system settings correctly.	
Installation	1 Day
During our Installation Process, BCG will install DLAN on your server environment in our data center at a mutually agreed upon time. BCG will provide all necessary hardware and software to meet your licensed concurrent user specifications and install/initialize the software at a mutually agreed upon time.	
Configuration	5 Days
Some configuration is required including adding initial user accounts, roles, and security groups, configuring e-mail addresses, and adjusting any default lists and settings. During our Remote Configuration Sessions, our staff will work to setup the workflows, forms, security, and other settings based upon the information gathered in the regional Needs Analysis meetings. Key project personnel from throughout the region are encouraged to help customize the system settings.	
System Testing	
BCG will perform a basic smoke test to ensure that the software was installed and setup correctly and works in conformance with the most recent product documentation.	
System Documentation & Training	5 Days
BCG will provide Quick Reference Guides for system administrators, basic users, and advanced users. These documents will be designed with a regional focus in mind to highlight the specific settings and needs built into the system to support the Region. Additionally, BCG will provide a training agenda document to assist the city and region in scheduling their training activities. Training includes 40 hours of training with 1 instructor for up to 20 people per session. Training will consist of mixed lecture and hands-on skills activities and can be divided into multiple sessions that are tailored to meet El Segundo's training goals.	
Travel & Lodging	Not Included
Due to COVID-19, BCG's proposal is for a remote implementation. However, If on-site support is needed, that can be included for an additional cost.	

V. SYSTEM CAPABILITIES AND FEATURES

General Features

1. **The system must be applicable for use in (a) All-Hazards, (b) special events, (c) planned events, and (d) maintenance of awareness of events in neighboring jurisdictions.** DLAN is an all-hazards Incident Management system that can be used for any type of major incident (wild fire, hurricanes, earthquakes, etc.) as well as for planned events, daily monitoring, and other daily operations. It has been successfully deployed at local, county, state, private sector, and regional solutions.
2. **The system must be applicable for use in (a) Field Operation, (b) Dept. Operation Centers, (c) Area Commands, (d) Staging Areas, (e) Base Camps, and (f) EOCs.** DLAN is designed to be used by a variety of emergency management roles across multi-jurisdictions and from any location. This allows it to be used with any organizational or command structure in place at the client. Additionally, DLAN is a mobile-friendly solution and includes features that are specifically designed for offline use in field operations, staging areas, base camps, and Emergency Operations Centers where network connectivity might not be strong or guaranteed.
3. **DLAN includes the ability to:**
 - a. **Integrate multi-agency collaboration** DLAN is designed to work across multiple agencies with features such as location and group-based access, user and role-based boards, multi-tiered security settings, and incident locking. The permissions structure in DLAN can be configured by the executive group to have granular security permission, broad security permissions, or any range in between. Using these same security permissions whole incidents can be locked

down to only specific agencies. In this way DLAN balances the need for collaboration and the need for privacy among multiple stakeholders. Additionally, DLAN provides for the development of contact lists and personnel databases to support communication across multiple agencies.

- b. **Integrate multi-discipline collaboration** DLAN's role-based system makes multiple discipline collaboration easy. For example, each role can use custom dashboards with important information for their specific discipline. This makes it easy for role to get what they need, when they need it.
 - c. **Provide visual reporting via maps, integration with web-based camera systems** - DLAN provides a robust GIS toolset. DLAN's GIS Premium allows users to fuse together geospatial information from virtually any external or internal source onto one common display. DLAN also includes the ability to view web-based camera systems directly from the map or in a separate custom dashboard display.
 - d. **Provide 'near real time' reporting via Wi-Fi or cloud-based sharing features from field to Command and vice versa.** - DLAN is an Internet based system that can be accessed from desktops, tablets, cell phones, and other mobile devices allowing real-time reporting from field to Command and vice versa. DLAN's mobile app also has an offline mode that can continue to work when disconnect and pushes information out when a connection is reestablished.
 - e. **Enhance the sharing of plans and emergency management documentation** DLAN is a central repository for all plans and emergency management documentation. Three features that differentiate DLAN's file storage from other systems are that it is fully accessible from mobile devices; its intuitive security settings allow folders to be locked down by security group; and it can be used to upload any type of file (unless specifically prohibited by an administrator).
 - f. **Maintain a library of fillable ICS forms and ability to easily store documents in a cloud or server-based environment** - The Incident Command System (ICS) approach to emergency management is built into DLAN. As part of our commitment to meeting FEMA standards, up-to-date FEMA ICS Forms are included within the system. Additionally, our IAP module enhances ICS form functionality by allowing users to compile them into IAPs following FEMA's guidelines. The module guides users through the steps of creating an IAP using simple drop-down lists, value pickers, and data validation. Common fields used in multiple areas of the IAP will also automatically fill other form, eliminating duplicate data entry and reducing errors. Finally, IAPs can be saved as drafts, reviewed, published, and Emailed to appropriate agencies.
4. **The system must be or have:**
- a. **An easy to use interface with graphic user interface technology.** DLAN is an extremely intuitive and easy-to-use system. Familiar data entry methods, responsive design, and consistency in look and feel ensure that users only need a short amount of training to gain proficiency. BCG models the way people interact with the system with tools they use every day like email, social media, instant messaging, and other mass market applications.
 - b. **A robust exercise function that can be utilized concurrently to daily operations or incidents with system degradation.** - DLAN's Training Site provides a secondary site for training purposes that can be configured to match the customer's main DLAN site, providing a framework for effective training. This training site runs off of its own database so all test data remains separate from the production system's real incident data. Additionally, DLAN's Ticket Template system can be used to stage tickets for exercises, allowing to be either automatically injected when a training incident is started, or manually as the Sim Cell running the exercise is ready to inject that data into the simulation.
 - c. **Provides a method for development of predefined templates for various incidents/events (Standard ICS forms, plan development, or checklists).** DLAN includes a number of predefined templates, including for tickets, ICS forms/IAPs, messages, and role checklists. For example, IAP Templates allow for pre-defined text, questions, objectives, and user guidance on any ICS form that is included in that configured template. These templates can save users from having to reenter commonly used organizational and basic incident information. The module also allows administrators to create and save a default cover page for multiple incidents.
 - d. **A method that supports the development and integration of contact lists/personnel databases.** DLAN's Phonebook is a comprehensive contact management tool that allows users to add personnel and organization records. In addition to typical contact information, Phonebook records allow users to track and search against specific skills and training, such as equipment certification, languages spoken, and training courses completed. Like other DLAN modules, the Phonebook integrates with other areas of DLAN for quick contact look-up.
 - e. **Provides the means for collecting historical and predictive data for risk assessment and mitigation.** DLAN stores data for every transaction and activity that takes place on the system. This data can be used to help report on existing incidents, plan for future events, sync data with ArcGIS Online for statistical analyses, and perform run risk analysis. The combination of these tools makes it a power tool in preparing for, responding to, and recovering from incidents.
 - f. **Supports critical infrastructure tracking and damage assessment reporting.** DLAN's Damage Assessment includes forms and reports for structural and roadway damages and a Damage Assessment Board. These tools are integrated with both the Ticket Manager Module and Mobile Responder App.
 - g. **Supports the execution and task tracking of emergency operations procedures, checklists, notifications, etc.** DLAN's Ticket Manager is DLAN's main resource, issue, and task management module. It creates a common area for collaborative issue tracking and real-time information sharing using straightforward color-coded statuses and priorities. The Ticket Manager provides user-friendly data entry tools to make logging and tracking critical information quick and easy. It allows both task and mission information to be entered, prioritized, and followed from start to completion.

- h. **Product will provide for management of personnel, equipment, and supply management and tracks resource requests.**
As described above, the Ticket Manager is used to manage resource requests. Additionally, DLAN includes a resource database which provides the ability to track stockpiled resources. Finally, DLAN includes an asset tracking module to track assets and resources deployed for a particular incident or for particular resource requests.
- i. **Product will provide a method of interfacing to other civil authorities or private-sector elements. This can be accomplished via sharing of screens, remote login, and external user access as determined by acquiring jurisdiction.** - DLAN includes a number of ways to share information to outside stakeholders including exportation of data to numerous formats as well as email. DLAN also allows for limited access logins so outside agencies can participate in a response.
- j. **Product provides for generation of standard reports, single click reports, email sharing of reports, & sharing of reports.** DLAN includes a number of standard reports and custom reports can also be created throughout the systems. Reports can be exported in a number of file formats, printed, and emailed from within the system.
- k. **Accommodate entry and tracking of incident/event logs providing date stamp of entry.** DLAN Ticket Manager, allows for the creation of incident/event logs with date stamp of entries. All information added or modified in DLAN is automatically date and time stamped and displayed in the user interface. This allows full chronological history tracking and after-action reporting. (See item g for more information)
- l. **Structured to support either Emergency Support Functions (ESF) or Incident Command System (ICS) protocols as needed by the acquiring jurisdiction.** The Incident Command System (ICS) approach is the framework for all areas of DLAN. DLAN is the only incident management system to have completed full NIMS-STEP testing to ensure that FEMA considers it compliant with both the technical and methodological standards for an Incident Command System. DLAN's ICS role and category system can be configured to comply with published ESF standards and is used by numerous customers in this fashion.

VI. SYSTEM CAPABILITIES

VI.A – System Capabilities – User Interface	Meets
1. System must be able to support web, cloud, or server deployment and allow for remote access.	Yes
2. Be structured to support the key functional roles with an ICS organizational structure.	Yes
3. Structured to easily support the management of different types of incidents/events and provide linkage between multiple incidents and events.	Yes
4. Structured to easily support and move between incidents in order to manage varying levels of events from multi-agency, multi-operation catastrophic events or incidents to nominal incident activities.	Yes
5. Supports the development and integration of standard operating procedures and checklists.	Yes
6. Interface must be user friendly, intuitive, and with minimal distractions on the opening screens.	Yes
7. Provides predefined templates for various incidents/events (Standard ICS forms, plans, checklists).	Yes
8. Supports the development and integration of contact lists/personnel databases.	Yes
9. Allow users to subscribe to system alerts for new posts and file changes	Yes
10. Provide for a mobile application for all levels of operations	Yes
11. Provides Situation Center functionality to tablets and smartphones	Yes
12. Manage an incident from any location	Yes
13. Ability to interface with social media and post to a public facing website	Yes
14. Ability to create digitized plans	Yes
15. Ability to initiate a structured response based on a pre-designed plan	Yes
16. Ability to run system in “live” mode and “exercise/simulation” mode	Yes
17. Ability to create live interactions and	Yes
18. Ability to visualize incidents with local information on custom GIS map layers	Yes
19. Ability to track and manage resources	Yes
20. Ability for leadership group to monitor progress and direct resources through a full context dashboard.	Yes

VII. SYSTEM SPECIFIC FEATURES

VII.A. The selected system must have or will be able to activate with minimal programming	Meets
1. A robust exercise function can be utilized concurrently to daily operations or incidents with system degradation.	Yes
2. Critical infrastructure tracking and damage assessment reporting.	Yes
3. Daily tracking/availability of resources by type and facility and have functionality to integrate/display commodity or resource spreadsheets across the platform.	Yes
4. Proven capacity to handle multi-jurisdiction and multi-agency responses across a geographic region.	Yes
5. Must have a centralized time-stamped message log	Yes
6. Post messages and files to the event log from the incident scene	Yes
7. Have capability to attach any type of file to log entries	Yes
8. Send and track alerts	Yes

9. Have an integrated secure real-time chat feature	Yes
VII.B. Have a "Real Time" Dashboard Feature with	Meets
1. Color-coded visual progress indicators	Yes
2. Capability to view multiple command rooms across different departments and locations	Yes
3. At-a-glance status of alerts, responses, tasks and log entries	Yes
VII.C. Integrate with jurisdiction emergency notification systems	Meets
1. Seamlessly integrated with the local jurisdiction system. DLAN currently integrates directly with APIs from Shout Point, Avaya, Cisco, and OnSolve. DLAN can also integrate with other emergency notification systems through Email, CAP, or RSS. Customization may be required for other types of integration and can be separately priced.	Yes
2. Have the ability to receive confirmation of message DLAN has the ability to receive and report on message receipt confirmations based upon the capabilities of the integrated alerting system. Message receipts would be the responsibility of the emergency notification system provider. If receipt is received from this system, DLAN can be configured to report on them.	Yes
3. Have the capability to track and manage task assignments	Yes
VII.D Integrated Resource Library Function	Meets
1. Ability to store plans, maps, images, video, links—any type of file	Yes
2. Ability to host files either via web, server, or cloud storage	Yes
3. Ability to integrate a change log for all file revision	Yes
VII.E Ability to develop electronic forms	Meets
1. Integration of an easy to use WYSIWYG forms designer	Yes
2. Automatic notification when a form is completed	Yes
3. Ability to create, manage, and control form	Yes
4. Ability to define any number of assets and asset type	Yes
VII.F Ability to develop templates	Meets
1. Ability to customize templates	Yes
2. Ability to pre-define plans, files, messages, tasks, and people for different scenarios	Yes
3. Ability to create a customized command room in just two clicks	Yes
VII.G Reporting and Records functions	Meets
1. Automatic time-stamped audit record of log entries, alerts and responses, file activity, and user activity	Yes
2. Export data to your preferred reporting tool	Yes
3. Archive incident records	Yes

VIII. SYSTEM ADMINISTRATOR INTERFACE

A. Integration

2. System Integrations	Meets
<p>a. The selected system will allow for the efficient and effective integration for systems and data sets mutually agreed upon by the vendor and the system administrator.</p> <p>BCG is an engineering firm with decades of experience in custom engineering projects. BCG is a certified Microsoft Development Partner and employs multiple teams of software and test engineers with experience in integration and interoperability. Additionally, unlike many solutions, DLAN is interoperable by design; it follows NIEM and NIST guidelines with common protocols and standards for meaningful data exchange out-of-the-box without requiring external servers or third-party plug-ins. This built-in interoperability includes integration support for GIS mapping support, communication protocols, import/export, sensors, and authentication.</p> <p>For interoperability options and integration features not already included in the software, BCG's team has the experience necessary to provide custom integration services at a reasonable price. In fact, if the BCG team feels that a requested customization will be beneficial to other customers, it may be developed at a significantly reduced cost or at no cost and then provided to all customers with a current maintenance & support package.</p>	Yes
<p>b. In its COTS configuration the selected system must integrate the following software applications with minimal user programming or system administrator effort (i) Microsoft Office, (ii) GIS, (iii) Google Earth or other.</p>	Yes
<p>c. The system must have: An API INTEGRATION TOOLKIT for user defined integration of specialized data sets...</p> <p>DLAN has an API toolkit which is available to users with an NDA. This API can be used to create user defined integration from the data sets and systems listed by the City.</p>	Yes
3. General Administration:	Meet
a. Must be cloud based and have cloud-based storage	Yes
b. Must have information backed up for disaster recovery and cybercrime recovery purposes	Yes
c. Must be capable of access from multiple operating systems, phones, mobile Internet devices, & computers.	Yes
d. Must have both iPhone and Android capable mobile apps	Yes

e. Support robust mapping of incident and event activities, resources, needs, and status	Yes
f. Easy to establish data links to external organizations, IT platforms, and departments on an as needed basis	Yes
4. Role Assignment	Meet
a. The selected system must allow for smooth assignment of user roles.	Yes
b. User roles will be agreed defined by the City and agreed upon with the vendor.	Yes
c. Supports multiple organizations, divisions and department	Yes
5. System Security	Meet
a. Must be Secure Socket Layer encrypted	Yes
b. Must have an easy to use software update feature to enhance overall functionality and features	Yes
c. Access only by authenticated users via encrypted passwords	Yes
d. Granular group and individual rights	Yes
e. 256-bit encryption of all web communications	Yes
f. Must be Secure Socket Layer encrypted	Yes

IX. SYSTEM MAINTENANCE AGREEMENT CRITERIA

A. The selected system must also meet the following criteria:

- 100% availability of the system 24/7.** DLAN is a web-based system that is available anytime, anywhere. DLAN's hosting center provides a 99.9% uptime, allowing for the solution to be used at any time.
- Vendor shall provide for agreed upon process for downtime during which the system is not available for maintenance.** Patches and server maintenance are always applied at a mutually agreed upon date that is acceptable to BCG, the customer, and key stakeholders. Additionally, unlike many vendors, each of our sites is its own individual system. This means each customer can set their own patch cycle and will not be forced to accept updates just because another customer on the same servers has done so.
- An agreed upon guaranteed level of bandwidth to cater for all users and all partners integrated with the software?** BCG will provide bandwidth to support up to 150 concurrent users. For details, see Hosting section on page 1.
- Provide the maximum number of concurrent users of the system.** For this project, BCG has allocated hardware to support 150 concurrent users. Additional hardware can be added as necessary to support additional users if desired, allowing the city to grow the system to any number of concurrent users. (Please see additional details in the Hosting section on page 1.)
- Provide the maximum number of concurrent users beyond which you will not guarantee the same level of availability and response speed answered above.** On the server environment in this proposal, DLAN can be expanded with additional hardware to support at least 500 concurrent users. That said, the solution can be increased to support any number of concurrent users by adding load balanced servers, web farms, and web gardens into the solution. If more concurrent users above 500 are needed, BCG can work with the city to price a hosted solution that will fit those needs.
- Describe your monitoring procedures for the Incident Command Software.** The BCG team uses a number of monitoring tools to watch the health of the DLAN application, DLAN services, servers, network, and other metrics. This includes utilizing Site 24x7 to track server and site information, built-in logging and exception tracking within the DLAN application, Fortinet Client AV tracking, as well as other monitoring checks.
- Specify average frequency of outage, mean time between failures, & average time to repair for previous 5-year period.** For the past 2.3 years BCG has information on: Total Downtime (0.01% OR 2 Hrs. 10 Mins); Total Uptime (99.95% OR 839 days 4 Hrs. 47 Mins); MTTR (13 Mins 2 Secs); and MTBF (83 days 22 Hrs. 5 Mins).
- Vendor support SLAs at the hardware, operating system, database and application layers.** BCG can provide a full SLA document upon request during the contracting phase.
- Describe your remedy policy should you not meet agreed-to Service Levels.** Based on the SLA, customers can be eligible for service credits based on unplanned downtime to the production environment. Credits are calculated based on duration of downtime in breach of the SLA and hourly service rates. Credits can be applied to a future service delivery invoice. A full SLA can be provided to the City for review if requested.

X. SYSTEM IMPLEMENTATION

- Indicate the typical time duration from contract-execution to go-live.** Typical time duration from contract-signing to go-live is eight to twelve weeks. (For more details see Implementation Services on page 1.)
- Describe your policy for placement of on-site and off-site support personnel during implementation** Due to COVID-19 Travel Limitations, BCG is proposing all services be performed off site. If the situation changes, BCG can provide on-site support, not included in the price of this proposal.
- List number, levels of staff and rates that are involved in an implementation of your product.** BCG does not charge hourly rates for implementation services, but instead charges a fixed rate for all services. Please see Implementation Services on page 1 for additional details.
- The selected vendor will provide a project plan for the implementation of your product.** A preliminary project plan is provided in the Approach section on page 1. A more detailed plan can be provided upon request.

XI. APPLICATION SUPPORT

- A. **Describe the arrangements you would propose for providing maintenance and support services.** Please see Maintenance & Support on page 1 for a full explanation of our support procedures.
- B. **Verify whether you provide an ongoing monitoring service for system availability.** Please see section IX.6 on page 6 for details on our monitoring services.
- C. **Provide full details of your help policy, escalation procedures, priority levels and resolution mechanisms.** BCG provides extensive on-going support once the application is in production. Users can call or email our support desk for assistance with any task. Access to our support desk is included and available 24/7. BCG support technicians can typically resolve any issues you have, and employ desktop sharing tools to aid in evaluating and resolving your issue. If our support technicians cannot immediately resolve your issue, they will engage our engineering team to work towards a resolution.

Typical Support Steps:

- *Step 1:* Call or Email BCG Support.
- *Step 1a:* *If After hours, BCG Answering Service will connect customer to on-call Engineering*
- *Step 2:* BCG enters help ticket into BCG customer support system.
- *Step 3:* Help ticket is routed appropriately to support staff, engineers, and managers.
- *Step 4:* Issue escalated if needed.
- *Step 5:* Client notified of progress.
- *Step 6:* Client notified when issue is resolved.

If issue cannot be solved by the BCG customer support team, Client Services team will escalate the ticket to a team of BCG Engineers.

Severity	Impact	Description & Resolution
Critical (1)	Mission Critical	System is not operational: BCG will commit a full-time resource to resolve issue within 24 hrs.
High (2)	Major Issue	Critical functionality is not operational: BCG will commit a full-time resource to resolve issue within 48 hours. If there is an acceptable work-around, the issue will be reduced to severity 4.
Medium (3)	Moderate Issue	Non-critical functionality is not operational: BCG will commit a resource during normal business hours to resolve issue within five (5) business days. If there is an acceptable work-around the issue will be reduced to severity 4.
Low (4)	Minor Issue	Issue exists, but there is little or no impact to the organization's operations: BCG will provide assistance during normal business hours. All efforts will be made to resolve the issue within 20 business days.

- D. **Provide timings that can be expected for (1) Preventive maintenance; (2) Guaranteed & avg. response to software failure (e.g., account representative response with action plan); (3) Guaranteed and average "fix" time of software failure; (4) Indicate your SLA on first call resolution; (5) Describe how you assist with remote support using the Internet.** For questions D.1-D.5, please see the answer and tables in C above. Additionally, remote support can be done over the Internet using a combination of phone, video conference, email, and GoToAssist desktop support sessions as needed by the issue.
5. **Describe telephone support services provided (24 x 7, 8 x 5, etc.), the number of support personnel that will be made available and the type of assistance available during these time frames;** BCG is providing 9-5 (PST) business hour support and 24/7 activation support through phone and email. (See section C above)
6. **State how system bug fixes, patches, software updates etc. are supplied. Describe your release frequency** BCG provides releases every 8-10 weeks. Patches are almost always a mixture of fixes and new features from BCG research and development or the benefit of contract work from other DLAN customers who are willing to share their development features. BCG will always contact the City to schedule a patch installation time that is convenient for all parties. BCG provides Release Notes detailing all changes in the patch as well as release videos are also provided highlighting any major changes.

XII. HOSTED DATA CENTER INFRASTRUCTURE /SECURITY

- A. **Verify whether your data center ISO-9001 and/or SAS-70 certified;** BCG fully meets this requirement. The CentriLogic hosting provider BCG uses is governed by strict Service Level Agreements and Standard Operating Procedures using processes, procedures and infrastructure that have met ISO 9001:2008, ISO 27001:2005, PCI DSS 3.0, SSAE16, ITIL and US-EU Safe Harbor standards. Their global facilities, networks, and operations have been 3rd party audited and accredited to ensure compliance and adherence to our SLAs. All facilities are secured via multiple levels of physical deterrents and multiple form factors of authentication. Select personnel are only permitted access to the managed POP where these systems are housed and CentriLogic has invested significantly in audits and compliance to adhere with and exceed industry standards.

CentriLogic has achieved the following as listed below, including the reports available under NDA:	
SSAE 16 – Attestation of Certification and Audit Report	CSAE 3416 – Attestation of Certification
ISAE 3402 – Attestation of Certification	ISO 9001 – Attestation of Certification
ISO 27001 – Attestation of Certification	PCI DSS 3.0 – Attestation of Certification and Audit Report

- B. **Indicate whether third parties independently audit your data center;** Yes, in addition what is listed in XVII.A above, BCG also runs independent vulnerability scans and performs other audits on the DLAN software.

- C. **Indicate whether any subcontracted personnel are used in the management of the Data Center:** BCG subcontracts to CentriLogic who manages the data center and would have access to the physical hardware.
- D. **Indicate whether you provide remote and redundant operations for your data centers;** CentriLogic's fully redundant network is designed to eliminate any single point of failure. Their network provides clients with reliable connectivity and fast performance and is supported by around-the-clock monitoring, escalation and reporting. Each client receives a dedicated connection to fully redundant core routers and switch fabric.
- E. **Verify whether you have documented backup and recovery procedures;** BCG has a well-documented backup and recovery procedure that can be shared with the city upon request. Included in the solution for El Segundo will be daily full backups, incremental backups, and VM level backups using CentriLogic's enterprise level CommVault. Based upon the RTO/RPO needs of the contract, these solutions can be set to meet the retention, failover, and redundancy needs of the project.
- F. **Indicate whether you use dedicated servers for your Incident Command System;** The proposed system will reside on one of our virtualized servers inside CentriLogic's data centers and will utilize a dedicated site, dedicated database, dedicated services, and dedicated storage space for El Segundo. If dedicated hardware is desired, we can provide a cost for this.
- G. **Indicate whether you have your own data center or whether you subcontract out this functionality.** BCG subcontracts to CentriLogic for hosting services.

XIII. DATA OWNERSHIP AND SECURITY

- A. **Indicate whom you regard as the owner of the application data;** All data entered into DLAN remains the client's property.
- B. **Indicate whether there is a fee structure based on frequency of client access to the application data;** No, there is no fee structured based on frequency of use for any part of the DLAN application.
- C. **Indicate whether tools are provided (i.e. data dictionaries & queries) to enable your clients to access the data;** The client can query and export data directly through the DLAN web interface by using the report generator and search features then clicking the export button. Additionally, DLAN's API, including its API guide and data dictionary, make system data available to other client applications programmatically.
- D. **Indicate whether you use client data for any purpose other than application support, maintenance or upgrade;** No, BCG does not use client data for any other purposes.
- E. **In the event of product upgrade, please indicate who is financially responsible for corresponding upgrades to interfaces your clients have in place for data access.** For customers under a current maintenance contract, BCG is financially responsible for DLAN APIs, BCG built integrations, and all DLAN software. It is the responsibility of the client to upgrade any software built to interface with the DLAN. While BCG will not charge fees for DLAN APIs, if third parties on the customer's end charge an API connection fee or charge the City for changes to their API's, those costs would be the fall to the city.
- F. **Describe how the application data is secured;** There are several layers of security in and around the DLAN product that are designed to help protect data and systems. A summary of many of these items is outlined below.



Security within the DLAN Product	
Encryption in Transit via SSL/TLS Certificates	Options to Encrypt data at Rest using SQL Enterprise
Ability to lock records and fields down to admin defined groups (including options to lock viewing or editing)	By default, all sensitive data (passwords, accounts, tokens) encrypted and hashed by default using 256-bit AES keys
Support for FTPS, Secure SMTP/IMAP/POP3	Ability to lock incidents down to admin defined groups.
Other Security Mechanisms in Place to Protect DLAN	
Certified CISSP employed on staff full-time	Mandatory code reviews of all changes to DLAN software
Third party security audits of data center and application	Multi-tier server environment (servers by function)
Third party vulnerability scans of application and system	BCG is a member of the FBI's Infragard team
Yearly required security training of all BCG staff	NIST and ISO compliance

- G. **Indicate whether the data of different clients reside on shared physical volumes. If so, how is data segregation assured;** BCG does not utilize shared physical volumes. Each client has its own database, own IIS site, and own virtual volume.
- H. **Confirm you currently have Business Associate Agreements for HIPAA compliance;** Yes, BCG has BAAs for HIPAA.
- I. **Indicate whether your product provides security to enable appropriate segregation of data access based on user profile.** DLAN fully supports this requirement. The system includes a robust and flexible security utility that provides for multiple layers of security and access control throughout every level of the system. The permissions structure in DLAN is tiered and can be configured by the customer to have granular security permission, broad security permissions, or any range in between, allowing for data to be segregated based upon user profile. DLAN accomplishes this flexible and intuitive security structure by implementing administrator defined security groups which are separate from user accounts and roles. These security groups are composed of several individual security permissions, allowing for data to be locked down to just those users that need it. Administrators may configure an unlimited number of user accounts, groups, and roles. These groups are designed to be customized quickly, allowing admins the ability to change user security permissions on the fly and see those changes applied instantly. During configuration, BCG trainers will work with your team create the groups necessary to run a regional solution, and then we will train your staff on how to manage these groups going forward.

