AGENDA

EL SEGUNDO CITY COUNCIL
REGULAR MEETING
TUESDAY, FEBRUARY 21, 2023

4:00 PM CLOSED SESSION
6:00 PM OPEN SESSION

CITY COUNCIL CHAMBER
350 MAIN STREET, EL SEGUNDO, CA 90245

Drew Boyles, Mayor
Chris Pimentel, Mayor Pro Tem
Carol Pirsztuk, Council Member
Lance Giroux, Council Member
Ryan W. Baldino, Council Member

Tracy Weaver, City Clerk
Matthew Robinson, City Treasurer

Executive Team

Darrell George, City Manager
Barbara Voss, Deputy City Manager
Jaime Bermudez, Police Chief
Michael Allen, Community Development Dir.
Jose Calderon, IT Director
Aly Mancini, Recreation, Parks & Library Dir.
Mark Hensley, City Attorney
Joe Lillio, Chief Financial Officer
Deena Lee, Fire Chief
Rebecca Redyk, HR Director
Elias Sassoon, Public Works Dir.

MISSION STATEMENT:
"Provide a great place to live, work, and visit."

VISION STATEMENT:
"Be a global innovation leader where big ideas take off while maintaining our unique small-town character."

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 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, members of 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.

Those wishing to address the City Council are requested to complete and submit to the City Clerk a "Speaker Card" located at the Council Chamber entrance. You are not required to provide personal information in order to speak, except to the extent necessary for the City Clerk to call upon you, properly record your name in meeting minutes and to provide contact information for later staff follow-up, if appropriate.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at 310-524-2305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

4:00 PM CLOSED SESSION – CALL TO ORDER / ROLL CALL

PUBLIC COMMUNICATION – (RELATED TO CITY BUSINESS ONLY – 5-MINUTE LIMIT PER PERSON, 30-MINUTE LIMIT TOTAL) *Individuals who have received value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing 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 City Council to take action on any item not on the agenda. City Council and/or City Manager will respond to comments after Public Communications is closed.*

SPECIAL ORDERS OF BUSINESS

1. Appoint Alex Volberding as Labor Negotiator for the City Employees' Association and Laura Droltz Kalty as Labor Negotiator for the Police Officers Association

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

CONFERENCE WITH CITY'S LABOR NEGOTIATOR (GOV'T CODE §54957.6): -7-MATTER(S)

1. Employee Organizations: Police Officers' Association (POA), Fire Fighters' Association (FFA), Supervisory Professional Employee Association (SPEA), Professional Support Services Employee Association (PSSEA), City Employees' Association (CEA), Police Managers' Association (PMA), and Management Confidential.

   Representative: City Manager, Darrell George, Human Resources Director, Rebecca Redyk, Laura Droltz Kalty, and Alex Volberding.

6:00 PM – CONVENE OPEN SESSION – CALL TO ORDER / ROLL CALL

INVOCATION – TBD

PLEDGE OF ALLEGIANCE – Council Member Pirsztuk

SPECIAL PRESENTATIONS

1. Announce the 2022 Holiday Parade Winners
2. Announcing "Women of the West: A Live Concert Celebration of Women's History Month"

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)

- Hyperion Water Reclamation Plant Update

A. PROCEDURAL MOTIONS

Read All Ordinances and Resolutions on the Agenda by Title Only

Recommendation -

Approval

B. CONSENT

3. **City Council Meeting Minutes**

Recommendation -

1. Approve Special City Council meeting minutes of February 3, 2023 and Regular City Council meeting minutes of February 7, 2023.

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

4. **Warrant Demand Register for January 16, 2023 through January 22, 2023**

Recommendation -

1. Ratify payroll and employee benefit checks; checks released early due to contracts or agreements; emergency disbursements and/or adjustments; and, wire transfers.

2. Approve Warrant Demand Register number 14C: warrant numbers 3044125 through 3044224, and 9002795.

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

5. **Construction Inspection Services Agreement Award for the El Segundo Boulevard Improvement Project**

Recommendation -

1. Authorize the City Manager to execute a standard professional services agreement with Z&K Consultants for the amount of $259,560, with an additional $30,000 for related contingencies, for construction inspection services on the El Segundo Boulevard Improvement Project, Project No. PW 23-02; and

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

6. **Resolution Adopting Updated Records Retention Schedule**

Recommendation -

1. Adopt the proposed Resolution to update the City's records retention schedule.

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

7. **Special Legal Services Agreement with Liebert Cassidy Whitmore**

Recommendation -

1. Approve an amended agreement with the law firm of Liebert Cassidy Whitmore, P.C. ("LCW") for special consulting, representational, and legal services pertaining to employment relations matters.

2. Authorize the City Manager to execute the agreement with LCW.

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

8. **2023 Legislative Platform**

Recommendation -

1. Approve the 2023 Legislative Platform.

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

9. **Amendment to Agreement with Dennis Grubb and Associates, LLC**

Recommendation -

1. Approve an amendment to City Professional Services Agreement No. 6379 with Dennis Grubb and Associates, LLC to increase the total contract amount by $75,000 from $150,000 to $225,000 for fire prevention plan check services.

2. Authorize the City Manager to execute the amended agreement (No. 6379C).

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

10. **Resolution Allowing Continued Teleconferenced Public Meetings under AB 361**

Recommendation -

1. Approve the proposed resolution to continue the City's utilization of relaxed teleconferencing requirements under the Brown Act.

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

C. PUBLIC HEARINGS

11. **Amendments to El Segundo Municipal Code Title 15 (Zoning) Regarding the State Density Bonus, Transitional and Supportive Housing, and Micro-Units**

Recommendation -

1. Open the public hearing and solicit public testimony.

2. Waive first reading and introduce three ordinances amending Title 15 of the El Segundo Municipal Code to establish regulations for the state density bonus, transitional and supportive housing, and micro-units and find they are exempt under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines § 15061(b)(3)) because they do not approve any particular development project, they consist only of minor revisions to existing zoning regulations and related procedures, and they do not have the potential for causing a significant effect on the environment.

3. Schedule second reading for the March 7, 2023 City Council meeting.

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

D. STAFF PRESENTATIONS

12. **Side Letter Agreement Between the City of El Segundo and the El Segundo Supervisory and Professional Employees' Association**

Recommendation -

1. Approve the Side Letter Agreement between the City of El Segundo and El Segundo Supervisory and Professional Employees' Association.

2. Adopt the Resolution approving the Side Letter Agreement between the City of El Segundo and El Segundo Supervisory and Professional Employees' Association.

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

13. **FY 2022-23 Mid-Year Citywide Budget Report, Recommended Adjustments and Resolution to Establish Basic Salary Ranges for the Human Resources Analyst and Utilities Superintendent Classifications**

Recommendation -

1. Receive FY 2022-2023 Citywide Mid-Year Budget Update.

2. Amend FY 2022-2023 General Fund Revenues from $81,750,523 to $83,918,210 and Appropriations from $85,941,128 to $87,755,028 (see exhibit A for details).

3. Amend FY 2022-2023 Certified Unified Program Agency (CUPA) Fund Appropriations from $557,643 to $559,643 (see exhibit A for details).

4. Amend FY 2022-2023 State Grants Fund Appropriations from $0 to $20,000 and revenue from $15,000 to $20,000 (see exhibit A for details).

5. Amend FY 2022-2023 Solid Waste Fund Appropriations from $270,000 to $310,000 (see exhibit A for details).

6. Amend FY 2022-2023 Transportation Fund Appropriations from $4,840,258 to $5,089,664 (see exhibit A for details).

7. Amend FY 2022-2023 Trust Funds – Special Revenue/Donations from $0 to $5,971 (see exhibit A for details).

8. Adopt the proposed Resolution to Establish a Basic Salary Range for the Human Resources Analyst and Utilities Superintendent Classifications.

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

14. **Downtown Specific Plan Update**

Recommendation -

1. Receive and file a Downtown Specific Plan Update status presentation.

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

15. **Annual Comprehensive Financial Report for Fiscal Year Ending June 30, 2022**

Recommendation -

1. Receive and file the Annual Comprehensive Financial Report for fiscal year ending June 30, 2022.

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

16. **Two Acre Land Dedication Offer by CDC Mar East Campus 1 LLC to City**

Recommendation -

1. Direct staff to:
    a. Reject two acre land dedication; or

    b. Conduct further due diligence including Phase I and/or Phase II environmental study, analysis of full title report, and potential operation and maintenance costs.

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

E. COMMITTEES, COMMISSIONS AND BOARDS PRESENTATIONS

17. **Amended Committees, Commissions and Boards Bylaws and Possibly Broadcasting and/or Recording Committee, Commission and Board Meetings**

Recommendation -

1. Approve the amended bylaws for the following Committees, Commissions and Boards: Arts and Culture Advisory Committee, Capital Improvement Program Advisory Committee, Diversity, Equity and Inclusion Committee, Environmental Committee, Library Board of Trustees, Planning Commission, Recreation and Parks Commission and Senior Citizen Housing Corporation Board.

2. Discuss recording and/or broadcasting live Committee, Commission and Board meetings and provide direction to staff.

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

18. **Announce Appointments to the Investment Advisory Committee and the Arts and Culture Advisory Committee**

Recommendation -

1. Announce appointments, if any.

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

F. REPORTS - CITY CLERK

G. REPORTS - CITY TREASURER

H. REPORTS - COUNCIL MEMBERS

COUNCIL MEMBER BALDINO

COUNCIL MEMBER GIROUX

COUNCIL MEMBER PIRSZTUK

19. **Percent for Arts Development Fee Program Discussion**

Recommendation -

1. Discuss the Percent for Arts Development Fee Program and direct staff to evaluate possible changes to the program, if any.

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

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)

MEMORIALS

ADJOURNMENT

POSTED:	
DATE:	February 17, 2023
TIME:	11:00 AM
BY:	Tracy Weaver, City Clerk

SPECIAL MEETING MINUTES OF THE EL SEGUNDO CITY COUNCIL
FRIDAY, FEBRUARY 3, 2023
1:00 PM

CALL TO ORDER – Mayor Boyles called to order at 1:02 PM.

ROLL CALL

Mayor Boyles	-	Present
Mayor Pro Tem Pimentel	-	Present
Council Member Pirsztuk	-	Present
Council Member Giroux	-	Present at 1:52PM
Council Member Baldino	-	Present

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

SPECIAL ORDER OF BUSINESS:

1. Conduct Investment Advisory Committee and Arts & Culture Advisory Committee Interviews

Council conducted interviews and Council consensus appointed the following to the Investment Advisory Committee: Vincent Zupo and Roger Nieves and appointed the following to the Arts & Culture Advisory Committee; Natalie Strong, Maureen Kingsley, John Pickhaver and Ioana Urma.

Council will announce the appointments at the 6:00 PM, February 21, 2023, regular City Council meeting.

ADJOURNMENT at 3:18 PM

_____
Tracy Weaver, City Clerk

MEETING MINUTES OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, FEBRUARY 7, 2023

CLOSED SESSION –

Mayor Boyles announced Council would recess into Closed Session at 7:37 PM

ROLL CALL

Mayor Boyles	-	Present
Mayor Pro Tem Pimentel	-	Present
Council Member Pirsztuk	-	Present
Council Member Giroux	-	Present
Council Member Baldino	-	Present

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

SPECIAL ORDER OF BUSINESS:

Mayor Boyles announced that Council would be meeting in closed session pursuant to the items listed on the Agenda.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (GOV'T CODE §54956.9(D)(1): -9- MATTER(S)

1. Scott O'Connor (City Police Officer) v. City of El Segundo, United States District Court (Central District of California), Civil Case No. 2:20-CV-0311 DMG (PLAx).

2. Scott Martinez (Retired City Fire Fighter) v. City of El Segundo, Los Angeles Superior Court Case No. 21ST CV10637.

3. James Tulette (Retired City Fire Fighter) v. City of El Segundo, Los Angeles Superior Court, Case No. 205T, CV44025.

4. Shawn Bonfield Retired (City Fire Department Battalion Chief) v. City of El Segundo, Los Angeles Superior Court Case no. 20ST CV48677.

5. William Hatcher (Retired El Segundo Fire Fighter) v. City of El Segundo, Los Angeles Superior Court, Case No. 21ST CV37399.

6. Richard Towne (Retired El Segundo Fire Fighter) v. City of El Segundo, Los Angeles Superior Court, Case No. 21ST CV19113.

7. Rebecca Smith (Former Non-Sworn Police Department Employee) v. City of El Segundo - Binding Arbitration Personnel Case.

8. Amy McDaniels (Non-Sworn Police Department Employee) v. City of El Segundo - Binding Arbitration Personnel Case.

9. Brent Beardmore (City Police Officer) v. City of El Segundo, Los Angeles Superior Court Case No. 22STCV25047.

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code §54956.9(d) (2) and (3): -1- matter.

1. Government Tort Claim Filed by Keith Puckett

Initiation of litigation pursuant to Government Code §54956.9(D)(4): -1- matter.

CONFERENCE WITH CITY'S LABOR NEGOTIATOR (GOV'T CODE §54957.6): -7- MATTER(S)

1. Employee Organizations: Fire Fighters Association (FFA), Police Officers Association (POA), Supervisory Professional Employee Association (SPEA), Professional Support Services Employee Association (PSSEA), City Employees' Association (CEA), Police Managers' Association (PMA), and Management Confidential.

Representative: Irma Moisa Rodriquez, City Manager, Darrell George, Human Resources Director, Rebecca Redyk. Laura Drottz Kalty and Alex Volberding.

Adjourned at 10:01 PM and returned to Open Session

OPEN SESSION – Mayor Pro Tem Pimentel called to order at 6:00 PM

ROLL CALL

Mayor Boyles	-	Present @ 6:11 PM
Mayor Pro Tem Pimentel	-	Present
Council Member Pirsztuk	-	Present
Council Member Giroux	-	Present
Council Member Baldino	-	Present

INVOCATION – Pastor Jonathan Elmore, The Bridge Church

PLEDGE OF ALLEGIANCE – Council Member Baldino

SPECIAL PRESENTATIONS:

1. Proclamation read by Mayor Pro Tem Pimentel proclaiming February 2023 as Black History Month. Christina Vasquez Farjardo, DEI Committee Chairperson,

accepted the Proclamation.

2. Chief Bermudez and City Council recognized the Citizens' Police Academy Graduates.

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5-minute limit per person, 30-minute limit total)
Kelly Stuart, resident, requested DEI Committee meetings be recorded/live streamed.
Lindsay Pinkham, resident, requested DEI Committee meetings be recorded/live streamed.
Luca De Matteis, with Uharvest, an Urban Farming Co, requested a possible partnership with the City.
Corrie Zuppo, resident, commented on the Hyperion Water Reclamation Plant and Chevron on their compliance with issues.
Jamin Griffiths, resident, representing El Segundo Little League, commented on the usage of the Raytheon Field Policy and the possibility of installing a Webcam at Brett Field.
Susan Bowling, resident, resident, requested DEI Committee meetings be recorded/live streamed.
Phillip Oloo, resident, requested DEI Committee meetings be recorded/live streamed.
Brett Goodwin, resident, resident, requested DEI Committee meetings be recorded/live streamed.

CITY MANAGER FOLLOW-UP COMMENTS:

Mentioned the Committees, Commissions and Boards By-laws will be brought to the February 21, 2023 meeting and the discussion of recording meetings will be discussed.

Darrell George, City Manager and Mark Hensley, City Attorney gave an update on the Hyperion Water Reclamation Plant.

A. Read all Ordinances and Resolutions on the Agenda by Title Only.

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

B. CONSENT:

3. Approve Regular City Council meeting minutes of January 17, 2023 and Special City Council meeting minutes of January 26, 2023.
(Fiscal Impact: None)

4. Approve warrants demand register for December 26, 2022 through January 15, 2023. Warrant demands 13B, 14A, and 14B, warrant numbers 3043826 through 3044124, and 9002768 through 9002794. Ratify Payroll and employee benefit Checks; Checks released early due to contracts or agreement; Emergency disbursements and/or adjustments; and, Wire transfers.

(Fiscal Impact: $5,176,044.03 ($1,803,511.98 in check warrants and $3,372,532.05 in wire warrants))

5. PULLED BY MAYOR PRO TEM PIMENTEL

6. PULLED BY COUNCIL MEMBER BALDINO

7. PULLED BY MAYOR PRO TEM PIMENTEL

8. Exempt the City's formal bidding requirements pursuant to El Segundo Municipal Code § 1-7-9(C) and award a contract to Insight through the County of Riverside Cooperative Purchasing Agreement and authorize the City Manager to execute a three-year (3) software License Agreement No. 6585 with Insight to provide Microsoft and Office 365 licenses for $240,034.37 per year, totaling $720,103.11 overt three (3) years.
(Fiscal Impact: $240,034.37 per year, totaling $720,103.11 over the three-year software license agreement. The cost for the first year is included in the FY 2022-23 budget account 001-400-2505-6217. The costs for the subsequent years will be requested in future budgets)

9. PULLED BY COUNCIL MEMBER BALDINO

10. Receive and file the Government Finance Officers' Association award for excellence in financial reporting for the City's Fiscal Year 2020-21 Annual Comprehensive Financial Report.
Fiscal Impact: None)

MOTION by Council Member Giroux, SECONDED by Council Member Pirsztuk approving Consent Agenda items 3, 4, 8, and 10. MOTION PASSED BY VOTE. 5//0

PULLED ITEMS:

5. Notice of Completion for FY 21-22 Concrete Improvements Project
(Fiscal Impact: $291,301.60 – Measure M Funding)

Mayor Pro Tem Pimentel commented and discussed the item.

MOTION by Mayor Pro Tem Pimentel, SECONDED by Mayor Boyles to accept FY 21-22 Concrete Improvements Project and authorize the City Clerk to file a Notice of Completion with the Los Angeles County Recorder's Office. MOTION PASSED BY UNANIMOUS VOTE. 5//0

6. Pension Obligation 115 Trust Funding Plan Administration and Portfolio Management
(Fiscal Impact: $79,000 - Included in FY 22-23 Budget)

Council Member Baldino commented and discussed the item.

MOTION by Council Member Baldino, SECONDED by Mayor Boyles adopting Resolution No. 5390 authorizing the City Manager to execute agreements to transfer administration and investment management services of the City's Pension Stabilization Trust assets to Shuster Advisory Group, LLC ("Shuster"), transfer Trust assets to Charles Schwab Trust Bank ("Schwab") and name Alta Trust Company ("Alta") as the Directed Trustee and authorize the trustee and discretionary advisory services to be assigned to Alta Trust Company and Shuster Advisory Group, respectively. MOTION PASSED BY UNANIMOUS VOTE. 5//0

7. Alondra Park Multi-Benefit Stormwater Capture Project Partnership Agreement
(Fiscal Impact: Fiscal impacts are only related to ongoing maintenance and operations costs, which are estimated to be $50,000 per year once construction is complete. Funds from Measure W (safe clean water local return fund) will be used to cover future maintenance related costs. All parties will enter into a separate operations and maintenance agreement at a future date. There will be no fiscal impact related to construction costs.)

Mayor Pro Tem Pimentel commented and discussed the item.

MOTION by Mayor Pro Tem Pimentel, SECONDED by Mayor Boyles authorizing the City Manager to execute Partnership Agreement No. 6577 with the County of Los Angeles, City of El Segundo, City of Hawthorne, City of Lawndale, City of Manhattan Beach, and City of Redondo Beach for Alondra Park Multi-Benefit Stormwater Capture Project. MOTION PASSED BY UNANIMOUS VOTE. 5//0

9. Four-Month Trial and Potential Permanent Implementation of Alternative 4/10 Work Schedule for the Employees Covered Under the Management and Confidential Series of the Administrative Code
(Fiscal Impact: None)

Council Member Baldino commented and discussed the item.

MOTION by Council Member Baldino, SECONDED by Mayor Boyles authorizing the City Manager to implement a four-month, alternative 4/10 work schedule trial for eligible Management and Confidential employees and authorize the City Manager to permanently implement the alternative 4/10 work schedule for eligible Management and Confidential employees upon successful conclusion of the four-month trial. MOTION PASSED BY UNANIMOUS VOTE. 5//0

C. PUBLIC HEARINGS:

11. Adoption of Annual Community Development Block Grant Program Project Selection for 2023-2024
(Fiscal Impact: $140,139 – Included in FY 2022-23 Budget)

This item is continued from the January 17, 2023 City Council Meeting. The Public Hearing was closed at that time. Discussion continued.

Michael Allen, Community Development Director reported and answered questions on the item.

Council Discussion

Mark Hensley, City Attorney read by title only:

RESOLUTION NO. 5391

A RESOLUTION APPROVING A COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FOR 2023-2024.

MOTION by Council Member Baldino, SECONDED by Mayor Pro Tem Pimentel adopting Resolution No. 5391. MOTION PASSED BY UNANIMOUS VOTE. 5//0

MOTION by Mayor Pro Tem Pimentel, SECONDED by Council Member Pirsztuk authorizing the City Manager, or his designee, to execute all contracts, in a form approved by the City Attorney, with the Los Angeles County Development Authority ("LACDA"). MOTION PASSED BY UNANIMOUS VOTE. 5//0

D. STAFF PRESENTATIONS:

12. Review and Approve City-Owned Walls for Possible Mural Locations as Selected by the Arts and Culture Advisory Committee
(Fiscal Impact: $35,000 – Included in FY 2022-23 Budget)

Aly Mancini, Recreation, Parks and Library Director and Sam Lee, Cultural Arts Coordinator presented and answered questions on the item.

Council Discussion

MOTION by Council Member Pirsztuk, SECONDED by Mayor Boyles approving locations selected by the Arts and Culture Advisory Committee for Murals on City-owned walls, with the exception of Library Park's Pergola area and be cognizant of the Recreation Park's intention to remodel when selecting locations at Recreation Park. MOTION PASSED BY UNANIMOUS VOTE. 5//0

E. COMMITTEES, COMISSIONS AND BOARDS PRESENTATIONS:

13. Announce Appointment to the Diversity, Equity, and Inclusion (DEI) Committee
(Fiscal Impact: None)

Mayor Boyles announced the appointment of Valerie Green to the Diversity, Equity, and Inclusion (DEI) Committee to serve a partial term expiring October 25, 2025.

F. REPORTS – CITY CLERK – No report

G. REPORTS – CITY TREASURER –

14. Investment Portfolio Report for December 2022
(Fiscal Impact: None)

Matthew Robinson, City Treasurer gave a presentation.

Council discussion

Council consensus to receive and file the report.

Council recessed into Closed Session at 7:37 PM

Reconvened at 10:06 PM

H. REPORTS – COUNCIL MEMBERS

Council Member Baldino –

15. Discuss Establishing an Ad Hoc City Council Subcommittee to Address Issues with the Hyperion Water Reclamation Plant
(Fiscal Impact: None)

Council Member Baldino introduced and reported on the item

Council discussion

MOTION by Council Member Giroux, SECONDED by Mayor Pro Tem Pimentel approving an Ad Hoc (Task Force) City Council subcommittee. MOTION PASSED BY UNANIMOUS VOTE. 5//0

MOTION by Mayor Boyles, SECONDED by Mayor Pro Tem Pimentel appointing Council Member Baldino and Council Member Pirsztuk to serve on the subcommittee. MOTION PASSED BY UNANIMOUS VOTE. 5//0

Council Member Giroux – No report

Council Member Pirsztuk – No report

Mayor Pro Tem Pimentel – Attended the League of Cities Tax Policy Subcommittee meeting and the South Bay Council of Governments Transportation meeting.

Mayor Boyles – Attended a call with Senator Ted Lieu, took a tour of LAX, attended U.S. Conference of Mayors, mentioned re-engaging with the City of El Segundo's Sister City of Guaymas, attended the Regional Southern California Association of Governments meeting, met with the Japanese Ministry of Economic and Trade Industry, met with Tom Mueller, founding executive of SpaceX and now Chief Executive Officer at Impulse Space Systems in El

Segundo and mentioned the South Bay Against Hate Collation and asked our representative is from the City.

16. Assign Council Members to Serve on Committees for Various Intergovernmental and Local Agencies
(Fiscal Impact: None)

Mayor Boyles announced Council Member assignments.

Council discussion

Amendments to Assignments

- Council Member Pirsztuk will be the delegate to Independent Cities Association and Mayor Pro Tem Pimentel as alternate.

- Joe Lillio, Chief Financial Officer will be the Independent Cities Risk Management Authority (ICRMA) delegate and Council Member Pirsztuk is the alternate.

MOTION by Council Member Giroux, SECONDED by Council Member Baldino approving the assignments to various intergovernmental agencies, local agencies and subcommittees as amended. MOTION PASSED BY UNANIMOUS VOTE. 5//0

17. Discuss Retaining a Public Relations Firm to Assist with Communications Related to the Hyperion Water Reclamation Plant

Council discussion

MOTION by Council Member Giroux, SECONDED by Mayor Pro Tem Pimentel to approve hiring a Public Relations firm. MOTION PASSED BY UNANIMOUS VOTE. 5//0

I. REPORTS – CITY ATTORNEY – No report

J. REPORTS/FOLLOW-UP – CITY MANAGER – No report

MEMORIALS – Sandra Jacobs

Adjourned at 10:40 PM

_____
Tracy Weaver, City Clerk

City Council Agenda Statement

Meeting Date: February 21, 2023
Agenda Heading: Consent
Item Number: B.4

TITLE:

Warrant Demand Register for January 16, 2023 through January 22, 2023

RECOMMENDATION:

1. Ratify payroll and employee benefit checks; checks released early due to contracts or agreements; emergency disbursements and/or adjustments; and, wire transfers.

2. Approve Warrant Demand Register number 14C: warrant numbers 3044125 through 3044224, and 9002795.

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

FISCAL IMPACT:

The warrants presented were drawn in payment of demands included within the FY 2022-2023 Adopted Budget. The total of $655,560.13 ($456,928.53 in check warrants and $198,631.60 in wire warrants) are for demands drawn on the FY 2022-2023 Budget.

BACKGROUND:

California Government Code Section 37208 provides General Law cities flexibility in how budgeted warrants, demands, and payroll are audited and ratified by their legislative body. Pursuant to Section 37208 of the California Government Code, warrants drawn in payments of demands are certified by the City's Chief Financial Officer and City Manager as conforming to the authorized expenditures set forth in the City Council adopted budget need not be audited by the City Council prior to payment, but may be presented to the City Council at the first meeting after delivery.

In government finance, a warrant is a written order to pay that instructs a federal, state, county, or city government treasurer to pay the warrant holder on demand or after a specific date. Such warrants look like checks and clear through the banking system like

checks. Warrants are issued for payroll to individual employees, accounts payable to vendors, to local governments, and to companies or individual taxpayers receiving a refund.

DISCUSSION:

The attached Warrants Listing delineates the warrants that have been paid for the period identified above. The Chief Financial Officer certifies that the listed warrants were drawn in payment of demands conforming to the adopted budget and that these demands are being presented to the City Council at its first meeting after the delivery of the warrants.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion Economic Development and Fiscal Sustainability

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

PREPARED BY:
Liz Lydic, Management Analyst
REVIEWED BY:
Joseph Lillio, Chief Financial Officer
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Register 14c summary

CITY OF EL SEGUNDO
WARRANTS TOTALS BY FUND

3044125 - 3044224
9002795 - 9002795

DATE OF APPROVAL: AS OF 1/26/2022

REGISTER # 14C

001	GENERAL FUND	300,713.32
003	EXPENDABLE TRUST FUND - OTHER	500.00
104	TRAFFIC SAFETY FUND	-
106	STATE GAS TAX FUND	55.71
108	ASSOCIATED RECREATION ACTIVITIES FUND	-
109	ASSET FORFEITURE FUND	184.28
110	MEAURE "R"	-
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	68.09
118	TDA ARTICLE 3 - SB 821 BIKEWAY FUND	-
119	MTA GRANT	-
120	C.O.P.S. FUND	-
121	FEMA	-
122	L.A.W.A. FUND	-
123	PSAF PROPERTY TAX PUBLIC SAFETY	-
124	FEDERAL GRANTS	-
125	STATE GRANT	2,593.05
126	A/P CUPA PROGRAM OVERSIGHT SURCHARGE	949.62
127	MEAURE "M"	8,193.75
128	SB-1	-
129	CERTIFIED ACCESS SPECIALIST PROGRAM	-
130	AFFORDABLE HOUSING	-
131	COUNTY STORM WATER PROGRAM	3,500.00
132	MEASURE "B"	-
202	ASSESSMENT DISTRICT #73	-
301	CAPITAL IMPROVEMENT FUND	15,464.00
302	INFRASTRUCTURE REPLACEMENT FUND	-
405	FACILITIES MAINTENANCE	-
501	WATER UTILITY FUND	40,803.50
502	WASTEWATER FUND	34,379.22
503	GOLF COURSE FUND	-
505	SOLID WASTE FUND	-
601	EQUIPMENT REPLACEMENT	-
602	LIABILITY INSURANCE	257.05
603	WORKERS COMP. RESERVE/INSURANCE	8,000.78
701	RETIRED EMP. INSURANCE	-
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	-
704	CULTURAL DEVELOPMENT	5,895.27
708	OUTSIDE SERVICES TRUST	35,370.89
	TOTAL WARRANTS	$ 456,928.53

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

AP - U = 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.

VOID CHECKS DUE TO ALIGNMENT: N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE:

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR:

NOTES

CHIEF FINANCIAL OFFICER Dave Manama acting CFO

DATE: 2/2/23

CITY MANAGER

DATE: 2-2-23

CITY OF EL SEGUNDO
WARRANTS TOTALS BY DEPARTMENT
AS OF 2/7/2023
REGISTER # 14c

DEPT#	NAME	TOTAL
	GENERAL FUND DEPARTMENTAL EXPENDITURES	
	GENERAL GOVERNMENT	
1101	City Council	666.49
1201	City Treasurer	216.87
1300	City Clerk	8,680.48
2101	City Manager	6,873.05
2102	Communications	180.35
2103	El Segundo Media	
2201	City Attorney	
2401	Economic Development	2,333.17
2402	Planning	4,687.08
2405	Human and Health Services	10,544.98
2500	Administrative Services	48,371.64
2601	Government Buildings	8,751.59
2900	Nondepartmental	23,868.09
6100	Library	12,298.27
		127,472.06
	PUBLIC SAFETY	
3100	Police	21,660.64
3200	Fire	2,970.20
2403	Building Safety	(94.53)
2404	Plng/Bldg Sfty Administration	(280.99)
		24,255.32
	PUBLIC WORKS	
4101	Engineering	5,672.84
4200	Streets/Park Maintenance	45,543.14
4300	Wastewater	827.56
4601	Equipment Maintenance	1,394.42
4801	Administration	83.25
		53,521.21
	COMMUNITY SERVICES	
5100,5200	Recreation & Parks	18,278.78
5400	Centennial	
		18,278.78
	EXPENDITURES	
	CAPITAL IMPROVEMENT	15,464.00
	ALL OTHER ACCOUNTS	217,937.16
	TOTAL WARRANTS	456,928.53

CITY OF EL SEGUNDO
PAYMENTS BY WIRE TRANSFER
1/16/23 THROUGH 1/22/23

Date	Payee		Description
1/19/2023	Cal Pers	21,410.16	Replacement Benefit Contributions
1/20/2023	Mission Square	95,752.07	457 payment Vantagepoint
1/20/2023	Mission Square	1,038.46	401(a) payment Vantagepoint
1/20/2023	Mission Square	2,896.95	401(a) payment Vantagepoint
1/20/2023	Mission Square	50.00	IRA payment Vantagepoint
1/20/2023	ExpertPay	2,720.76	EFT Child support payment
12/26/22-1/1/23	Workers Comp Activity	23,896.51	SCRMA checks issued
12/26/22-1/1/23	Liability Trust - Claims	50,866.69	Claim checks issued/(voided)
12/26/22-1/1/23	Retiree Health Insurance		Health Reimbursment checks issued
12/26/22-1/1/23	Flexible Spending Account		Employee Health and DCA card charges
		198,631.60	

DATE OF RATIFICATION: 2/2/23
TOTAL PAYMENTS BY WIRE: **198,631.60**

Certified as to the accuracy of the wire transfers by:

Acting Deputy City Treasurer II — Date: 2/2/2023

Chief Financial Officer — Date: 2/2/23

City Manager — Date: 2-2-23

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

City Council Agenda Statement

Meeting Date: February 21, 2023
Agenda Heading: Consent
Item Number: B.5

TITLE:

Construction Inspection Services Agreement Award for the El Segundo Boulevard Improvement Project

RECOMMENDATION:

1. Authorize the City Manager to execute a standard professional services agreement with Z&K Consultants for the amount of $259,560, with an additional $30,000 for related contingencies, for construction inspection services on the El Segundo Boulevard Improvement Project, Project No. PW 23-02; and

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

FISCAL IMPACT:

The total cost for the El Segundo Boulevard Improvement Project ($8,187,537) was previously approved by City Council on January 17, 2023. The agreement with Z&K Consultants for $259,560 plus $30,000 for related contingencies is included in the approved project cost. No additional appropriation is required.