**CITY OF EL SEGUNDO
 BID LOG
 BID NO. RFP 20-03
 City of El Segundo – Fire Department
 Emergency Management Situational Awareness & Management Software System**

Date of BID Opening: Wednesday, October 14, 2020
Time of BID Opening: 12:00 PM (Noon)
Place of BID Opening: City Clerk's Office

COMPANY NAME/ADDRESS	
1.	Globalflyte, Inc. 5100 Springfield St., Sute 500 Dayton, OH 45431 <i>Received: 10/09/2020 @ 3:37 PM</i>
2.	Charles Miller 75 Second Ave., #411 Needham, MA 02494 <i>Received: 10/13/2020 @ 12:05 PM</i>
3.	David Thomas 25 Osprey Ln. Fredericksburg, VA 22405 <i>Received: 10/13/2020 @ 12:05 PM</i>
4.	Veoci, Inc. 195 Church St., 14 th Floor New Haven, CT 06510 <i>Received: 10/13/2020 @ 12:05 PM</i>
5.	The Response Group 17515 Spring Cypress Rd. Cypress, TX 77429 <i>Received: 10/13/2020 @ 2:25 PM</i>
6.	Buffalo Computer Graphics 4185 Bay view Rd. Blasdell, NY 14219 <i>Received: 10/14/2020 @ 8:40 AM</i>
7.	ESi Acquisition, Inc. (Juvare) 235 Peachtree St. NE, Suite 2300 Atlanta, GA 30303 <i>Received: 10/14/2020 @ 10:30 AM</i>
8.	
9.	
10.	

Staff Present:  _____, City Clerk's Office
 _____, City Clerk's Office
 _____, Fire Representative

REQUEST FOR PROPOSAL #20-03
Emergency Management Situational Awareness
and
Management Software System

Questions

Due 09/25/2020 at 11:00 a.m.

Posted 09/28/2020 5:00 p.m.

1. **Can companies from Outside USA apply for this RFP (e.g., from India or Canada)?**
Yes, as long as you are allowed to do business in the State of California and registered with the California Secretary of State as a legitimate business then you can bid on the RFP.
2. **Are companies required to come to El Segundo for meetings?**
Due to COVID, the City will adjust its RFP requirements to allow for virtual Software demonstrations, until it is prudent to do so in person.
3. **Can a company perform the tasks (related to RFP) outside USA (e.g.,from India or Canada)?**
Yes, so long as you submit the proposal in accordance with the RFP and response requirements as outlined in Section XX and in alignment with the Instructions to Bidders, subsection: Due Date. The proposer must submit TEN (10) complete copies of the proposal in a sealed envelope, plainly marked in the upper, left-hand corner with the name and address of the bidder and the words "Request for Proposal # 20-03," AND CLOSING DATE MARKED ON OUTSIDE OF ENVELOPE. All proposals must be received in the City Clerk's office no later than 12:00 p.m. PST on Wednesday **October 14, 2020**, otherwise, it will be rejected.

City of El Segundo
City Clerk's Office
350 Main Street, Room 5
El Segundo, CA 90245-3813

4. **Can we submit the proposals via email?**
Per section, **XX. RESPONSE REQUIREMENTS**
Please keep your response to 10 pages or less and submit in two formats: 1) hard copy and 2) one portable document format (pdf) via a thumb drive.
5. **In regards to intended daily user load, how many users will need to concurrently use the system during normal operations?**
I cannot answer "what would be the intended user load" or "how many users would concurrently use the system" on a normal day. The Project is a multi-year or multi-phased program to provide emergency management software to Operational Area (OA) members

that want it. The Project is open to OA Members, including all of the 88 cities in Los Angeles County and the County Office of Emergency Management (OEM) and the County Departments that support the County EOC (CEOC). The goal of the project is to provide this resource to the cities that will commit to using the program to manage their response activities before, during, and after an emergency. We clearly understood when we started the project, we would not be able to provide this program to all of these potential users immediately.

6. In regards to intended peak user load, how many users will need to concurrently use the system during an activation?

I cannot answer "How many user would use the system during an activation." Today there are 80 of 88 OA City EOCs activated to support the COVID-19 response. The CEOC and 40 County departments are activated to support the COVID-19 response (as well as wildfires, protests, etc.). There are over 240 people on the weekly CEOC Situation Briefing calls alone. There are untold thousands involved daily.

7. How many people will need to be trained on the system?

As there are potentially thousands of users from a variety of agencies, the bidder should propose solutions to reach the various users. The training approach could include an introductory or orientation program, an advanced program for more skilled or system administrators, and a troubleshooting program for system or process problem resolution. Virtual or video training may be required due to the COVID-19 pandemic. It would behoove the vendor to record the training and make it available on demand to enhance user learning and satisfaction.

8. What Homeland Security Grant is being used to fund this project?

State Homeland Security Grant Program

9. How much grant money has been allocated to this project?

\$918,000 over three years with \$193,000 allocated in the first year.

10. In section XX, it states that companies should submit "1) hard copy and 2) one portable document format (pdf)", however in the Instructions to Bidders item 6 Due Date, 10 copies are requested, could you please confirm how many copies of the bid you would like submitted?

10 Hard Copies for the Evaluation Team

11. In section XX B. Comments, it states, "Provide your evaluative comments...Detail what additional information or clarifications would be needed in order to prepare a comprehensive proposal in the future?" are bidders meant to evaluate this proposal for a future bid opportunity or submit responses to the bid questions?

Bidders should make a proposal that reflects their best product(s) to meet the needs of this RFP.

12. In order to fully respond to all requirements, may we request a response page limit extension from 10 pages to 30 pages?

No.

- 13. Is El Segundo currently utilizing an emergency management situation awareness and management software system?**
El Segundo has a contract with VEOCI and utilizes a donated Demo version of WebIAP.
- 14. How many total named users would require access to the system?**
I cannot answer “what would be the intended user load” or “how many users would concurrently use the system” on a normal day. The Project is a multi-year or multi-phased program to provide emergency management software to Operational Area (OA) members that want it. The Project is open to OA Members, including all of the 88 cities in Los Angeles County and the County Office of Emergency Management (OEM) and the County Departments that support the County EOC (CEOC). The goal of the project is to provide this resource to the cities that will commit to using the program to manage their response activities before, during, and after an emergency. We clearly understood when we started the project, and we would not be able to provide this program to all of these potential users immediately.
- 15. How many total personnel for administrator training?**
As there are potentially thousands of users from a variety of agencies, the bidder should propose solutions to reach the various users. The training approach could include an introductory or orientation program, an advanced program for more skilled or system administrators, and a troubleshooting program for system or process problem resolution. Virtual or video training may be required due to the COVID-19 pandemic. It would behoove the vendor to record the training and make it available on demand to enhance user learning and satisfaction.
- 16. Are there any integrations and with what? Do integrated products have an open API?**
See Section VIII, System Administrator Interface on page seven (7) for further information and clarification.
- 17. How many total licensed users would you like to have priced?**
I cannot answer “what would be the intended user load” or “how many users would concurrently use the system” on a normal day. The Project is a multi-year or multi-phased program to provide emergency management software to Operational Area (OA) members that want it. The Project is open to OA Members, including all of the 88 cities in Los Angeles County and the County Office of Emergency Management (OEM) and the County Departments that support the County EOC (CEOC). The goal of the project is to provide this resource to the cities that will commit to using the program to manage their response activities before, during, and after an emergency. We clearly understood when we started the project, and we would not be able to provide this program to all of these potential users immediately.
- 18. Would you like end-user training conducted and if so, how many students and how many offerings? Is there a preferred method or format?**
As there are potentially thousands of users from a variety of agencies, the bidder should propose solutions to reach the various users. The training approach could include an introductory or orientation program, an advanced program for more skilled or system administrators, and a troubleshooting program for system or process problem resolution. Virtual or video training may be required due to the COVID-19 pandemic. It would behoove the vendor to record the training and make it available on demand to enhance user learning and satisfaction.

19. **Who will be the functional owner of this solution once purchased and implemented?**
Each individual City or organization participating in the program.
20. **Please describe the input and display view and the print view of the ICS forms and IAP that you are requesting?**
The input view should be a user-friendly graphic user interface. The display view should look identical to the print view. The print view should be identical to the NIMS 2010 ICS Forms as published by FEMA.
21. **How many separate agencies/ organizations will be using the system? Will each agency have specific requirements and be treated separately and also share with the entire county?**
The total number of separate agencies/organizations is not yet known. Each participating agency will have specific requirements and be treated separately, however, there should be a common interface that allows for each participating organization to share information files and communications.
22. **Is there an expectation or possibility of a multiple-year contract with payment made upfront for multiple years and if so, how many years paid upfront?**
There is an expectation that this will be a multi-year project/multi-year contract. Payment will not, however, be made upfront.
23. **Is there a singular system in use by State EM or is that a combination of systems?**
There is no statewide system that involves City.
24. **Is it fair to assume in year one, there may be a subset of agencies (not all 88 agencies) will be involved?**
The vision is that all emergency management stakeholders will be on one interoperable crisis management software platform. This includes the 88 cities in Los Angeles County, but also includes various organizations. It is acknowledged that the vision may never be achieved. Eighty eight cities will not be onboard within the first year. We will have an executive committee governing and defining the infrastructure, and standard use model to develop the system with the first year group. The Committee will decide which Cities will start with the process based on a defined criteria (e.g., must have a full time Emergency Manager, and updated EOP).
25. **Can you provide an estimate of 1st year users and projected user count in the future - or a range of expected users over the 3 years.**
No, the number of users will depend on the cost. The more expensive licenses are, the less licenses we will have. Without a price per user, we cannot estimate how many users may have.
26. **The RFP Instructions to Bidders describes the Response Requirements in Section XX, which contains a 10 page limitation and requires the inclusion of items described in Subparagraphs A through H. Subparagraph F of Section XX contains proposal format guidelines. The proposal format guidelines require that the proposal be presented in 1” binders with tabs for each of the sections A-E.**

The following clarifications are requested:

(a) Do the references A-E refer to the Subparagraphs A-E of Section XX?

Yes A-E refers to the Subparagraphs of A-E in section XX.

(b) Subparagraph F permits single sided or double sided pages. Does that permit 20 pages of text (one page of text on each side of a sheet) or 10 pages of text?

Ten (10) pages of text.

(c) The Contact Information is to be provided on a separate sheet (Subparagraph A of Section XX). Is that page included within the 10 page limitation?

Yes, contact information is included.

(d) Cost information is to be provided in Subparagraph D of Section XX, but Subparagraph F calls for the cost information to be separately packaged and submitted. Are the pages involved in costing and bidding included within the 10 page limitation, and how much costing information is to be provided in Tab D of the binder? If Tab D is not required for costing, what should be included in Tab D?

Cost information submitted in a separate envelope is separate from subsection D, which states, "Based on the project information provided to date, **briefly describe** the cost to complete this project, include, and travel, mileage, lodging, and any other expenses."

(e) RFP Bidder Information forms must be submitted. There is no provision for them in the binder, and presumably they do not count in the proposal pages. Are they to be submitted as part of the binder? If not, how should they be submitted?

Please insert RFP Bidder Information and Exhibit B on the inside of the binder.

(f) There is no provision in the binder for the actual proposal. Is the proposal to be provided in lieu of the Comments in Tab B?

The proposal is the information you provide in Sections A-E.

(g) Is the Approach response in Tab C included as part of the proposal page limitation?
Yes.

- 27. Please confirm that the cost information as described in the Proposal Format Guidelines Section is to be submitted only in a separate envelope (and it is not to be included in Tab D with the other information).**

Yes, the cost information as described in the Proposal Format Guidelines Section is to be submitted only in a separate envelope.

- 28. Please confirm that Virtual Demonstrations must be presented prior to the October 14th RFP due date.**

Virtual software demonstrations may be scheduled now prior to the close of the RFP. The demonstrations will take place after the bid closing Oct. 14, 2020.

- 29. If a virtual demonstration is scheduled, is there an outline we should follow as part the that presentation?**

There is no outline for demonstrations. Demonstrations should be conducted by the bidder in a manner that best demonstrates their product and how it meets the needs of the LA County Operational Area.

- 30. Can the vendor deliver the Response to the RFP directly to the City of El Segundo? If yes, where do we drop it off and can we get a time stamp receipt.**

Yes, you can deliver your response to the RFP as noted in the "Instructions to Bidders" subsection, 6. The City Clerk's office is responsible for receiving the responses. Due to COVID you will have to check in at the front desk and should request the City Clerk's personnel to come to the front desk which is located by Planning/Building & Safety

entrance. Should you need to speak to someone directly in the City Clerk's office, please contact them at the following numbers 310-524-2307 or 310-524-2308.

31. **Could you provide a minimum number and a maximum number of users that you would like to have included in the proposal?**

I cannot answer "what would be the intended user load" or "how many users would concurrently use the system" on a normal day. The Project is a multi-year or multi-phased program to provide emergency management software to Operational Area (OA) members that want it. The Project is open to OA Members, including all of the 88 cities in Los Angeles County and the County Office of Emergency Management (OEM) and the County Departments that support the County EOC (CEOC). The goal of the project is to provide this resource to the cities that will commit to using the program to manage their response activities before, during, and after an emergency. We clearly understood when we started the project, we would not be able to provide this program to all of these potential users immediately.

32. **Will all organizations using the system have specific and unique needs or will all organizations/ jurisdictions be using the same processes, forms and features?**

The total number of separate agencies/organizations is not yet known. Each participating agency will have specific requirements and be treated separately, however, there should be a common interface that allows for each participating organization to share information files and communications.

33. **Will there be any contact notifications that are not included as a licensed user? Will you be contacting or notifying individuals that are not a licensed user and if so, what is an approximate number of these contact notifications?**

The desired system is preferred to have flexibility in messaging to both users and non-users.

34. **Is OnSolve/ Code Red the only Reverse 911 system that will require integration or are there other notification products that will require integration for the other organizations/ jurisdictions as part of this project?**

No, OnSolve/Code Red are not the only mass notification systems. The preferred system should be able to integrate with any mass notification system.

35. **How do you envision the "Maintenance of awareness of events in neighboring jurisdictions"? What is the preferred method of sharing information?? (i.e. notifications, etc)**

The preferred system will provide a common operating picture with both narrative information and geographical picture information of, but not limited to, incidents, critical infrastructure, resources, and damage.

36. **Are you looking for one standing room for all organizations/ jurisdictions to use or will each organization/ jurisdiction have their own individual room and a large room that includes all? What number of individual rooms?**

The preferred system will have specific operating areas for individual jurisdictions/agencies. The preferred system will also allow for flexibility to create operating areas for disaster management areas and for the Los Angeles operating area. Additionally, it is preferred that the system be flexible to create areas needed as an incident dictates.

37. **Please clarify the question in RFP: Have you or your company previously worked for the City of El Segundo? Yes/ No**
Are you referring to the company being an employee of El Segundo or being an existing or past vendor to El Segundo? If El Segundo is currently a client of a company is that a yes or no to your question? If your company has or had a contract with the City of El Segundo please select "Yes," and provide information on additional sheets and explained in Exhibit B.
38. **Is there any possibility of pre-paying more than one year of recurring fees with this initial purchase, if so, how many years upfront would be purchased?**
No.
39. **Will the DMAC's that are currently using their own instances with another product be included in the project?**
Currently this project is being developed for individual Cities and organizations. Cities and organizations with their own crisis management software, at their discretion, may decide to participate in this project while retaining their current software or deciding to eliminate their current software.
40. **Will an integration with CAL OES WebEOC system be required and what information would be shared/ integrated?**
No, at this time, integration with CAL OES WebEOC is not being considered.
41. **In section XX. Response Requirements, we are asked to keep the response to 10 pages or less. Which response sections are subject to the 10 page rule? For example, does that cover all of the Specification sections where direct requirements are stated (e.g. Sections V through XiX)?**
Your response, as outlined in section XX, should be 10 pages or less.

REQUEST FOR PROPOSAL #20-03
Revised 09/28/2020
Emergency Management Situational Awareness
and
Management Software System



RELEASE DATE: September 14, 2020
DUE DATE: October 14, 2020 by 12:00PM

Purchasing Agent:

Maria Cerritos
City of El Segundo
350 Main Street
El Segundo, CA 90245
(310) 524-2331 / (310) 322-2756 (fax)
Email: mcerritos@elsegundo.org

Project Manager:

Randy Collins, Ed.D., CEM
City of El Segundo Fire Dept.
314 Main Street
El Segundo, CA 90245
(310) 524-2235 / (310) 414-0929
Email: rcollins@elsegundo.org

This RFP is available at the following links:

<https://www.elsegundo.org/government/departments/city-clerk/bid-rfp>

NOTE: BIDDERS ARE RESPONSIBLE TO READ ALL INFORMATION THAT IS STATED IN THIS REQUEST FOR PROPOSAL AND PROVIDE A RESPONSE AS REQUIRED

INSTRUCTIONS TO BIDDERS

RFP No.: 20-03

Emergency Management Situational Awareness and Management Software System

City of El Segundo
REQUEST FOR PROPOSAL #20-03
Emergency Management Situational Awareness
and Management software system

SPECIFICATIONS

I. INTRODUCTION

This request is for vendors to submit proposals to fulfill the specifications presented by the City of El Segundo for the procurement and development of an Emergency Management Situational Awareness and Management software system.

The requirements and specifications described as “Commercial Out of the Box” (COT) and noted herein are minimum requirements a proposed product must be capable of out of the box with no customization or specialized coding required by users.

The requirements and specifications described as “Specified Requirements” and noted herein are requirements a proposed product must be delivered with minimal customization or specialized coding by users.

This is a grant-funded project and is subject to available funding. This project is a multi-year plan to be delivered to participating cities and includes the development of the implementation platform, acquisition of the software licenses, and hands-on training for program users and administrators.

II. PURPOSE

The purpose of this Request for Proposal (RFP) is to solicit a product which meets specific performance narratives along with pricing information from vendors; and to provide demonstrations of software systems and/or operating platforms if requested.

III. BACKGROUND

The City of El Segundo will be the fiduciary agent for the purchase of a crisis management operating platform for numerous cities within the Los Angeles operational area. Through the provision of a Homeland Security Grant, El Segundo and partnering stakeholders will evaluate crisis management operating platforms and determine the desired features to be included in a Request for Proposal process. The selected product and supporting vendor

INSTRUCTIONS TO BIDDERS

RFP No.: 20-03

Emergency Management Situational Awareness and Management Software System

will be selected using the City of El Segundo procurement process and in alignment with City Code governing procurement.

IV. CURRENT CIRCUMSTANCE

The City, along with its partners, are searching for a single software solution that will strengthen and enhance the Emergency Management structure of the Disaster Management Area.

The City, along with its partners, have set a goal of implementing an emergency management software system across a designated geographic region that will provide:

- A system from which Elected Officials, City Managers, Department Directors, Operational Managers, and invited partners can gain situational awareness of incidents and events in their respective jurisdictions, and with permissions, in neighboring jurisdictions.
- The system must provide City personnel and invited partners the ability to view, interact, and potentially direct emergency management activities as necessary.
- Information sharing by many jurisdictions and via a remote hosting solution provided by the selected vendor.
- Simple integration and accessibility by users.
- Ability to share maps, reports, and documents developed on standard software industry COT products.

The selected product will be nimble enough that any jurisdiction can capture process and/or product and share the same with regional jurisdictions and partners.

Below are listed the various capabilities, specifications, and product features required by the City and its partners that must be met for a product to be considered for acquisition by the City.

V. SYSTEM CAPABILITIES AND FEATURES

A. General Features

1. The system must be applicable for use in:
 - a. All-hazards response
 - b. Special events
 - c. Planned events
 - d. Maintenance of awareness of events in neighboring jurisdictions

2. The system must be applicable for use in:
 - a. Field operations
 - b. Department Operations Centers
 - c. Area Commands
 - d. Staging Areas
 - e. Base Camps
 - f. Emergency Operations Center

INSTRUCTIONS TO BIDDERS

RFP No.: 20-03

Emergency Management Situational Awareness and Management Software System

3. The system must feature the ability to:
 - a. Integrate multi-agency collaboration
 - b. Integrate multi-discipline collaboration
 - c. Provide visual reporting via maps, integration with web-based camera systems
 - d. Provide 'near real time' reporting via Wi-Fi or cloud-based sharing features from field to Command and vice versa.
 - e. Enhance the sharing of plans and emergency management documentation
 - f. Maintain a library of fillable ICS forms and the ability to easily store documents in a cloud or server-based environment

4. The system must be or have:
 - a. An easy to use interface with graphic user interface technology.
 - b. A robust exercise function that can be utilized concurrently to daily operations or incidents with system degradation.
 - c. Provides a method for development of predefined templates for various incidents/events (Standard ICS forms, plan development, or checklists).
 - d. A method that supports the development and integration of contact lists/personnel databases.
 - e. Provides the means for collecting historical and predictive data for risk assessment and mitigation.
 - f. Supports critical infrastructure tracking and damage assessment reporting.
 - g. Supports the execution and task tracking of emergency operations procedures, checklists, notifications, etc.
 - h. Product will provide for management of personnel, equipment, and supply management and tracks resource requests.
 - i. Product will provide a method of interfacing to other civil authorities or private-sector elements. This can be accomplished via sharing of screens, remote login capability, and external user access as determined by the acquiring jurisdiction.
 - j. Product provides for the generation of standard reports, single click downloading of reports, email sharing of reports, and method to share reports.
 - k. Accommodate entry and tracking of incident/event logs providing date stamp of entry.
 - l. Structured to support either Emergency Support Functions (ESF) or Incident Command System (ICS) protocols as needed by the acquiring jurisdiction.

VI. SYSTEM CAPABILITIES

The product proposed by the submitting vendor **must be a commercial off the shelf solution and have the following features and specifications ready for use** upon software installation with a minimal amount of set up:

INSTRUCTIONS TO BIDDERS

RFP No.: 20-03

Emergency Management Situational Awareness and Management Software System

- A. User Interface:
1. System must be able to support web, cloud, or server deployment and allow for remote access.
 2. Be structured to support the key functional roles with an ICS organizational structure. Those roles are identified as:
 - a. Command Section
 - b. Management
 - c. Liaison
 - d. Safety Officer
 - e. Public Information
 - f. Operations Section
 - g. Logistics Section
 - h. Finance and Administration
 - i. Planning Section
 3. Structured to easily support the management of different types of incidents/events and provide linkage between multiple incidents and events.
 4. Structured to easily support and move between incidents in order to manage varying levels of events from multi-agency, multi-operation catastrophic events or incidents to nominal incident activities.
 5. Supports the development and integration of standard operating procedures and checklists.
 6. Interface must be user friendly, intuitive, and with minimal distractions on the opening screens.
 7. Provides predefined templates for various incidents/events (Standard ICS forms, plan development, or checklists).
 8. Supports the development and integration of contact lists/personnel databases.
 9. Allow users to subscribe to system alerts for new posts and file changes
 10. Provide for a mobile application for all levels of operations
 11. Provides Situation Center functionality to tablets and smartphones
 12. Manage an incident from any location
 13. Ability to interface with social media and post to a public facing website
 14. Ability to create digitized plans
 15. Ability to initiate a structured response based on a pre-designed plan
 16. Ability to run system in "live" mode and "exercise/simulation" mode
 17. Ability to create live interactions and groupings of discipline-oriented workgroups and team members
 18. Ability to visualize incidents with local information on custom GIS map layers
 19. Ability to track and manage resources
 20. Ability for leadership group to monitor progress and direct resources through a full context dashboard.

VII. SYSTEM SPECIFIC FEATURES

- A. The selected system must have or will be able to activate with minimal programming:
1. A robust exercise function that can be utilized concurrently to daily operations or incidents with system degradation.
 2. Critical infrastructure tracking and damage assessment reporting.

INSTRUCTIONS TO BIDDERS

RFP No.: 20-03

Emergency Management Situational Awareness and Management Software System

3. Daily tracking/availability of resources by type and facility and have functionality to integrate/display commodity or resource spreadsheets across the platform.
 4. Proven capacity to handle multi-jurisdiction and multi-agency responses across a geographic region.
 5. Must have a centralized time-stamped message log
 6. Post messages and files to the event log from the incident scene
 7. Have capability to attach any type of file to log entries
 8. Send and track alerts
 9. Have an integrated secure real-time chat feature
- B. Have a "Real Time" Dashboard Feature with
1. Color-coded visual progress indicators
 2. Capability to view multiple command rooms across different departments and locations
 3. At-a-glance status of alerts, responses, tasks and log entries
- C. Integrate with jurisdiction emergency notification systems
1. Seamlessly integrated with the local jurisdiction emergency notification system.
 2. Have ability to receive confirmation of message delivery, receipt and response.
 3. Have the capability to track and manage task assignments
 - a. Ability to receive and track progress on team and individual checklists
 - b. Ability to drill down to see task details as needed
 - c. Ability to send task and status reminders
- D. Integrated resource library function
- a. Ability to store plans, maps, images, video, links—any type of file
 - b. Ability to host files either via web, server, or cloud storage
 - c. Ability to integrate a change log for all file revision
- E. Ability to develop electronic forms
1. Integration of an easy to use WYSIWYG visual forms designer
 2. Automatic notification when form is completed
 3. Ability to create, manage and control form
 4. Ability to define any number of assets and asset type
- F. Ability to develop templates
1. Ability to customize templates
 2. Ability to pre-define plans, files, messages, tasks and people for different scenarios
 3. Ability to create a customized command room in just two clicks
- G. Reporting and Records functions
1. Automatic time-stamped audit record of log entries, alerts and responses, file activity, and user activity
 2. Export data to your preferred reporting tool
 3. Archive incident records

INSTRUCTIONS TO BIDDERS

RFP No.: 20-03

Emergency Management Situational Awareness and Management Software System

VIII. SYSTEM ADMINISTRATOR INTERFACE

A. Integration

1. Defined:

- a. For the purposes of the request for proposal 'integration' is defined as the ability to access software products, utilize software products, post and display documentation generated via a third-party software application, operate within third party software applications, or display software via the selected system.
- b. The selected vendor will not be required to integrate their software with a competing emergency management system or similar product nor divulge proprietary coding.