BACKGROUND:

On January 17, 2023, City Council awarded a public works contract with Sully-Miller Contracting Company for the construction of the El Segundo Boulevard Improvement Project for $6,586,035.30. At that time, staff indicated that the proposals for construction administration, inspection and testing services for the project were being processed and the agreement with the selected firm would be brought back to the City Council for award in the near future.

DISCUSSION:

The City issued a "Request For Proposals" (RFP) in October 2022 to professional consultant firms for construction administration, inspection, and testing services regarding the El Segundo Boulevard Improvement Project. The RFP for the project was

published on November 9, 2022, with five proposals received on December 8, 2022 from the following consulting firms:

1. KOA Corporation
2. FCG Consultants
3. Southstar Engineering & Consulting, Inc.
4. Z&K Consultants
5. Berg & Associates, Inc.

All five proposals were evaluated and ranked based on consultant team qualifications, project understanding and approach, and overall experience. The firms of Z&K Consultants and Berg & Associates, Inc. were ranked the top two firms and were interviewed by a panel on January 10, 2023. The firm of Z&K Consultants was selected as the most qualified firm, and subsequently a fee proposal was negotiated with the firm. Under the ESMC, professional services are not required to be competitively bid or awarded to the lowest responsible bidder; staff prudently conducted the RFP process to ensure a quality pool of candidates for this professional work.

With the City Council's authorization, the El Segundo Boulevard Improvement Project is anticipated to commence in spring 2023 and be completed by summer 2024.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 4: Develop and Maintain Quality Infrastructure and Technology

Objective 4A: El Segundo's physical infrastructure supports an inviting and safe community.
Objective 4B: El Segundo's technology supports effective, efficient, and proactive operations.

PREPARED BY:
Cheryl Ebert, Senior Civil Engineer
REVIEWED BY:
Elias Sassoon, Public Works Director
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

None

City Council Agenda Statement

Meeting Date: February 21, 2023
Agenda Heading: Consent
Item Number: B.6

TITLE:

Resolution Adopting Updated Records Retention Schedule

RECOMMENDATION:

1. Adopt the proposed Resolution to update the City's records retention schedule.

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

FISCAL IMPACT:

The City will realize savings in reduced storage expenses and improved operational efficiency.

BACKGROUND:

The City Clerk's office, in consultation with its consultant Gladwell Governmental Services, Inc. ("Gladwell"), prepared a comprehensive update to the City's records retention schedule ("Retention Schedule"), which determines how long the City must keep electronic or physical copies of City documents. Different schedules are outlined with respect to each City department. The City Council approved the updated Retention Schedule upon its adoption of Resolution No. 5284 on November 16, 2021.

DISCUSSION:

To ensure ongoing legal compliance of the City's Retention Schedule, staff, in consultation with Gladwell, conducted an annual review and identified minor, necessary updates in accordance with state law. The Community Development, Finance, Police and Information Technology Services Departments are the subject of the minor Retention Schedule modifications. The underlying policy approach for approving and destroying records following the expiration of a retention requirement will remain the same, i.e., the City Clerk may dispose of records based on the intervals listed in the Retention Schedule, upon City Manager request and written City Attorney authorization. The proposed Resolution would adopt the updated Retention Schedule and authorize

the City Clerk to make minor updates to the Retention Schedule, in consultation with the City Attorney.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Diversity, Equity, Inclusion and Communication

Objective 1A: El Segundo provides unparalleled service to all customers.

Goal 4: Develop and Maintain Quality Infrastructure and Technology

Objective 4B: El Segundo's technology supports effective, efficient, and proactive operations.

PREPARED BY:
Lili Sandoval, Deputy City Clerk
REVIEWED BY:
Tracy Weaver, City Clerk
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Resolution
2. El Segundo - Retentions Schedule (with changes)
3. El Segundo - Retention Schedule (without changes)
4. El Segundo - How to Use Retention Schedules

RESOLUTION NO.

A RESOLUTION ADOPTING A CITYWIDE RECORDS RETENTION SCHEDULE FOR CITY DOCUMENTS.

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

SECTION 1. The City Council finds as follows

A. Keeping and maintaining public records that are unnecessary or duplicative results in the consumption of public resources including money, time and space,

B. Government Code §§ 34090, *et seq* establish methods by which the City may approve the destruction of unneeded documents,

C. It is in the public interest to reduce the City's cost for storing documents while, at the same time, ensuring that the City preserves those records that are required to conduct City business.

SECTION 2 As used in this Resolution; "record" has the same definition as set forth in Government Code § 6252.

SECTION 3 Pursuant to Government Code § 34090, the City Council approves the Citywide records retention schedule in attached Exhibit "A," which is incorporated by reference, and authorizes the City Clerk to dispose of records according to the time intervals listed in that schedule upon the request of the City Manager, or designee, and the written approval of the City Attorney.

SECTION 4 Notwithstanding the records retention schedule adopted by this Resolution, the City Clerk may, upon complying with the provisions of Government Code § 34090.5, dispose of documents in any legal manner without the further approval of the City Council or City Attorney.

SECTION 5 Upon destroying any documents in accord with this Resolution, the City Clerk is directed to complete a certificate verifying the destruction of such records and file the certificate with the City's official records.

SECTION 6 The City Clerk is directed to certify the adoption of this Resolution, record this Resolution, in the book of the City's original resolutions, and make a minute of the adoption of the Resolution in the City Council's records and minutes of this meeting.

SECTION 7 The City Clerk is authorized to make periodic updates to Exhibit "A" in consultation with the City Attorney, however, the City Council must approve major modifications to the records retention policy.

SECTION 8 This Resolution will become effective immediately upon adoption and remain in effect until repealed or superseded. Resolution No. 5284 and any other Resolution adopting a records retention schedule is repealed and superseded by this Resolution.

PASSED AND ADOPTED this 21st day of February, 2023

_____
Drew Boyles, Mayor

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

I, Tracy Weaver, City Clerk of the City of El Segundo, California, herby certify that the whole number of members of the City Council of the City is five, that the foregoing Resolution No. _____ was duly passed and adopted by said City Council, approved and signed by the Major of said City, and attested to by the City Clerk of said City, all at a regular meeting of said Council held on the 21st day of February, 2023, and the same was so passed and adopted by the following roll call vote

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

_____
Tracy Weaver, City Clerk

APPROVED AS TO FORM

By _____
Mark D. Hensley, City Attorney

RECORDS RETENTION SCHEDULE: DEVELOPMENT SERVICES

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
(OFR)			Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
BUILDING SAFETY										
Develop. Services / Building Safety	DS-001	Building Permit **Database**	Indefinite		Indefinite	Yes (all)	Mag			Department Preference - Data is interrelated; GC §34090,
Develop. Services / Building Safety	DS-002	Building Permits / Building Address Files - Permanent Documents Permits & Attachments, Certificate of Occupancy, Geotechnical / Geological Reports, Grading Permits, Lab Test Reports, Structural Observation Reports, Sile Plans Special Inspection Reports, Soils Reports, Structural Observation Reports, Final Inspection Reports	P		P	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §34090; H&S §19850
Develop. Services / Building Safety	DS-003	Building Plans - Expired	Expiration + 6 months		Expiration + 6 months		Mag, Ppr			Preliminary draft not retained in the ordinary course of business; GC §34090 et seq.
Develop. Services / Building Safety	DS-004	Building Plans - Withdrawn	Upon Withdrawal		Upon Withdrawal		Mag, Ppr			Preliminary draft not retained in the ordinary course of business; GC §34090 et seq.

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Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
(OFR)			Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
Develop. Services / Building Safety	DS-005	Building Plans and Construction Documents - **Finalled** - **SINGLE FAMILY RESIDENTIAL - SFR and APPURTENANCES**	P		P	Yes (all)	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; plans are not required to be submitted for these projects, but if they are, the CBC requires they be retained for at least completion + 180 days; H&S§19850; CBC §§104.7 & 107.5; GC §34090
Develop. Services / Building Safety	DS-006	Building Plans and Construction Documents - **Finalled** - **INDUSTRIAL, COMMERCIAL, MULTI-FAMILY DWELLINGS, PLACES OF PUBLIC ACCOMMODATION, TENANT IMPROVEMENTS, PRODUCTION HOMES**	P		P	Yes (all)	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Law requires for the life of the building for commercial only; ~~;~~ CBC §§104.7 & 107.5; H&S§19850, GC §34090
Develop. Services / Building Safety	DS-007	California Building Codes (CBC, etc.)	Minimum While Ordinance is in Force		Minimum While Ordinance is in Force		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §50022.6
Develop. Services / Building Safety	DS-008	Complaints (Written correspondence received or sent)	When No Longer Required - **Minimum Close + 2 years**		When No Longer Required - **Minimum Close + 2 years**		Mag, Ppr			GC §34090
Develop. Services / Building Safety	DS-009	Covenants	P		P	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §34090(a)

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Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
(OFR)			Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
Develop. Services / Building Safety	DS-010	**Inspection Construction Notices / Inspection Notices** (correction notices, compliance orders, stop work notices, etc.)	Until Cleared or Project Completion		Until Cleared or Project Completion		Mag, Ppr			Department Preference (preliminary documents); GC §34090
Develop. Services / Building Safety	DS-011	Modification Approvals / Deviations from Code Requirements	P		P	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §34090
Develop. Services / Building Safety	DS-012	Plan Check Review / Plan Review / Extension of Time for Permit or Plans	Project Completion or Upon Expiration		Project Completion or Upon Expiration	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §34090; H&S §19850
Develop. Services / Building Safety	DS-013	Requests & Permissions to Receive Copies of Plans (to and from architects)	2 years		2 years		Mag, Ppr			GC §34090

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Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
(OFR)			Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
CODE ENFORCEMENT										
Develop. Services / Code Enforce.	DS-014	Code Enforcement / Abatement Case Files (Includes appeals and Code Enforcement Complaint Letters)	Minimum Close + 2 years		Minimum Close + 2 years	Yes: Until Resolution	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Case is open until satisfactorily resolved (some cases are not resolved); City Clerk maintains original staff reports and resolutions that are presented to Council; GC §34090
Develop. Services / Code Enforce.	DS-015	Code Enforcement / Abatement Case Files **Liens & Releases**	P		P	Yes: Until Resolution	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §34090
DEVELOPMENT / PRIVATE DEVELOPMENT										
Develop. / Private Develop.	DS-016	Private Development Projects / Job Files: **Administration File** Construction Inspections, Photos, Private Lab Verifications, Testing Lab Final Reports *Examples: CUPs, Lot Line Adjustments, Specific Plans, Split Lots, TPMs, TSMs*	Upon Completion	10 years	Completion + 10 years	Yes: Until Completed	Mag, Ppr			Statute of Limitations for Errors & Omissions is 10 years; Published Audit Standards=4-7 years; Statute of Limitations: Contracts & Spec's=4 years, Wrongful Death=comp. + 5 years, Developers=comp. + 10 years; -CCP §337 et. seq., GC §34090

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Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
(OFR)			Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
Develop. / Private Develop.	DS-017	Private Development Projects / Job Files: **Permanent Files** Drainage, Encroachments, Rights of Way, Soils Reports, Stormwater, etc. Copies of Deeds, Dedications, Easements, Abandonments (City Clerk is OFR) *Examples: CUPs, Lot Line Adjustments, Specific Plans, Split Lots, TPMs, TSMs*	Upon Completion	P	P	Yes: Until Completed	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department preference; retained for disaster preparedness purposes; GC §34090
HOUSING AND SENIOR HOUSING (PARK VISTA)										
Develop. Services / Housing	DS-018	Five Year Consolidated Action Plan and the related Action Plans / PHA Plans	Expiration of Plan + 5 year		Expiration of Plan + 5 years		Mag, Ppr			Consolidated Plan Requirement; GC §34090

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Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
(OFR)			Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
Develop. Services / Housing	DS-019	Housing Programs: All, including Home Repair, Low-Mod, CalHome, CDBG & HOME **WITH Recapture or Resale Restrictions**	5 years after the Affordability Period Terminates, or the Written Agreement Terminates, Whichever is Longer		5 years after the Affordability Period Terminates, or the Written Agreement Terminates, Whichever is Longer		Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	HUD requires 5 years after the project completion; documents imposing recapture / resale restrictions are 5 years after the affordability period terminates; Uniform Admin. Requirements for Grants to Local Governments is 3 years from expenditure report; 2 CFR 200.334; 24 CFR 92.508(a)(c)(2); 29 CFR 97.42, GC §34090
Develop. Services / Housing	DS-020	Housing Programs: All, including Home Repair, Low-Mod, CalHome, CDBG & HOME **NO RECAPTURE / RESALE RESTRICTIONS**	Loan Pay-off + 5 years		Loan Pay-off + 5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	HUD requires 5 years after the project completion; documents imposing recapture / resale restrictions are 5 years after the affordability period terminates; Uniform Admin. Requirements for Grants to Local Governments is 3 years from expenditure report; 2 CFR 200.334; 24 CFR 92.508(a)(c)(2); 29 CFR 97.42, GC §34090
Develop. Services / Housing	DS-021	HUD Reports (ALL Reports to HUD)	5 years		5 years		Mag, Ppr			Department preference; ; GC §34090

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If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
Develop. Services / Housing	DS-022	Senior Housing / Park Vista Apartments (Property Management / Tenant Records, Income Verifications, etc. are Contracted)	5 years		5 years		Mag, Ppr			Department preference; ; GC §34090
Develop. Services / Housing	DS-023	Senior Housing Board (Park Vista) **AGENDAS, AGENDA PACKETS**	Minimum 2 years		Minimum 2 years		Mag, Ppr			Department Preference; GC §34090
Develop. Services / Housing	DS-024	Senior Housing Board (Park Vista) **MINUTES, BYLAWS**	P		P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	GC §34090
PLANNING										
Develop. Services / Planning & City Clerk	DS-025	Annexations / Boundaries / Consolidations / LAFCO	2 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Land Records; GC §34090
Develop. Services / Planning	DS-026	Congestion Management Plan.	P		P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §34090
Develop. Services / Planning	DS-027	Director Hearings / Adjustments	2 years		2 years		Mag, Ppr			The final decision is filed in the Project Entitlement Folder; GC §34090
Develop. Services / Planning	DS-028	Environmental Determinations: Environmental Impact Reports (EIRs), Negative Declarations, etc.) **Inside City Boundaries**	P		P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Usually filed in the project file; Final environmental determinations are required to be kept a "reasonable period of time"; 14 CCR §15095(c); GC §34090

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Develop. Services / Planning	DS-029	Environmental Determinations: Environmental Impact Reports (EIRs), Negative Declarations, etc.) **Outside City Boundaries**	When No Longer Required		When No Longer Required		Ppr, OD			Non-records; EIRs and Negative Declarations within the City Boundaries are with the project file
Develop. Services / Planning	DS-030	Environmental Determinations: Environmental Impact Reports (EIRs), Negative Declarations, etc.) / CEQA / NEPA **Correspondence and staff notes that provide insight into the project or the agency's CEQA compliance with respect to the project ~~submitted to, or transferred from the agency, and all internal agency communications, including staff notes related to a non-exempt CEQA action~~**	Project Approval or Denial + 2 years ~~Completion of CEQA Process~~		Project Approval or Denial + 2 years ~~Completion of CEQA Process~~		Mag, Ppr			Not all internal communications and notes are required to be saved; "E-mails that do not provide insight into the project or the agency's CEQA compliance with respect to the project — are not within the scope of section 21167.6, subdivision (e) and need not be retained." Golden Door Properties, LLC v. Superior Court of San Diego County (County of San Diego, et al., Real Parties in Interest) (D076605, D076924, D076993) (4th Dist. 2020); PRC 21167,6 GC §34090
Develop. Services / Planning	DS-031	General Plan Working Papers	When No Longer Required		When No Longer Required		Mag, Ppr			Preliminary drafts; GC §34090
Develop. Services / Planning	DS-032	General Plan, Elements and Amendments	P		P	Yes (all)	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §34090

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Develop. Services / Planning	DS-033	Land Use Studies / Plans / Reports	P		P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §34090
Develop. Services / Planning	DS-034	Master Plans, Specific Plans, Bikeway Plans, etc.	P		P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §34090
Develop. Services / Planning	DS-035	Miscellaneous Planning Research Projects (by property address)	Minimum 2 years		Minimum 2 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference GC §34090 et seq.
Develop. Services / Planning	DS-036	Planning Commission **Agenda Packets**	P		P	Yes (all)	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference - Copies (the original Staff Reports are filed in the Project Entitlement Folder); GC §34090.7
Develop. Services / Planning	DS-037	Planning Commission **Minutes & Bylaws**	P		P		Mag, Mfr, OD, Ppr	S / I	No	GC §34090
Develop. Services / Planning	DS-038	Planning Commission **Resolutions**	P		P	Yes	Mag, Mfr, OD, Ppr	S	No	GC §34090 et seq.

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Develop. Services / Planning	DS-039	**Planning Project Files - Permanent Entitlements (All)** (Includes Associated Conditions of Approval, Environmental Determinations, Staff Reports, Plans & Maps, copies of Resolutions and Ordinances) Examples: Conditional Use Permits (CUPs), Design Review, Lot Line Adjustments, Parcel Maps, Site Plans, Tentative Subdivisions, Variances, Zone Changes, Zone Text Amendments, etc.	2 years	P	P	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Department maintains complete files for administrative purposes; Final environmental determinations are required to be kept a "reasonable period of time"; 14 CCR §15095(c); GC§§34090, 34090.7
Develop. Services / Planning	DS-040	Preliminary Review File (No Final Application)	When No Longer Required		When No Longer Required		Mag, Ppr			Department preference; Preliminary Documents (no application submitted); GC §34090
Develop. Services / Planning	DS-041	Project Log Index / Spreadsheet / Binders of Historic Actions	P		P	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §34090
Develop. Services / Planning	DS-042	Regional Organizational Studies & Programs where other Agencies are the Lead (e.g. Air Quality Studies, etc.)	When No Longer Required		When No Longer Required		Mag, Ppr			Non-records; GC §34090 et seq.
Develop. Services / Planning	DS-043	Special Studies (Not related to a specific project)	P		P	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §34090

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Develop. Services / Planning	DS-044	Temporary Use Permits / Special Use Permits / Temporary Entitlements: **Christmas Tree Lots**, Ambient Sound, Banners, Pumpkin Lots, Outdoor Events, etc.	2 years		2 years	Yes: During Event	Mag, Ppr			Temporary uses; Department maintains complete files for administrative purposes; GC§§34090
City Clerk	DS-045	Zoning Amendments, Zoning Text Amendments	Copies - When No Longer Required		Copies - When No Longer Required		Mag, Ppr			Copies; GC §34090.7
Develop. Services / Planning	DS-046	Zoning Conformance	P		P	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §34090 et seq.
Develop. Services / Planning	DS-047	Zoning Maps of Significant Historical Value	P		P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; City Clerk Maintains originals of all documents that were presented to Council; GC §34090.7
RESIDENTIAL SOUND INSULATION										
Airport	DS-048	Airport Noise Documents	When No Longer Required		When No Longer Required		Mag, Ppr			Non-records
Develop. Services / Residential Sound Insulation	DS-049	Contractor Correspondence / Project Administration	10 years		10 years		Mag, Ppr			Department Preference; Statute of Limitations is 4 years; 10 years for Errors & Omissions; land records are permanent by law; CCP §§337. 337.1(a), 337.15, 343; GC §34090

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Develop. Services / Residential Sound Insulation	DS-050	FAA Financial Information / Grant Funding	2 years	After FAA Audit, if Required - **Minimum 5 years**	After FAA Audit, if required - **Minimum 5 years**		Mag, Ppr			Meets auditing standards; Grants covered by a Consolidated Action Plan are required for 5 years; Uniform Admin. Requirements for Grants to Local Governments is 3 years from expenditure report or final payment of grantee or subgrantee; 2 CFR 200.334; 24 CFR 91.105(h), 92.505, & 570.502(a), 29 CFR 97.42; OMB Circular A-110 & A-133.320(g); GC §34090; GC §8546.7
Develop. Services / Residential Sound Insulation	DS-051	List of Projects (Historical Excel File)	P		P		Mag, Ppr			Department preference; GC §34090
Develop. Services / Residential Sound Insulation	DS-052	Residential Sound Insulation Homeowner File / RSI Homeowner File (for each property) / Window & Door Replacements	Project Completion + 10 years		Project Completion + 10 years		Mag, Ppr			Department preference; covers all warrantee periods; CCP §337 et. seq., GC §34090
Develop. Services / Residential Sound Insulation	DS-053	Standard Specifications Used for Residential Sound Insulation / RSI projects (provided by the City to Contractors)	P		P		Mag, Ppr			Department preference; GC §34090

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RECORDS RETENTION SCHEDULE: FINANCE

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FINANCE / MANAGEMENT										
Finance / Mgmt.	FIN-001	Audit Reports / Consolidated Annual Financial Report	10 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Standard within the profession; GC §34090
Finance / Mgmt.	FIN-002	Audit Work Papers / Audit Schedules	2 years	3 years	5 years		Mag, Ppr			Meets municipal government auditing standards; GC §34090
Finance / Mgmt.	FIN-003	Bonds: **Debt** Official Statements / Certificates of Participations (COPs)	Cancellat., Redemption or Maturity	1 years	Cancellat., Redemption or Maturity + 10 years	Yes: Until Maturity	Mag, Ppr			Statute of Limitations for bonds, mortgages, trust deeds, notes or debentures is 6 years; Bonds issued by local governments are 10 years; There are specific requirements for disposal of unused bonds; CCP §§336(a)&(b); 26 CFR 1.6001-1(e):337.5(a); GC §§34090, 43900 et seq.
Finance / Mgmt.	FIN-004	Budgets - Adopted / Final	P		P	Yes: Current Fiscal Year	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Must be filed with County Auditor; GC §34090, 40802, 53901
Finance / Mgmt.	FIN-005	Financial Services **Database**	Indefinite		Indefinite	Yes	Mag			Data Fields / Records are interrelated; GC §34090
Finance / Mgmt.	FIN-006	Golf Course Subcommittee **AGENDAS, AGENDA PACKETS**	When No Longer Required - **Minimum 2 years**		When No Longer Required - **Minimum 2 years**		Mag, Ppr			Department Preference; GC §34090
Finance / Mgmt.	FIN-007	Golf Course Subcommittee **MINUTES, BYLAWS**	P		P		Mag, Mfr, OD, Ppr	S	No	GC §34090

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Finance / Mgmt.	FIN-008	Journal Entries / Back Up Documents / Budget Adjustments	5 years		5 years		Mag, Ppr			Meets municipal government auditing standards; Statute of Limitations is 4 years; GC §34090, CCP § 337
Finance / Mgmt.	FIN-009	Management Audit Letters	5 years		5 years		Mag, Ppr			Meets auditing requirements; GC §34090
Finance / Mgmt.	FIN-010	Management Reports / Measure "A" / Single Audits	5 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Meets auditing requirements; GC §34090
Finance / Mgmt.	FIN-011	Reports / Registers - Balance Sheet, Revenue, Expenditure. Trial Balance, etc.	When No Longer Required		When No Longer Required		Mag, Ppr			Preliminary drafts (the database is the original); GC §34090 et seq.
Finance / Mgmt.	FIN-012	Reports: Annual State or Federal: State Controller's Report, Street Report, etc.	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §34090
Finance / Mgmt.	FIN-013	Reports: Year-end General Ledger	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §34090

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FINANCE/ ACCOUNTS PAYABLE										
Finance / Accounts Payable	FIN-014	1099's, ~~Issued /~~ 1096, DE542 (California Report of Independent Contractors)	5 years		5 years		Mag, Ppr			IRS: 4 years after tax is due or paid (longer for auditing & contractor delinquency); Ca. FTB: 3 years; 26 CFR 31.6001-1, R&T §19530, GC §34090
Finance / Accounts Payable	FIN-015	GRANT-FUNDED Vendor File / Accounts Payable / Check Copies / Invoices and Backup / Credit Card Statements / Credit Card Receipts / Travel Reimbursement	2 years	5 years	7 years	Yes: Until Paid	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Meets municipal government auditing standards; GC §34090
Finance / Accounts Payable	FIN-016	NOT GRANT FUNDED Vendor File / Accounts Payable / Check Copies / Invoices and Backup / Credit Card Statements / Credit Card Receipts / Travel Reimbursement	2 years	3 years	5 years	Yes: Until Paid	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Meets municipal government auditing standards; GC §34090
Finance / Accounts Payable	FIN-017	W-9s	Vendor Inactive + 3 years		Vendor Inactive + 3 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Meets IRS Auditing Standards; GC §34090
Finance / Accounts Payable	FIN-018	Warrant (Check) Register (Detail) - Includes Grant Funded and Non-Grant Funded	2 years	5 years	7 years		Mag, Ppr			Department preference; GC §34090

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FINANCE / BUSINESS SERVICES										
Finance / Business Services	FIN-019	Accounts Receivable (Paramedic Billing, TOT, etc.)	2 years	3 years	5 years	Yes: Until Paid	Mag, Ppr			Department preference; GC §34090
Finance / Business Services	FIN-020	Accounts Receivable Write-Offs (due to non-payment)	5 years		5 years		Mag, Ppr			Meets Municipal Government auditing standards (negative information remains on credit ratings for 7 years); GC §34090
Finance / Business Services	FIN-021	Business License Applications, Licenses and Renewals, Letters	5 years		5 years		Mag, Ppr			Meets auditing standards; GC §34090 et seq.
Finance / Business Services	FIN-022	Business License Database	Indefinite		Indefinite	Yes	Mag			Data Fields / Records are interrelated; GC §34090
Finance / Business Services	FIN-023	Collection Agency Assignments	5 years		5 years		Mag, Ppr			Department Preference (negative information remains on credit reports for 7 years); GC §34090 et seq.

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FINANCE / PAYROLL										
Finance / Payroll	FIN-024	Batch Activity Reports / Payroll Processing File	2 years	3 years	5 years		Mag, Ppr			Department preference; meets municipal government auditing standards; GC §34090
Finance / Payroll	FIN-025	Checks / Warrants (Payroll Only) / Cancelled Checks	2 years	3 years	5 years		Mag, Ppr			Department preference; meets municipal government auditing standards; GC §34090
Finance / Payroll	FIN-026	DE-6, DE-7, DE-9, DE-34, DE-43, W-3 & DE-166, 941 Forms, PERS / FICA & Medicare Adjustments - Quarterly Payroll Tax Returns / OASDI, Federal Tax Deposits, Adjustments, etc.	2 years	3 years	5 years	Yes Current Year	Mag, Ppr			Department preference; IRS: 4 yrs after tax is due or paid; Ca. FTB: 3 years; Articles show 7 years; 26 CFR 31.6001-1, R&T §19530; 29 CFR 516.5 - 516.6, 29 USC 436, GC §34090 26CFR31.6001-1
Finance / Payroll	FIN-027	Payroll Employee File: Benefit Deduction Authorizations, Garnishments, etc.	Separation + 5 years		Separation + 5 years		Mag, Ppr			Department preference; IRS Regulations for W-4s: four years after the due date of such tax for the return period to which the records relate, or the date such tax is paid, whichever is the later. 26 CFR 31.6001-1 GC §60201 GC §34090
Finance / Payroll	FIN-028	Payroll Processing Report / Payroll Registers / Payroll Check Registers / Earnings Register	2 years	3 years	5 years		Mag, Ppr			Department preference; meets municipal government auditing standards; GC §34090
Finance / Payroll	FIN-029	PERS Report - Retirement Reports (CalPERS)	2 years	3 years	5 years		Mag, Ppr			Department preference; IRS: 4 yrs after tax is due or paid; Ca. FTB: 3 years; Articles show 7 years; 26 CFR 31.6001-1, R&T §19530; 29 CFR 516.5 - 516.6, 29 USC 436, GC §34090

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Finance / Payroll	FIN-030	Timecards / Timesheets	2 years	3 years	5 years		Mag, Ppr			Department preference; IRS: 4 yrs after tax is due or paid; Ca. FTB: 3 years; Articles show 7 years; 26 CFR 31.6001-1, R&T §19530; 29 CFR 516.5 - 516.6, 29 USC 436, GC §34090 26CFR31.6001-1
Finance / Payroll	FIN-031	W-2's	2 years	3 years	5 years		Mag, Ppr			Department preference; IRS: 4 yrs after tax is due or paid; Ca. FTB: 3 years; Articles show 7 years; 26 CFR 31.6001-1, R&T §19530; 29 CFR 516.5 - 516.6, 29 USC 436, GC §34090
Finance / Payroll	FIN-032	W-4s	No Longer in Effect + 4 years		No Longer in Effect + 4 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; IRS Regulation 31-6001-1 four years after the due date of such tax for the return period to which the records relate, or the date such tax is paid, whichever is the later. GC §34090; 26 CFR 31.6001-1 GC §60201

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PURCHASING										
Finance / Purchasing	FIN-033	Informal Bids & Quotes from Vendors (Quotes may be submitted by the Department)	2 years	3 years	5 years		Mag, Ppr			Department preference for grant auditing purposes; GC §34090
Finance / Purchasing	FIN-034	Purchase Orders, Requisitions, Quotes, Change Orders	2 years	3 years	5 years	Yes: Until Paid	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Meets municipal government auditing standards; GC §34090
Finance / Purchasing	FIN-035	Surplus Property Disposal / Sale	2 years	3 years	5 years	Yes: Until Paid	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Meets municipal government auditing standards; GC §34090
Finance / Purchasing	FIN-036	Vendor List	When No Longer Required		When No Longer Required		Mag, Ppr			Transitory / preliminary drafts; GC §§34090, 6252, 6254(a)

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UTILITY BILLING										
Finance / Utility Billing	FIN-037	Bankruptcies (Where City does not pursue a claim)	5 years		5 years		Mag, Ppr			Department preference; GC §34090
Finance / Utility Billing	FIN-038	Billing Registers / Reports, Daily Update, Bank Draft, Adjustment Posting, etc.	When No Longer Required		When No Longer Required		Mag, Ppr			Transitory records not retained in the ordinary course of business; Financial system qualifies as a trusted system and can re-create reports accurately; GC §34090
Finance / Utility Billing	FIN-039	Checks deposited to Bank (City scans them for the Bank, rather than physically taking the checks to the bank to deposit them.)	Follow Bank Instructions		Follow Bank Instructions		Mag, Ppr			These are bank instruments, and not City records; per bank agreement.
Finance / Utility Billing	FIN-040	Collection Agency Assignments / Write Offs	5 years		5 years		Mag, Ppr			Department Preference (negative information remains on credit reports for 7 years); GC §34090 et seq.
Finance / Utility Billing	FIN-041	Payment Stubs (mailed) / Utility Receipts	4 months		4 months		Mag, Ppr			Transitory records not retained in the ordinary course of business; GC §34090
Finance / Utility Billing	FIN-042	Prop 218 Notices: Master Mailing List	2 years		2 years		Ppr			GC §34090
Finance / Utility Billing	FIN-043	Prop 218 Notices: Undeliverable Mail	3 months		3 months		Ppr			Transitory records not retained in the ordinary course of business; GC §34090
Finance / Utility Billing	FIN-044	Returned Checks (NSF, etc.)	5 years		5 years	Yes: Until Paid	Mag, Ppr			Meets municipal government auditing standards; GC §34090