2. System Integration:

- a. The selected system will allow for the efficient and effective integration for systems and data sets mutually agreed upon by the vendor and the system administrator.
- b. In its COTS configuration the selected system must be able to integrate the following software applications with minimal user programming or system administrator effort:
 - i. All Microsoft Office products
 - ii. Geographical Interface Systems (GIS or ArcGIS)
 - iii. Google Earth or other web-based mapping and satellite data system.
- c. The selected system must also have:

An API INTEGRATION TOOLKIT for user defined integration of specialized data sets or systems such as:

 - i. Human Resources databases.
 - ii. Organization directories,
 - iii. Customer utilized security systems,
 - iv. IT help desk task tracking software,

3. General Administration:

- a. Must be cloud based and have cloud-based storage
- b. Must have information backed up for disaster recovery and cybercrime recovery purposes
- c. Must be capable of access from multiple operating system mobile phone, mobile Internet devices, as well as computers.
- d. Must have both iPhone and Android capable mobile apps
- e. Support robust mapping of incident and event activities, resources, needs, and status
- f. Easy to establish data links to external organizations, IT platforms, and departments on an as needed basis

4. Role Assignment

- a. The selected system must allow for smooth assignment of user roles.
- b. User roles will be agreed defined by the City and agreed upon with the

INSTRUCTIONS TO BIDDERS

RFP No.: 20-03

Emergency Management Situational Awareness and Management Software System

- c. vendor.
 - c. Supports multiple organizations, divisions and department
5. System Security
- a. Must be Secure Socket Layer encrypted
 - b. Must have an easy to use software update feature to enhance overall functionality and features
 - c. Access only by authenticated users via encrypted passwords
 - d. Granular group and individual rights
 - e. 256-bit encryption of all web communications

IX. SYSTEM MAINTENANCE AGREEMENT CRITERIA

- A. The selected system must also meet the following criteria:
- 1. 100% availability of the system 24/7.
 - 2. Vendor shall provide for agreed upon process for downtime during which the system is not available for maintenance.
 - 3. An agreed upon guaranteed level of bandwidth to cater for all users and all partners integrated with the software?
 - 4. Provide the maximum number of concurrent users of the system.
 - 5. Provide the maximum number of concurrent users beyond which you will not guarantee the same level of availability and response speed answered above.
 - 6. Describe your monitoring procedures for the Incident Command Software.
 - 7. Specify your average frequency of outage, mean time between failures and average time to repair for the previous 5-year period.
 - 8. Vendor support SLAs at the hardware, operating system, database and application layers.
 - 9. Describe your remedy policy should you not meet agreed-to Service Levels.

X. SYSTEM IMPLEMENTATION

- A. Indicate the typical time duration from contract-execution to go-live.
- B. Describe your policy for placement of on-site and off-site support personnel during the implementation process.
- C. List number, levels of staff and rates that are involved in an implementation of your product.
- D. The selected vendor will provide a project plan for the implementation of your product.

XI. APPLICATION SUPPORT

- A. Describe the arrangements you would propose for providing maintenance and support services for your product.
- B. Verify whether you provide an ongoing monitoring service for system availability.
- C. Provide full details of your help policy, escalation procedures, priority levels and resolution mechanisms.
- D. Provide timings that can be expected for:
 - 1. Preventive maintenance;

INSTRUCTIONS TO BIDDERS

RFP No.: 20-03

Emergency Management Situational Awareness and Management Software System

2. Guaranteed and average response to software failure (e.g., account representative response with action plan);
3. Guaranteed and average "fix" time of software failure;
4. Indicate your SLA on first call resolution;
5. Describe how you assist with remote support using the Internet, dial-up facilities or other means;
6. Describe telephone support services provided (24 x 7, 8 x 5, etc.), the number of support personnel that will be made available and the type of assistance available during these time frames;
7. State how system bug fixes, patches, software updates etc. are supplied. Describe your release frequency.

XII. HOSTED DATA CENTER INFRASTRUCTURE /SECURITY

- A. Verify whether your data center ISO-9001 and/or SAS-70 certified;
- B. Indicate whether third parties independently audit your data center;
- C. Indicate whether any subcontracted personnel are used in the management of the Data Center;
- D. Indicate whether you provide remote and redundant operations for your data centers;
- E. Verify whether you have documented backup and recovery procedures;
- F. Indicate whether you use dedicated servers for your Incident Command System;
- G. Indicate whether you have your own data center or whether you subcontract out this functionality.

XIII. DATA OWNERSHIP AND SECURITY

- A. Indicate whom you regard as the owner of the application data;
- B. Indicate whether there is a fee structure based on frequency of client access to the application data;
- C. Indicate whether tools are provided, such as: data dictionaries and queries, to enable your clients to access the data;
- D. Indicate whether you use client data for any purpose other than application support, maintenance or upgrade;
- E. In the event of product upgrade, please indicate who is financially responsible for corresponding upgrades to interfaces your clients have in place for data access.
- F. Describe how the application data is secured;
- G. Indicate whether the data of different clients reside on shared physical volumes. If so, how is data segregation assured;
- H. Confirm you currently have Business Associate Agreements for HIPAA compliance;
- I. Indicate whether your product provides a security utility to enable appropriate segregation of data access based on user profile.

XIV. TRANSITION OF SERVICES UPON TERMINATION OF AGREEMENT

Describe your transition services for clients upon termination of agreement and subsequent transition of client to new solution - including assistance in migration of data.

INSTRUCTIONS TO BIDDERS

RFP No.: 20-03

Emergency Management Situational Awareness and Management Software System

XV. SUPPORT OF VARIOUS CLIENT PLATFORMS

- A. Describe in detail how you support mobile devices such as Blackberry, Smartphone, and Tablet access to your product.
- B. Indicate whether there is a separate fee for the support of handheld access to your system. If yes, please elaborate.

XVI. TECHNICAL REQUIREMENTS FOR CLIENT

Please list hardware, software and network requirements for clients to use your proposed software solution

XVII. TRAINING AND DOCUMENTATION

- A. Indicate how you will provide:
 - 1. Check list of key processes or planning tools that must be defined or completed by users prior to starting the integration of the program;
 - 2. Road map for how cities or organizations can successfully roll out the software and integrate it into their emergency response programs;
 - 3. Training for system administrators on program use, program security protocols and management oversight;
 - 4. Orientation training for new users showing the features and best practices for using this software;
 - 5. Assist the Area partners begin a "user group" for mentoring on system use;
- B. Indicate how you will provide the following "leave behind" support tools:
 - 1. A written or online tutorial;
 - 2. Online help (context sensitive);
 - 3. A demo version (sandbox);
 - 4. Video or CBT training;
 - 5. List all operational, technical and development documents provided with your product;
 - 6. Indicate whether there is an extra fee for the documentation.

XVIII. VENDOR CAPABILITIES AND EXPERIENCE

- A. Vendor should describe the aggregate development experience of its development and implementation team.
- B. Vendor should demonstrate the ability and past projects of implementing crisis management platforms across multiple jurisdictions.
- C. Vendor should demonstrate the capability of providing on-site implementation, roll-out, and transition support team tasks and activities.

XIX: PRICING ESTIMATE

- A. Vendor must provide their best estimated pricing per user or license.
- B. The cost should include the cost of implementation and support.
- C. The vendor should also provide a cost estimate structure for customization for City

INSTRUCTIONS TO BIDDERS

RFP No.: 20-03

Emergency Management Situational Awareness and Management Software System

budgeting purposes.

- D. Based on the project information provided, describe the cost to complete this project, include, any travel, mileage, lodging, and any other expenses.

XX. RESPONSE REQUIREMENTS

Please keep your response to 10 pages or less and submit in two formats: 1) hard copy and 2) one portable document format (pdf) via thumb drive. Companies are encouraged to schedule a virtual demonstration with the project manager no later than the close of this RFP, 10/14/2020. RFP response should contain the following:

A. Contact Information

Provide the following contact information on a separate sheet:

- Company Name
- Address
- Name of the individual who will act as primary point of contact for inquiries
- Contact Person's Telephone Number
- Contact Person's Email Address

B. Comments

Provide your evaluative comments on the Crisis Management Operating Platform description and requirements outlined in this document. Include any suggestions or advice regarding the design, implementation, management, technology, etc. of this contemplated project. Detail what additional information or clarifications would be needed in order to prepare a comprehensive proposal in the future?

C. Approach

Based on the project information provided to date, briefly describe the approach you would recommend for this project and why.

D. Cost

Based on the project information provided to date, briefly describe the cost to complete this project, include, and travel, mileage, lodging, and any other expenses.

E. References

Provide five (5) references of previous projects where an RFP was developed for an organization similar in size, scope and function to the City of El Segundo.

Information provided shall include:

1. Reference Name
2. Project Description
3. Project start and end dates
4. Cost/Amount of contract
5. Reference name, telephone number and e-mail address

INSTRUCTIONS TO BIDDERS

RFP No.: 20-03

Emergency Management Situational Awareness and Management Software System

F. Proposal Format Guidelines

Interested entities are to provide the City of El Segundo Fire Department Emergency Management Division with a thorough proposal using the following guidelines:

Each proposal will adhere to the following order and content of sections. Proposal should be straightforward, concise and provide "layman" explanations of technical terms that are used. Emphasis should be on conforming to the RFP instructions, responding to the RFP requirements, and providing a complete and clear description of the offer. Proposals which appear unrealistic in terms of technical commitments, lack of technical competence or are indicative of failure to comprehend the complexity and risk of this contract may be rejected.

Proposals must be typed uniformly on letter size (8 ½" x 11") sheets of white paper, single sided or double sided, each section clearly titled, with index dividers labeled Tabs A – E, and each page clearly and consecutively numbered. Binder capacity should be a minimum of 1" (one inch) to allow for ease of referencing various sections. (Small binders that are over stuffed or difficult to open may count against the bidder). Proposals must be clean and suitable for copying. Proposals must be specific unto themselves. For example, "See Enclosed Manual" will not be considered an acceptable proposal. Receipt of all addenda, if any, must be signed and included in the proposal.

G. Fee Proposal

Fee Proposal and cost estimates in a separate sealed envelope. The bid should contain all pricing information relative to performing the duties as described in this RFP. The total all-inclusive maximum price to be proposed is to contain direct and indirect costs including estimated out-of-pocket expenses.

H. Bidder Information

Complete, sign and submit the RFP Bidder Information attached hereto as Exhibit B. Failure to complete and/or submit these forms may cause rejection of your quotation. All quotations must be contained within these forms.

XXI. SELECTION CRITERIA AND EVALUATION PROCESS

The vendor will be selected based on professional qualifications necessary for the satisfactory performance of the services required and demonstrated competence that includes a proven track record of performing and implementing emergency management software systems. The skill and ability of the vendor performing the services is a key component of the selection criteria. Cost will be only one factor in determining the selection, and as such, the contract might not be awarded to the lowest responsible Proposer.

INSTRUCTIONS TO BIDDERS

RFP No.: 20-03

Emergency Management Situational Awareness and Management Software System

The City will undertake the following evaluation process:

- a) The City will review and evaluate all submitted documents received in response to the RFP.
- b) After the submittals are evaluated and ranked, the City, at its sole discretion, may elect to interview one or more respondents. Please note that respondents may be asked to submit additional documentation. In addition, the City reserves the right to select a proposal without conducting interviews.
- c) If a commitment is made, it will be to the most qualified and responsible respondent with whom the City is able to successfully negotiate the compensation and terms and conditions of any and all agreements.
- d) Final selection of the most qualified responsible bidder is subject to terms and conditions of any and all agreements, and authority to proceed with this solicitation, shall be at the sole discretion of the City Council. The City Council is under no obligation to contract with any applicant.
- e) Attachment C is the City's standard consulting services agreement. Consultants interested in proposing on this RFP should be prepared to enter into the agreement under the standard terms and should be able to provide the required insurance. If the City is unable to negotiate a satisfactory agreement, with terms and conditions the City determines to be fair and reasonable, the City may then commence negotiations with the next most qualified individual in sequence, until an agreement is reached or determination is made to reject all submittals.

XXII. CONTRACTED EXTENSION TO OTHER CITIES/AGENCIES

Other Cities/Agencies may be interested in purchasing against an awarded contract, subject to the same price, terms and conditions offered to the City of El Segundo, and by mutual agreement by the City and the vendor. The City does not warrant any additional use of the contract by such agencies. All requirements of the specifications, purchase orders, invoices and payments with other agencies will be directly handled by the successful Bidder and the piggybacking agency.

XXIII. CONFIDENTIALITY

Subsequent to the CITY's evaluation, bids/proposals which were required to be submitted in response to the solicitation process become the exclusive property of the CITY. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code section 6250 et. seq. (Public Records Act) and which are marked "trade secret," "confidential," or "proprietary." The CITY shall not in any way be liable or responsible for the disclosure of any such records, including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction. In the event the CITY is required to defend an action on a Public Records Act request

INSTRUCTIONS TO BIDDERS

RFP No.: 20-03

Emergency Management Situational Awareness and Management Software System

for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary" the Consultant agrees to defend and indemnify the CITY from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act. Where applicable, Federal regulations may take precedence over this language.

XXIV: PROFESSIONAL SERVICES AGREEMENT

The standard form of the City's professional services agreement is attached hereto as Exhibit C. The selected Contractor will be required to enter into this Agreement. By submitting a proposal, Contractor certifies to the City that he/she has reviewed the Specifications of the RFP and the terms of the agreement, it's insurance requirements has incorporated all direct and indirect costs of complying with the scope of work and the agreement into the Proposal.

INSTRUCTIONS TO BIDDERS

RFP No.: 20-03

Emergency Management Situational Awareness and Management Software System

1. Notifications: All Request for Proposal (RFP) related information will be posted to the City's website: <https://www.elsegundo.org/government/departments/city-clerk/bid-rfp>
2. Format: Proposal format will be in alignment with Section 4, "Proposal Format Guidelines" when submitting bids.
3. Proposal Submission: All proposals must be submitted according to specifications set forth in this RFP. Failure to adhere to these specifications may be cause for rejection of proposal. The City will not reimburse Contractors for any costs involved in the preparation and submission of proposals. Furthermore, this RFP does not obligate the City to accept or contract for any expressed or implied services.
4. SAM Registration: Since this a federal grant funded project, the awarded vendor must register with the System for Award Management's website: <https://www.sam.gov/SAM/> prior to executed contract and award.
5. Signature. An authorized representative of the bidder MUST provide wet signature on all proposals.
6. Due Date. The proposer must submit TEN (10) complete copies of the proposal in a sealed envelope, plainly marked in the upper, left-hand corner with the name and address of the bidder and the words "Request for Proposal # 20-03," AND CLOSING DATE MARKED ON OUTSIDE OF ENVELOPE. All proposals must be received in the City Clerk's office no later than 12:00 p.m. PST on Wednesday, **October 14, 2020** otherwise, it will be rejected.

City of El Segundo
City Clerk's Office
350 Main Street, Room 5
El Segundo, CA 90245-3813

7. Disposition of Proposals: The City reserves the right to reject any or all proposals. All responses become the property of the City. One copy of the proposal shall be retained for City files. Additional copies and materials can be returned only if requested and at the bidder's expense.
8. Prices/Notations: The Fee Proposal shall be submitted in a separate sealed envelope and in alignment with section XIX, Pricing Estimate.
9. Currency: All references to dollar amounts in this solicitation and in vendor's response refer to United States currency.
10. Subcontractors: The Bidder must list any subcontractor that will be used, the work to be performed by them, and total number of hours or percentage of time they will spend on the project.
11. Non-Discrimination Requirement:
By submitting a proposal, the Consultant represents that it and its subsidiaries do not and will not discriminate against any employee or applicant for employment on the basis of race, religion, sex, color, national origin, sexual orientation, ancestry, marital status, physical condition, pregnancy or pregnancy-related conditions, political affiliations or opinion, age, or medical condition.
12. Bonds: A Performance Bond must be required of the successful proposer when stated in the specification.
13. Proposal Rejection: The City may reject the proposal of any proposer who previously failed to perform properly, or complete on time, contracts of a similar nature, or to reject the proposal of a proposer who is not in a position to perform such a contract satisfactorily. The City may reject the proposal of any proposer who is in default of the payment of taxes, licenses or other monies due to the City of El Segundo.
14. Contract/Award: The contract, if awarded, shall be awarded to the lowest responsive and responsible bidder. The lowest bid shall be the lowest total of the bid prices quoted on the Bid Schedule. A responsible bidder is a bidder determined by the awarding authority:
 - (1) To have the ability, capacity, experience and skill to perform the work, or provide the goods and/or services in accordance with the bid specifications;
 - (2) To have the ability to perform the contract within the time specified;

INSTRUCTIONS TO BIDDERS

RFP No.: 20-03

Emergency Management Situational Awareness and Management Software System

- (3) To have the equipment, facilities and resources of such capacity and location to enable the bidder to perform the contract;
 - (4) To have the ability to provide, as required, future maintenance, repair, parts and service for the use of goods purchased;
 - (5) To have a record of satisfactory or better performance under prior contracts with the city or others; and
 - (6) To have complied with applicable laws, regulations, policies (including city council policies), guidelines and orders governing prior or existing contracts performed by the bidder.
15. Period of Firm Pricing: Unless stated otherwise, prices shall be firm for 12 months after the RFP closing date. If the City is required to negotiate beyond the 120-day period the City may request bidder's prices be firm for an additional period of time to complete negotiations and award the contract.
 16. Method of Award: The City reserves the right to reject any or all offers, to waive any discrepancy or technicality and to split or make the award in any manner determined by the City to be most advantageous. The City recognizes that prices are only one of several criteria used in judging an offer and the City is not legally bound to accept the lowest offer. The City Council also reserves the right to make no award and reject all bid.
 17. Other Terms and Conditions: The terms and conditions as indicated in this document and/or attached are hereby included with full force and like effect as if set forth herein.
 18. Return of Bid/Closing Date/Return to: The bid response shall be delivered to the City Clerk on behalf of the El Segundo Purchasing Division, **350 Main Street, Room 5, El Segundo, CA 90245-3813 by 12:00 p.m. PST on October 14, 2020.** Bid responses not received by City Purchasing by the closing date and time indicated above will not be accepted and the Proposer will be deemed as disqualified. The closing date, time and the R.F.P. number referenced above shall appear on the outside of the sealed envelope. A duly executed copy of the signature page of this bid document must accompany Bidder(s) response. The City will not be responsible for and will not except late bids due to delayed mail delivery or courier services.
 19. Records Retention/Auditing: The Contractor agrees that City of El Segundo or designated representatives shall have the right to review and copy any records and supporting documentation pertaining to the performance of this contract. Contractor agrees to maintain such records for possible audit for a minimum of seven (7) years after final payment, or until closure of pending matter unless a longer period of records retention is stipulated. Contractor agrees to allow auditor(s) access to such records during normal business hours and allow interviews of any employees or others who might reasonably have information related to such records.

PROPOSER TO READ

I have read, understood, and agree to the terms and conditions on all pages of this proposal. The undersigned agrees to furnish the commodity or service stipulated on this proposal as stated above.

_____	_____
Company or Individual	Address
_____	_____
Name	Signature
_____	_____
Title of Person Signing Bid	Contact number

IMPORTANT TIMELINES

TIMELINE	DATES
RELEASE OF REQUEST FOR PROPOSAL	Monday, 09/14/2020
MANDATORY PRE-BID/PROPOSAL VIRTUAL MEETING EMAIL PROJECT MANGER FOR LINK, OTHERWISE YOUR BID WILL BE DISQUALIFIED.	Tuesday, 09/22/2020 Time: 1:00 p.m. PST / 4:00 p.m. EST
DEADLINE FOR SUBMISSION OF -QUESTIONS Bidders must submit their questions to Randal Collins at RCollins@elsegundo.org and courtesy copy Maria Cerritos at MCerritos@elsegundo.org .	Must be received in writing by: Friday, 09/25/2020 by 11:00 a.m. Responses to questions will be posted no later than 5:00 p.m. on 09/28/2020 on the City's website: https://www.elsegundo.org/government/ departments/city-clerk/bid-rfp
BID/PROPOSAL RESPONSES DUE ALL PROPOSALS MUST BE DELIVERED TO: City of El Segundo City Clerk's Office RFP #20-03 350 Main Street, Room 5 El Segundo, CA 90245	On or before Wednesday, 10/14/2020 Time: 12:00 p.m.
TENTATIVE DATE FOR AWARDING RFP Approximately 60 to 120 days after the RFP closes.	The Bidders are responsible for checking the City's website for notice of intent to award at https://www.elsegundo.org/

Inquiries:

All inquiries must be submitted on or before the last day for questions. Please refer to THE ABOVE Timeline/Dates for the particular date. Inquiries must reference the section number and title from the RFP. Bidders must submit their questions via email to Randall Collins at RCollins@elsegundo.org and courtesy copy Maria Cerritos at MCerritos@elsegundo.org

**EXHIBIT B
BIDDER INFORMATION**

SECTION 3: REQUEST FOR QUOTATION/PROPOSAL AND BIDDER REQUIRED INFORMATION.

Bidder Company: _____ Date: _____

Bidder Information

Provide the information requested below or indicate "not applicable," if appropriate.

A. Name and Address of Bidder _____

A/P Remit To: if different _____

Telephone: _____
Facsimile: _____
Email: _____
Website Address: _____

Telephone: _____
Facsimile: _____
Email: _____
Attach W-9 (required). Yes No

B. Bidder is a:

California Corporation

Limited Liability Partnership
List names of General partners and state which partners are managing partner(s): _____

Corporation organized under the laws of the State of: _____

With head offices located at: _____
and offices in California located at: _____

Limited Liability Company
List managing member(s): _____

Sole Proprietorship: _____ Proprietor

Partnership

Other: Attach Addendum and with explanatory details

C. Have you (or your company) previously worked for the City of El Segundo? Yes / No
If yes, please provide information on additional sheets.

D. If required Contractor's license number & type: _____

E. The Bidder represents that it has not retained a person to solicit or secure a City contract (upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee) except for retention of bona fide employee or bona fide established commercial selling agencies for the purpose of securing business.

F. During the Quotation process there may be changes to the Quotation documents, which would require an issuance of an addendum or addenda. City disclaims any and all liability for loss, or damage to any Bidder who does not receive any addendum issued by City in connection with this RFP. Any Bidder in submitting a Quotation/Proposal is deemed to waive any and all claims and demands Bidder may have against City on account of the failure of delivery of any such addendum to Bidder. Any and all addenda issued by City shall be deemed included in this RFP and the provisions and instructions therein contained shall be incorporated to any Quotation submitted by Bidder.

G. The firm and individuals listed below, certify that: they do not and in the performance of this contract they will not discriminate in employment of any person because of race, skin color, gender, age, religion, disability, national origin, ancestry, sexual orientation, housing status, marital status, familial status, weight or height of such person; and further certify that they are in compliance with all Federal, State and local directives and executive orders regarding nondiscrimination in employment.

Signature

Printed Name/Title of Signer

**EXHIBIT C
PROFESSIONAL SERVICES AGREEMENT**

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF EL SEGUNDO AND**

This AGREEMENT is made and entered into this ____ day of _____, 2020, by and between the CITY OF EL SEGUNDO, a municipal corporation and general law city ("CITY") and _____[name]_____, _____[type of organization]_____ ("CONSULTANT"). The parties agree as follows:

1. CONSIDERATION.

As partial consideration, CONSULTANT agrees to perform the work listed in the SCOPE OF SERVICES, below;

As additional consideration, CONSULTANT and CITY agree to abide by the terms and conditions contained in this Agreement;

As additional consideration, CITY agrees to pay CONSULTANT a sum not to exceed _____ dollars (\$_____) for CONSULTANT's services. CITY may modify this amount as set forth below. Unless otherwise specified by written amendment to this Agreement, CITY will pay this sum as specified in the attached Exhibit "A," which is incorporated by reference.

2. SCOPE OF SERVICES.

CONSULTANT will perform services listed in the attached Exhibit "____," which is incorporated by reference.

CONSULTANT will, in a professional manner, furnish all of the labor, technical, administrative, professional and other personnel, all supplies and materials, equipment, printing, vehicles, transportation, office space and facilities, and all tests, testing and analyses, calculation, and all other means whatsoever, except as herein otherwise expressly specified to be furnished by CITY, necessary or proper to perform and complete the work and provide the professional services required of CONSULTANT by this Agreement.

3. PERFORMANCE STANDARDS. While performing this Agreement, CONSULTANT will use the appropriate generally accepted professional standards of practice existing at the time of performance utilized by persons engaged in providing similar services. CITY will continuously monitor CONSULTANT's services. CITY will notify CONSULTANT of any deficiencies and CONSULTANT will have fifteen (15) days after such notification to cure any shortcomings to CITY's satisfaction. Costs associated with curing the deficiencies will be borne by CONSULTANT.

**EXHIBIT C
PROFESSIONAL SERVICES AGREEMENT**

4. PAYMENTS. For CITY to pay CONSULTANT as specified by this Agreement, CONSULTANT must submit a detailed invoice to CITY which lists the hours worked and hourly rates for each personnel category and reimbursable costs (all as set forth in Exhibit “_”) the tasks performed, the percentage of the task completed during the billing period, the cumulative percentage completed for each task, the total cost of that work during the preceding billing month and a cumulative cash flow curve showing projected and actual expenditures versus time to date.

5. NON-APPROPRIATION OF FUNDS. Payments due and payable to CONSULTANT for current services are within the current budget and within an available, unexhausted and unencumbered appropriation of the CITY. In the event the CITY has not appropriated sufficient funds for payment of CONSULTANT services beyond the current fiscal year, this Agreement will cover only those costs incurred up to the conclusion of the current fiscal year.

6. FAMILIARITY WITH WORK.

By executing this Agreement, CONSULTANT agrees that it has:

- i. Carefully investigated and considered the scope of services to be performed;
- ii. Carefully considered how the services should be performed; and
- iii. Understands the facilities, difficulties, and restrictions attending performance of the services under this Agreement.

If services involve work upon any site, CONSULTANT agrees that CONSULTANT has or will investigate the site and is or will be fully acquainted with the conditions there existing, before commencing the services hereunder. Should CONSULTANT discover any latent or unknown conditions that may materially affect the performance of the services, CONSULTANT will immediately inform CITY of such fact and will not proceed except at CONSULTANT’s own risk until written instructions are received from CITY.

7. TERM. The term of this Agreement will be from _____, to _____. Unless otherwise determined by written amendment between the parties, this Agreement will terminate in the following instances:

Completion of the work specified in Exhibit “A”;

Termination as stated in Section 15.

8. TIME FOR PERFORMANCE.

CONSULTANT will not perform any work under this Agreement until:

**EXHIBIT C
PROFESSIONAL SERVICES AGREEMENT**

- i. CONSULTANT furnishes proof of insurance as required under Section 22 of this Agreement; and
- ii. CITY gives CONSULTANT a written notice to proceed.

Should CONSULTANT begin work on any phase in advance of receiving written authorization to proceed, any such professional services are at CONSULTANT's own risk.

9. TIME EXTENSIONS. Should CONSULTANT be delayed by causes beyond CONSULTANT's control, CITY may grant a time extension for the completion of the contracted services. If delay occurs, CONSULTANT must notify the Manager within forty-eight (48) hours, in writing, of the cause and the extent of the delay and how such delay interferes with the Agreement's schedule. The Manager will extend the completion time, when appropriate, for the completion of the contracted services.

10. CONSISTENCY. In interpreting this Agreement and resolving any ambiguities, the main body of this Agreement takes precedence over the attached Exhibits; this Agreement supersedes any conflicting provisions. Any inconsistency between the Exhibits will be resolved in the order in which the Exhibits appear below:

Exhibit: _: Scope of Work.

Exhibit: _: Budget

Exhibit: _ Proposal for Services

11. CHANGES. CITY may order changes in the services within the general scope of this Agreement, consisting of additions, deletions, or other revisions, and the contract sum and the contract time will be adjusted accordingly. All such changes must be authorized in writing, executed by CONSULTANT and CITY. The cost or credit to CITY resulting from changes in the services will be determined in accordance with written agreement between the parties.

12. TAXPAYER IDENTIFICATION NUMBER. CONSULTANT will provide CITY with a Taxpayer Identification Number.

13. PERMITS AND LICENSES. CONSULTANT, at its sole expense, will obtain and maintain during the term of this Agreement, all necessary permits, licenses, and certificates that may be required in connection with the performance of services under this Agreement.