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Finance / Utility Billing	FIN-045	Service Applications	5 years		5 years		Mag, Ppr			Department preference; GC §34090
Finance / Utility Billing	FIN-046	Utility Billing **Database**	Indefinite		Indefinite	Yes	Mag			Data Fields / Records are interrelated; GC §34090
Finance / Utility Billing	FIN-047	Utility Users Tax Exemptions (Low Income / Senior / Disabled)	Close + 5 years		Close + 5 years		Mag, Ppr			Department preference; GC §34090
Finance / Utility Billing	FIN-048	Water Billing: Appeals - Payment Delinquency & Impending Discontinuation	Final Decision + 2 years		Final Decision + 2 years		Mag, Ppr, Mfr, OD	S / I	Yes: After QC & OD	Documented or attached to Customer Record in database GC §34090; H&S §116908
Finance / Utility Billing	FIN-049	Water Billing: Auto-Billing Authorizations	2 years		2 years		Mag, Ppr, Mfr, OD	S / I	Yes: After QC & OD	GC §34090
Finance / Utility Billing	FIN-050	Water Billing: Non-payment Notices / Notice of Payment Delinquency & Impending Discontinuation (Initial, Final)	When No Longer Required		When No Longer Required		Mag, Ppr, Mfr, OD	S / I	Yes: After QC & OD	Documented or attached to Customer Record in database GC §34090; H&S §116908
Finance / Utility Billing	FIN-051	Water Billing: NSF Checks / Adjustments to Customer accounts	When No Longer Required		When No Longer Required		Mag, Ppr, Mfr, OD	S / I	Yes: After QC & OD	Documented or attached to Customer Record in database GC §34090; H&S §116908
Finance / Utility Billing	FIN-052	Water Billing: Payment Plans: Amortization, Alternative Payment Plans, Deferrals, etc.	Expiration or Completion of Payment Plan		Expiration or Completion of Payment Plan		Mag, Ppr, Mfr, OD	S / I	Yes: After QC & OD	Documented or attached to Customer Record in database GC §34090; H&S §116910
Finance / Utility Billing	FIN-053	Water Billing: Policy on Discontinuation of Residential Service for Nonpayment	When Superseded; Minimum 2 years		When Superseded; Minimum 2 years		Mag, Ppr, Mfr, OD	S / I	Yes: After QC & OD	Must post to Website; H&S §116906; GC §34090

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Finance / Utility Billing	FIN-054	Water Billing: Report of Annual Discontinuations of Residential Service	Minimum 2 years		Minimum 2 years		Mag, Ppr, Mfr, OD	S / I	Yes: After QC & OD	Must post to Website; H&S §116918; GC §34090
Finance / Utility Billing	FIN-055	Water Turn On / Turn Offs (includes Work Orders)	5 years		5 years		Mag, Ppr			City preference for drinking water regulations; CCP §§338 et seq., 340 et seq., 342; GC §34090

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RECORDS RETENTION SCHEDULE: INFORMATION TECHNOLOGY SERVICES

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INFORMATION TECHNOLOGY SERVICES DEPARTMENT										
Information Technology Services	ITS-001	Backup Tapes / Disks - **Daily**	When No Longer Required		When No Longer Required	Yes	Mag.			Used for Disaster Recovery Purposes Only; Considered a copy and can be destroyed when no longer required; GC §34090 et seq.
Information Technology Services	ITS-002	Backup Tapes / Disks - **Weekly**		When No Longer Required	When No Longer Required	Yes	Mag.			Used for Disaster Recovery Purposes Only; Considered a copy and can be destroyed when no longer required; stored off-site; GC §34090 et seq.
Information Technology Services	ITS-003	Enterprise System Catalogue (posted on line)	2 years		2 years		Mag, Ppr			GC §34090 et seq.
Information Technology Services	ITS-004	Network Configuration Maps & Plans	When No Longer Required		When No Longer Required	Yes	Mag.			Preliminary documents not retained in the ordinary course of business; GC §34090 et seq.
Information Technology Services	ITS-005	Software Licenses, Warrantees, Installation Media	When No Longer Used		When No Longer Used		Mag.			Department preference; GC §34090 et seq.
Information Technology Services	ITS-006	UNALTERABLE MEDIA / IMMUTABLE CLOUD BACKUP / (WORM / DVD-r / CD-r / Blue Ray-R) or other unalterable media that does not permit additions, deletions, or changes		P	P		OD			For legal compliance for Trustworthy Electronic Records (when the electronic record serves as the official record); must be stored in a "safe and separate location"; GC 34090, 12168.7, EVC 1550, 2 CCR 22620 et seq

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RECORDS RETENTION SCHEDULE: POLICE

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POLICE ADMINISTRATION / CHIEF / INTERNAL INVESTIGATIONS / SUPPORT SERVICES										
Police / Admin	PD-001	Concealed Weapon Permits (CCW) - Civilians / Retirees	Expiration + 2 years		Expiration + 2 years		Ppr			DOJ manages the sale and transfer of firearms; Non-records (State is OFR); most agencies retain for 2 years; GC §34090, PC §12070 et seq.
Police / Admin	PD-002	Crime Statistics / Uniform Crime Reporting (UCR): ANNUAL	5 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Historical Value; GC §34090
Police / Admin	PD-003	Crime Statistics / Uniform Crime Reporting (UCR), NIBRS Statistical Reporting: PERIODIC (Monthly, Bi-monthly, etc.)	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §34090
Police / Admin	PD-004	Homeless Services: Supportive Housing, Outreach, Rapid Re-housing, Continuing Care Grants, etc.	5 years		5 years		Mag, Ppr			Meets auditing standards; Grants covered by a Consolidated Action Plan are required for 5 years; Uniform Admin. Requirements for Grants to Local Governments is 3 years from expenditure report or final payment of grantee or subgrantee; 2 CFR 200.334; 24 CFR 91.105(h), 92.505, 92.508, 570.490, & 570.502(a&b), 29 CFR 97.42; GC §34090; 24 CFR 982.158

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Police / Admin	PD-005	Internal Investigations: Sustained **WITHOUT Sustained Finding of Misconduct as defined in PC §832.7**, Not Sustained and Officer Involved Shootings	Final Disposition + 5 years		Final Disposition + 5 years		Mag, Ppr			Department Preference; State & Federal laws require retention until final disposition of formal complaint; State requires 2 years after action is taken; Statute of Limitations is 4 years for misconduct; EVC §1045(b)(1), GC §§12946, 34090, PC §§801.5, 803(c), 832.5, VC §2547
Police / Admin	PD-005.1	Internal Investigations: Sustained **WITH Sustained Finding of Misconduct as defined in PC §832.7**	Final Disposition + 15 years		Final Disposition + 15 years		Mag, Ppr			PC §832.7; GC §34090
Police / Admin	PD-006	Light Duty Reports	2 years		2 years		Ppr			Original Workers Compensation part of Personnel file; GC §34090 et seq.
Police / Admin	PD-007	POST Data, Files and Printouts (Training Courses)	Separation + 5 years		Separation + 5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Claims can be made for 30 years for toxic substance exposure; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 -3 years; 29 CFR 1627.3(b)(ii), 8 CCR §3204(d)(1) et seq., GC §§12946, 34090

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Police / Admin	PD-007.5	Report to the State Commission on Peace Officer Standards and Training (POST Commission) of peace officer employment, compliant, finding, disposition, or judgement pursuant to §PC 13510.9	2 years		2 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §34090
Police / Admin	PD-008	Work Assignments (Schedules)	7 years		7 years	Yes: Current Schedule only	Ppr			Department Preference; EEOC's basic requirement is 1 year after action; Bureau of National Affairs recommends 2 years for work schedules; 29 CFR 516.6(1), 29 CFR 1602.14, GC § 34090

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ANIMAL REGULATION										
Police / Animal Reg.	PD-009	Animal Licenses	2 years		2 years		Mag, Ppr			GC §34090
Police / Animal Reg.	PD-010	Animal Control County Reports / Lists	2 years		2 years		Mag, Ppr			GC §34090
Police / Animal Reg.	PD-010.1	Animals - Record of All Efforts to Contact Owner and/or Microchip's Primary Registrant	2 years		2 years		Mag, Ppr			FA §§31108.3 and 31752.1; GC §34090
INVESTIGATIONS (ALL)										
Police / Investig.	PD-011	Background Checks for Business Licenses: Bingo, Massage Technicians & Parlors, Peddlers, Taxi, etc.	Expiration of License + 2 years		Expiration of License + 2 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §34090
Police / Investig.	PD-012	Background Files - CCW, Employees, Volunteers & Reservists	Separation + 30 years		Separation + 30 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Retained for administrative value; GC §34090
Police / Investig.	PD-013	Background Files - U Visas, T-Visas with INS Letters / Victims of Crime	4 years		4 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Per Immigration; GC §34090
Police / Investig.	PD-014	Background Files - Unsuccessful Applicants (Not Hired)	5 years		5 years					Department Preference; EEOC / FLSA / ADEA (Age) requires 3 years; State Law requires 4 ~~2 - 3~~ years; 29 CFR 1627.3(a)(5) and (6), 8 CCR §11040.7(c), GC §§12946, 34090

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Police / Investig.	PD-015	Field Interview Cards (may include photos)	1 year		1 year		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Notes destroyed in the regular course of business; GC §34090 et seq.
Police / Investig.	PD-016	Guns: Dealers Record of Sale	When No Longer Required		When No Longer Required		Mag, Ppr			Based on DOJ Inventory Requirements; Some dealers have an automated link to DOJ; PC §12070
Police / Investig.	PD-017	Intelligence Reports	5 years		5 years		Mag, Ppr			Misleading, obsolete or unreliable information is required to be destroyed; remaining records must not be retained longer than 5 years; 28 CFR 23.20(h); GC §34090
RECORDS and PROPERTY										
Police / Records & Prop.	PD-018	Arrest Reports (LA County Booking #)	Follows Retention of Crime Report		Follows Retention of Crime Report	Yes: Before Disposition	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §34090
Finance	PD-019	Auction Receipts & Records (Evidence)	4 years		4 years		Ppr			Consistent with auditing standards; GC §34090
Police / Investig.	PD-020	Background Clearance Letters	3 years		3 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §34090
Police / Records & Prop.	PD-021	Citations: Marijuana Citations or Reports (less than 28.5 grams)	2 years		2 years		Mag, Ppr			GC §34090, H&S §11361.5
Police / Records & Prop.	PD-022	Citations: Misdemeanor Traffic, Parking, or Criminal	2 years		2 years		Mag, Ppr			Statute of Limitations is up to two years; Also See Crime Reports; GC §34090, PC §802

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Police / Records & Prop.	PD-023	Crime Reports: **Felonies and Misdemeanors - ALL** except those otherwise specifically mentioned in this retention schedule	7 years or upon DOJ Notification		7 years or upon DOJ Notification	Yes: Before Disposition	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Provided there are no outstanding warrants, unrecovered weapons, criminal deaths, they are not historically significant, and it is not classified under PC §800 & 290 and H&S §11850; Stat. of Limit. is 2 yrs; Destroy juvenile marijuana after age18; H&S §11361.5, GC §34090, PC §802, PC §§187, 800 et seq.
Police / Records & Prop.	PD-024	Crime Reports: **Homicide,** Falsification of Public Records, Kidnapping, Unsolved Child or Elder Abuse, Sexual Assault & Neglect, Rape, Misuse of Public Funds, Train-wrecking, Treason, Suicide, Officer Involved shootings (Crimes Subject to Death Penalty or without statute of Limitations)	P		P	Yes: Before Disposition	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Most have no limitations on commencement of action; PC §§ 261, 286, 288, 288a, 288.5, 289, 289.5, and 799
Police / Records & Prop.	PD-025	Crime Reports: **Marijuana** less than 28.5 grams	Conviction or Arrest (if No Conviction) + 2 years		Conviction or Arrest (if No Conviction) + 2 years		Mag, Mfr, OD, Ppr	S / I	Yes: When Inactive	(Courts and other Agencies "Shall" destroy); H&S§ 11361.5 et seq., GC§3409

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Police / Records & Prop.	PD-026	Crime Reports: **Misdemeanor Marijuana** §11357(e) - **Juvenile on School Grounds during School Hours** (with procedure in H&S §11361.5)	Offender is 18 Years Old		Offender is 18 Years Old	Yes: Before Disposition	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	(Courts and other Agencies "Shall" destroy); H&SS§ 11361.5 et seq., 11357(e)
Police / Records & Prop.	PD-027	Crime Reports: **Missing Person** Reports (unsolved)	2 years or Until Located	P	P	Yes: Before Disposition	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Dept. Preference; Also see Crime Reports; GC §34090
Police / Records & Prop.	PD-028	Crime Reports: **Public Assist** and other Non-Criminal Police Contact Reports	2 years		2 years		Mag, Mfr, OD, Ppr			Also see Crime Reports; GC §34090
Police / Records & Prop.	PD-029	Crime Reports: **Sealed Cases ("Factual Innocence")**	Date of Arrest + 3 years		Date of Arrest + 3 years		Mag, Mfr, OD, Ppr			"shall" destroy; Individual petitions District Attorney; PD concurs that person is factually innocent, then seals record; GC §34090; PC §851.8(a)
Police / Records & Prop.	PD-030	Crime Reports: **Sealed Cases (e.g. Juveniles)** Except those with Child Abuse or Severe Neglect, (Substantiated),outstanding stolen property, including firearms, or lost firearms	Sealing date + 5 years (or Court Order)		Sealing date + 5 years (or Court Order)		Mag, Mfr, OD, Ppr			Statute of Limitations runs up to age 22, or within five years of date of discovery of injury / illness occurring after age of majority, whichever is later ~~of majority + 8 years;~~ Sealing for Juveniles and Wards of the Court retained for 5 years; CCP §§340.1, GC §34090; W&I §781(d)
Police / Records & Prop.	PD-030.1	Crime Reports: **Vacatur Relief Granted by Court - Victim of Human Trafficking (Nonviolent Crimes)**	Court Order + 1 year		Court Order + 1 year		Mag, Mfr, OD, Ppr			Individual petitions Court ("Shall" Destroy); GC §34090; PC §§236.14(k); 236.15(k)

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Police / Records & Prop.	PD-031	Department of Justice Validation Lists	2 years		2 years		Mag, Ppr			Information received by DOJ; GC §34090
Police / Records & Prop.	PD-032	Drug Registrants (maintained in RMS)	5 years		5 years		Mag, Ppr			Department Preference (follows crime report retention); Registration is required for 5 years; GC §34090, H&S §11590 et seq., H&S §11594(a)
Police / Records & Prop.	PD-033	Evidence Sheets (Property cards and records)	(Criminal Report Retention)		(Criminal Report Retention)		Ppr			Statute of Limitations is 1 year for property seized by officers; CCP §340(d); GC §34090
Police / Records & Prop.	PD-034	Evidence Sheets: Found Property Lawfully disposed (over $10,000)	2 years	P	P		Mag, Ppr			If artifact over $10,000, artifact is permanent - Statute of Limitations is up to 3 years (recovery from seized property by police is 1 year); CCP §338(c), 340(4), 341(a); GC §34090
Police / Records & Prop.	PD-035	Evidence Sheets: Found Property Lawfully disposed (under $10,000)	2 years		2 years		Mag, Ppr			If artifact over $10,000, artifact is permanent - Statute of Limitations is up to 3 years (recovery from seized property by police is 1 year); CCP §338(c), 340(4), 341(a); GC §34090
Police / Records & Prop.	PD-036	Officer Recordings: Body-Worn Cameras – **LOGS of Access or Deletion of Data**	P		P		Mag,			PC§ 832.18(b)(5)(E); GC §34090.6 et seq.

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Police / Records & Prop.	PD-037	Officer Recordings: Body-Worn Cameras - that **ARE evidence, Officer Involved Shootings / Detention or Arrest / Complaints**	Follows retention for Evidence, Minimum 2 years		Follows retention for Evidence, Minimum 2 years		Mag,			PC§ 832.18(b)(5)(B)&(C); GC §34090.6 et seq.
Police / Records & Prop.	PD-038	Officer Recordings: Body-Worn Cameras - that are **NOT evidence**	60 days		60 days		Mag,			PC§ 832.18(b)(5)(A); GC §34090.6 et seq.
Police / Records & Prop.	PD-039	Officer Recordings: Mobile Audio/Video Recordings that are **not** evidence	1 year		1 year		Mag			Department preference; Recordings that become evidence are stored with evidence; consistent with Lexipol requirements; GC §34090.6(a)
Police / Records & Prop.	PD-040	Pawn Slips / Secondhand	2 years		2 years		Ppr			Department Preference; Non-records used for investigations; Originals entered into the State Automated Property System; most agencies retain for 2 years; GC §34090
Police / Records & Prop.	PD-041	Photos: Crime Scenes	Follows Retention of Crime Report		Follows Retention of Crime Report		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	See appropriate Crime Report
Police / Records & Prop.	PD-042	Photos: Mug Shots	P		P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Retained for administrative value; GC §34090
Police / Records & Prop.	PD-043	Photos: Request Forms	2 years		2 years		Ppr			Department Preference; GC §34090

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Office of Record	Classification OR File Number	Records Description	Retention / Disposition							Comments / Reference
(OFR)			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
Police / Records & Prop.	PD-044	Restraining Orders	Expiration of Order		Expiration of Order		Ppr			Department Preference; Non-records (Court is OFR); GC §34090
Police / Records & Prop.	PD-045	Search Warrants	Follows Retention of Crime Report		Follows Retention of Crime Report		Mag, Ppr			Copies; Court is OFR; GC §34090
Police / Records & Prop.	PD-046	Sex Offender Registrations	10 years	P or Death of Registrant	P or Death of Registrant		Mag, Ppr			Pursuant to PC §290 et seq.; If released from CAY, records are destroyed after age 25 or sealing pursuant to W&I §781;
Police / Records & Prop.	PD-046.1	STOP Source Data, Audit Log / Racial and Identity Profiling Act (RIPA) Annual Report	3 years		3 years		Ppr			11 CCR 999.228; 11 CCR 999.229; GC §34090
Police / Records & Prop.	PD-047	Subpoenas and Subpoena Logs	When No Longer Required		When No Longer Required		Ppr			Transitory Non-Record; Courts are OFR; GC §34090
Police / Records & Prop.	PD-048	Taxi Permits (Backgrounds)	Expiration + 2 years		Expiration + 2 years		Mag, Ppr			GC §34090
Police / Records & Prop.	PD-049	Video Interviews	(Follows evidence retention)		Follows evidence retention)		Mag			Department Preference; GC §34090
Police / Records & Prop.	PD-050	Weapons, Lost / Stolen, Serialized, if no activity from date of report and CLETS purge	Until Found		Until Found		Ppr			Department Preference (Based on DOJ Inventory and ATF History Report); GC §34090
POLICE INFORMATION TECHNOLOGY										

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Police / IT	PD-051	Backup Tapes / Disks - **Daily**	When No Longer Required		When No Longer Required	Yes	Mag.			Used for Disaster Recovery purposes only; Consistent with City MIS; Considered a copy and can be destroyed when no longer required; retention based on administrative value; recycle tapes; GC §34090 et seq.
Police / IT	PD-052	Backup Tapes / Disks - **Weekly**		When No Longer Required	When No Longer Required	Yes	Mag.			Used for Disaster Recovery purposes only; Consistent with City MIS; Considered a copy and can be destroyed when no longer required; retention based on administrative value; recycle tapes; GC §34090 et seq.
Police / IT	PD-053	Daily Crime Report No. Log: Case Numbers (Maintained by MIS)	2 years	P	P	Yes	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §34090
Police / IT	PD-054	Recordings of Telephone Calls - Front Desk and Watch Commander	100 days		100 days		Mag			Department preference; (legally mandated for 100 days); GC §§34090, 34090.6
Police / IT	PD-055	Video Recordings - **Employees / City Operations / Holding Cell**	1 year		1 year		Mag			1 year is required when video recording regular ongoing operations of the City; GC §34090.6(a)
Police / IT	PD-056	Video Recordings - **Public Areas** (Streets, Sidewalks, Lobbies, Hallways, etc.)	When No Longer Required		When No Longer Required		Mag			Does not record regular ongoing operations of the City (preliminary drafts); GC §34090 etc.

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CITY WIDE (Used by all Departments)										
Lead Dept.	CW-001	Accident Report / Injury Reports / Incident Reports: **PUBLIC** (Send Employee Reports to Human Resources)	2 years		2 years		Mag, Ppr			GC §34090
City Clerk	CW-002	Agreements & Contracts - **ALL ~~APPROVED BY CITY COUNCIL~~** **Send ALL Originals to the City Clerk**	Copies - When No Longer Required ~~Send Originals to the City Clerk~~		Copies - When No Longer Required ~~Send Originals to the City Clerk~~		Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	GC §34090.7
Lead Dept.	CW-003	Agreements & Contracts - **ADMINISTRATION RECORDS** Project Schedules, Correspondence with Vendor, etc.	Completion	10 years	Completion + 10 years	Yes: Before Completion	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Covers E&O Statute of Limitations; Published Audit Standards=4-7 years; Statute of Limitations: Contracts & Spec's=4 years, Wrongful Death=comp. + 5 years, Developers=comp. + 10 years; CCP §337 et. seq., GC §34090
Lead Dept.	CW-004	Appeals	The Retention of the Appealed Record Series		The Retention of the Appealed Record Series		Mag, Ppr			Department preference (Appeals usually are retained as part of an Agenda Packet); GC §34090 et seq.

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Staffing Dept.	CW-005	Boards, Commissions, & Committees: Citizens Advisory Bodies Formed by CITY COUNCIL **AGENDAS, AGENDA PACKETS**	Minimum 2 years		Minimum 2 years		Mag, Ppr			Department Preference; GC §34090
Staffing Dept.	CW-006	Boards, Commissions, & Committees: Citizens Advisory Bodies Formed by CITY COUNCIL **MINUTES, BYLAWS**	P		P	Yes	Mag, Mfr, OD, Ppr	S	No	GC §34090
	CW-007	Boards, Commissions, & Committees: **External** Organizations (e.g. County Board of Supervisors)	When No Longer Required		When No Longer Required		Mag, Ppr			Non-records
Lead Dept.	CW-008	City Council Subcommittees / Ad-Hoc City Council Subcommittees	2 years		2 years		Mag, Ppr			GC §34090
Lead Dept.	CW-009	Committees **Internal - Attended by employees:** All Records (e.g. Records Management Committee, In-House Task Forces, etc.)	2 years		2 years		Mag, Ppr			GC §34090

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Lead **(Responding)** Dept.	CW-010	Complaints / Concerns from Citizens **(operational)**	Minimum 2 years		Minimum 2 years		Mag Ppr			City preference; Statute of Limitations for personal property, fraud, etc. is 3 years; Claims must be filed in 6 months; CCP §§338 et seq., 340 et seq., 342; GC §34090
	CW-011	Copies or duplicates of any record	Copies - When No Longer Required		Copies - When No Longer Required		Mag Ppr			GC §34090.7
Dept. that **Authors** Document or Receives the City's Original Document	CW-012	Correspondence - **ROUTINE (Content relates in a substantive way to the conduct of the public's business)** (e.g. Administrative, Chronological, General Files, Letters, Memorandums, Miscellaneous Reports, Press Releases, Public Records Requests, Reading File, Working Files, etc.)	2 years		2 years		Mag, Ppr			GC §34090

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Dept. that **Authors** Document or Receives the City's Original Document	CW-013	Correspondence - **TRANSITORY / PRELIMINARY DRAFTS,** Interagency and Intraagency Memoranda not retained in the ordinary course of business **Content NOT Substantive, or NOT made or retained for the purpose of preserving the informational content for future reference** (e.g. calendars, checklists, e-mail or social media postings, instant messaging, ~~,~~ invitations, instant messaging, logs, mailing lists, meeting room registrations, speaker slips, staff videoconference chats, notes and recordings, supply inventories, telephone messages, text messages, transmittal letters, thank yous, requests from other cities, undeliverable envelopes, visitors logs, voice mails, webpages, etc.)	When No Longer Required		When No Longer Required		Mag, Ppr			Refer to the City's e-mail policy. Electronic and paper records are categorized, filed and retained based upon the CONTENT of the record. Records where either the Content relates in a substantive way to the conduct of the public's business, or ARE made or retained for the purpose of preserving the informational content for future reference are saved by placing them in an electronic or paper (project) file folder and retained for the applicable retention period. If not mentioned here, consult the City Attorney to determine if a record is considered transitory / preliminary drafts. GC §34090, GC §6252; 64 Ops. Cal. Atty. Gen. 317 (1981)); City of San Jose v. Superior Court (Smith). S218066. Supreme Court of California, 2017

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Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
Lead Dept.	CW-014	Drafts & Notes: Drafts that are revised (retain final version)	When No Longer Required		When No Longer Required		Mag, Ppr			As long as the drafts and notes are not retained in the "Regular Course of Business". Consult the City Attorney to determine if a record is considered a draft. GC §§34090, 6252, 6254(a)
Lead Dept.	CW-015	GIS Database / Data / Layers (both City-wide and Specialized)	When No Longer Required		When No Longer Required	Yes	Mag			The Lead Department should print out historical documents (or save source data) prior to replacing the data, if they require the data or output for historical purposes; Department Preference (Preliminary documents); GC §34090 et seq.
Lead Dept.	CW-016	Grants (**UNSUCCESSFUL** Applications, Correspondence)	2 years		2 years		Mag, Ppr			GC §34090

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Lead Dept.	CW-017	Grants / CDBG / Reimbursable Claims / Subventions / FEMA Claims / OES Claims **(SUCCESSFUL** Reports, other records required to pass the funding agency's audit, if required) Send Grant Financial Reports to Finance Applications (successful), program rules, regulations & procedures, reports to grant funding agencies, correspondence, audit records, completion records	2 years	After Funding Agency Audit, if Required - **Minimum 5 years**	After Funding Agency Audit, if required - **Minimum 5 years**		Mag, Ppr			Meets auditing standards; Grants covered by a Consolidated Action Plan are required for 5 years; Uniform Admin. Requirements for Grants to Local Governments is 3 years from expenditure report or final payment of grantee or subgrantee; 2 CFR 200.334; 24 CFR 91.105(h), 92.505, & 570.502(a), 29 CFR 97.42; OMB Circular A-110 & A-133.320(g); GC §34090; GC §8546.7
Lead Dept.	CW-018	Newspaper Clippings	When No Longer Required		When No Longer Required		Ppr			Non-records - may be obtained from the newspaper company; GC §34090
Staffing Dept.	CW-019	Notices: Public Hearing Notices and Proofs of Publications	2 years		2 years		Mag, Ppr			Statute of Limitations on Municipal Government actions is 3 - 6 months; GC §34090
Human Resources	CW-020	Personnel Files (Full-time and Part-time)	Upon Separation or Transfer, Send to Human Resources		Upon Separation or Transfer, Send to Human Resources		Mag, Ppr			Human Resources is OFR; GC §34090.7

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Lead Dept.	CW-021	Personnel Supervisory Files **(Supervisor's Notes)**	(After Incorp. In Performance Evaluation)		(After Incorp. In Performance Evaluation)	Before Annual Performance Evaluation	Mag, Ppr			Notes maintained in a separate folder to be incorporated into performance evaluation, or to document progressive discipline; GC §34090 et seq.
Lead Dept.	CW-022	Personnel Work Schedules	When No Longer Required		When No Longer Required		Mag, Ppr			Time Cards are the final (these are preliminary drafts); GC §34090
Lead Dept.	CW-023	Photographs	When No Longer Required		When No Longer Required		Mag, Ppr			Considered preliminary drafts; GC §§34090, 6252, 6254(a)
Lead Dept.	CW-024	Public Hearing Notices (Mailed)	2 years		2 years		Mag, Mfr, OD, Ppr			Brown Act challenges must be filed within 30 or 90 days of action; Statute of Limitations on Municipal Government actions is 3 - 6 months; GC §§34090
Lead Dept. (Who Ordered the Appraisal)	CW-025	Real Estate Appraisal Reports (Acquisition or Sale): Property **NOT** purchased, Loans not funded, etc.	2 years		2 years		Mag, Ppr			Not accessible to the public; ~~;~~ GC §§34090, 6254(h)

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Lead Dept. (Who Ordered the Appraisal)	CW-026	Real Estate Appraisal Reports (Acquisition or Sale): **Purchased** Property, Funded Loans	2 years	When No Longer Required - Minimum 3 years	When No Longer Required - **Minimum 5 years**	Yes: Before Purchase	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Not accessible to the public until purchase has been completed; meets grant auditing requirements; 2 CFR 200.334; 24 CFR 91.105(h), 24 CFR 97.42(b), 24 CFR 570.502(b); 29 CFR 97.42, GC §34090
Lead Dept.	CW-027	Reference Materials: Policies, Procedures, Brochures, Manuals, Newsletters & Reports: Produced by **YOUR Department**	Minimum 2 years		Minimum 2 years		Mag, Ppr			Department preference; GC §34090
Lead Dept.	CW-028	Reference Materials: Policies, Procedures, Brochures, Manuals, Newsletters & Reports: Produced by **OTHER Departments**	When Superseded		When Superseded		Mag, Ppr			Copies; GC §34090.7
	CW-029	Reference Materials: Policies, Procedures, Brochures, Manuals, Newsletters, & Reports: Produced by **OUTSIDE ORGANIZATIONS** (League of California Cities, Chamber of Commerce, etc.)	When No Longer Required		When No Longer Required		Mag, Ppr			Non-Records
Lead Dept.	CW-030	Reports and Studies (Historically significant - e.g., Zoning Studies)	10 years	P	P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Administratively and Historically significant, therefore retained permanently; GC §34090

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Lead Dept.	CW-031	Reports and Studies (other than Historically significant reports - e.g. Annual Reports)	5 years		5 years		Mag, Ppr			Department preference; Information is outdated after 5 years; GC §34090
Lead Dept.	CW-032	SDS (Safety Data Sheets) / MSDS (Material Safety Data Sheets) / Chemical Use Report Form (or records of the chemical / substance / agent, where & when it was used)	30 years		30 years		Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Previous MSDS may be obtained from a service; **SDS / MSDS may be destroyed as long as a record of the chemical / substance / agent, where & when it was used is maintained for 30 years**; Applies to qualified employers; 8 CCR 3204(d)(1)(B)(2 and 3), GC §34090
Lead Dept.	CW-033	Speaker Cards (submitted at public meetings)	When No Longer Required		When No Longer Required		Ppr			Transitory records not retained in the ordinary course of business (used to accurately produce minutes); GC §§34090 et seq., 6254(a)
Lead Dept.	CW-034	Special Event Permits	Expiration + 2 years		Expiration + 2 years	Yes: During Class or Program	Mag, Ppr			GC §34090

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Lead Dept.	CW-035	Surveys / Questionnaires (that the City issues). If a summary of the data is compiled, the survey forms are considered a draft or transitory record, and can be destroyed as drafts (When No Longer Required)	2 years		2 years		Mag, Ppr			GC §34090
Lead Dept.	CW-036	Training - ALL **COURSE** RECORDS (Attendance Rosters, Outlines and Materials; includes Ethics & Safety training)	2 years	3 years	5 years		Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Department Preference; OSHA requires 5 years for safety records; Calif. Labor Division is required to keep their OSHA records 7 years; Ethics Training is 5 years; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 -3 years; 8 CCR §3203 et seq., 8 CCR 14300.33(a); 29 CFR 1627.3(b)(2), 29 CFR 1904.33, 29 CFR 1904.44; LC §6429(c); GC §§12946, 12960, 34090, 53235.2(b), 53237.2(b)