14. WAIVER. CITY's review or acceptance of, or payment for, work product prepared by CONSULTANT under this Agreement will not be construed to operate as a waiver of any rights CITY may have under this Agreement or of any cause of action arising from CONSULTANT's performance. A waiver by CITY of any breach of any term, covenant, or condition contained in this Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this Agreement, whether of the same or different character.

**EXHIBIT C
PROFESSIONAL SERVICES AGREEMENT**

15. TERMINATION.

Except as otherwise provided, CITY may terminate this Agreement at any time with or without cause.

CONSULTANT may terminate this Agreement at any time with CITY's mutual consent. Notice will be in writing at least thirty (30) days before the effective termination date.

Upon receiving a termination notice, CONSULTANT will immediately cease performance under this Agreement unless otherwise provided in the termination notice. Except as otherwise provided in the termination notice, any additional work performed by CONSULTANT after receiving a termination notice will be performed at CONSULTANT's own cost; CITY will not be obligated to compensate CONSULTANT for such work.

Should termination occur, all finished or unfinished documents, data, studies, surveys, drawings, maps, reports and other materials prepared by CONSULTANT will, at CITY's option, become CITY's property, and CONSULTANT will receive just and equitable compensation for any work satisfactorily completed up to the effective date of notice of termination, not to exceed the total costs under Section 1(C).

Should the Agreement be terminated pursuant to this Section, CITY may procure on its own terms services similar to those terminated.

By executing this document, CONSULTANT waives any and all claims for damages that might otherwise arise from CITY's termination under this Section.

16. OWNERSHIP OF DOCUMENTS. All documents, data, studies, drawings, maps, models, photographs and reports prepared by CONSULTANT under this Agreement are CITY's property. CONSULTANT may retain copies of said documents and materials as desired but will deliver all original materials to CITY upon CITY's written notice. CITY agrees that use of CONSULTANT's completed work product, for purposes other than identified in this Agreement, or use of incomplete work product, is at CITY's own risk.

17. PUBLICATION OF DOCUMENTS. Except as necessary for performance of service under this Agreement, no copies, sketches, or graphs of materials, including graphic art work, prepared pursuant to this Agreement, will be released by CONSULTANT to any other person or public CITY without CITY's prior written approval. All press releases, including graphic display information to be published in newspapers or magazines, will be approved and distributed solely by CITY, unless otherwise provided by written agreement between the parties.

18. INDEMNIFICATION.

A. CONSULTANT agrees to the following:

**EXHIBIT C
PROFESSIONAL SERVICES AGREEMENT**

- i. *Indemnification for Professional Services.* CONSULTANT will save harmless and indemnify and at CITY's request reimburse defense costs for CITY and all its officers, volunteers, employees and representatives from and against any and all suits, actions, or claims, of any character whatever, brought for, or on account of, any injuries or damages sustained by any person or property resulting or arising from any negligent or wrongful act, error or omission by CONSULTANT or any of CONSULTANT's officers, agents, employees, or representatives, in the performance of this Agreement, except for such loss or damage arising from CITY's sole negligence or willful misconduct.
 - ii. *Indemnification for other Damages.* CONSULTANT indemnifies and holds CITY harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, arising out of this Agreement, or its performance, except for such loss or damage arising from CITY's sole negligence or willful misconduct. Should CITY be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, CONSULTANT will defend CITY (at CITY's request and with counsel satisfactory to CITY) and will indemnify CITY for any judgment rendered against it or any sums paid out in settlement or otherwise.
- B. For purposes of this section "CITY" includes CITY's officers, officials, employees, agents, representatives, and certified volunteers.
- C. It is expressly understood and agreed that the foregoing provisions will survive termination of this Agreement.
- D. The requirements as to the types and limits of insurance coverage to be maintained by CONSULTANT as required by Section 22, and any approval of said insurance by CITY, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONSULTANT pursuant to this Agreement, including, without limitation, to the provisions concerning indemnification.

19. ASSIGNABILITY. This Agreement is for CONSULTANT's professional services. CONSULTANT's attempts to assign the benefits or burdens of this Agreement without CITY's written approval are prohibited and will be null and void.

20. INDEPENDENT CONTRACTOR. CITY and CONSULTANT agree that CONSULTANT will act as an independent contractor and will have control of all work and the manner in which it is performed. CONSULTANT will be free to contract for similar service to be performed for other employers while under contract with CITY. CONSULTANT is not an agent or employee of CITY and is not entitled to participate in any pension plan, insurance, bonus or similar benefits CITY provides for its employees. Any provision in this Agreement that may appear to give CITY the

**EXHIBIT C
PROFESSIONAL SERVICES AGREEMENT**

right to direct CONSULTANT as to the details of doing the work or to exercise a measure of control over the work means that CONSULTANT will follow the direction of the CITY as to end results of the work only.

21. AUDIT OF RECORDS. CONSULTANT will maintain full and accurate records with respect to all services and matters covered under this Agreement. CITY will have free access at all reasonable times to such records, and the right to examine and audit the same and to make transcript therefrom, and to inspect all program data, documents, proceedings and activities. CONSULTANT will retain such financial and program service records for at least seven (7) years after termination or final payment under this Agreement.

22. INSURANCE.

Before commencing performance under this Agreement, and at all other times this Agreement is effective, CONSULTANT will procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

<u>Type of Insurance</u>	<u>Limits</u>
Commercial general liability:	\$2,000,000
Professional Liability	\$1,000,000
Business automobile liability	\$1,000,000
Workers compensation	Statutory requirement

Commercial general liability insurance will meet or exceed the requirements of the most recent ISO-CGL Form. The amount of insurance set forth above will be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies will be endorsed to name CITY, its officials, and employees as "additional insureds" under said insurance coverage and to state that such insurance will be deemed "primary" such that any other insurance that may be carried by CITY will be excess thereto. Such endorsement must be reflected on ISO Form No. CG 20 10 11 85 or 88, or equivalent. Such insurance will be on an "occurrence," not a "claims made," basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to CITY.

Professional liability coverage will be on an "occurrence basis" if such coverage is available, or on a "claims made" basis if not available. When coverage is provided on a "claims made basis," CONSULTANT will continue to renew the insurance for a period of three (3) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement and will cover CONSULTANT for all claims made by CITY arising out of any errors or omissions of CONSULTANT, or its officers, employees or agents during the time this Agreement was in effect.

**EXHIBIT C
PROFESSIONAL SERVICES AGREEMENT**

Automobile coverage will be written on ISO Business Auto Coverage Form CA 00 01 06 92, including symbol 1 (Any Auto).

CONSULTANT will furnish to CITY duly authenticated Certificates of Insurance evidencing maintenance of the insurance required under this Agreement and such other evidence of insurance or copies of policies as may be reasonably required by CITY from time to time. Insurance must be placed with insurers with a current A.M. Best Company Rating equivalent to at least a Rating of "A:VII."

Should CONSULTANT, for any reason, fail to obtain and maintain the insurance required by this Agreement, CITY may obtain such coverage at CONSULTANT's expense and deduct the cost of such insurance from payments due to CONSULTANT under this Agreement or terminate pursuant to Section 155.

23. USE OF SUBCONTRACTORS. CONSULTANT must obtain CITY's prior written approval to use any consultants while performing any portion of this Agreement. Such approval must approve of the proposed consultant and the terms of compensation.

24. INCIDENTAL TASKS. CONSULTANT will meet with CITY monthly to provide the status on the project, which will include a schedule update and a short narrative description of progress during the past month for each major task, a description of the work remaining and a description of the work to be done before the next schedule update.

25. NOTICES. All communications to either party by the other party will be deemed made when received by such party at its respective name and address as follows:

If to CONSULTANT:

[name]
[address]

Attention: _____
Phone: _____
Email: _____

If to CITY:

City of El Segundo
350 Main Street
El Segundo, CA

Attention: _____
Phone: _____
Email: _____

Any such written communications by mail will be conclusively deemed to have been received by the addressee upon deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above. In all other instances, notices will be deemed given at the time of actual delivery. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this paragraph.

26. CONFLICT OF INTEREST. CONSULTANT will comply with all conflict of interest laws and regulations including, without limitation, CITY's conflict of interest regulations.

EXHIBIT C
PROFESSIONAL SERVICES AGREEMENT

27. SOLICITATION. CONSULTANT warrants that it has not employed nor retained any company or person, other than CONSULTANT's bona fide employee, to solicit or secure this Agreement. Further, CONSULTANT warrants that it has not paid nor has it agreed to pay any company or person, other than CONSULTANT's bona fide employee, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Should CONSULTANT breach or violate this warranty, CITY may rescind this Agreement without liability.

28. THIRD PARTY BENEFICIARIES. This Agreement and every provision herein is generally for the exclusive benefit of CONSULTANT and CITY and not for the benefit of any other party. There will be no incidental or other beneficiaries of any of CONSULTANT's or CITY's obligations under this Agreement.

29. INTERPRETATION. This Agreement was drafted in and will be construed in accordance with the laws of the State of California, and exclusive venue for any action involving this agreement will be in Los Angeles County.

30. COMPLIANCE WITH LAW. CONSULTANT agrees to comply with all federal, state, and local laws applicable to this Agreement.

31. ENTIRE AGREEMENT. This Agreement, and its Exhibit(s), sets forth the entire understanding of the parties. There are no other understandings, terms or other agreements expressed or implied, oral or written. This Agreement will bind and inure to the benefit of the parties to this Agreement and any subsequent successors and assigns.

32. RULES OF CONSTRUCTION. Each Party had the opportunity to independently review this Agreement with legal counsel. Accordingly, this Agreement will be construed simply, as a whole, and in accordance with its fair meaning; it will not be interpreted strictly for or against either Party.

33. SEVERABILITY. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion will be deemed modified to the extent necessary in the opinion of the court to render such portion enforceable and, as so modified, such portion and the balance of this Agreement will continue in full force and effect.

34. AUTHORITY/MODIFICATION. The Parties represent and warrant that all necessary action has been taken by the Parties to authorize the undersigned to execute this Agreement and to engage in the actions described herein. This Agreement may be modified by written amendment.

35. ACCEPTANCE OF ELECTRONIC SIGNATURES. The Parties agree that this Agreement, agreements ancillary to this Agreement, and related documents to be entered into in connection with this Agreement will be considered signed when the signature of a party is delivered by electronic (.pdf) or facsimile transmission. Such electronic or facsimile signature will be treated in all respects as having the same effect as an original signature.

**EXHIBIT C
PROFESSIONAL SERVICES AGREEMENT**

36. CAPTIONS. The captions of the paragraphs of this Agreement are for convenience of reference only and will not affect the interpretation of this Agreement.

37. TIME IS OF ESSENCE. Time is of the essence for each and every provision of this Agreement.

38. FORCE MAJEURE. Should performance of this Agreement be prevented due to fire, flood, explosion, acts of terrorism, war, embargo, government action, civil or military authority, the natural elements, or other similar causes beyond the Parties' reasonable control, then the Agreement will immediately terminate without obligation of either party to the other.

39. STATEMENT OF EXPERIENCE. By executing this Agreement, CONSULTANT represents that it has demonstrated trustworthiness and possesses the quality, fitness and capacity to perform the Agreement in a manner satisfactory to CITY. CONSULTANT represents that its financial resources, surety and insurance experience, service experience, completion ability, personnel, current workload, experience in dealing with private consultants, and experience in dealing with public agencies all suggest that CONSULTANT is capable of performing the proposed contract and has a demonstrated capacity to deal fairly and effectively with and to satisfy a public CITY.

[Signatures on next page]

**EXHIBIT C
PROFESSIONAL SERVICES AGREEMENT**

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first hereinabove written.

CITY OF EL SEGUNDO

CONSULTANT/COMPANY NAME

Scott Mitnick,
City Manager

Name
Title:

ATTEST:

Tracy Weaver,
City Clerk

Taxpayer ID No. _____

CA Entity #: XXXX

APPROVED AS TO FORM:

Mark D. Hensley,
City Attorney

TITLE:

Adopt Resolution regarding Recovery for Beverage Container Recycling City/County Payment Programs and associated grants

RECOMMENDATION:

Adopt Resolution authorizing the City Manager to (a) submit annual applications to the California Department of Resources Recycling and Recovery for Beverage Container Recycling City/County Payment Programs; (b) execute all grant documents; and (c) accept and spend any and all grant funds awarded to the City.

FISCAL IMPACT:

Amount Budgeted: \$5,000
Additional Appropriation: No
Account Number(s): 125-300-5102-3617

BACKGROUND:

The California Department of Resources Recycling (CalRecycle) has historically awarded El Segundo grant funds under its Beverage Container Recycling City/County Payment Program to assist the City in its efforts to educate the public about the benefits of properly recycling beverage containers. CalRecycle's grant funding formula is administered annually based on population. In FY 2019-20, the City was awarded approximately \$5,000 in program funds, which were used to purchase combination recycle/rubbish containers for the downtown area.

DISCUSSION:

All jurisdictions are required to adopt the attached Resolution in order to apply for and receive this grant funding. The Resolution, together with the application, must be submitted to CalRecycle no later than January 21, 2021. Staff wishes to continue promoting beverage container recycling services to El Segundo residents with these annual grant program funds.

Staff recommends that the City Council adopt the required Resolution.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion Economic Development and Fiscal Sustainability:

Objective B: El Segundo approaches its work in a financially strategic and responsible way.

ORIGINATED BY: Joseph Lillio, Chief Financial Officer

REVIEWED BY: Barbara Voss, Deputy City Manager

APPROVED BY: Scott Mitnick, City Manager

JL
BV

ATTACHED SUPPORTING DOCUMENTS:

Resolution

RESOLUTION NO. _____

RESOLUTION AUTHORIZING SUBMITTAL OF APPLICATION
FOR PAYMENT PROGRAMS AND RELATED AUTHORIZATIONS TO THE
DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY
(CALRECYCLE)

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

SECTION 1: The City Council finds and declares that:

- A. Pursuant to Public Resources Code §48000 *et seq.*, the Department of Resources Recycling and Recovery (CalRecycle) has established various payment programs to make payments to qualifying jurisdictions;
- B. In furtherance of this authority, CalRecycle is required to establish procedures governing the administration of the payment programs;
- C. CalRecycle's procedures for administering payment programs require, among other things, an applicant's governing body to declare by resolution certain authorizations related to the administration of the payment program;
- D. The City Council desires the City to be eligible for CalRecycle's various payment programs in order to continue promoting beverage container recycling services to El Segundo residents.

SECTION 2: Authorizations. The City Manager or his designee is authorized to (a) submit application(s) on the City's behalf to CalRecycle for any and all payment programs offered, both for this year and on an annual basis; (b) execute all documents necessary to implement and secure payment under CalRecycle's programs; and (c) accept and spend any and all grant funds awarded to the City for this year and on an annual basis.

SECTION 3: These authorizations will remain effective unless and until this Resolution is rescinded or superseded by a subsequent Resolution adopted by the City Council.

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 RESOLUTION No. _____ on this ____ day of _____,
2021.

Drew Boyles, Mayor

ATTEST:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney

CERTIFICATION

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

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. _____ was duly passed, approved and adopted by said City Council, approved and signed by the Mayor of said City, and attested to by the City Clerk of said City, all at a regular meeting of said Council held on the _____ day of _____, 2021, and the same was so passed and adopted by the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:
- NOT PARTICIPATING:

ATTEST:

Tracy Weaver, City Clerk

TITLE:

Contract with CrowdStrike for cybersecurity software and services

RECOMMENDATION:

Authorize the City Manager to execute a contract with CrowdStrike for \$57,000 for renewal of essential cybersecurity software and services.

FISCAL IMPACT:

The fiscal impact will be \$57,000 for cybersecurity software and services. The FY 2020-2021 General Fund has sufficient appropriations to cover the full amount.

Amount Budgeted: \$57,000

Additional Appropriation: No

Account Number(s): 001-400-2505-6217 (Software Maintenance)

BACKGROUND:

With the constant threat of cybersecurity attacks, it is now more important than ever to have top of the line approach to keep our systems safe. After thorough research, it was decided CrowdStrike was best equipped to provide coverage against the wide range of cyberthreats. As an industry leader, it uses and combines next-generation technology for effective protection. From January 2020, ITSD has been utilizing the various CrowdStrike security measures.

DISCUSSION:

Because of the sensitive nature of cybersecurity, we request to waive the formal bidding process. It is advisable to continue the established partnership with CrowdStrike which ensures continued protection and security. Staff recommends approval of a contract with CrowdStrike for the term length of February 2020 to February 2021.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 4: Develop Quality Infrastructure and Technology

Objective A: El Segundo's physical infrastructure supports an appealing, safe, and effective community.

Objective B: El Segundo's technology supports effective, efficient, and proactive municipal operations.

CrowdStrike Cybersecurity
January 19, 2021
Page 2 of 2

PREPARED BY: Charles Mallory, ITSD Director

REVIEWED BY: Mark D. Hensley, City Attorney

APPROVED BY: Scott Mitnick, City Manager

Barbara Voss, Deputy City Manager

TITLE:

Public Hearing to approve a proposed substantial change to the City's Community Development Block Grant (CDBG) Program for Fiscal Year 2020-21.

[This action is exempt from CEQA pursuant to CEQA Guidelines §15061(b)(3) which is the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment and CEQA does not apply where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.]

RECOMMENDATION:

1. Conduct a public hearing;
2. Take testimony and other evidence as presented;
3. Adopt Resolution No. _____ approving a proposed change to the City's CDBG FY 2020/2021 Program. The change temporarily cancels the implementation of CDBG Project 602062-19, Joslyn Center Americans with Disabilities Act (ADA) Compliant Restroom Facilities Improvement Project, and, alternatively re-appropriates funds totaling \$122,361 to a new FY 2020-2021 CDBG project entitled, "City Hall ADA Restroom Facilities Improvement Project"; and,
4. Authorize the City Manager to execute all contracts, in a form approved by the City Attorney, with the Los Angeles County Development Authority (LACDA).

FISCAL IMPACT:

Amount Budgeted: \$122,361
Additional Appropriation: No
Account Number(s): CDBG Fund 111-400-2781-8441

BACKGROUND:

Each year, Community Development Block Grant (CDBG) funds are allocated to cities by the Federal Housing and Urban Development Department (HUD) and administered through the Los Angeles County Development Authority (LACDA). LACDA administers the largest Urban County CDBG program in the nation. Participating cities receive federal funding based upon the total number of cities participating in the County's program, census population counts, estimates of poverty, overcrowding and aged housing stock. The City of El Segundo has participated in the Los Angeles Urban County CDBG Program since 1986.

On December 18, 2018, City Council approved the use of CDBG Program Year 2019-2020 funds totaling \$58,948 to implement the Joslyn Center Americans with Disabilities Act (ADA) Compliant Restroom Facilities Improvement Project. On November 19, 2019, City Council approved adding the City's CDBG Program Year 2020-2021 funds totaling \$55,447 to the Joslyn Center ADA Compliant Restroom Facilities Improvement Project, for a total budget of \$114,395. This project was designed to remove portions of the existing non-compliant, non-accessible men's and women's restrooms at the Joslyn Center and replace with ADA-complaint restroom facilities. Removal of architectural barriers in public facilities would improve accessibility for senior adults and severely disabled persons is an eligible project under federal CDBG guidelines.

The priorities with respect to implementation of ADA improvements change based on on-going circumstances. The City Hall Window Replacement Project is scheduled to be awarded for construction in March, 2021. Furthermore, the Development Services Lobby and Counter remodel project is under design at this time. The ADA restroom facilities project for the City Hall needs to be done at the same time these two projects are being implemented due to ADA requirement. Consequently, the funding for the ADA improvements need to be reallocated to accommodate the City Hall restroom facilities. The ADA improvements to Joslyn Center can be deferred to a later date.

DISCUSSION:

Costs associated with completing the Joslyn Center Americans with Disabilities Act (ADA) Compliant Restroom Facilities Improvement Project are projected to be approximately \$325,000 to \$350,000. The majority of the estimated project costs require that an accessible ADA-compliant path of travel is achieved through re-constructing ramps, sidewalks, and walking paths from nearby streets and parking lots and, obtaining the necessary building permits to perform the improvements. Furthermore, it is not uncommon for a similar project to approach \$500,000 due to potential plumbing issues and other potential unforeseen conditions.

In contrast, costs associated with the proposed City Hall ADA Restroom Facilities Improvement Project are estimated at \$115,000 to improve the two main lobby restrooms and the two restrooms next to the City Council Chambers. The project can be constructed using available CDBG funds without an additional appropriation from the General Fund. The current available amount of CDBG funds is \$122,361. This is slight increase from the original CDBG budget of \$114,395 due to prior year, unallocated CDBG funds carried forward. Using CDBG funds to implement the City Hall ADA Restroom Facilities Improvement Project is a more efficient use of the program funds, will provide needed improvements to City Hall, and will eliminate the need to appropriate General Funds.

Thus, it is recommended that the Joslyn Center ADA Compliant Restroom Facilities Improvement Project be temporarily canceled until such time as sufficient funding becomes available. Instead, it is recommended that the proposed City Hall ADA Restroom Facilities Improvement Project be implemented in the current fiscal year using

Public Hearing - CDBG Program

January 19, 2021

Page 3 of 3

existing CDBG funds totaling \$122,361. CDBG funds will be used for construction costs. The City Hall ADA Restroom Facilities is currently under design and the project will be brought to City Council for plan adoption in spring 2021. It is estimated that construction of the City Hall ADA Restroom Facilities Improvement Project will begin in summer 2021.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Develop Quality Infrastructure and Technology

Objective A: El Segundo's physical infrastructure supports an appealing, safe, and effective City.

PREPARED BY: Tina Gall, CDBG Consultant

REVIEWED BY: Lifan Xu, City Engineer *L.Xu*

Sam Lee, Director of Development Services

Elias Sassoon, Director of Public Works *EL*

APPROVED BY: Scott Mitnick, City Manager *BM (for SM)*

SUPPORTING DOCUMENTS:

Resolution 20-XXX

RESOLUTION NO. 20-XXX

A RESOLUTION OF THE EL SEGUNDO CITY COUNCIL APPROVING THE CANCELLATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECT NUMBER 602062-19, JOSLYN SENIOR CENTER AMERICANS WITH DISABILITIES ACT (ADA) COMPLIANT RESTROOM FACILITIES IMPROVEMENT PROJECT, AND, AUTHORIZE THE IMPLEMENTATION OF A NEW CDBG PROJECT ENTITLED, "CITY HALL AMERICANS WITH DISABILITIES ACT (ADA) COMPLIANT RESTROOM FACILITIES IMPROVEMENT PROJECT"

WHEREAS, on August 22, 1974, the President of the United States signed into law the Housing and Community Development Act of 1974 (Act); and

WHEREAS, the primary goals of Title 1 of the Act are the development of viable urban communities by providing decent housing and a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income; and

WHEREAS, the City receives an allocation of federal Community Development Block Grant funds as a participating city under the County of Los Angeles Community Development Block Grant (CDBG) Program to further the attainment of these goals; and

WHEREAS, on December 18, 2018, the El Segundo City Council approved the use of CDBG Program Year 2019-2020 funds totaling \$58,948 to implement the Joslyn Center Americans with Disabilities Act (ADA) Compliant Restroom Facilities Improvement Project; and

WHEREAS, on November 19, 2019, the El Segundo City Council further approved the City's CDBG Program Year 2020-2021 funds totaling \$55,447 to be added to the Joslyn Center Americans with Disabilities Act (ADA) Compliant Restroom Facilities Improvement Project, increasing the budget to \$114,395; and

WHEREAS, unallocated CDBG funds in the amount of \$7,966 were carried forward, thus increasing the total amount of CDBG funds available to \$122,361; and

WHEREAS, it is recommended that CDBG Project 602062-19, Joslyn Center Americans with Disabilities Act (ADA) Compliant Restroom Facilities Improvement Project, be cancelled, and alternatively fund a new FY 2020-2021 CDBG project entitled, City Hall ADA Restroom Facilities Improvement Project, and that CDBG funds in the amount of \$122,361 be re-appropriated to the new CDBG project; and

WHEREAS, the City Council has conducted a public hearing, with the required prior noticing to provide the public an opportunity to comment on the proposed cancellation of CDBG Project 602062-19, Joslyn Center Americans with Disabilities Act (ADA) Compliant Restroom Facilities Improvement Project, and the re-appropriation of that project's CDBG funds totaling \$122,361 into a new CDBG project entitled, City Hall ADA Restroom Facilities Improvement Project.

NOW, THEREFORE, THE CITY COUNCIL DOES HEREBY ORDER AND RESOLVE AS FOLLOWS:

SECTION 1. The City Council approves the cancellation of CDBG Project 602062-19, Joslyn Center Americans with Disabilities Act (ADA) Compliant Restroom Facilities Improvement Project, and instructs staff to submit the necessary documentation and a copy of this Resolution to the Los Angeles County Development Authority.

SECTION 2. The City Council approves the re-appropriation of CDBG funds estimated at \$122,361 into the new City Hall ADA Restroom Facilities Improvement Project.

SECTION 3. The City Council further authorizes the City Manager or designee to execute all necessary contracts and agreements with the Los Angeles County Development Authority, in order complete the proposed CDBG Program changes which may be reviewed as necessary by the City Attorney.

SECTION 4. The City Clerk shall certify to the adoption of this Resolution and thenceforth and thereafter the same shall be in full force and effect.

PASSED, APPROVED, and ADOPTED this 19th day of January, 2021.

Ayes:
Noes:
Absent:
Abstain:

Drew Boyles,
Mayor, City of El Segundo, California

ATTEST:

Tracy Weaver,
City Clerk

TITLE:

Update on City's effort to meet State affordable housing mandates, including Regional Housing Needs Assessment (RHNA) and the Housing Element.

RECOMMENDATION:

Receive and file.

FISCAL IMPACT:

The housing programs and activities described in this report are funded by the following sources:

1. \$160,000 in SB2 grant funding
2. \$65,000 in LEAP grant funding
3. General Plan maintenance fund
4. Affordable housing in-lieu fee fund

BACKGROUND:

City's Response to the California Housing Crisis

In the last decade, a housing crisis emerged in California that consists of two supply and demand components: a shortage of housing and a lack of affordability. Due to the housing crisis, and in response to the State's mandates to provide more affordable housing, the City Council in past months has directed staff to pursue several avenues that will lead to meeting State affordable housing mandates. This report is an update on the City's efforts and is organized in the following sections:

- A. An update on the City's 2013-2021 Housing Element and its associated Regional Housing Needs Assessment (RHNA).
- B. RHNA expectations for the 2021-2029 housing cycle.
- C. Status of City Council authorized activities and programs for providing affordable housing, including preparation of the 2021-2029 Housing Element to the General Plan.
- D. Summary of anticipated housing related actions for 2021.

For a regional understanding of the housing crisis, the Southern California Association of Governments (SCAG) has published a report that describes the extent, causes and potential solutions to the housing crisis. The full SCAG report can be found at the following link: <https://scaq.ca.gov/sites/main/files/file-attachments/housingplanningguide2016.pdf>.

DISCUSSION:

A. 2013-2021 RHNA Numbers and Housing Element Status

Projected housing needs for cities and counties in our region are prepared by SCAG under a process known as the Regional Housing Needs Assessment (RHNA). RHNA allocates regional housing needs by income level among member jurisdictions. The City's adopted 2013-2021 Housing Element identified a SCAG allocated need for 69 housing units. This allocation is broken down into four income level categories, which are expressed as a percentage of the county median income. The four categories and the allocated numbers are listed below:

Very-low income units (50 percent of median or less)	18
Low income units (50 to 80 percent)	11
Moderate income units (80 to 120 percent)	12
Above-moderate income units (120 percent and above)	28
<u>Total units</u>	<u>69</u>

As of January 1, 2021, the City has permitted 164 housing units during the current housing cycle in the above moderate income (market) level. But no units have been permitted at the lower income levels. Therefore, the City has not made progress toward meeting its 2013-2021 RHNA allocation for the lower income levels.