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RECORDS RETENTION SCHEDULE: CITY ATTORNEY

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CITY ATTORNEY										
City Attorney	CA-001	Advice Files / Subject Files (Advice provided to the City on a variety of subjects)	When No Longer Required		When No Longer Required		Mag, Ppr			Reference materials and copies of documents generated by other departments pertaining to various topics required by Attorney staff; GC §34090 et seq.
City Attorney	CA-002	Citations and Complaints (All are misdemeanors. Includes inspections, warrants, etc.)	3 years		3 years		Mag, Ppr			Provided there are no outstanding warrants, do not involve identifiable items which have not been recovered, GC §34090
City Attorney	CA-003	City Attorney Opinions	5 years	P	P	Yes	Mag, Mfr, OD, Ppr	S/I	No	Department preference; GC §34090
City Attorney & Finance / Risk Manag.	CA-004	Claims - **Not Juveniles**	Settle + 5 years		Settle + 5 years	Yes: Until Settlement	Mag, Mfr, OD, Ppr	S	Yes: After Settled	Claim must be filed within 1 year, lawsuit within 2 years; complaints against peace officers within 5 years; Statute of Limitations for contracts is 4 years; wrongful death for construction is completion + 5 years; CCP §§ 337 et seq.; GC §§ 911.2, 945, 34090, 34090.6; PC §832.5
City Attorney & Finance / Risk Manag.	CA-005	Claims - **Juveniles**	Age of Majority (minimum Settle + 5 years)		Age of Majority (minimum Settle + 5 years)	Yes: Until Settlement	Mag, Mfr, OD, Ppr	S	Yes: After Settled	Juveniles may have additional legal recourses; CCP §§ 337 et seq.; GC §§ 911.2, 945, 34090, 34090.6; PC §832.5

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Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
City Attorney & City Clerk	CA-006	Closed Session Materials	2 years		2 years		Mag, Ppr			GC §34090
AS Human Resources	CA-007	Grievances (Escalated from Human Resources)	Return to Human Resources		Return to Human Resources	Yes: Before Disposition	Mag, Ppr			All State and Federal laws require retention until final disposition of formal complaint; State requires 2 years after action is taken; GC §§12946, 12960, 34090
City Attorney	CA-008	Litigation Files / Legal Case Files Send Final Settlement Agreements to the City Clerk	Settle + 1 year	Settle + 4 years	Settle + 5 years	Yes: Until Settlement	Mag, Mfr, OD, Ppr	S	Yes: After Inactive	Statute of Limitations runs 6 months - 5 years; for contracts is 4 years; wrongful death for construction is completion + 5 years; Civil Courts retain their records for 10 years; CCP §§ 337 et seq.; GC §§ 945, 34090, 34090.6, 68150; PC §832.5

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RECORDS RETENTION SCHEDULE: CITY CLERK

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***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
CITY CLERK										
City Clerk & Public Works / Engineering	CC-001	Abandonments / Vacations (Streets) / Rights of Way	P		P	Yes (all)	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	GC §34090 et seq.
City Clerk	CC-002	Agenda Staff Reports	P		P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §34090
City Clerk	CC-003	Agenda Packets	P		P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §34090
~~City Clerk~~	~~CC-004~~	~~Agreements & Contracts Approved by Council: Mutual Aid, Joint Powers Authorities (JPAs)~~	~~Superseded + 2 years~~	~~P~~	~~P~~	~~Yes: Before Expiration~~	~~Mag, Mfr, OD, Ppr~~	~~S / I~~	~~Yes: After QC & OD~~	~~Administrative & legal value (Emergency Preparedness), GC §34090~~

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***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
City Clerk	CC-005	Agreements & Contracts ~~Approved by Council~~: **ALL** **INFRASTRUCTURE OR IMAGED:** Includes all contractual obligations (e.g. Amendments, Scope of Work or Successful Proposal) and insurance certificates **Examples of Infrastructure:** Architects, Buildings, bridges, covenants, development, environmental, Joint Powers, MOUs, park improvements, property & property restrictions, redevelopment, reservoirs, sewers, sidewalks, street & alley improvements, settlement, subdivisions, utilities, water, etc.	Completion + 2 years	P	P	Yes: Before Completion	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; All infrastructure, JPAs, & Mutual Aid contracts are permanent for emergency preparedness; Statute of Limitations is 4 years; 10 years for Errors & Omissions; CCP §§337. 337.1(a), 337.15, 343; GC §34090, Contractor has retention requirements in 48 CFR 4.703

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City Clerk	CC-006	Agreements & Contracts ~~Approved by Council:~~ **ALL NON-INFRASTRUCTURE (NOT IMAGED)**: Includes all contractual obligations (e.g. Amendments, Scope of Work or Successful Proposal) and insurance certificates **Examples of NON-Infrastructure:** Consulting, grants, disposal, franchises, housing, leases, legal services, loans, paving, painting, professional services, slurry seals, tree trimming, etc.	Completion + 2 years	8 years	Completion + 10 years	Yes: Before Completion	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Statute of Limitations is 10 years for Errors & Omissions; Statute of Limitations for contracts is 4 years; CCP §§337., 337.1(a), 337.15 GC §34090
City Clerk	CC-007	Agreements & Contracts Approved by Council: Retirement Agreements (PERS)	2 years	P	P	Yes: Before Expiration	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	EEOC / ADEA (Age) requires 1 year after benefit plan termination; State Law requires 2 years after action; 29 CFR 1627.3(b)(2); GC §§12946, 12960, 34090
City Clerk	CC-008	Agreements & Contracts Approved by Council: Subdivision, LLA's (Lot Line Adjustments), & LSA's (Lot Split Agreements)	2 years	P	P	Yes (all)	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Land Records; GC §34090
City Clerk	CC-009	Agreements & Contracts Approved by Council: Title Insurance, Land Records	2 years	P	P	Yes (all)	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §34090

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City Clerk	CC-010	Agreements & Contracts Approved by Council: MOUs - Memorandas of Understanding	5 years	Expiration + 5 years	Expiration + 5 years	Yes: Before Expiration	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	EEOC / FLSA requires 3 years for MOUs; State requires 2 years; 29 CFR 516.5, GC §§12946, 12960, 34090
City Clerk	CC-012	Annexations	P		P		Mag, Mfr, OD, Ppr	S/I	No	GC § 34090
City Clerk	CC-012	Bid Submittals - Formal Bids Only: Specification / RFP and Responses, Unsuccessful Bids and Proposals, etc.	Bid Opening + 2 years		Bid Opening + 2 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC § 34090
City Clerk	CC-015	Certificates of Insurance (Normally filed with Agreement)	2 years	9 years	11 years	Yes: Before Completion	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Longest Statute of Limitations is 10 years; CCP §337 et seq.; GC §34090
City Clerk	CC-016	Chronological History of Mayors and City Council	2 years	P	P		Mag, Ppr			Historical Value; GC §34090
City Clerk	CC-018	City Incorporation, Logo, City Seal	P		P		Mag, Ppr			GC §§34090
City Clerk	CC-019	City Clerk - Notary Public	Expiration of Term + 10 years		Expiration of Term + 10 years		Mag, Mfr, OD, Ppr	S	No	Statute of Limitations for Errors and Omissions is 10 years; CCP §337 et seq.; GC §34090
Risk Manag.	CC-020	Claims Forms	2 years		2 years	Yes: Until Settlement	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Risk Management is Office of Record for the Claim File; GC §§34090

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City Clerk	CC-023	Deeds: Property owned by City (property acquisition files)	2 years	P	P	Yes (all)	Mag, Mfr, OD, Ppr	S	No	GC §34090
City Clerk	CC-024	Easements	2 years	P	P	Yes (all)	Mag, Mfr, OD, Ppr	S	No	GC §34090
ELECTIONS - CONSOLIDATED										
City Clerk	CC-025	Campaign Disclosure Statements (**FPPC 400** Series Forms, 501 Form): **SUCCESSFUL CANDIDATES** (Elected Officials) All, whether filed electronically or not	2 years	P	P		Mfr, OD, Ppr	S	After 2 years	Data that has been maintained for at least 10 years may then be archived in a secure format; Paper must be retained for at least 2 years; GC §81009(b)&(g); GC §84615(i)
City Clerk	CC-026	Campaign Disclosure Statements (**FPPC 400** Series Forms, 501 Form): **UNSUCCESSFUL CANDIDATES** Includes Unsuccessful Candidates Without Committees that Don't File Electronically	5 years		5 years		Ppr			Candidates without committees are not required to file their statements , reports or copies online or electronically; Paper must be retained for at least 2 years; GC §81009(b)&(g); GC §84615
City Clerk	CC-027	Campaign Disclosure Statements (FPPC 400 Series Forms, 501 Form): **UNSUCCESSFUL CANDIDATES, ELECTRONICALLY FILED** - **WITH or WITHOUT** Committees	10 years		10 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC	Statements filed electronically are required for 10 years; GC §81009(b)&(g); GC §84615

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City Clerk	CC-028	Elections - Campaign Reports (FPPC 400 Series Forms): **OTHER COMMITTEES (PACS** - not candidate-controlled)	7 years		7 years		Mfr, OD, Ppr	S	After 2 years	Paper must be retained for at least 2 years; GC §81009(b)(g)
City Clerk	CC-029	Elections - Campaign Reports (FPPC 400 Series Forms): **THOSE NOT REQUIRED TO FILE ORIGINAL WITH CITY CLERK** (copies)	4 years		4 years		Mfr, OD, Ppr	S	After 2 years	Paper must be retained for at least 2 years; GC §81009(f)
City Clerk	CC-030	Elections - Candidate Statements (to be printed in the sample ballot)	Duration of Office + 4 years		Duration of Office + 4 years		Ppr	S / M / I	After 2 years	Department Preference; No specific legal requirement; GC § 34090
City Clerk	CC-031	Elections - Certificates of Election	Duration of Office + 4 years		Duration of Office + 4 years		Ppr	S / I	Yes: After QC & OD	Department Preference; No specific legal requirement; GC § 34090
City Clerk	CC-032	**WORKING or ADMINISTRATION Election** File (Correspondence to candidates or FPPC, Applications for vacancies on the Council, Master of Candidate's Packet, etc.)	2 years		2 years		Mag, Ppr			Used for a model for the next election, GC §34090
City Clerk	CC-033	Elections - **HISTORICAL File** (Sample ballot, all Resolutions (calling the election, canvass, etc.), election summary)	8 years	P	P		Mag, Mfr, OD, Ppr	S	No	Retained for Historical Value, GC §34090
City Clerk	CC-034	Elections - Nomination Papers: **SUCCESSFUL CANDIDATES**	Duration of Office + 4 years		Duration of Office + 4 years		Mag, Mfr, OD, Ppr			Department Preference; CA law states term of office and 4 years after the expiration of term; EC §17100

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City Clerk	CC-035	Elections - Nomination Papers: **UNSUCCESSFUL CANDIDATES**	Election + 4 years		Election + 4 years		Mag, Mfr, OD, Ppr			CA law states term of office and 4 years after the expiration of term; EC §17100
City Clerk	CC-036	Elections - Petitions (Initiative, Recall or Referendum)	Results + 8 months or Final Examination if No Election + 1 year after petition examination if petition is insufficient		Results + 8 months or Final Examination if No Election + 1 year after petition examination if petition is insufficient		Ppr			Not accessible to the public; The 8 month retention applies after election results, or final examination if no election, unless there is a legal or FPPC proceeding. EC §§17200(b)(3), 17400
City Clerk	CC-037	Elections - Precinct Maps	2 years		2 years		Mag, Ppr			No specific legal requirement; EC §17501, GC §34090
ELECTIONS - STAND-ALONE (use in conjunction with Consolidated elections … records series are not repeated)										
City Clerk	CC-038	Elections - Vote-by-Mail Applications / Absentee Applications, Roster of Absentee Applications		6 mo.	6 mo.		Ppr			EC §17505
City Clerk	CC-039	Elections - Vote-by-Mail Identification Envelopes / Absentee Identification Envelopes		6 mo.	6 mo.		Ppr			EC §17302
City Clerk	CC-040	Elections - Ballots - After Election		6 mo.	6 mo.		Ppr			EC §17302
City Clerk	CC-041	Elections - Ballots - After Recount		6 mo.	6 mo.		Ppr			EC §17306
City Clerk	CC-042	Elections - Assessment District Ballots - Prop. 218 proceedings		2 years	2 years		Ppr			GC §53753(c)(2)

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City Clerk	CC-043	Elections - Challenged & Assisted Voters List		6 mo.	6 mo.		Ppr			If uncontested, EC §17304
City Clerk	CC-044	Elections - Inspector Receipts for Ballots		6 mo.	6 mo.		Ppr			EC 17302, 17306
City Clerk	CC-045	Elections - Precinct Officer Appointments		6 mo.	6 mo.		Ppr			EC §17503
City Clerk	CC-046	Elections - Roster of Voters		5 years	5 years		Mag, Mfr, OD, Ppr			EC §17300
City Clerk	CC-047	Elections - Tally Sheets		6 mo.	6 mo.		Ppr			EC §17304
City Clerk	CC-048	Elections - Voter Index Copies used as the Voting Record at Polling Places		6 mo.	6 mo.		Ppr			EC §17304
City Clerk	CC-049	Elections - Voter Index Original		5 years	5 years		Ppr			EC §17001
(End of Elections Section)										
City Clerk	CC-051	Ethics Training Certificates	5 years		5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §53235.2(b)
City Clerk	CC-052	FPPC 700 Series Forms (Statement of Economic Interests): **DESIGNATED EMPLOYEES** (specified in the City's Conflict of Interest code)	3 years	4 years	7 years		Mag, Mfr, OD, Ppr	S	Yes: After 2 years	City maintains original statements; GC §81009(e) & (g)

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City Clerk	CC-053	FPPC 700 Series Forms (Statement of Economic Interests): **PUBLIC OFFICIALS** (elected & not elected. Includes City Council Members, Planning Commission Members, City Manager, City Treasurer & City Attorney)	3 years	4 years	7 years		Mfr, OD, Ppr	S	Yes: After 2 years	Department preference; City maintains copies only and the mandate is 4 years; original statements are filed with FPPC; GC §81009(f) & (g)
City Clerk	CC-054	FPPC Form 801 (Gift to Agency Report)	7 ~~4~~ years		7 ~~4~~ years		Mag, Ppr			Must post on website; GC §81009(e)
City Clerk	CC-055	FPPC Form 802 (Tickets Provided by Agency Report)	7 years		7 years		Mag, Ppr			Must post on website for 4 years; GC §81009(e)
City Clerk	CC-056	FPPC Form 803 (Behested Payment Report)	7 years		7 years		Mag, Ppr			FPPC Regulation 18734(c); GC §81009e
City Clerk	CC-057	FPPC Form 806 (Agency Report of Public Official Appointments)	7 years		7 years		Mag, Ppr			Must post on website; 2 CCR 18702.5(b)(3) ~~18705.5~~; GC §34090; GC §81009(e)
City Clerk	CC-058	Franchise Agreements - **Unsuccessful bids** (e.g. Cable TV, Electric, Gas, etc.)	Bid Opening + 2 years		Bid Opening + 2 years		Ppr			GC § 34090
City Clerk	CC-061	Historical Records	P		P		Mag, Mfr, OD, Ppr	S	No	City Clerk determines historical significance; records can address a variety of subjects and media. Some media (e.g. audio and video tape) may be limited because of the media's life expectancy; GC §34090