B. 2021-2029 RHNA Numbers

On September 4, 2020, SCAG notified the City of the draft RHNA allocation for El Segundo. The allocation for El Segundo consists of:

Very-low income units:	189
Low income units:	88
Moderate income units:	83
<u>Above-moderate income units:</u>	<u>131</u>
Total units:	491

The Final RHNA Allocations are anticipated to be issued in February 2021.

C. Status of City Council authorized activities and programs

Establishment of a Housing Division

In September 2020, concurrently with adoption of the 2020/2021 budget, the City Council established a Housing Division within the Development Services Department. The new Housing Division's responsibilities include the following overarching goals:

1. Preserve and protect the existing affordable housing stock;
2. Provide sufficient new, affordable housing opportunities in the City to meet the needs of groups with special requirements, including the needs of lower and moderate-income households;
3. Provide opportunities for new housing construction in a variety of locations and densities to achieve a diversity of housing;
4. Remove governmental constraints on housing development, as necessary; and
5. Promote equal housing opportunities including ownership and rental housing.

Establishing the City's Housing Program:

The new Housing Division is proceeding with development of the programs that the City Council has authorized. These programs are:

1. Preparation of the 2021-2029 Housing Element

As required by State law, the City is developing the next Housing Element. Chosen from a list of candidates that submitted proposals, the City entered into an agreement with Veronica Tam & Associates, Inc. to prepare the next Housing Element to the General Plan. The City's consultant is now in the first phase of its work which includes evaluating the City's progress in implementing the 2013-2021 Housing Element.

The City's next Housing Element must contain an inventory of sites zoned to accommodate enough residential development under each of the RHNA income level categories. In addition, it must contain programs, policies, and actions that will facilitate enough residential development to meet the need under each of the RHNA income level categories.

Next steps: Following a public workshop in March/April, the draft Housing Element will be presented to the Planning Commission in May or June 2021. The draft Housing Element will be submitted to HCD (California Department of Housing and Community Development) for review in July/August 2021, followed by City Council public hearings for adoption in October 2021. Certification of the adopted Housing Element will follow by the end of 2021.

2. Selection of an Affordable Housing Services Provider

By way of background, in February 2019, the 540 Imperial Avenue project was developing into a major issue as alternatives to six required affordable units were being proposed by the developer. As a result, in lieu of providing the six affordable residences, the 540 Imperial Avenue project provided the City with \$5.3 million to provide affordable housing elsewhere from this project. This money can be utilized as seed money to receive other affordable housing monies that can create a realistic housing program. As a result of receiving this money, in March 2020, the City Council authorized staff to prepare a Request for Qualifications (RFQ) seeking qualified affordable housing developers to provide housing development and administrative services to the City. The selected respondent will assist the City in fulfilling their affordable housing needs as defined in the State of California's Regional Housing Needs Assessment (RHNA) goals.

As a result of the RFQ, staff received 13 responses, followed by interviews with a short list of respondents. Tentatively scheduled for the February 2, 2021 City Council meeting, the Council will be provided with a finalist recommendation for the Council's consideration and direction.

Next steps: If the City Council accepts staff's recommendation, the City and the respondent will enter into an Exclusive Negotiating Agreement (ENA). If the negotiations are successful, staff will bring forward to the City Council a development and administrative services agreement for consideration and action. The ultimate goal is for the selected company/team to work closely with the City to assist in the following:

- a. Developing a strategic plan for producing affordable housing units to assist the City in fulfilling future Regional Housing Needs Assessment (RHNA) goals;
- b. Identifying properties with the potential for affordable housing development, and existing rental projects that may be suitable for acquisition, rehabilitation and conversion to deed-restricted affordable housing projects; and
- c. Assisting in the ongoing monitoring and administration of affordable housing units that are produced in El Segundo.

3. SB 2 Planning Grant

On July 10, 2019, the City submitted an application to the Department of Housing and Community Development (HCD) for funding under the SB2 Planning Grants Program. The application was approved and the City was awarded \$160,000 on April 10, 2020. The awarded funds will be used to compensate a planning consulting firm to complete the following Housing Element related projects:

- a. *Zoning Regulations Analysis.* This effort will review and analyze development standards in the Zoning Code, applicable specific plans, and other City requirements to determine whether and to what extent they impede residential

development in the City's existing residential zones. The analysis will also propose changes to development standards and other options that will result in optimizing development density in the City's existing zoning districts.

- b. *Comprehensive RHNA Sites Inventory Analysis/RHNA Action Strategy*. This effort will involve an in-depth analysis of the residential areas of the City to determine the development capacity on a parcel by parcel basis and identify residential areas that would be appropriate for increased densities. The resulting report and list of sites will become the basis for the new Housing Element that will be prepared in 2021.

The following three ordinances are included in the City's 2013-2021 Housing Element and their adoption this year will directly implement a Housing Element requirement.

- c. *Density Bonus ordinance*. This ordinance will produce City regulations consistent with State Law that incentivizes the provision of affordable housing in development projects in return for additional density and other development standard exceptions.
- d. *Single Room Occupancy (SRO) housing ordinance*. This ordinance will produce City regulations consistent with current State Law that will provide locations and development standards for SRO housing. This type of housing is typically restricted to occupancy by no more than two persons and may include a kitchen and/or a bathroom. It is considered an option for providing affordable housing opportunities.
- e. *Transitional and Supportive Housing ordinance*. This type of housing typically serves as a short-term stay (up to two years) when an individual or household is waiting to secure permanent housing. This ordinance will produce City regulations consistent with State Law that will provide locations and development standards for Transitional and Supportive housing.

On November 17, 2020, the City Council awarded a contract to CSG Consultants, Inc. to prepare the above ordinances and studies. CSG has initiated work on the SB2 Grant projects, with the RHNA Sites Inventory Analysis given a higher priority.

Next steps: Staff anticipates scheduling a workshop before the Planning Commission and City Council in late March or April 2021 to present CSG's work. Other community outreach efforts will follow later in the year along with Planning Commission and City Council public hearings for the adoption of the three ordinances in late Summer and Fall 2021.

4. LEAP Grant

On June 23, 2020, the City applied for a grant under HCD's Local Early Action Planning (LEAP) Grants program. Subsequently, HCD approved the grant application and awarded \$65,000 in grant funding. The grant funds will be utilized to pay for consultant services to conduct research, public outreach and prepare an Inclusionary Housing ordinance for City Council consideration. Inclusionary housing ordinances typically require developers to set aside a certain percentage of residential units in their projects for lower income residents.

On December 8, 2020, the City released an RFP for consulting firms to assist the City with preparation of an Inclusionary Housing ordinance. The deadline to submit responses to the RFP was January 11, 2021.

Next steps: After review of the RFP responses, staff will present an item to the City Council in February with a recommended consulting firm for the Council's consideration and direction. A public workshop and other stakeholder outreach activities will occur in the Spring and Summer 2021, followed by Planning Commission and City Council public hearings for the adoption in Fall 2021.

5. Downtown Specific Plan update RFP

The current Downtown Specific Plan was adopted on December 1, 2000. It is a mixed-use plan that permits residential uses at a density of 12.5 units per acre. The Downtown is an area where there is potential to add more housing by increasing the permitted density. In addition to improving the Downtown area overall, increasing housing density could contribute significantly toward meeting the RHNA numbers in the City's next Housing Element.

On October 14, 2020, the City released an RFP for a consulting firm to assist the City in updating the Downtown Specific Plan (DSP) and preparing a related Environmental Impact Report (EIR). The deadline to submit responses to the RFP was on December 1, 2020 and the City received 12 responses. Staff is currently evaluating the responses of candidate firms.

Next steps: After developing a short list, staff will schedule interviews in February 2021. Following the interview process, staff will present an item to City Council in March 2021 with a recommended consulting firm for the Council's consideration and direction. It is anticipated that an updated Downtown Specific Plan will be brought to the City Council for adoption in August 2022.

6. Civic Center Redevelopment RFQ

On October 16, 2020, the City released an RFQ for development companies to assist the City with investigating the feasibility and planning for the redevelopment of the 3.8-acre Civic Center site. Redevelopment of the Civic Center may include

consolidation and/or relocation of some City facilities, as well as reserving portions of the site for potential commercial and residential development. This effort will be undertaken in coordination with the Downtown Specific Plan update and has the potential to assist the City in meeting its RHNA numbers while helping revitalize the downtown area.

The deadline to submit responses to the Civic Center RFQ was December 18, 2020 and the City received 10 responses. Staff is currently reviewing the RFQ responses to develop a short list of qualified candidate firms.

Next steps: Following the RFQ response review, staff will invite qualified candidates to submit a package illustrating the developer's approach for the site for evaluation. This process is anticipated to occur January-June 2021. Next, the City may invite potential developers to meet with staff, representatives and consultants to discuss the proposed approaches in June and July 2021. Staff anticipates presenting one of more candidates for City Council consideration and direction in August 2021. The preferred developer will then commence the project design process including public workshops in September 2021. It is anticipated that a project will be brought to City Council for approval in August 2022.

D. Summary of Anticipated City Actions for 2021:

Based on the discussions above, a summary of the City Council's housing program reviews and actions for 2021 are anticipated to occur approximately:

1. 2021-2029 Housing Element Preparation

- Public Workshop April 2021
- Draft Housing Element June 2021
- HCD Review July/August 2021
- *City Council:* Housing Element Adoption October 2021
- HCD Certification December 2021

2. Affordable Housing Services Provider Selection

- City Council: Exclusive Negotiation Agreement February 2021
- *City Council:* Development and Administrative Services Agreement Fall 2021

3. SB 2 Planning Grant

- RHNA Sites Inventory Analysis Completion March 2021
- Public Workshop March/April 2021
- Zoning Regulations Analysis Completion June 2021
- *City Council:* Housing Ordinances Adoption Fall 2021

4. LEAP Grant

- Consultant Award February 2021
- Public Workshop March-June 2021
- Inclusionary Housing Ordinance Draft July 2021
- *City Council*: Inclusionary Ordinance Adoption October 2021

5. Downtown Specific Plan update RFP

- Consultant Interviews February 2021
- *City Council*: Consultant Award March 2021
- Project Kick-off April 2021
- Public Workshop Summer 2021
- *City Council*: Adoption August 2022

6. Civic Center Redevelopment RFQ

- Qualified Candidates Short list January 2021
- Qualified Candidates Development Package Review January-June 2021
- Interviews June-July 2021
- *City Council*: Exclusive Negotiation Agreement August 2021
- *City Council*: Redevelopment Project Approval August 2022

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Champion Economic Development and Fiscal Sustainability

Objective A: El Segundo promotes economic growth and vitality for businesses and the community.

- Activity 3. Conduct a study of repurposing City Hall.
- Activity 5. Identify areas within the community that are appropriate for housing.
- Activity 10. “Re-imagine” the downtown, which includes developing a vision, beautification, promoting the downtown and creating a funding source for marketing it.

Objective B: El Segundo approaches its work in a financially strategic and responsible way.

- Activity 7. Enhance existing revenues and look for new revenue sources (grants, economic development, tax measures).

PREPARED BY: Paul Samaras, Principal Planner

REVIEWED BY: Sam Lee, Director of Development Services 

APPROVED BY: Barbara Voss, Deputy City Manager 

ATTACHED SUPPORTING DOCUMENTS: N/A

TITLE:

Adopt Resolution providing for the issuance and sale of taxable pension obligation bonds and authorizing the execution of a trust agreement, a validation action and other related matters; and authorize the City Manager and Chief Financial Officer to take all administrative and budgetary actions necessary to perform the bond issuance.

RECOMMENDATION:

1. Adopt Resolution providing for the issuance and sale of taxable pension obligation bonds to refund all or a portion of the City's California Public Employees' Retirement System ("CalPERS") Unfunded Accrued Liability ("UAL"); and authorizing the execution of a trust agreement and judicial validation proceedings related to the issuance of the pension obligation bonds; and,
2. Authorize the City Manager and the Chief Financial Officer to take all administrative and budgetary actions necessary to perform the bond issuance, including the negotiation and execution of agreements with Orrick, Herrington & Sutcliffe, LLP for judicial validation proceedings and bond counsel; Stradling Yocca Carlson & Rauth for disclosure counsel services; KNN Public Finance to act as municipal advisor; J.P. Morgan Securities LLC and Stifel, Nicolaus & Company, Inc to mutually act as underwriters; and US Bank National Association to act as trustee.

FISCAL IMPACT:

The issuance of pension obligation bonds for the refinancing of certain pension obligations of the City of El Segundo will reduce the annual costs related to the UAL the City currently is obligated to pay CalPERS. As of June 30, 2019, the most current actuarial valuation available from CalPERS, which was released in August 2020, the City's UAL for all citywide employees and retirees is approximately \$151.3 million (\$92,241 is related to Police 2nd Tier and PEPRAs plans for Police and Fire that will not be included in the bond issuance). Approximately 77% of the UAL is related to public safety (sworn police and fire) employees, and 23% is related to non-safety employees.

The issuance of pension obligation bonds will allow the City to prepay up to 100% of the projected UAL, based on the most recent valuation report released by CalPERS in August 2020. With lower interest rates paid on the bonds as compared to the current 7% interest rate charged by CalPERS, and an estimated 19-year bond repayment schedule (presuming call provisions are not exercised), the City could potentially achieve budgetary savings of up to \$85 million (present value of \$61.7 million) over the life of the bond financing. By issuing pension obligation bonds, the City will be contractually obligated to make annual debt service payments to the bondholders. One option would be to structure the annual debt service payments to be level dollar amount payments over the course of

the life of the bonds to achieve immediate budgetary savings and predictable payments relative to the expected increasing annual UAL payments. It potentially reduces the UAL payment by \$1.1 million for fiscal year 2021-22 to a maximum reduction of \$7.2 million in FY 2037-38. The average annual budgetary savings over the life of the bond is \$4.5 million (PV of \$3.25 million). Of note, all of these estimated cost savings are based at a point in time and subject to market conditions at the time of our actual bond issuance.

BACKGROUND:

Over the last several years, CalPERS has made significant changes to the assumptions used in the calculations of local agencies' pension liabilities. These changes have resulted in (1) an increased overall unfunded pension liability as the discount rate has been reduced from 7.5% to 7.0%, and (2) sharp increases in annual payments due to CalPERS in earlier years followed by declining payments in later years due to the method of amortizing the UAL payments.

The City has three CalPERS plans that will be included in the proposed POB issuance – Safety Police First Tier Plan, Safety Fire Plan, and a Miscellaneous Employee's plan. Each plan's UAL is comprised of multiple "amortization bases," which are positive and negative amounts generated each year based on the performance of the CalPERS Investment Fund and changes in the actuarial assumptions. Each amortization base has a separate payment schedule over a fixed period of years. Because of the CalPERS methodology, some of the payments continue to increase each year while others will drop off. This creates a significant increase in UAL payments over the next 18 years from \$10.7 million paid in 2020 to \$17.6 million in 2038 and decreases in UAL payments in the final three years.

The difficulty for the City, as well as many other local agencies, is the ability to pay these large payments to CalPERS over the next 20 years, while still trying to maintain a structurally balanced budget and provide first class services to the public. Because of the economic impacts of revenue shortfalls due to the COVID-19 pandemic, the City is focused on attempting to minimize the annual increases in the payments to CalPERS in hopes that future structurally balanced budgets can be maintained resulting in maintaining the service levels offered to the residents and businesses of El Segundo.

DISCUSSION:

At its July 22, 2020 Strategic Planning Study Session, City Council appointed Mayor Pro Team Chris Pimentel and Councilmember Scot Nicol to serve on the Ad Hoc Pension Committee to review the City's pension obligations, including conducting a review of the City's ability to exit CalPERS pension system and use of alternative retirement options. Since that time, the Committee has met four times on September 21, October 14, November 16, and November 23. Other attendees in these meetings included City Treasurer Matthew Robinson, City Manager Scott Mitnick, Chief Financial Officer Joseph Lillio, and KNN Public Finance Municipal Advisor Mark Young.

On December 1, 2020, a presentation was presented to City Council by City staff and KNN Public Finance (City's municipal advisor) which discussed options for addressing the City's growing UAL payments to ensure future structurally balanced budgets. Both City Council and the Ad Hoc Pension Committee unanimously provided staff with direction to begin the process to refinance the City's current UAL through a Pension Obligation Bond issuance.

Through the issuance of pension obligation bonds to prepay the existing UAL, the City has better control over the level of payments required to pay debt service on the bonds. These payments are anticipated to be level each year, so that the City can better plan its pension expense for budgeting purposes.

The first step in the bond issuance process is a judicial validation by the court. The only issue that the courts will consider is the legal ability of the City to issue pension obligation bonds, and whether the sale of the bonds meets the State of California constitutional requirements. Any potential financial impacts are not part of the court's analysis.

At the conclusion of the validation process, the court will more than likely enter a judgment in favor of the City that the obligation of the City (the liability owed to CalPERS), legally represents an "obligation imposed by law". Numerous prior court cases have determined that pension liabilities are obligations imposed by law, and therefore are exempt from the debt limitation requirements set forth in Article XVI, Section 18, of the California Constitution. Many other cities have followed this same process for the issuance of pension obligation bonds.

The resolution being presented to the City Council authorizes staff and bond counsel to submit the necessary documents to the Los Angeles County Superior Court to start the judicial validation process as well as approve the following:

1. The issuance of bonds in an amount not-to-exceed:
 - a. The aggregate principal amount of the Initial Series of Bonds shall not exceed the City's unfunded accrued actuarial liability under the PERS Contract pursuant to the Retirement Law as of the date of issuance of the Initial Series of Bonds (\$151.3 million as of August, 2020, as set forth in the annual actuary report issued by CalPERS), as determined by PERS, plus the underwriter's discount on the Initial Series of Bonds, plus any original issue discount on the Initial Series of Bonds, plus the costs of issuance of the Initial Series of Bonds;
 - b. The true interest cost to the City on the Initial Series of Bonds shall not exceed 4.00%; and
 - c. The Initial Series of Bonds shall mature not later July 1, 2040 (one year less than the current PERS final amortization of the City's unfunded accrued actuarial liability as set forth in the Actuarial Reports); and,

2. A draft form of the Trust Agreement for the bonds. The total bond issuance is currently estimated to be \$152.3 million, based on the most current information available from PERS and the City's financing team. The Trust Agreement identifies the duties and responsibilities of the trustee, establishes the terms and conditions for the bond issuance, as well as the security for the payment of the principal and interest on the bonds.

Upon City Council approval of this resolution, two concurrent processes will begin. The first is the validation process referred to above, which is expected to take at least 90 days. At the same time, staff and consultants will prepare other required financing documents and submit the financing to credit agencies for a credit rating on the bonds.

The final actions to be taken by the City Council will be presented in May 2021, near the conclusion of the validation proceedings. Specifically, the actions include approval of substantially final forms of the Preliminary Official Statement and Bond Purchase Agreement, as well as the underwriting discount. The estimated savings from issuing the bonds will be updated at that time based on changes in market conditions and an updated actual bond size, if all three of the City's CalPERS plans' UAL are 100% paid. A preliminary financial analysis of the cost-effectiveness of prepaying all of the City's CalPERS plans' UAL is estimated at \$61.7 million (present value). The action recommended at this meeting is to validate the maximum amount that could be required to pay all plans in full.

Staff respectfully recommends the approval of Resolution authorizing the issuance and sale of taxable pension obligation bonds to refund certain pension obligations of the City, approve the form and authorizing the execution of a trust agreement, authorizing judicial validation proceedings relating to the issuance of such bonds and authorize actions related thereto.

NEXT STEPS:

If City Council approves the Resolution and Trust Agreement:



1. City Council approval of POB Resolution and Bond Indenture -- January 19, 2021
 - File validation complaint – Judicial validation process begins (week of January 25)
 - Obtain order for publication of summons (week of February 1)
 - First publication of summons in the newspaper of general circulation (week of February 8)
 - Second publication of summons in the newspaper of general circulation (week of February 15)
 - Third publication of summons in the newspaper of general circulation (week of

February 22)

- Submit final documentation and request judgment (week of March 29)
 - Receipt of validation judgment (week of April 5)
2. Complete First Draft of POB Preliminary Official Statement (POS) – mid-February 2021
 3. Complete Second Draft of POS – mid-March 2021
 4. Complete Third Draft of POS – early April 2021
 5. Credit rating review with credit rating agency – late-April
 6. Receive credit rating – early May 2021
 7. City Council approval of POS and Bond Purchase Agreement – early May 2021
 8. Pricing of POBS – early June 2021
 9. Financing close – mid-June 2021
 10. Other transactional steps as needed
 11. City’s new fiscal year begins July 1, 2021

CITY STRATEGIC PLAN COMPLIANCE:

Goal:	5	Champion Economic Development and Fiscal Sustainability:
Objective:	B	El Segundo approaches its work in a financially strategic and responsible way

PREPARED BY: Joseph Lillio, Chief Financial Officer 
REVIEWED BY: Barbara Voss, Deputy City Manager 
APPROVED BY: Scott Mitnick, City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Resolution
2. Trust Agreement
3. Proposed Taxable POB Amortization Schedule

RESOLUTION NO. _____

**RESOLUTION OF THE CITY OF EL SEGUNDO, CALIFORNIA PROVIDING
FOR THE ISSUANCE OF ONE OR MORE SERIES OF CITY OF EL SEGUNDO
TAXABLE PENSION OBLIGATION BONDS AND AUTHORIZING
A TRUST AGREEMENT, A VALIDATION ACTION AND
OTHER MATTERS RELATING THERETO**

SECTION 1: Pursuant to Sections 20000 *et seq.* of the California Government Code (the "Retirement Law"), the City of El Segundo (the "City") has established three pension plans, a Miscellaneous Plan, a Safety Police First Tier Plan, and a Safety Fire Plan, with the California Public Employees' Retirement System ("CalPERS"); and

SECTION 2: The Retirement Law obligates the City (a) to make annual payments to CalPERS to fund pension benefits for City employees who are CalPERS members, and (b) to make annual payments to CalPERS to amortize the unfunded accrued actuarial liability with respect to such pension benefits over a period not exceeding 30 years; and

SECTION 3: The obligation of the City to make such payments is evidenced by a contract between the City and CalPERS (collectively, as heretofore and hereafter amended, the "CalPERS Contract"); and

SECTION 4: As of June 30, 2019, based upon the actuarial reports of pension liability as calculated by CalPERS with respect to the Miscellaneous Plan, the Safety Police First Tier Plan, and the Safety Fire Plan of the City (together, the "Actuarial Reports"), the City had an obligation in the amount of \$151,299,753 (consisting of \$34,576,384 for the Miscellaneous Plan, \$61,384,985 for the Police First Tier Plan, and \$55,338,384 for the Safety Fire Plan) pursuant to the Retirement Law as an unfunded accrued actuarial liability, based on the market value of assets; and

SECTION 5: In order to refund a portion of the CalPERS Contract by paying all or portion of such unfunded accrued actuarial liability, the City desires to issue taxable pension obligation bonds to be designated the "City of El Segundo Taxable Pension Obligation Bonds," with such series and other designations as may be approved as herein provided, in one or more series (collectively, the "Initial Series of Bonds"), in an aggregate principal amount not to exceed the sum of (a) the City's unfunded accrued actuarial liability under the CalPERS Contract pursuant to the Retirement Law as of the date of issuance of the Initial Series of Bonds (\$151,299,753 as of June 30, 2019, as set forth in the Actuarial Reports), (b) the costs of issuance of the Initial Series of Bonds (including underwriters' discount), and (c) any original issue discount on the Initial Series of Bonds; and

SECTION 6: The City desires to authorize the issuance of additional bonds (the "Additional Bonds"), in one or more series and on one or more sales dates, payable on a parity with the Initial Series of Bonds (the Initial Series of Bonds and any such Additional Bonds being collectively referred to herein as the "Bonds"), for the purpose of refunding additional obligations under the CalPERS Contract (as of the date of issuance of such Additional Bonds) to pay to CalPERS, to the extent consistent with the City's then existing local debt policy, the City's annual contribution to CalPERS to fund pension benefits for its members and their beneficiaries and the City's unfunded accrued actuarial liability pursuant to the Retirement Law; and

SECTION 7: In order to provide for the authentication and delivery of the Initial Series of Bonds and to establish and declare the terms and conditions upon which the Initial Series of Bonds and Additional Bonds are to be issued and secured, the City proposes to enter into a Trust Agreement with U.S. Bank National Association, as trustee (such Trust Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Trust Agreement"); and

SECTION 8: There has been prepared and submitted to this meeting a form of the Trust Agreement; and

SECTION 9: On November 3, 2020, the City adopted a Debt Management and Disclosure Policy (the "Debt Management Policy") that complies with Government Code Section 8855(i), and the City's issuance of the Initial Series of Bonds as contemplated by this Resolution is in compliance with the Debt Management Policy; and

SECTION 10: California Government Code Section 5852.1 requires that the City Council obtain from an underwriter, financial advisor or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

SECTION 11: In compliance with Government Code Section 5852.1, the City Council has obtained from KNN Public Finance, A Limited Liability Company, as Municipal Advisor to the City, the required good faith estimates with respect to the Initial Series of Bonds and such estimates are disclosed and set forth on Exhibit A attached hereto;

Now, therefore, be it resolved by the City Council of the City of El Segundo, as follows:

SECTION 12: All of the recitals herein contained are true and correct and the City Council of the City (the "City Council") so finds.

SECTION 13: The City Council hereby finds and declares that the issuance of the Initial Series of Bonds and the Additional Bonds and the other actions contemplated hereby are in the best interests of the City and are expected, based on investment and other assumptions, to result in significant savings to the taxpayers of the City.

SECTION 14: The issuance of the Initial Series of Bonds, on the terms and conditions set forth in, and subject to the limitations specified in, the Trust Agreement, is hereby authorized and approved. The Initial Series of Bonds, in substantially the form set forth in the Trust Agreement submitted to this meeting and made a part hereof as though set forth herein, be and the same are hereby approved. The Initial Series of Bonds may be issued as fixed rate, current interest bonds, may have applicable call features, authorized denominations, payment dates and other variable items related thereto, and may have series and other designations as appropriate; provided, however, that (a) the aggregate principal amount of the Initial Series of Bonds shall not exceed the City's unfunded accrued actuarial liability under the CalPERS Contract pursuant to the Retirement Law as of the date of issuance of the Initial Series of Bonds (\$151,299,753 as of June 30, 2019, as set forth in the Actuarial Reports), as determined by CalPERS, plus the

underwriters' discount on the Initial Series of Bonds, plus any original issue discount on the Initial Series of Bonds, plus the costs of issuance of the Initial Series of Bonds, (b) the true interest cost to the City on the Initial Series of Bonds shall not exceed 4.00%, and (c) the Initial Series of Bonds shall mature not later July 1, 2040 (which date is prior to the current CalPERS final amortization of the City's unfunded accrued actuarial liability as set forth in the Actuarial Reports). The Mayor, the City Manager, the Deputy City Manager, the Director of Finance and the City Treasurer, and such other officers of the City as the City Manager may designate in writing (collectively, the "Authorized Officers") are, and each of them is, hereby authorized and directed, for and in the name of the City, to execute and deliver the Initial Series of Bonds in the form attached to the Trust Agreement, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Initial Series of Bonds by such Authorized Officer. The Initial Series of Bonds shall constitute an obligation imposed by law, pursuant to the Constitution of the State of California and the Retirement Law, and an obligation of the City not limited as to payment from any special source of funds; provided, however, that the Initial Series of Bonds shall not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged or will levy or pledge any form of taxation.

SECTION 15: The Trust Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the City, to execute and deliver the Trust Agreement, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Trust Agreement by such Authorized Officer; provided, however, that any such changes, insertions and omissions shall be consistent with the authority, and limitations thereon, granted to the Authorized Officers in Section 14 hereof.

SECTION 16: The issuance of the Additional Bonds, on the terms and conditions set forth in, and subject to the limitations specified in, the Trust Agreement, is hereby authorized and approved. The Additional Bonds, in substantially the form of the Initial Series of Bonds set forth in the Trust Agreement submitted to this meeting and made a part hereof as though set forth herein, be and the same are hereby approved. The Additional Bonds may be issued in one or more series and on one or more sales dates, and may be issued as fixed rate, current interest bonds, may have applicable call features, authorized denominations, payment dates and other variable items related thereto, and may have series and other designations as appropriate; provided, however, that (a) the aggregate principal amount of each issuance of Additional Bonds shall not exceed, to the extent consistent with the City's then existing local debt policy, the sum of the unpaid amount of the City's obligation to make an annual contribution to CalPERS to fund pension benefits for its members and their beneficiaries in the fiscal year such Additional Bonds are issued plus the estimated unfunded accrued actuarial liability of the City to CalPERS pursuant to the Retirement Law as of the date of issuance of such Additional Bonds, as determined by CalPERS, plus the underwriters' discount on such issue of Additional Bonds, plus any original issue discount on such issue of Additional Bonds, plus the costs of issuance of such series of Additional Bonds, (b) the true interest cost to the City on such series of Additional Bonds shall not exceed the true interest cost of the interest rate established by CalPERS on the unfunded accrued actuarial liability of the City, and (c) the Additional Bonds of each series shall mature not later than 30 years from the date of issuance thereof. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the City, to execute and deliver the Additional Bonds in substantially the form of the Initial Series of Bonds set forth in the Trust Agreement, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the

Additional Bonds by such Authorized Officer. The Additional Bonds shall constitute an obligation imposed by law, pursuant to the Constitution of the State of California and the Retirement Law, and an obligation of the City not limited as to payment from any special source of funds; provided, however, that the Additional Bonds shall not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged or will levy or pledge any form of taxation.

SECTION 17: The Authorized Officers are, and each of them is, authorized and directed, for and in the name of the City, to do any and all things, including bringing a validation action under Section 860 of the California Code of Civil Procedure, and to execute and deliver any and all documents which they or any of them deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

SECTION 18: With the passage of this Resolution, the City Council hereby certifies that the Debt Management Policy complies with Government Code Section 8855(i) and that the Initial Series of Bonds authorized to be issued pursuant to this Resolution is consistent with such policy, and instructs Orrick, Herrington & Sutcliffe LLP, as Bond Counsel, on behalf of the City, with respect to the Initial Series of Bonds to be issued pursuant to this Resolution and the Trust Agreement, (a) to cause notices of the proposed sale and final sale of the Initial Series of Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Government Code Section 8855, and (b) to check, on behalf of the City, the "Yes" box relating to such certifications in the notice of proposed sale filed pursuant to Government Code Section 8855.

SECTION 19: The Authorized Officers are, and each of them is, authorized to apply for a Municipal Bond Insurance Policy for the Initial Series of Bonds and for any Additional Bonds and to obtain such insurance if the present value cost of such insurance is less than the present value, respectively, of the estimated interest savings with respect to the Initial Series of Bonds and such Additional Bonds.

SECTION 20: The appointment of KNN Public Finance, A Limited Liability Company, as Municipal Advisor to the City for the Initial Series of Bonds, Orrick, Herrington & Sutcliffe LLP, as Bond Counsel to the City for the Initial Series of Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel to the City for the Initial Series of Bonds, J.P. Morgan Securities LLC and Stifel, Nicolaus & Company, Incorporated, as Underwriters for the Initial Series of Bonds, and U.S. Bank National Association, as Trustee under the Trust Agreement, is hereby approved.

SECTION 21: All actions heretofore taken by the officers, employees and agents of the City with respect to the financings set forth above are hereby approved, confirmed and ratified.

SECTION 22: The City Council hereby approves the execution and delivery of any and all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the Government Code using DocuSign.

SECTION 23: The City Clerk is directed to certify the adoption of this Resolution; record this Resolution in the book of the City's original resolutions, and make a minute of this adoption of the Resolution in the City Council's records and minutes of this meeting.

SECTION 24: This Resolution will become effective immediately upon adoption.

PASSED AND ADOPTED RESOLUTION No. _____ on this ___ day of _____,
2021.

Drew Boyles, Mayor

ATTEST:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney

CERTIFICATION

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

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. _____ was duly passed, approved and adopted by said City Council, approved and signed by the Mayor of said City, and attested to by the City Clerk of said City, all at a regular meeting of said Council held on the _____ day of _____, 2021, and the same was so passed and adopted by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
NOT PARTICIPATING::

ATTEST:

Tracy Weaver, City Clerk

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Initial Series of Bonds in compliance with Section 5852.1 of the California Government Code. Such good faith estimates have been provided to the City by KNN Public Finance, A Limited Liability Company, the City's financial advisor and municipal advisor under Section 15B of the Securities Exchange Act of 1934 (the "Municipal Advisor").

Principal Amount. The Municipal Advisor has informed the City that, based on the City's financing plan and based on market conditions prevailing at the time of preparation of such estimate, its good faith estimate of the aggregate principal amount of the Initial Series of Bonds to be sold in a public offering is \$152,280,000 (the "Estimated Principal Amount").

True Interest Cost of the Initial Series of Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Initial Series of Bonds is sold, and based on market conditions prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Initial Series of Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Initial Series of Bonds, is 2.73%.

Finance Charge of the Initial Series of Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Initial Series of Bonds is sold, and based on market conditions prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Initial Series of Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Initial Series of Bonds), is \$616,752.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Initial Series of Bonds is sold, and based on market conditions prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the Initial Series of Bonds, less the finance charge of the Initial Series of Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Initial Series of Bonds, is \$151,663,248.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Initial Series of Bonds is sold, and based on market conditions prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Initial Series of Bonds, plus the estimated finance charge for the Initial Series of Bonds, as described above, not paid with the proceeds of the Initial Series of Bonds, calculated to the final maturity of the Initial Series of Bonds, is \$196,361,689.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Initial Series of Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates for a variety of reasons, including, without limitation, due to (a) the market conditions prevailing on the actual date of the sale of the Initial Series of Bonds being different than the market conditions prevailing at the time of preparation of the estimates contained herein, (b) the actual principal amount of Initial Series of Bonds sold

being different from the Estimated Principal Amount, (c) the actual amortization of the Initial Series of Bonds being different than the amortization assumed for purposes preparing the estimates contained herein, (d) the actual interest rates at which the Initial Series of Bonds are sold being different than those estimated for purposes of preparing the estimates contained herein, (e) other market conditions, or (f) alterations in the City's financing plan or changes to the City's unfunded accrued actuarial liability under the CalPERS Contract, or a combination of such factors. The actual date of sale of the Initial Series of Bonds and the actual principal amount of Initial Series of Bonds sold will be determined by the City based on various factors. The actual interest rates borne by the Initial Series of Bonds will depend on market conditions at the time of sale thereof. The actual amortization of the Initial Series of Bonds will also depend, in part, on market conditions at the time of sale thereof. Market conditions, including, without limitation, interest rates are affected by economic and other factors beyond the control of the City and the Municipal Advisor.

TRUST AGREEMENT

by and between

CITY OF EL SEGUNDO

and

**U.S. BANK NATIONAL ASSOCIATION
as Trustee**

Dated as of _____ 1, 2021

**City of El Segundo
Taxable Pension Obligation Bonds**

TABLE OF CONTENTS

	Page
ARTICLE I	DEFINITIONS; EQUAL SECURITY2
Section 1.01	Definitions2
Section 1.02	Trust Agreement Constitutes Contract 8
ARTICLE II	GENERAL BOND PROVISIONS; SERIES 2021 BONDS9
Section 2.01	Nature of Obligation under Bonds.....9
Section 2.02	Authorization and Terms of the Series 2021 Bonds9
Section 2.03	Procedure for the Issuance of Series 2021 Bonds; Application of Series 2021 Bond Proceeds 10
Section 2.04	Form of Bonds 10
Section 2.05	Execution of Bonds 10
Section 2.06	Transfer of Bonds 11
Section 2.07	Exchange of Bonds 11
Section 2.08	Bond Registration Books 11
Section 2.09	Mutilated, Destroyed, Stolen or Lost Bonds..... 11
Section 2.10	Temporary Bonds 12
Section 2.11	Book-Entry System for the Series 2021 Bonds 12
Section 2.12	Validity of Bonds..... 13
ARTICLE III	REDEMPTION OF SERIES 2021 BONDS..... 14
Section 3.01	Redemption of Series 2021 Bonds 14
Section 3.02	Selection of Series 2021 Bonds for Redemption 15
Section 3.03	Notice of Redemption..... 17
ARTICLE IV	ADDITIONAL BONDS 17
Section 4.01	Conditions for the Issuance of Additional Bonds..... 17
Section 4.02	Procedure for the Issuance of Additional Bonds 18
ARTICLE V	PLEDGE; FUNDS..... 19
Section 5.01	Pledge of Amounts in Bond Fund 19
Section 5.02	Bond Fund 19
Section 5.03	Redemption Fund 19
Section 5.04	Deposit and Investments of Money in Funds 20
ARTICLE VI	COVENANTS OF THE CITY 20
Section 6.01	Punctual Payment and Performance 20
Section 6.02	Extension of Payment of Bonds 20
Section 6.03	Additional Debt 20
Section 6.04	Power to Issue Bonds 20
Section 6.05	Accounting Records and Reports 21
Section 6.06	Prosecution and Defense of Suits 21

TABLE OF CONTENTS
(continued)

	Page
Section 6.07 Continuing Disclosure	21
Section 6.08 Waiver of Laws	21
Section 6.09 Further Assurances	21
ARTICLE VII THE TRUSTEE	21
Section 7.01 The Trustee	21
Section 7.02 Liability of Trustee	22
Section 7.03 Compensation and Indemnification of Trustee.....	24
ARTICLE VIII AMENDMENT OF THE TRUST AGREEMENT	24
Section 8.01 Amendment of the Trust Agreement	24
Section 8.02 Disqualified Bonds	25
Section 8.03 Endorsement or Replacement of Bonds After Amendment	25
Section 8.04 Amendment by Mutual Consent.....	25
Section 8.05 Attorney’s Opinion Regarding Supplemental Trust Agreements.....	25
ARTICLE IX EVENTS OF DEFAULT AND REMEDIES	25
Section 9.01 Events of Default.....	25
Section 9.02 Institution of Legal Proceedings by the Trustee; Remedies	26
Section 9.03 Application of Funds After Default.....	26
Section 9.04 Non-Waiver	27
Section 9.05 Remedies Not Exclusive.....	27
Section 9.06 Limitation on Owners’ Right to Sue.....	27
Section 9.07 Absolute Obligation of City.....	27
ARTICLE X DEFEASANCE	28
Section 10.01 Discharge of Bonds	28
Section 10.02 Unclaimed Money	28
ARTICLE XI MISCELLANEOUS	29
Section 11.01 Benefits of the Trust Agreement Limited to Parties	29
Section 11.02 Successor Is Deemed Included in All References to Predecessor	29
Section 11.03 Execution of Documents by Owners	29
Section 11.04 Waiver of Personal Liability.....	29
Section 11.05 Acquisition of Bonds by City	29
Section 11.06 Destruction of Cancelled Bonds	29
Section 11.07 Notice to Owners	29
Section 11.08 Content of Certificates.....	30
Section 11.09 Accounts and Funds; Business Days	30
Section 11.10 Notices	30
Section 11.11 Article and Section Headings and References	30

TABLE OF CONTENTS
(continued)

	Page
Section 11.12 Partial Invalidity	31
Section 11.13 Execution in Several Counterparts	31
Section 11.14 Electronic Signature	31
Section 11.15 Governing Law	32
EXHIBIT A FORM OF SERIES 2021 BOND	A-1

observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the City does hereby covenant and agree with the Trustee, for the benefit of the respective owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified.

“**Act**” means Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code.

“**Additional Bonds**” means Bonds other than Series 2021 Bonds issued hereunder in accordance with the provisions of Article IV hereof.

“**Authorized Denominations**” means (a) \$5,000 principal amount or any integral multiple thereof, and (b) any other principal amount or integral multiple thereof as provided in a Supplemental Trust Agreement.

“**Authorized Officer**” means, with respect to the City, the Mayor, the City Manager, the Deputy City Manager and the Director of Finance and any other person designated as an Authorized Officer of the City in a Written Certificate of the City filed with the Trustee.

“**Beneficial Owner**” means the beneficial owner of a Bond, determined under the rules of DTC.

“**Bond Fund**” means the fund by that name established and held by the Trustee pursuant to Section 5.02 hereof.

“**Bond Insurer**” means any issuer or issuers of a policy or policies of municipal bond insurance obtained by the City to insure the payment of principal of and interest on a Series of Bonds issued under the Trust Agreement, when due otherwise than by acceleration, and which, in fact, are at any time insuring such Series of Bonds. For the purposes of this definition, all consents, approvals or actions required by the Bond Insurer shall be by action of a majority of all Bond Insurers (based upon the aggregate principal amount of Outstanding Bonds insured by each such Bond Insurer) if there is more than a single Bond Insurer.

“**Bonds**” means the Series 2021 Bonds and all Additional Bonds.

“**Business Day**” means any day other than (a) a Saturday or a Sunday, (b) a day on which banking institutions in the city in which the Corporate Trust Office of the Trustee is located or banking institutions in New York, New York, are authorized or required by law to be closed, or (c) a day on which the New York Stock Exchange is closed.

“**City**” means the City of El Segundo, a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State.

“**Closing Date**” means the date on which the Series 2021 Bonds are delivered to the original purchaser of the Series 2021 Bonds.

“**Continuing Disclosure Certificate**” means, as applicable, the Continuing Disclosure Certificate of the City, dated the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“**Corporate Trust Office**” means the corporate trust office of the Trustee, which at the date of execution of this Trust Agreement is that specified in Section 11.10 of this Trust Agreement, provided, however, that for transfer, registration, exchange, payment and surrender of Bonds such term means the office or agency of the Trustee at which, at any particular time, its corporate trust operations business shall be conducted, or such other office designated by the Trustee from time to time.

“**Costs of Issuance**” means all items of expense directly or indirectly payable by or reimbursable to the City relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, rating agency fees, bond insurance premiums, filing and recording fees, initial fees, expenses and charges of the Trustee and its counsel (including the Trustee’s first annual administrative fee), fees, charges and disbursements of attorneys, municipal advisors, actuaries, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

“**Costs of Issuance Fund**” means the fund by that name established and held by the Trustee pursuant to Section 2.03 hereof.

“**County**” means the County of Los Angeles.

“**Defeasance Securities**” means any of the following to the extent then permitted by applicable laws of the State:

- (a) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series -- “SLGs”).
- (b) Direct obligations of the Treasury of the United States which have been stripped by the Treasury itself, CATS, TIGRS and similar securities
- (c) Resolution Funding Corp. (REFCORP). Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.
- (d) Pre-refunded municipal bonds rated “Aaa” by Moody’s or “AAA” by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.
- (e) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.
 - (i) U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
 - (ii) Farmers Home Administration (FmHA)

Certificates of beneficial ownership

- (iii) Federal Financing Bank
- (iv) General Services Administration
Participation certificates
 - (i) U.S. Maritime Administration
- (vi) Guaranteed Title XI financing
- (vii) U.S. Department of Housing and Urban Development (HUD)

Project Notes

Local Authority Bonds

New Communities Debentures - U.S. government guaranteed debentures

U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

“**DTC**” means The Depository Trust Company and any successor thereto or any nominee thereof.

“**Event of Default**” means an event described as such in Section 9.01.

“**Fiscal Year**” means the twelve-month period ending on June 30 of each year, or any other annual accounting period hereafter selected and designated by the City as its Fiscal Year in accordance with applicable law.

“**Fitch**” means Fitch, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then the term “Fitch” shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the City.

“**Interest Payment Date**” (a) with respect to the Series 2021 Bonds, means January 1 and July 1 of each year, commencing _____ 1, 20__, and (b) with respect to any Additional Bonds, the dates specified in the Supplemental Trust Agreement pursuant to which such Additional Bonds are issued.

“**Moody’s**” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the City.

“**Opinion of Counsel**” means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the City.

“**Outstanding**” means, when used as of any particular time with reference to Bonds (subject to the provisions of Section 8.02 hereof), all Bonds theretofore or thereupon executed by the City and authenticated by the Trustee, except (a) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation in accordance herewith, (b) Bonds paid or deemed to have been paid within the meaning of Section 10.01, and (c) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the City pursuant hereto.

“**Owner**” means, with respect to any Bond, the registered owner thereof, as shown on the registration books maintained by the Trustee hereunder.

“**Participant**” means any entity which is recognized as a participant by DTC in the book-entry system of maintaining records with respect to book-entry bonds.

“**Participating Underwriters**” has the meaning ascribed thereto in the Continuing Disclosure Certificate.

“**Permitted Investments**” means any of the following to the extent then permitted by applicable laws of the State:

- (a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.
- (b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):
 - (i) U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
 - (ii) Farmers Home Administration (FmHA)
Certificates of beneficial ownership
 - (iii) Federal Financing Bank
 - (iv) Federal Housing Administration Debentures (FHA)
 - (v) General Services Administration
Participation certificates
 - (vi) Government National Mortgage Association (GNMA or “Ginnie Mae”)
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations
 - (vii) U.S. Maritime Administration
Guaranteed Title XI financing
 - (viii) U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

- (i) Federal Home Loan Bank System
Senior debt obligations
- (ii) Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”)
Participation Certificates
Senior debt obligations
- (iii) Federal National Mortgage Association (FNMA or “Fannie Mae”)
Mortgage-backed securities and senior debt obligations
- (iv) Student Loan Marketing Association (SLMA or “Sallie Mae”)
Senior debt obligations
- (v) Resolution Funding Corp. (REFCORP) obligations
- (vi) Farm Credit System
Consolidated systemwide bonds and notes

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating if rated by S&P of AAAm-G; AAA-m; or AA-m and if rated by Moody’s of Aaa, Aa1 or Aa2, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services.

(e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks, which may include the Trustee and its affiliates. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF, which may include those of the Trustee and its affiliates.

(g) Commercial paper rated, at the time of purchase, “Prime - 1” by Moody’s and “A-1” or better by S&P.

(h) Bonds or notes issued by any state or municipality which are rated by Moody’s and S&P in one of the two highest rating categories assigned by such agencies.

(i) Federal funds, bank money market deposit accounts, and bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime - 1” or “A3” or better by Moody’s and “A-1” or “A” or better by S&P, which may include the Trustee and its affiliates.

(j) Any state administered pooled investment fund in which the City is statutorily permitted or required to invest including, but not limited to, the Local Agency Investment Fund in the treasury of the State.

(k) Investment Trust of California (CalTRUST).

(l) Repurchase agreements which have a maximum maturity of 30 days and are fully secured at or greater than 102% of the market value plus accrued interest by obligations of the United States Government, its agencies and instrumentalities, including limited to the following: (i) the Federal Home Loan Bank Board (“FHLB”); (ii) the Federal Home Loan Mortgage Corporation (“FHLMC”); (iii) the Federal National Mortgage Association (FNMA); (iv) Federal Farm Credit Bank (“FFCB”); and (v) guaranteed portions of Small Business Administration (“SBA”).

(m) Investment agreements and guaranteed investment contracts with issuers having a long-term debt rating of at least “AA-” or “Aa3” by S&P or Moody’s, respectively.

(n) Deposits with the Local Agency Investment Fund (LAIF) of the State.

(o) Corporate obligations issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States having a long-term debt rating of at least “AA-” or “Aa3” by S&P or Moody’s, respectively.

“Principal Amount” means, with respect to Bonds, the principal amount thereof.

“Principal Payment Date” means each July 1 on which principal is due on the Bonds.

“Rating Agencies” means Fitch, Moody’s and S&P, but in each case only to the extent that such Rating Agency is then rating the Bonds at the request of the City.

“Record Date” means the 15th calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.03 hereof.

“Refunding Fund” means the fund by that name established and held by the Trustee pursuant to Section 2.03 hereof.

“Representation Letter” means the Letter of Representations from the City to DTC, or any successor Securities Depository for the Bonds, in which the City makes certain representations with respect to issues of its securities for deposit by DTC or such successor depository.

“Retirement Law” means the Public Employees’ Retirement Law, commencing with Section 20000 of the California Government Code.

“S&P” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, a corporation organized and existing under the laws of the State of New York, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a municipal securities rating agency, then the term “Standard & Poor’s” shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the City.

“Securities Depository” means DTC and its successors and assigns or any other securities depository selected by the City which agrees to follow the procedures required to be followed by such securities depository in connection with the Bonds that are in book-entry form.

“**Series**” means all of the Bonds designated as being within a certain series, regardless of variations in maturity date, interest rate, redemption and other provisions, and any Bonds thereafter issued in transfer or exchange for such Bonds pursuant to this Trust Agreement.

“**Series 2021 Bonds**” means the City of El Segundo Taxable Pension Obligation Bonds, Series 2021, issued hereunder.

“**State**” means the State of California.

“**Supplemental Trust Agreement**” means any supplemental trust agreement amendatory of or supplemental to this Trust Agreement, but only if and to the extent that such supplemental trust agreement is specifically authorized hereunder.

“**System**” means the California Public Employees’ Retirement System.

“**Term Bonds**” means Bonds which are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

“**Treasury Rate**” means, with respect to any redemption date for a particular Series 2021 Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2021 Bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“**Trust Agreement**” means this Trust Agreement, dated as of _____ 1, 2021, by and between the City and the Trustee, as originally executed and as it may from time to time be amended or supplemented by one or more Supplemental Trust Agreements.

“**Trustee**” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or any successor thereto as Trustee hereunder, appointed as provided herein.

“**Written Certificate**” and “**Written Request**” of the City mean, respectively, a written certificate or written request signed in the name of the City by an Authorized Officer. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Section 1.02 Trust Agreement Constitutes Contract. In consideration of the acceptance of the Bonds by the Owners thereof, the Trust Agreement shall be deemed to be and shall constitute a contract among the City, the Trustee and the Owners from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to provide for the payment of the interest on and principal of and redemption premiums, if any, on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the City shall be for the equal and proportionate benefit, protection and security of all Owners of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason

of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

GENERAL BOND PROVISIONS; SERIES 2021 BONDS

Section 2.01 Nature of Obligation under Bonds. The obligations of the City under the Bonds, including the obligation to make all payments of interest and principal when due, are obligations of the City imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The Bonds do not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation. Neither the Bonds nor the obligation of the City to make payments on the Bonds constitute an indebtedness of the City, the State, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Section 2.02 Authorization and Terms of the Series 2021 Bonds. (a) The City has reviewed all proceedings heretofore taken relative to the authorization of the Series 2021 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Series 2021 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the City is now duly authorized, pursuant to each and every requirement of the Act, to issue the Series 2021 Bonds in the form and manner and for the purpose provided herein and that the Series 2021 Bonds shall be entitled to the benefit, protection and security of the provisions hereof. The Series 2021 Bonds shall be designated "City of El Segundo Taxable Pension Obligation Bonds, Series 2021." The aggregate principal amount of Series 2021 Bonds that may be issued and Outstanding under this Trust Agreement shall not exceed \$_____, except as may be otherwise provided in Section 2.09 hereof. The Series 2021 Bonds shall be dated the date of original delivery, shall be issued only in fully registered form in Authorized Denominations, and shall mature on the dates and in the principal amounts and bear interest at the rates as set forth in the following schedule:

Maturity Date	Principal Amount	Interest Rate
----------------------	-------------------------	----------------------

The Series 2021 Bonds shall bear interest at the rates (based on a 360-day year of twelve 30-day months) set forth above, payable on the Interest Payment Dates for the Series 2021 Bonds. The Series 2021 Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (i) a Series 2021 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, or (ii) a Series 2021 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the dated date thereof; provided, however, that if at the time of authentication of any Series 2021 Bond interest is then in default on the Outstanding Series 2021 Bonds, such Series 2021 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made

available for payment on the Outstanding Series 2021 Bonds. Payment of interest on the Series 2021 Bonds due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the registration books kept by the Trustee pursuant to Section 2.08 hereof as the Owner thereof as of the close of business on the Record Date for an Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed on the Interest Payment Date by first-class mail to such Owner at the address as it appears in such books; provided that upon the written request of an Owner of \$1,000,000 or more in aggregate principal amount of Series 2021 Bonds received by the Trustee prior to the applicable Record Date, interest shall be paid by wire transfer in immediately available funds. Any such written request shall remain in effect until rescinded in writing by the Owner.

The principal of the Series 2021 Bonds shall be payable in lawful money of the United States of America at the Corporate Trust Office of the Trustee. Payment of the principal of the Series 2021 Bonds shall be made upon the surrender thereof at maturity or on redemption prior to maturity at the Corporate Trust Office of the Trustee.

Section 2.03 Procedure for the Issuance of Series 2021 Bonds; Application of Series 2021 Bond Proceeds. At any time after the sale of the Series 2021 Bonds in accordance with the Act, the City shall execute the Series 2021 Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon the Series 2021 Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the Written Request of the City and upon receipt of payment therefor from the purchaser thereof. Upon receipt of payment for the Series 2021 Bonds from the purchaser thereof, the Trustee shall set aside and deposit the proceeds received from such sale in the following respective accounts or funds or with the following respective persons, in the following order of priority:

(a) The Trustee shall deposit \$_____ of the Series 2021 Bond proceeds in the Refunding Fund, which fund is hereby established with the Trustee. On the Closing Date, the Trustee shall promptly transfer all amounts in the Refunding Fund to the System in accordance with written instructions from the City, upon which the Trustee may conclusively rely. Thereafter, except as may be provided in a Supplemental Trust Agreement, the Refunding Fund shall be closed.

(b) The Trustee shall deposit \$_____ in the Costs of Issuance Fund, which fund is hereby created and which fund the City hereby agrees to maintain with the Trustee until six months following the Closing Date. All money in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay or reimburse the Costs of Issuance of the Series 2021 Bonds upon receipt of a Written Request of the City filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is six months following the Closing Date for the Series 2021 Bonds or upon the earlier Written Request of the City, any remaining balance in the Costs of Issuance Fund shall be transferred to the Bond Fund. Thereafter, except as may be provided in a Supplemental Trust Agreement, the Costs of Issuance Fund shall be closed.

Section 2.04 Form of Bonds. The Series 2021 Bonds and the authentication endorsement and assignment to appear thereon shall be substantially in the form set forth in Exhibit A attached hereto.

Section 2.05 Execution of Bonds. The Mayor of the City is hereby authorized and directed to execute each of the Bonds on behalf of the City and the City Clerk of the City is hereby authorized and directed to countersign each of the Bonds on behalf of the City. The signatures of such officers of the City may be by printed, lithographed, engraved or otherwise reproduced by facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Bonds.

Only those Bonds bearing thereon a certificate of authentication in the form hereinbefore recited, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

Section 2.06 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such Bond for cancellation at the Corporate Trust Office of the Trustee accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee; provided, however, that the Trustee shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege; and provided further, that the Trustee may refuse to transfer any Bonds during the 15 day period prior to the date established by the Trustee for the selection of Bonds for redemption, or to transfer any Bonds selected by the Trustee for redemption. Whenever any Bond shall be surrendered for transfer, the City shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of the same Series of Bonds and maturity of Authorized Denominations equal to the Principal Amount.

The City and the Trustee may deem and treat the Owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof and for all other purposes, whether such Bond shall be overdue or not, and neither the City nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the principal or redemption price of and the interest due on such Bond shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge liability on such Bond to the extent of the sum or sums so paid.

The cost of preparing the Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of the Bonds shall be paid by the City.

Section 2.07 Exchange of Bonds. Any Bond may, in accordance with its terms, be exchanged at the Corporate Trust Office of the Trustee for a new Bond or Bonds of the same Series of Bonds and maturity of Authorized Denominations equal to the Principal Amount of the Bond surrendered; provided, however, that the Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege; and provided, further, that the Trustee may refuse to exchange any Bonds during the 15 day period prior to the date established by the Trustee for the selection of Bonds for redemption, or to exchange any Bonds selected by the Trustee for redemption.

The cost of preparing the Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the City.

Section 2.08 Bond Registration Books. The Trustee shall keep at its Corporate Trust Office sufficient books for the registration and transfer of the Bonds which shall during normal business hours with reasonable notice be open to inspection by the City, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds in such books as hereinabove provided.

Section 2.09 Mutilated, Destroyed, Stolen or Lost Bonds. If any Bond shall become mutilated, the Trustee, at the expense of the Owner, shall thereupon authenticate and deliver a new Bond or Bonds of the same Series of Bonds and maturity of Authorized Denominations equal in aggregate Principal Amount to the Bond so mutilated in exchange and substitution for the Bond so mutilated, but only

upon surrender to the Trustee of the Bond so mutilated, and every mutilated Bond so surrendered to the Trustee shall be cancelled.

If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Owner, shall thereupon authenticate and deliver a new Bond of the same Series of Bonds and maturity of authorized denominations equal in aggregate Principal Amount to the Bond so lost, destroyed or stolen in lieu of and in substitution for the Bond so lost, destroyed or stolen.

The Trustee may require payment of a reasonable sum for each new Bond delivered under this Section and of the expenses which may be incurred by the City and the Trustee in the premises. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Bonds secured hereby, and neither the City nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

Section 2.10 Temporary Bonds. The Bonds issued hereunder may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery, which temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, shall be in fully registered form and may contain such reference to any of the provisions hereof as may be appropriate. Every temporary Bond shall be executed and authenticated as authorized by the City in accordance with the terms hereof. If the City issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Corporate Trust Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds definitive Bonds. Until so exchanged, the temporary Bonds shall be entitled to the same benefits hereunder as definitive Bonds delivered hereunder.

Section 2.11 Book-Entry System for the Series 2021 Bonds. (a) Except as otherwise provided in subsections (b) and (c) of this Section, the Series 2021 Bonds shall initially be issued in the form of a single authenticated fully registered bond for each Principal Payment Date of the Series 2021 Bonds, and shall be registered in the name of Cede & Co., as nominee for DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest on any Series 2021 Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Series 2021 Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The Trustee and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2021 Bonds registered in its name for the purposes of payment of the principal or redemption price of and the interest on such Series 2021 Bonds, selecting the Series 2021 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners hereunder, registering the transfer of the Series 2021 Bonds, obtaining any consent or other action to be taken by Owners of the Series 2021 Bonds and for all other purposes whatsoever, and neither the Trustee nor the City shall be affected by any notice to the contrary. Neither the Trustee nor the City shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Series 2021 Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being an Owner, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or the interest on

any of the Series 2021 Bonds, (iii) any notice which is permitted or required to be given to Owners of Series 2021 Bonds hereunder, or (iv) any consent given or other action taken by DTC as Owner of Series 2021 Bonds. The Trustee shall pay the principal or redemption price of and the interest on the Series 2021 Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the City's obligations with respect to the Series 2021 Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Series 2021 Bonds will be transferable to such new nominee in accordance with subsection (f) of this Section.

(c) In the event that the City determines that it is in the best interests of the Beneficial Owners of the Series 2021 Bonds that they be able to obtain definitive Series 2021 Bonds, the Trustee shall, upon receipt of a Written Request of the City, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of definitive Series 2021 Bonds, and in such event the Series 2021 Bonds shall be transferable in accordance with subsection (f) of this Section. DTC may determine to discontinue providing its services with respect to the Series 2021 Bonds at any time by giving written notice of such discontinuance to the Trustee or the City and discharging its responsibilities with respect thereto under applicable law, and in such event the Series 2021 Bonds shall be transferable in accordance with subsection (f) of this Section. Whenever DTC requests the Trustee or the City to do so, the Trustee and the City will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another Securities Depository to maintain custody of all certificates evidencing the Series 2021 Bonds then Outstanding, and in such event the Series 2021 Bonds shall be transferable to such Securities Depository in accordance with subsection (f) of this Section, and thereafter, all references in the Trust Agreement to DTC or its nominee shall be deemed to refer to such successor Securities Depository and its nominee, as appropriate.

(d) Notwithstanding any other provision hereof to the contrary, so long as all Series 2021 Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal or redemption price of and the interest on each such Series 2021 Bond and all notices with respect to each such Series 2021 Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) The Trustee and the City are each hereby authorized and requested to execute and deliver the Representation Letter and, in connection with any successor nominee for DTC or any successor depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions hereunder.

(f) In the event that any transfer or exchange of Series 2021 Bonds is authorized under subsection (b) or (c) of this Section, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Series 2021 Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.08 and 2.09 hereof. In the event that definitive Series 2021 Bonds are issued to Owners other than Cede & Co., its successor as nominee for DTC as Owner of all the Series 2021 Bonds, another Securities Depository as holder of all the Series 2021 Bonds, or the nominee of such successor Securities Depository, the provisions of Sections 2.06 and 2.07 hereof shall also apply to, among other things, the registration, exchange and transfer of the Series 2021 Bonds and the method of payment of the principal or redemption price of and the interest on the Series 2021 Bonds.

Section 2.12 Validity of Bonds. The recital contained in the Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all Bonds shall be incontestable from and after their issuance. The Bonds shall be

deemed to be issued, within the meaning hereof, upon delivery of the definitive Bonds (or any temporary Bonds exchangeable therefor) and the proceeds of sale thereof received.

ARTICLE III

REDEMPTION OF SERIES 2021 BONDS

Section 3.01 Redemption of Series 2021 Bonds. (a) Optional Redemption. The Series 2021 Bonds are subject to optional redemption prior to their maturity at the option of the City, in whole or in part, on any date on or after July 1, 20__, from any source of available funds, at a redemption price equal to 100% of the principal amount of the Series 2021 Bonds to be redeemed, plus unpaid, accrued interest thereon to the date of redemption, without premium.

The City shall give the Trustee written notice of its intention to redeem Series 2021 Bonds pursuant to this subsection not less than 45 days prior to the applicable redemption date and specifying the information needed by the Trustee for purposes of providing notice in accordance with Section 3.03, or such lesser number of days acceptable to the Trustee.

(b) Make-Whole Optional Redemption. From the date of issuance of the Series 2021 Bonds to but not including July 1, 20__, the Series 2021 Bonds are subject to redemption prior to their respective stated maturities, at the option of the City, from lawfully available funds deposited in the Optional Redemption Account, as a whole or in part (in such order of maturity as shall be selected by the City in a written order of the City filed with the Trustee and if the Series 2021 Bonds are held in full book entry form with DTC, by *pro rata* pass-through distribution of principal in accordance with Section 3.02), on any date, at a redemption price equal to the greater of:

(1) 100% of the principal amount of such Series 2021 Bonds to be redeemed;

or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date or dates of such Series 2021 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2021 Bonds are to be redeemed, discounted to the date on which such Series 2021 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, [(i) with respect to the Series 2021 Bonds maturing on July 1, 20__ through and including July 1, 20__, at the Treasury Rate, and (ii) with respect to the Series 2021 Bonds maturing on July 1, 20__ through and including July 1, 20__, at the Treasury Rate, plus __ basis points],

plus, in each case, accrued interest on such Series 2021 Bonds to be redeemed to the redemption date.

(c) Calculation of Make-Whole Optional Redemption Price. The redemption price of the Series 2021 Bonds to be redeemed at the option of the City pursuant to subsection (b) shall be determined by an independent accounting firm, investment banking firm or financial advisor retained by the City at the City's expense to calculate such redemption price. The City and the Trustee shall be furnished the redemption price by such independent accounting firm, investment banking firm or financial advisor prior to the redemption date giving the Trustee sufficient time to process payment of the redemption price and the City and the Trustee may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

(d) Mandatory Sinking Fund Redemption. The Series 2021 Bonds maturing on July 1, 20__ shall be subject to mandatory sinking fund redemption, in part (as described in Section 3.02), on July 1 in each year, commencing July 1, 20__, at a redemption price equal to 100% of the principal amount of the Series 2021 Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (July 1)	Principal Amount to be Redeemed
20__ (Maturity)	

(e) The Series 2021 Bonds maturing on July 1, 20__ shall be subject to mandatory sinking fund redemption, in part (as described in Section 3.02), on July 1 in each year, commencing July 1, 20__, at a redemption price equal to 100% of the principal amount of the Series 2021 Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (July 1)	Principal Amount to be Redeemed
20__ (Maturity)	

Section 3.02 Selection of Series 2021 Bonds for Redemption. Redemption payments on the Series 2021 Bonds being redeemed in part will be made in Authorized Denominations from among maturities as the City shall direct the Trustee in writing or on a *pro rata* basis to each Owner in whose name such Series 2021 Bonds are registered on the Record Date immediately preceding a redemption date. “*Pro rata*” is determined, in connection with any mandatory sinking fund redemption or any optional redemption, in part, by multiplying the principal amount of the Series 2021 Bonds of such maturity to be redeemed on the applicable redemption date by a fraction, the numerator of which is equal to the principal amount of the Series 2021 Bonds of such maturity owned by an Owner, and the denominator of which is equal to the total amount of the Series 2021 Bonds of such maturity then Outstanding immediately prior to such redemption date, and then rounding the product down to the next lower integral multiple of \$5,000, provided that the portion of any Series 2021 Bonds to be redeemed shall be in Authorized Denominations and all Series 2021 Bonds of a maturity to remain outstanding following any redemption shall be in Authorized Denominations.

So long as there is a Securities Depository for the Series 2021 Bonds, there will be only one registered Owner and neither the City nor the Trustee will have responsibility for prorating partial redemptions among beneficial owners of the Series 2021 Bonds.

[Redemption payments on the Series 2021 Bonds being redeemed in part will be made in Authorized Denominations from among maturities as the City shall direct the Trustee in writing or on a *pro rata* basis to each Owner in whose name such Series 2021 Bonds are registered on the Record Date immediately preceding a redemption date. “*Pro rata*” is determined, in connection with any mandatory sinking fund redemption or any optional redemption, in part, by multiplying the principal amount of the Series 2021 Bonds of such maturity to be redeemed on the applicable redemption date by a fraction, the numerator of which is equal to the principal amount of the Series 2021 Bonds of such maturity owned by an Owner, and the denominator of which is equal to the total amount of the Series 2021 Bonds of such maturity then Outstanding immediately prior to such redemption date, and then rounding the product down to the next lower integral multiple of \$5,000, provided that the portion of any Series 2021 Bonds to be redeemed are required to be in Authorized Denominations and all Series 2021 Bonds of a maturity to remain outstanding following any redemption are required to be in authorized denominations.]

[Under the Trust Agreement, the Series 2021 Bonds that are subject to optional redemption may be selected for such redemption in such amounts and order of maturity or maturities of Outstanding Series 2021 Bonds as shall be selected by the City and filed with the Trustee. If less than all of a Series 2021 Term Bond is called for optional redemption, the remaining mandatory sinking fund payments for such Term Bond will be reduced *pro rata*.

If the Series 2021 Bonds are in book-entry form at the time of such redemption, the Trustee shall provide written notice to DTC in accordance with the Trust Agreement and the *pro rata* reduction in principal provision included in the DTC Letter of Representations of the City on file with DTC. The particular Series 2021 Bonds within a maturity to be redeemed shall be redeemed on a “Pro-Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures, provided that such redemption is made in accordance with the operational arrangements of DTC then in effect. The Underwriters have advised the Trustee and the City that the Series 2021 Bonds will be made eligible for partial redemption to be treated by DTC in accordance with its rules and procedures as a “*pro rata* pass-through distribution of principal.” The Trustee will send notice to DTC in accordance with such rules and procedures to effect a *pro rata* reduction of principal of all affected outstanding Series 2021 Bonds to accomplish the optional and mandatory sinking account redemptions described above using a pass-through distribution of principal. In connection with each such redemption, the Trustee will include in the written notice of redemption described above the dollar amount per \$1,000 principal amount payable on account of principal and accrued interest to effect a *pro rata* reduction through a pass-through distribution of principal on the related redemption date. DTC will be responsible for distributing the principal and accrued interest among its Direct Participants, as applicable, *pro rata* in accordance with its rules and procedures for a *pro rata* pass-through distribution of principal based upon the beneficial interest in the Series 2021 Bonds being redeemed that DTC records list as owned by each DTC Direct Participant as of the record date for such payment. Any failure of the Trustee to provide such notice, or of DTC or its participants or any other intermediary to make such selection or proportional allocation, for whatever reason, will not affect the sufficiency or the validity of the redemption of the Series 2021 Bonds. In addition, if DTC’s prevailing operational arrangements do not allow for allocation of a redemption on a *pro rata* pass-through distribution of principal basis, the portion of the Series 2021 Bonds to be redeemed on such redemption date will be selected in accordance with DTC’s then existing rules and procedures, and may be by lot.

Notwithstanding the foregoing, if less than all of the Series 2021 Bonds of any maturity are to be redeemed prior to maturity and if the Series 2021 Bonds are not then in book-entry form at the time of such redemption, on each redemption date, the Trustee shall select the specific Series 2021 Bonds for redemption on a *pro rata* basis from such maturity or mandatory sinking fund payment within such maturity of Outstanding Series 2021 Bonds. The portion of any Series 2021 Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or any integral multiple thereof. The Trustee will select such portions of Series 2021 Bonds to be redeemed on a *pro rata* basis from each

maturity or mandatory sinking fund payment of Outstanding Series 2021 Bonds, as the Trustee in his discretion may deem to be fair and appropriate.]

So long as there is a Securities Depository for the Series 2021 Bonds, there will be only one registered Owner and neither the City nor the Trustee will have responsibility for prorating partial redemptions among beneficial owners of the Series 2021 Bonds.]

Section 3.03 Notice of Redemption. Notice of redemption shall be mailed by first-class mail by the Trustee, not less than 20 nor more than 60 days prior to the redemption date to the respective Owners of the Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. Each notice of redemption shall state the date of such notice, the redemption price, if any, (including the name and appropriate address of the Trustee), the CUSIP number (if any) and ISIN number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Bonds of such maturity, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the redemption price, if any, thereof and in the case of a Bond to be redeemed in part only, the specified portion of the principal amount thereof to be redeemed, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address of the Trustee specified in the redemption notice; provided, however, that any notice of optional redemption may be cancelled and annulled by a Written Request of the City given to the Trustee at least five days prior to the date fixed for redemption, whereupon the Trustee shall forthwith give appropriate notice of such cancellation and annulment to all the recipients of such notice of redemption. The failure of any Owner to receive notice pursuant to this Section or any defect therein shall not invalidate any of the proceedings taken in connection with such redemption.

If notice of redemption has been duly given as aforesaid and money for the payment of the redemption price of the Bonds called for redemption is held by the Trustee, then on the redemption date designated in such notice Bonds so called for redemption shall become due and payable, and from and after the date so designated interest on such Bonds shall cease to accrue, and the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds redeemed pursuant to the provisions of this Section shall be cancelled by the Trustee and shall be destroyed with a certificate of destruction furnished to the City and shall not be reissued.

ARTICLE IV

ADDITIONAL BONDS

Section 4.01 Conditions for the Issuance of Additional Bonds. The City may at any time issue Additional Bonds on a parity with the Series 2021 Bonds, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

- (a) The City shall be in compliance with all agreements and covenants contained herein.
- (b) The issuance of such Additional Bonds shall have been authorized pursuant to the Act and shall have been provided for by a Supplemental Trust Agreement which shall specify the following:
 - (i) The purpose for which such Additional Bonds are to be issued; provided that such Additional Bonds shall be applied solely for (i) the purpose of satisfying any obligation

of the City to make payments to the System pursuant to the Retirement Law relating to pension benefits accruing to the System's members, and/or for payment of all costs incidental to or connected with the issuance of Additional Bonds for such purpose, and/or (ii) the purpose of refunding any Bonds then Outstanding, including payment of all costs incidental to or connected with such refunding;

(ii) The authorized principal amount and designation of such Additional Bonds;

(iii) The date and the maturity dates of and the sinking fund payment dates, if any, for such Additional Bonds;

(iv) The interest payment dates and principal payment dates for such Additional Bonds;

(v) The denomination or denominations of and method of numbering such Additional Bonds;

(vi) The redemption premiums, if any, and the redemption terms, if any, for such Additional Bonds;

(vii) The amount, if any, to be deposited from the proceeds of sale of such Additional Bonds in the Bond Fund;

(viii) Any repayment provisions including, without limitation, for reasonable expenses, including attorneys' fees and expenses, and proportionate consent rights, proportionate or Series specific rights with respect to the direction of remedies, rights of subrogation to the rights of such Owners to receive the amount of principal of and interest on such Additional Bonds from the City, and notice provisions required in order to secure municipal bond insurance for such Additional Bonds as the City determines will be advantageous to the City; and

(ix) Such other provisions (including the requirements of a book-entry Bond registration system, if any) as are necessary or appropriate and not inconsistent herewith.

Section 4.02 Procedure for the Issuance of Additional Bonds. At any time after the sale of any Additional Bonds in accordance with the Act, the City shall execute such Additional Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon such Additional Bonds shall be delivered by the Trustee to the purchaser thereof upon the Written Request of the City, but only upon receipt by the Trustee of the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the date of delivery of such Additional Bonds by the Trustee:

(a) An executed copy of the Supplemental Trust Agreement authorizing the issuance of such Additional Bonds;

(b) A Written Request of the City as to the delivery of such Additional Bonds;

(c) An Opinion of Counsel to the effect that (i) the City has executed and delivered the Supplemental Trust Agreement, and the Supplemental Trust Agreement is valid and binding upon the City, and (ii) such Additional Bonds are valid and binding obligations of the City;

(d) A Written Certificate of the City stating that all requirements of this Article have been complied with and containing any other such statements as may be reasonably necessary to show compliance with the conditions for the issuance of such Additional Bonds contained herein; and

(e) Such further documents, money or securities as are required by the provisions of the Supplemental Trust Agreement providing for the issuance of such Additional Bonds.

ARTICLE V

PLEDGE; FUNDS

Section 5.01 Pledge of Amounts in Bond Fund. In order to meet the City's obligations under the Retirement Law, the City shall deposit or cause to be deposited with the Trustee for deposit into the Bond Fund on or before the dates specified in Section 5.02 (or such other dates as provided in a Supplemental Trust Agreement) the amount which, together with moneys transferred and deposited pursuant to Section 5.03(c) hereof, is sufficient to pay the City's debt service obligations on the Bonds. Subject only to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the amounts held in the Bond Fund are hereby pledged by the City to secure the payment of the principal or redemption price of and interest on the Bonds in accordance with their terms, the provisions of this Trust Agreement and the Act. Said pledge shall constitute a first lien on such assets.

Section 5.02 Bond Fund. (a) The Trustee shall establish and maintain in trust a special fund designated the "Bond Fund."

(b) The City agrees and covenants that, not later than [five Business Days] prior to each Interest Payment Date, it will transfer to the Trustee an amount which, together with amount simultaneously transferred to the Trustee for deposit in the Bond Fund pursuant to Section 5.03(c) and the amount then on deposit in the Bond Fund, will equal the amount of the principal of and interest on the Bonds coming due on such Interest Payment Date. The Trustee shall, upon receipt of the amount required to be transferred by the City pursuant to this subsection, deposit such amount in the Bond Fund.

(c) In the event that, on [the fourth Business Day prior to each Interest Payment Date], amounts in the Bond Fund are insufficient to pay the principal, if any, of and interest on the Bonds due and payable on such Interest Payment Date, the Trustee shall immediately notify the City and the Bond Insurer, if any, of the amount of such insufficiency. Upon being so notified, the City shall, prior to the close of business on the Business Day immediately preceding such Interest Payment Date, deliver or cause to be delivered to the Trustee immediately available funds in an amount equal to the amount of such insufficiency. Immediately upon receipt thereof, the Trustee shall deposit such funds in the Bond Fund.

(d) On each Interest Payment Date, the Trustee shall withdraw from the Bond Fund for payment to the Owners of the Bonds the principal, if any, of and interest on the Bonds then due and payable. If there are insufficient funds in the Bond Fund to pay the principal, if any, of and interest on the Bonds, the Trustee shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal of the Bonds.

Section 5.03 Redemption Fund. (a) The Trustee shall establish and maintain in trust a special fund designated the "Redemption Fund."

(b) The Trustee shall deposit in the Redemption Fund amounts received from the City in connection with the City's exercise of its rights to optionally redeem Bonds pursuant to the provisions hereof.

(c) Amounts in the Redemption Fund shall be disbursed therefrom for the payment of the redemption price of Bonds redeemed pursuant to the provisions hereof.

Section 5.04 Deposit and Investments of Money in Funds. All money held by the Trustee in any of the funds established by the Trustee pursuant hereto shall be invested in Permitted Investments at the Written Request of the City. If no Written Request of the City is received, the Trustee shall invest funds held by it in Permitted Investments described in [paragraph (d)] of the definition thereof. Such investments shall, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder. All interest, profits and other income received from any money so invested shall be deposited in the Bond Fund. The Trustee shall have no liability or responsibility for any loss resulting from any investment made or sold in accordance with the provisions of this Article, except for any loss due to the negligence or willful misconduct of the Trustee. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charge therefor.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the City periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

ARTICLE VI

COVENANTS OF THE CITY

Section 6.01 Punctual Payment and Performance. The City shall punctually pay the principal or redemption price of and interest on every Bond issued hereunder in strict conformity with the terms hereof and of the Bonds, and will faithfully observe and perform all the agreements and covenants to be observed or performed by the City contained herein and in the Bonds.

Section 6.02 Extension of Payment of Bonds. The City shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest on the Bonds, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Trust Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the City to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 6.03 Additional Debt. The City expressly reserves the right to enter into one or more other agreements, trust agreements or indentures for any of its purposes, and reserves the right to issue other obligations for such purposes.

Section 6.04 Power to Issue Bonds. The City is duly authorized pursuant to law to issue the Bonds and to enter into this Trust Agreement. The Bonds and the provisions of this Trust Agreement are the legal, valid and binding obligations of the City in accordance with their terms. The Bonds constitute obligations imposed by law.

Section 6.05 Accounting Records and Reports. The City shall keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of moneys on deposit in the funds and accounts established hereunder and such books of record and accounts shall be open to inspection by the Trustee.

Section 6.06 Prosecution and Defense of Suits. The City shall defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent involving the failure of the City to fulfill its obligations hereunder; provided that the Trustee or any affected Owner at its election may appear in and defend any such suit, action or proceeding.

Section 6.07 Continuing Disclosure. The City shall comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Trust Agreement, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; provided, however, that the Trustee may (and, at the written direction of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Series 2021 Bonds, and upon indemnification of the Trustee to its reasonable satisfaction, shall) or any holder or beneficial owner of the Series 2021 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 6.08 Waiver of Laws. The City shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Trust Agreement or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the City to the extent permitted by law.

Section 6.09 Further Assurances. Whenever and so often as reasonably requested to do so by the Trustee or any Owner, the City will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Owners all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

ARTICLE VII

THE TRUSTEE

Section 7.01 The Trustee. The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default that may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement. The Trustee shall, during the existence of any Event of Default that has not been cured or waived exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

The City may at any time, unless there exists any Event of Default, remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided, however, that any such successor shall be a bank or trust company doing business and having a corporate trust office in Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000 and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital and surplus of such bank or trust

company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the City and by mailing to the Owners notice of such resignation. Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If, within 30 days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in the preceding paragraph, shall be the successor to the Trustee hereunder and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor hereunder, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

The Trustee is hereby authorized to pay or redeem the Bonds when duly presented for payment at maturity or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the City and shall destroy such Bonds and a certificate of destruction shall be delivered to the City. The Trustee shall keep accurate records of all Bonds paid and discharged and cancelled by it.

Section 7.02 Liability of Trustee. The recitals of facts, agreements and covenants herein and in the Bonds shall be taken as recitals of facts, agreements and covenants of the City, and the Trustee assumes no responsibility for the correctness of the same or makes any representation as to the sufficiency or validity hereof or of the Bonds, or shall incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Bonds or in law or equity. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence, willful misconduct or breach of duty.

The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in Aggregate Principal Amount of the Bonds at the time Outstanding, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request, order or direction of any of the Owners pursuant to the provisions of this Trust Agreement unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby. The Trustee has no obligation or liability to the Owners for the payment of interest on, principal of or redemption premium, if any, with respect to the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties hereunder.

The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of a default or event of default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through attorneys-in-fact, agents or receivers, shall not be answerable for the negligence or misconduct or any such attorney-in-fact, agent or receiver appointed by it in accordance with the standards specified above. The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable for the professional malpractice of any attorney-in-law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of this Trust Agreement, if such attorney-in-law or certified public accountant was selected by the Trustee with due care.

Whether or not therein expressly so provided, every provision of this Trust Agreement, or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

The Trustee shall be protected in acting upon any notice, resolution, requisition, request (including any Written Request of the City), consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Written Certificate of the City, which certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

All immunities, indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, employees, officers and agents thereof.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in Section 7.01, shall be the successor to the Trustee hereunder and vested with all of the title to the trust estate and all of the trusts,

powers, discretions, immunities, privileges and all other matters as was its predecessor hereunder, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 7.03 Compensation and Indemnification of Trustee. The City shall pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the City will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Trust Agreement (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence, default or willful misconduct, including the negligence or willful misconduct of any of its officers, directors, agents or employees. The City, to the extent permitted by law, shall indemnify and save the Trustee harmless against any liabilities, costs, claims or expenses, including those of its attorneys, which it may incur in the exercise and performance of its powers and duties hereunder, including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence, default or willful misconduct. The duty of the City to indemnify the Trustee shall survive the termination and discharge of this Trust Agreement.

ARTICLE VIII

AMENDMENT OF THE TRUST AGREEMENT

Section 8.01 Amendment of the Trust Agreement. (a) This Trust Agreement and the rights and obligations of the City and of the Owners may be amended at any time by a Supplemental Trust Agreement which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the Outstanding Bonds, exclusive of Bonds disqualified as provided in Section 8.02 hereof, are filed with the Trustee. No such amendment shall (i) extend the maturity of or reduce the interest rate on or amount of interest on or principal or redemption price of, or extend the time of payment of, any Bond without the express written consent of the Owner of such Bond, or (ii) reduce the percentage of Bonds required for the written consent to any such amendment.

(b) The Trust Agreement and the rights and obligations of the City and of the Owners may also be amended at any time by a Supplemental Trust Agreement which shall become binding without the consent of any Owners, for any one or more of the following purposes:

(i) to add to the agreements and covenants required herein to be performed by the City other agreements and covenants thereafter to be performed by the City, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power reserved herein to or conferred herein on the City;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the City may deem desirable or necessary and not inconsistent herewith;

(iii) to provide for the issuance of any Additional Bonds and to provide the terms of such Additional Bonds, subject to the conditions and upon compliance with the procedure set forth in Article IV hereof;

(iv) to modify, amend or add to the provisions herein to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statutes hereafter

in effect, and to add such other terms, conditions and provisions as may be permitted by such statute or similar statute; and

(v) to modify, amend or supplement this Trust Agreement in any manner that does not materially adversely affect the interest of Owners of Bonds.

Notwithstanding anything to the contrary in this subsection (b), the City shall not modify, amend or supplement this Trust Agreement in any manner that materially adversely affects the rights of any Bond Insurer without the consent of such Bond Insurer (provided, that, the consent of the Bond Insurer shall not be required in connection with modifications, amendments or additions pursuant to (iii) above). The Bond Insurer, if any, shall receive written notice of any proposed amendments pursuant to this subsection (b).

Section 8.02 Disqualified Bonds. Bonds owned or held by or for the account of the City shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article or otherwise under this Trust Agreement.

Section 8.03 Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the City may determine that the Bonds may bear a notation by endorsement in form approved by the City as to such action, and in that case upon demand of the Owner of any Outstanding Bonds and presentation of his Bond for such purpose at the Corporate Trust Office of the Trustee a suitable notation as to such action shall be made on such Bond. If the City shall so determine, new Bonds so modified as, in the opinion of the City, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond a new Bond or Bonds shall be exchanged at the Corporate Trust Office of the Trustee without cost to each Owner for its Bond or Bonds then Outstanding upon surrender of such Outstanding Bonds.

Section 8.04 Amendment by Mutual Consent. The provisions of this Article shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Section 8.05 Attorney's Opinion Regarding Supplemental Trust Agreements. The Trustee shall be provided an opinion of counsel that any Supplemental Trust Agreement complies with the provisions of this Article and the Trustee may conclusively rely upon such opinion.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.01 Events of Default. If one or more of the following events (herein called "Events of Default") shall happen, that is to say:

(a) if default shall be made by the City in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(b) if default shall be made by the City in the due and punctual payment of the principal or redemption price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by proceedings for redemption;

(c) if default shall be made by the City in the performance of any of the agreements or covenants required herein to be performed by the City, and such default shall have continued for a period

of 60 days after the City shall have been given notice in writing of such default by the Trustee or the Owners of not less than 25% in aggregate Principal Amount of the Bonds at the time Outstanding, specifying such default and requiring the same to be remedied, provided, however, if the default stated in the notice can be corrected, but not within the applicable period, the Trustee and such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected; or

(d) if the City shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the City seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property.

Section 9.02 Institution of Legal Proceedings by the Trustee; Remedies. If an Event of Default shall occur and be continuing, the Trustee may, and upon the written request of the Owners of a majority in aggregate Principal Amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of the Bonds under this Trust Agreement by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights and duties hereunder. The principal of the Bonds is not subject to acceleration upon the occurrence of an Event of Default.

Section 9.03 Application of Funds After Default. If an Event of Default shall occur and be continuing, all amounts then held or thereafter received by the Trustee under any of the provisions of this Trust Agreement shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any fees and expenses of the Trustee and to the payment of the charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel, agents and advisors) incurred in and about the performance of its powers and duties under this Trust Agreement;

(b) To the payment of the principal and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Trust Agreement, as follows:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.]

Section 9.04 Non-Waiver. Nothing in this Article or in any other provision hereof or in the Bonds shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the principal or redemption price of and the interest on the Bonds to the respective Owners of the Bonds on the respective Payment Dates as provided herein, or shall affect or impair the right of such Owners, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein and in the Bonds.

A waiver of any default or breach of duty or contract by the Trustee or any Owner shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee or any Owner to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Owners by the Act or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned, the City, the Trustee and any Owner shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 9.05 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

Section 9.06 Limitation on Owners' Right to Sue. No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or equity, for any remedy hereunder, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default, (b) the Owners of at least a majority in aggregate Principal Amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers herein granted or to institute such suit, action or proceeding in its own name, (c) such Owners shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred by it in compliance with such request, and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of the Trust Agreement shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

Section 9.07 Absolute Obligation of City. Nothing contained herein or in the Bonds shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the principal or redemption price of and the interest on the Bonds to the respective Owners of the Bonds on their respective Payment Dates as herein provided.

ARTICLE X

DEFEASANCE

Section 10.01 Discharge of Bonds. (a) If the City shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the interest thereon and the principal thereof and the redemption premiums, if any, thereon at the times and in the manner stipulated herein and therein, and shall pay or provide for the payment of all fees and expenses of the Trustee then due, then all agreements, covenants and other obligations of the City to the Owners of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, the Trustee shall pay over or deliver to the City all money or securities held by it pursuant hereto which are not required for the payment of the interest on and principal of and redemption premiums, if any, on such Bonds.

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this Section if (i) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the City shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with Section 3.03 hereof, (ii) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient or (B) Defeasance Securities, the interest on and principal of which when paid will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an independent certified public accountant (addressed to the City and the Trustee), to pay when due the principal or redemption price of and the interest on such Bonds to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, (iii) there shall be delivered to the Trustee an escrow agreement entered into by the City and the Trustee or other fiduciary or escrow agent, (iv) there shall be delivered to the Trustee an opinion of nationally recognized bond counsel to the effect that such Bonds have been paid within the meaning of this Section addressed to the Trustee, and (v) the City shall have given the Trustee in form satisfactory to it irrevocable instructions to mail to the Owners of such Bonds in accordance with Section 11.07 hereof notice that the deposit required by clause (ii) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal or redemption price of and interest on such Bonds.

Section 10.02 Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or the interest thereon which remains unclaimed for two years after the date when such Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds and interest shall have become due and payable, shall be repaid by the Trustee to the City as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall not look to the Trustee for the payment of such Bonds; provided, however, that before being required to make any such payment to the City, the Trustee may, and at the request of the City shall, at the expense of the City, mail to the Owners in accordance with Section 11.07 hereof a notice that such money remains unclaimed and that, after a date named in such notice, which date shall not be less than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the City.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Benefits of the Trust Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the City, the Trustee, the Bond Insurer, if any, and the Owners any right, remedy or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the City or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Trustee, and the Owners.

Section 11.02 Successor Is Deemed Included in All References to Predecessor. Whenever herein either the City or any member, officer or employee thereof or the Trustee is named or referred to, such reference shall be deemed to include the successor or assigns thereof, and all agreements and covenants required hereby to be performed by or on behalf of the City or the Trustee, or any member, officer or employee thereof, shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 11.03 Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or such Owner's attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which such person purports to act that the person signing such declaration, request or other instrument or writing acknowledged to such person the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number and date of holding the same may be proved by the registration books for the Bonds maintained by the Trustee pursuant to Section 2.08 hereof.

Any declaration, request, consent or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done by the Trustee or the City in good faith and in accordance therewith.

Section 11.04 Waiver of Personal Liability. No member, officer or employee of the City shall be individually or personally liable for the payment of the principal or redemption price of or the interest on the Bonds by reason of their issuance, but nothing herein contained shall relieve any officer of the City from the performance of any official duty provided by the Act or any other applicable provisions of law or hereby.

Section 11.05 Acquisition of Bonds by City. All Bonds acquired by the City shall be surrendered to the Trustee for cancellation.

Section 11.06 Destruction of Cancelled Bonds. Whenever provision is made for the return to the City of any Bonds which have been cancelled pursuant to the provisions hereof, the Trustee shall destroy such Bonds and furnish to the City a certificate of such destruction.

Section 11.07 Notice to Owners. Any notice required to be given by the Trustee hereunder by mail to any Owners shall be given by mailing a copy of such notice, first class postage prepaid, or by giving such notice by telecopy or by an overnight delivery service, to such Owners at their addresses appearing in the registration books maintained by the Trustee pursuant to Section 2.08 hereof, except as provided in Section 3.03 hereof, not less than 30 days nor more than 45 days following the action or prior to the event

forms of words shall be deemed interchangeable, and words of any gender shall be deemed and construed to include all genders, and all references herein to “Articles,” “Sections,” subsections or clauses are to the corresponding articles, sections, subsections or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to the Trust Agreement as a whole and not to any particular Article, Section, subsection or clause hereof.

Section 11.12 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the City or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection and security afforded to them under the Act or any other applicable provisions of law. The City and the Trustee hereby declare that they would have executed and delivered the Trust Agreement and each and every other Article, Section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 11.13 Execution in Several Counterparts. This Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the City and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.14 Electronic Signature. Each of the parties hereto agrees that the transaction consisting of this Trust Agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party’s intent (i) that, by signing this Trust Agreement using an electronic signature, it is signing, adopting and accepting this Trust Agreement, and (ii) that signing this Trust Agreement using an electronic signature is the legal equivalent of having placed the undersigned officer’s handwritten signature on this Trust Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Trust Agreement in a usable format.

Section 11.15 Governing Law. This Trust Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the City has caused this Trust Agreement to be signed in its name by its representative thereunto duly authorized, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

CITY OF EL SEGUNDO

By: _____

**U.S. BANK NATIONAL ASSOCIATION, as
Trustee**

By: _____

Authorized Officer

EXHIBIT A

FORM OF SERIES 2021 BOND

CITY OF EL SEGUNDO
TAXABLE PENSION OBLIGATION BONDS
SERIES 2021

No. R- _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP</u>	<u>[ISIN]</u>
		_____, 20__		

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: DOLLARS

The City of El Segundo, a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), for value received, hereby promises to pay to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal sum specified above, together with interest on such principal sum from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated as of an Interest Payment Date or during the period from the first day of the month of an Interest Payment Date to such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated prior to the first Interest Payment Date, in which event it shall bear interest from the original issue date specified above) until the principal hereof shall have been paid at the interest rate per annum specified above, payable on _____ 1, 20__, and semiannually thereafter on each January 1 and July 1 (each an "Interest Payment Date"). Interest due on or before the maturity or prior redemption of this Bond shall be payable only by check mailed on the Interest Payment Date by first-class mail to the registered owner hereof; provided that upon the written request of a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds received by the Trustee (as hereinafter defined) prior to the applicable record date, interest shall be paid by wire transfer in immediately available funds. The principal hereof is payable in lawful money of the United States of America at the Corporate Trust Office of the Trustee.

This Bond is one of a duly authorized issue of bonds of the City designated as its "Taxable Pension Obligation Bonds, Series 2021" (the "Series 2021 Bonds") in aggregate principal amount \$ _____ all of like tenor and date (except for variations, if any, as may be required to designate varying numbers, maturities and interest rates), and is issued under and pursuant to the provisions of Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code (the "Act") and under and pursuant to the provisions of a Trust Agreement, dated as of _____ 1, 2021 (the "Trust Agreement"), between the City and U.S. Bank National Association, as trustee (the "Trustee") (copies of which are on file at the Corporate Trust Office of the Trustee). Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Trust Agreement.

Under the Trust Agreement, Additional Bonds may be issued on a parity with the Series 2021 Bonds, but subject to the conditions and upon compliance with the procedures set forth in the Trust

Agreement. The Series 2021 Bonds and any such Additional Bonds are collectively referred to as the “Bonds.” The Bonds are obligations imposed by law payable from funds to be appropriated by the City pursuant to the Public Employees’ Retirement Law, commencing with Section 20000 of the California Government Code (the “Retirement Law”). Reference is hereby made to the Act and to the Trust Agreement and any and all amendments thereof and supplements thereto for a description of the terms on which the Series 2021 Bonds are issued, the rights of the registered owners of the Series 2021 Bonds, security for payment of the Series 2021 Bonds, remedies upon default and limitations thereon, and amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a contract between the City and the registered owner of this Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

The obligations of the City under the Bonds, including the obligation to make all payments of interest and principal when due, are obligations of the City imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The Bonds do not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation. Neither the Bonds nor the obligation of the City to make payments on the Bonds constitute an indebtedness of the City, the State, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

The Series 2021 Bonds are subject to redemption on the dates, at the redemption prices and pursuant to the terms set forth in the Trust Agreement. Notice of redemption of any Series 2021 Bonds or any portions thereof shall be given as set forth in the Trust Agreement.

This Bond may be transferred or exchanged pursuant to the terms set forth in the Trust Agreement. The City and the Trustee may deem and treat the registered owner of this Bond as the absolute owner of this Bond for the purpose of receiving payment hereof and for all other purposes, whether this Bond shall be overdue or not, and neither the City nor the Trustee shall be affected by any notice or knowledge to the contrary.

The rights and obligations of the City and of the owners of the Bonds may be modified or amended by a Supplemental Trust Agreement entered into by the City and the Trustee, as provided in the Trust Agreement.

This Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been executed and dated by the Trustee.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the City of El Segundo has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Chair of the City, and the Clerk of the Board of Supervisors of the City has caused the seal of the City to be affixed hereto.

CITY OF EL SEGUNDO

By: _____
Mayor

Countersigned:

City Clerk

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Trust Agreement which has been authenticated on _____.

**U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE**

By: _____
Authorized Officer

FORM OF ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ (Taxpayer Identification Number: _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Note: The signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: _____

Notice: Signature(s) guarantee should be made by a guarantor institution participating in the Securities Transfer Agent Medallion Program.

TITLE:

2021 Legislative Platform

RECOMMENDATION:

Approve the 2021 Legislative Platform

FISCAL IMPACT: None

BACKGROUND:

The purpose of the City's annual Legislative Platform is to represent the official City positions on proposed regional, state, and federal legislation. The Legislative Platform is aligned with the City's five Strategic Goals which focus on providing the highest level of service to the City's residents and businesses.

DISCUSSION:

The Legislative Platform provides clear direction to the City Manager to respond and take action quickly, under the direction of City Council, as initiatives that impact the City are considered at the regional, state, and federal levels. The City Manager shall coordinate the monitoring of legislative issues that impact the City and ensure that the City takes a position on all applicable proposed regional, statewide, and national legislation, regulation, and related matters.

The City Manager will update the Legislative Platform throughout the year, as necessary, to address and prioritize new issues as they relate to the City or the region. The Legislative Platform does not preclude City Council consideration of additional legislative and regulatory matters arising throughout the year. As necessary, Staff will solicit, City Council authorization to, amend the Legislative Platform to include items not included in the existing Legislative Platform.

The City's primary legislative focus includes protecting local government control, maintaining local government revenue, pursuing public security funding, obtaining funding for environmental sustainability, transportation, recreational, technology, and public infrastructure improvements.

Staff recommends approval of the 2021 Legislative Platform.

CITY STRATEGIC PLAN COMPLIANCE:

The Legislative Platform aligns with the City's five Strategic Goals and aims to provide the highest level of service to the City's residents and businesses

PREPARED BY: Martha Guzman-Hurtado 

SUBMITTED BY: Barbara Voss, Deputy City Manager 

APPROVED BY: Scott Mitnick, City Manager

ATTACHED SUPPORTING DOCUMENT:

2021 Legislative Platform



2021 Legislative Platform

Introduction

The purpose of the City's annual Legislative Platform is to represent the official City positions on proposed regional, state, and federal legislation. The Legislative Platform is aligned with the City's five Strategic Goals which focus on providing the highest level of service to the City's residents and businesses.

The Legislative Platform provides clear direction to the City Manager to respond and take action quickly, under the direction of City Council, as initiatives that impact the City are considered at the regional, state, and federal levels. The City Manager shall coordinate the monitoring of legislative issues that impact the City and ensure that the City takes a position on all applicable proposed regional, state-wide, and national legislation, regulation, and related matters.

The Legislative Affairs Manager will update the Legislative Platform throughout the year at the direction of the City Manager, as necessary, to address and prioritize new issues as they relate to the City or the region. The Legislative Platform does not preclude City Council consideration of additional legislative and regulatory matters arising throughout the year. As necessary, Staff will solicit City Council authorization to amend the Legislative Platform to include items not included in the existing Legislative Platform.

For proposed legislation, either consistent with the City's Legislative Platform or consistent with legislative positions the City has taken in the past, City Staff shall be authorized to prepare position letters on behalf of the Mayor and/or City Councilmembers. Items not addressed in the City's Legislative Platform may require further City Council direction. Legislative priorities may only address issues directly relevant to or impacting the provision of municipal services. Generally, the City will not address matters that are not pertinent to the City's local government services such as international issues.

City departments are encouraged to monitor and be knowledgeable of any legislative issues related to their discipline. However, requests for the City to take positions on a legislative matter must be directed to the City Manager's Office. City departments may not take positions on legislative issues without City Manager's Office review and approval.

The City's primary legislative focus includes protecting local government control, maintaining local government revenue, pursuing public security funding, obtaining funding for environmental sustainability, transportation, recreational, technology and public infrastructure improvements.



Guiding Principles – City Strategic Plan

The Legislative Platform is aligned with the City’s five strategic goals.

1. Enhance Customer Service, Engagement, and Communications
2. Support Community Safety and Preparedness
3. Develop as Choice Employer and Workforce
4. Develop Quality Infrastructure and Technology
5. Champion Economic Development and Fiscal Sustainability

2021 Legislative Priorities

County/Regional

- Ensure local City input on all regional land use and planning issues.
- Support joint efforts to develop mutual development standards for unincorporated areas that are binding upon the County of Los Angeles and the City.
- Support efforts to increase the amount of transportation funds allocated to local jurisdictions for discretionary projects.
- Pursue funding for projects that improve the quality of life in El Segundo.
- Support regional economic development policies that provide for planned economic growth in the City and neighboring communities.
- Pursue funds from economic development programs administered by the County of Los Angeles on behalf of federal and state agencies.
- Oppose unfunded mandates to the City for any new or continuing program/service.
- Support local control over the administration of local programs.
- Ensure that the County’s responsibilities for mandated programs are not passed on to the City in the form of undue burdens/financial mandates.
- Support efforts to promote clean air programs in cooperation with the South Coast Air Quality Management District (SCAQMD)



City Clerk/Electoral Process

City of El Segundo supports:

- Safeguards ensuring that all eligible voters are provided with the mechanisms to exercise the right to vote.
- Transparency, public participation and first amendment rights, while preserving procedures that continue to foster efficient government proceedings.
- Efforts to enhance local governments' ability to achieve greater transparency of governmental business by improving the platform in which agencies can publish and advertise notices, resolutions, orders, or other matters required by law.
- Measures that preserve the integrity and fundamentals of the Brown Act and oppose measures that would constrain communication among staff and local officials.
- Increased local autonomy, protecting privacy and maintaining the City's authority over public records. This includes measures that provide for the recovery of costs concerning public records requests.
- Maximizing the City's ability to efficiently and effectively administer local elections, including programs designed to encourage and increase voter education, registration and voter turn-out.

Community Service

City of El Segundo supports:

- Funding for the development and rehabilitation of infrastructure in parks, libraries, public right of ways, and similar neighborhood and community-serving facilities.
- Funding for ADA upgrades.
- Enhanced California State Library funding and budget.
- Expanded state resources for local library, recreation, arts and culture programs.
- Statewide initiatives for:
 - Early education
 - Services for vulnerable populations
 - Adult/family literacy
 - Other education and social services programs
 - Digital literacy
 - Career support
 - After-school/summer programs for youth



- Expanded opportunities for healthy “aging in place” options and services for the older adult population.
- Equitable access to library and information services including:
 - Broadband equity for California communities
 - eMedia and electronic resources
- Enhanced school sites and support of educational partnerships between cities and school districts.
- Intellectual freedom and privacy.
- Increased state resources for local arts, recreation, cultural events and library programs.

Economic Development

City of El Segundo supports:

- Measures that enhance the City’s business attraction and retention efforts.
- Providing resources and incentives to supports job creation, business attraction, and retention.

Emergency Management

City of El Segundo supports:

- Funding that promotes mitigation, preparedness, response, and recovery efforts for manmade and natural disaster hazards.
- Funding for disaster relief for all types of natural and manmade disasters.
- Efforts to coordinate the development of telecommunications infrastructure within the region for use during large scale emergencies.
- I.C.I. System (Interagency Communications Interoperability System) participation among jurisdictions and funding for equipment and operations.
- Funding for the Urban Area Security Initiative (UASI) and other funding initiatives administered by the Department of Homeland Security to enhance the City’s ability to respond to regional or national threats.

Environmental Sustainability

City of El Segundo supports:

- State bonds, funding, and legislation aimed at improving ocean water quality and reducing ocean pollution, banning new offshore oil or gas drilling or extraction, and funding coastal clean-up and restoration.
- Cost-effective, sustainable, and responsible environmental policy and programs in the areas of energy efficiency, greenhouse gases, climate change, potable water, wastewater, solid waste removal and stormwater, among others.
- State funding opportunities to assist agencies in meeting sustainability objectives including energy and water efficiencies, active transportation enhancements, connectivity and mobility improvements and carbon sequestration through natural landscape management and protection.
- Protecting, preserving and restoring the natural environment where it does not conflict with local control and land use designations.
- Creating partnerships among the City, El Segundo Unified School District, businesses, residents, and all other community stakeholders as necessary to achieve a sustainable community.
- Proactively addressing climate change and improving air quality. Support funding to foster an environmentally sustainable city, walkable community that provides ample goods, services and benefits to all residents while respecting the local environment.
- Funding for the Los Angeles County Metropolitan Transportation Authority (Metro) and other regional transit authorities to continue to create multi-modal transportation systems that minimize pollution and reduce motor vehicle congestion while ensuring access and mobility for all.

Fiscal and Administrative

City of El Segundo supports:

- Fiscal sustainability and best-practice administrative initiatives to ensure the delivery of unparalleled city services.
- Full cost reimbursement to the City for all federal, state and county-mandated programs.
- Protect the integrity of existing revenue sources for local government.



- Efforts to achieve public employee pension reform.
- Efforts to maintain and expand the types of municipal investment-grade revenue bonds.

City of El Segundo opposes:

- Any attempt to eliminate or limit the traditional tax exemption for municipal bonds.
- Legislation that makes local agencies more dependent on the State for financial stability and policy direction.
- Changes in revenue allocations that negatively affect local government, including the redistribution of sales tax, property tax, COPS grants, Proposition 172 funds, gas tax (HUTA), transient occupancy tax (TOT) and vehicle in-lieu fees (VLF).
- Efforts by the State or Federal government to preempt the City's right to levy and collect taxes, fees and assessments.
- Diminishing the City's authority over local taxes and fees.

Human Resources

City of El Segundo supports:

- Measures that place reasonable parameters over public pension plans, while opposing measures that would eliminate local control over plan specifics.
- Managing the rising cost of health insurance and urging officials to fully consider the financial impact on local governments when considering any health care coverage legislation.

City of El Segundo opposes:

- Measures that mandate upon local governments additional and costly programs for employee benefits without local control.



General Government

City of El Segundo supports:

- Efforts that are consistent with the doctrine of local control especially in the areas of police power, land use planning and public safety.
- Enhanced local control of resources and that allows the City to address the needs of its constituents within a framework of regional cooperation.
- Preserving local control of short-term rentals and online hotel intermediaries.
- The use of federal and state incentives for local government, rather than mandates.
- Funding opportunities for public facilities and services including capital improvement projects, public works projects, homeland security, library, parks and social service facilities.

City of El Segundo opposes:

- State and federal legislation that preempts the City's local authority.
- State or federal mandates without the direct or indirect reimbursement for the costs associated with complying with new and/or modified laws, regulations, policies, procedures, permits and/or programs.

Planning, Housing and Land Use

City of El Segundo supports:

- Increased input from municipalities in the development of the Regional Housing Needs Assessment (RHNA).
- Flexibility for local jurisdictions to work together to provide housing that counts toward Regional Housing Needs Assessment (RHNA) requirements.
- Maintaining local control over medical marijuana dispensaries and upholding cities' ability to regulate and ban dispensaries.
- Funding for affordable housing opportunities and projects.
- Enhance local control of resources and that allows the City to address housing.



City of El Segundo opposes:

- Limiting the City’s ability to condition and deny projects that negatively impact the community.
- Overriding the City’s adopted zoning ordinances.
- Legislation that establishes detrimental, residential rent control restrictions (such as AB1482)
- Legislation that reduces local land-use authority and/or alters local land use zoning designations without approval of local City Council (such as SB 50).

Public Safety

City of El Segundo supports:

- Assistance for local police, fire, and homeland security initiatives, and any measures that will help contribute to local public safety.
- Strengthening local law enforcement’s ability to prevent and fight crime.
- Funding and alternative avenues of health care to local first response agencies to adequately address behavioral health issues.
- Efforts to reverse all legislation, including AB 109, that created “early release” for low-risk, serious and violent offenders.
- Programs for rehabilitation, housing and employment for local and state prisoners.
- Strengthening state and regional collaboration to reduce and prevent homelessness as well as programs that provide funding to cities to implement local strategies.
- Strengthening efforts to eradicate human trafficking.
- Fire prevention and environmental safety legislation and funding.
- Legislation that aids paramedics and other emergency medical service practitioners in their ability to be responsive to community needs.
-

- Funding initiatives for Peace Officers Standards and Training (POST) and other law enforcement support organizations.
- Upholding local control and preserves a city’s “Section 201” and “Section 224” rights to continue to contract for or provide pre-hospital medical care and transport.

City of El Segundo opposes:

- Impeding local law enforcement from addressing crime problems and recovering costs resulting from a crime committed by the guilty party.
- Limiting local police departments’ ability to collect and utilize asset forfeiture funds for a wide variety of police services.
- Modifying existing bail programs that are potentially harmful to El Segundo community.
- Expanding “early release” for low-risk, serious and violent offenders.
- Expanding the definition of “early release”, non-serious crimes, and non-violent crimes.
- Re-categorizing serious crimes as non-serious crimes.
- Decriminalizing existing crimes in California or reducing the sentences of any offenses, resulting in the release of serious criminals who may further harm the safety of the public and law enforcement personnel.
- Legislation that requires local Public Safety agencies to take on more services without providing full funding to provide new/enhanced services.

Public Works

City of El Segundo supports:

- Increased funding for maintaining and upgrading the City’s major streets, allowing for better traffic flow and user safety.
- Funding for transportation infrastructure projects that improve mobility for residents, businesses and visitors.
- Expanded transportation funding to encourage use of public transit, alternative fuel vehicles and fleets, pedestrian ways, bikeways, and multi-use trails.



- Measures that provide City’s fair share of funding from the State’s ”Cap and Trade” funding sources.
- Measures that seek to reevaluate the method and manner in which the state and federal gas taxes are collected and allocated to local jurisdictions to emphasize actual roadway usage (i.e. working/daytime population-based).
- Efforts to secure the City’s fair share of funding from SB 1 revenues to fund local transportation projects.
- Working with other agencies in the region to support current state and federal funding levels and encourage increased funding and flexibility in both operating and capital funding for mass transit.
- Working with the South Bay Cities Council of Governments and other regional agencies to support legislation that provides incentives for the improvement and/or development of regional transportation corridors.

City of El Segundo opposes:

- Efforts to remove local regulatory authority on wireless infrastructure development.
- Any legislation that threatens to withhold State-allocated funds reserved for roadway or other public infrastructure maintenance and/or improvements if certain actions are not taken by the local jurisdiction, such as construction of housing or homeless shelters.