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City Clerk	CC-065	Minutes: City Council	P		P	Yes (all)	Mag, Mfr, OD, Ppr	S	No	GC §34090
City Clerk	CC-066	Municipal Code Administration, Distribution, etc.	When No Longer Required		When No Longer Required		Mag, Ppr			Preliminary Drafts (transmittals to Codifier and departments); GC § 34090
City Clerk	CC-067	Municipal Code Supplement Books	When No Longer Required		When No Longer Required		Mag, Ppr			Preliminary Drafts (transmittals to Codifier and departments); GC § 34090
City Clerk	CC-068	Oaths of Office - City Council and Volunteers (required of all "City Officers", Elected and Boards & Commissions)	Separation + 6 years		Separation + 6 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Statute of Limitations: Public official misconduct is discovery of offense + 4 years, retirement benefits is 6 years from last action; GC §§36507, 34090; PC §§801.5, 803(c); 29 USC 1113
City Clerk	CC-069	Ordinances	P		P	Yes (all)	Mag, Mfr, OD, Ppr	S	No	GC §34090 et. seq.
City Clerk	CC-071	Petitions (submitted to Council on any subject - Dog Parks, Parking, Traffic Calming, etc.) See Elections for Initiative, Recall or Referendum Petitions	2 years		2 years		Ppr			Department preference; Law requires 1 year for petitions; GC §50115

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City Clerk	CC-072	Property Deeds / Offers of Dedication: Processed (presented to Council)	P		P		Mag, Mfr, OD, Ppr	S / I	No	City Clerk is OFR and maintains them permanently; GC §34090
City Clerk	CC-073	Publications issued by the City - Historically Significant	2 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	City Clerk determines historical significance; GC §34090
City Clerk	CC-074	Real Estate Surplus Property Sales	2 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §34090
City Clerk	CC-075	Records Management: Destruction Lists / Retention Schedule	2 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §34090 et. seq.
City Clerk	CC-076	Resolutions - City Council	P		P	Yes (all)	Mag, Mfr, OD, Ppr	S	No	GC §34090 et. seq.
City Clerk	CC-077	Revocable Lease Agreements or Licenses / Encroachments (see Public Works for utility encroachments, wide load permits, etc.)	2 years	P	P	Yes (all)	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Not all Encroachment permits are submitted to Council; GC § 34090
City Clerk	CC-078	Scan Logs	P		P		Mag, Ppr	S	Yes: After 1 year	Department Preference; GC §34090
City Clerk	CC-079	Streets: Vacations	2 years	P	P	Yes (all)	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §34090

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Office of Record	Classification OR File Number	Records Description	Retention / Disposition							Comments / Reference
(OFR)			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
City Clerk	CC-080	Subpoenas (Miscellaneous), Requests for Public Records, Miscellaneous	2 years		2 years		Mag, Ppr			GC §34090
City Clerk	CC-081	Title Reports: Property owned by City	2 years	P	P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	GC §34090
City Clerk	CC-082	Utilities Administration (Correspondence with PUC, etc.)	2 years		2 years		Mag, Ppr			GC § 34090
City Clerk	CC-083	Vehicle Titles / Pink Slips	Transfer to New Owner		Transfer to New Owner		Mag, Mfr, OD, Ppr	S	No	GC §34090

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RECORDS RETENTION SCHEDULE: CITY MANAGER

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
(OFR)			Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
CITY MANAGER & CITY COUNCIL OFFICE										
City Clerk	CM-001	Agenda Packets / Staff Reports: City Council	Copies - When No Longer Required		Copies - When No Longer Required		Mag, Mfr, OD, Ppr	S	Yes: After 2 years	GC §34090.7
City Manager & City Council Office	CM-002	Awards & Certificates to the City	2 years		2 years		Mag, Ppr			GC §34090
City Manager & City Council Office	CM-003	City Council Correspondence (directly to and from Council Members)	2 years		2 years		Mag, Ppr			GC §34090
City Manager & City Council Office	CM-004	City Manager's Correspondence	2 years		2 years		Mag, Ppr			GC §34090
City Manager & City Council Office	CM-005	Department Files	Minimum 2 years		Minimum 2 years		Mag, Mfr, OD, Ppr	S	Yes: After QC	Department Preference; GC §34090
City Manager & City Council Office	CM-006	Diversity, Equity and Inclusion Committee **Agendas, Agenda Packets**	Minimum 2 years		Minimum 2 years		Mag, Ppr			Brown Act challenges must be filed within 30 or 90 days of action; GC §§34090, 54960.1(c)(1)

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Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
(OFR)			Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
City Manager & City Council Office	CM-007	Diversity, Equity and Inclusion Committee **Minutes**	P		P	Yes	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Department Preference; GC §34090
City Manager & City Council Office	CM-008	Economic Development Advisory Commission **Agendas, Agenda Packets**	Minimum 2 years		Minimum 2 years		Mag, Ppr			Brown Act challenges must be filed within 30 or 90 days of action; GC §§34090, 54960.1(c)(1)
City Manager & City Council Office	CM-009	Economic Development Advisory Commission **Minutes**	P		P	Yes	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Department Preference; GC §34090
City Manager & City Council Office	CM-010	Maddy Act List (Board and Commission Vacancies)	2 years		2 years		Mag, Ppr			GC §34090
City Manager & City Council Office	CM-011	Proclamations / Commendations / Certificates / Recognitions (includes requests)	2 years		2 years		Mag, Ppr			GC §34090
City Manager & City Council Office	CM-012	Project / Program Working Files	Minimum 2 years		Minimum 2 years		Mag, Ppr			Department Preference; GC §34090

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(OFR)			Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
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Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
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City Manager & City Council Office	CM-013	Public Relations - City Produced Publications, Press Releases, Photos	Minimum 2 years		Minimum 2 years		Mag, Ppr			Review for historical significance. Transfer historical documents to SMC Historical Association; Department Policy; GC §34090
City Manager & City Council Office	CM-014	Recruitments for Boards and Commissions, Advisory Boards: Applications, Interview Notes, etc.	2 years		2 years		Mag, Ppr			GC §34090
City Manager & City Council Office	CM-015	Speeches / PowerPoint Presentations	When No Longer Required		When No Longer Required		Mag, Ppr			Notes, drafts, or preliminary documents; GC §34090 et seq.
MEDIA and COMMUNICATIONS										
City Manager / Media & Commun.	CW-016	Boards, Commissions, & Committees: **AUDIO RECORDINGS or VIDEO RECORDINGS** of Meetings / Audio Tapes	4 years		4 years		Tape (Mag)			Department preference; State law only requires for 30 days for audio recordings, 90 days for video recordings; GC §§54953.5(b), 34090.7
City Manager / Media & Commun.	CW-017	City Council **AUDIO RECORDINGS or VIDEO RECORDINGS** of Meetings / Audio Tapes	4 years		4 years		Tape (Mag)			Department preference; State law only requires for 30 days for audio recordings, 90 days for video recordings; GC §§54953.5(b), 34090.7
City Manager / Media & Commun.	CW-018	Community Cable Advisory Council **Agenda Packets**	Minimum 2 years		Minimum 2 years	Yes (all)	Mag, Ppr			Department preference; GC §34090

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(OFR)			Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
City Manager / Media & Commun.	CW-019	Community Cable Advisory Council **Minutes & Bylaws**	P		P		Mag, Mfr, OD, Ppr	S / I	No	GC §34090
City Manager / Media & Commun.	CW-020	Community Programming / Government Access Channel / Cable TV Programming	2 years		2 years		Mag, Ppr			Department Preference; GC §§34090 et seq., 34090.6 and 34090.7
City Manager / Media & Commun.	CW-021	Legislation (Correspondence from the City Supporting or Opposing proposed Legislation)	2 years		2 years		Mag, Ppr			GC §34090
City Manager / Media & Commun.	CW-022	Press Releases	2 years		2 years		Mag, Ppr			GC §34090

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RECORDS RETENTION SCHEDULE: CITY TREASURER

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
(OFR)			Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
CITY TREASURER										
City Treasurer	CT-001	Bank Statements	7 years		7 years		Mag, Ppr			Department preference; GC §34090, 26 CFR 31.6001-1
City Treasurer	CT-002	Checks - Cashed (maintained by the bank)	7 years		7 years		Mag, Mfr, OD, Ppr	S	Yes: After QC	Department preference; Meets municipal government auditing standards; GC §34090, CCP § 337
City Treasurer	CT-003	Historical Treasurers Records (samples of old Leather-bound books, etc.)	P		P		Mag, Mfr, OD, Ppr	S	No	Department preference; GC §34090
City Treasurer	CT-004	Investment Committee **Agenda Packets**	When No Longer Required - **Minimum 2 years**		When No Longer Required - **Minimum 2 years**	Yes (all)	Mag, Ppr			Department preference; GC §34090
City Treasurer	CT-005	Investment Committee **Minutes & Bylaws**	P		P		Mag, Mfr, OD, Ppr	S / I	No	GC §34090
City Treasurer	CT-006	Investments / Certificates of Deposit (CDs) / Advisor Reports and Statements / Trade Tickets / LAIF (Local Agency Investment Fund)	7 years		7 years	Yes: Until Paid	Mag, Ppr			Department preference; Meets municipal government auditing standards; GC §34090, CCP § 337
City Treasurer	CT-007	Receipts (Citations, Outside Firm Collections, Property Tax, Sales Tax, Utility Tax, etc.)	7 years		7 years		Mag, Mfr, OD, Ppr	S	Yes: After QC	Department preference; Meets municipal government auditing standards; GC §34090, CCP § 337
City Treasurer	CT-008	Treasurer's Report (Also in City Council Agenda Packet)	7 years		7 years		Mag, Ppr			Department preference; Meets municipal government auditing standards; GC §34090, CCP § 337

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Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
(OFR)			Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
City Treasurer	CT-009	Voided Checks	7 years		7 years		Mag, Mfr, OD, Ppr	S	Yes: After QC	Department preference; Meets municipal government auditing standards; GC §34090, CCP § 337

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RECORDS RETENTION SCHEDULE: COMMUNITY SERVICES - LIBRARY AND RECREATION

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
(OFR)			Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
LIBRARY										
Community Services / Library	CS-001	Arts & Culture Advisory Committee **Agendas, Agenda Packets**	Minimum 2 years		Minimum 2 years		Mag, Ppr			Brown Act challenges must be filed within 30 or 90 days of action; GC §§34090, 54960.1(c)(1)
Community Services / Library	CS-002	Arts & Culture Advisory Committee **Minutes**	P		P	Yes	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Department Preference; GC §34090
Community Services / Library	CS-003	Disruptive Patrons / Patron Complaints / Incident Reports	Minimum 2 years		Minimum 2 years		Mag, Mfr, OD, Ppr	S / I		Department Preference; GC §34090
Finance	CS-004	El Segundo Unified School District School Libraries Management Invoices, Backups and Copies of Checks	2 years		2 years		Mag. Ppr			Department preference for auditing purposes; GC §34090.7
Community Services / Library	CS-005	Gifts to Library	2 years	3 years	5 years		Mag. Ppr			Department preference; meets municipal government auditing standards; GC §34090

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Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
(OFR)			Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
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Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
Community Services / Library	CS-006	Grants: **LSCA** (Library Services and Construction), **LSTA** (Library Services and Technology), **SLRC** (State Literacy Resource Centers), **CLLS** (California Library Literacy Services); **CLSA** (California Library Services Act) and **PLF** (Public Library Foundation) **ONLY.** For all others, follow City-wide Schedule. (SUCCESSFUL Reports, and Financial Information) Send copy of application and award to Finance	Final Expenditure + 5 years		Final Expenditure + 5 years		Mag, Mfr, OD, Ppr	S		Per California State Library Records Management Program Requirements (April 27, 1998); GC §34090
Community Services / Library	CS-007	Historical Records of Significant Historical Value	P		P	Yes	Mag, Mfr, OD, Ppr	S	No	Department Preference; GC §34090
Community Services / Library	CS-008	Inter-Library Loan Records - Reports to the State Library (for reimbursement)	5 years		5 years		Mag, Ppr			Department preference to ensure reimbursements; GC §34090
Community Services / Library	CS-009	Internet User Statistics	2 years		2 years		Mag, Ppr			GC §34090
Community Services / Library	CS-010	Library Board of Trustees **Agendas, Agenda Packets**	Minimum 2 years		Minimum 2 years		Mag, Ppr			Brown Act challenges must be filed within 30 or 90 days of action; GC §§34090, 54960.1(c)(1)

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Community Services / Library	CS-011	Library Board of Trustees **Minutes**	P		P	Yes	Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Department Preference; GC §34090
Community Services / Library	CS-012	Library Management System / Database	Indefinite		Indefinite	Yes	Mag, Ppr			Data Fields / Records are interrelated; GC §34090
Community Services / Library	CS-013	Patron Applications for Library Cards	When No Longer Required		When No Longer Required		Mag, Ppr			Preliminary / Transitory documents not retained in the ordinary course of business (entered into database); GC §34090
Community Services / Library	CS-014	Program Sign Ups (e.g. Summer Reading)	When No Longer Required		When No Longer Required		Mag, Ppr			Preliminary / Transitory documents not retained in the ordinary course of business; GC §34090
Community Services / Library	CS-015	Release Forms (Photos of Children, etc.)	2 years		2 years	Yes: Before Event	Mag, Ppr			GC §34090
Lead Division	CS-016	Volunteer Applications & Agreements / Reserves - Successful Applicants	Inactive / Separation + 3 years		Inactive / Separation + 3 years		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department preference (Courts treat volunteers as employees); EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; 29 CFR 1602.31 & 1627.3(b)(1)(i)&(ii), GC §§12946, 12960, 34090

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RECORDS RETENTION SCHEDULE: COMMUNITY SERVICES - LIBRARY AND RECREATION

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
(OFR)			Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
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***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
Lead Division	CS-017	Volunteer Applications & Agreements / Reserves - Unsuccessful Applicants	3 years		3 years		Ppr			Department preference (Courts treat volunteers as employees); EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; 29 CFR 1602.31 & 1627.3(b)(1)(i)&(ii), GC §§12946, 12960, 34090
RECREATION										
Community Services / Recreation	CS-018	Activity Guide / Class Schedules	P		P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department preference for historical value; GC §34090
Community Services / Recreation	CS-019	Class Registration / Trip Permits / Fee & Charge / Liability Waiver Forms / Release of Liability Forms / Permissions / Sign-in Sheets etc.: Camps, Field Trips, Authorization to give Medicine, etc.	2 years		2 years		Mag, Ppr			GC §34090
Community Services / Recreation	CS-020	Daily Vehicle Inspections	2 years		2 years		Ppr			GC §34090

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***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
Community Services / Recreation	CS-021	Facility Use Permits and Equipment Applications, Books, Alcoholic Beverage Applications Includes Certificates of Insurance	2 years		2 years	Yes: Before Event	Mag, Ppr			GC §34090
Community Services / Recreation	CS-022	Lifeguard Certifications	Termination + 3 years		Termination + 3 years		Mag, Ppr			Department Preference; GC §34090
Community Services / Recreation	CS-023	Outreach / Community Referrals / Correspondence	2 years		2 years		Ppr			GC §34090
Community Services / Recreation	CS-024	Privilege Suspension Record (Difficult Participants)	Minimum 2 years		Minimum 2 years		Mag, Ppr			GC §34090
Community Services / Recreation	CS-025	Receipts / Daily Deposits (Detail Backup)	2 years		2 years		Mag, Ppr			The detail is NOT forwarded to Finance; GC §34090 et seq.
Community Services / Recreation	CS-026	Recreation & Parks Commission **MINUTES, BYLAWS**	P		P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	GC §34090
Community Services / Recreation	CS-027	Recreation & Parks Commission **AGENDAS, AGENDA PACKETS**	Minimum 2 years		Minimum 2 years		Mag, Ppr			Department Preference; GC §34090
Community Services / Recreation	CS-028	Recreation Database	Indefinite		Indefinite		Mag			Department Preference; data is interrelated; GC §34090

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Community Services / Recreation	CS-029	Special Event Permits	2 years		2 years		Ppr			GC §34090
Community Services / Recreation	CS-030	Sports - Rosters, Waivers, Applications, Ejection Letters, etc,	2 years		2 years		Mag, Ppr			GC §34090
Community Services / Recreation	CS-031	Surveys / Evaluations (Program Feedback or Evaluations)	2 years		2 years		Mag, Ppr			Preliminary Drafts / Transitory records not retained in the ordinary course of business; GC §34090
Community Services / Recreation OR Public Works / Governmen t Buildings	CS-032	Swimming Pool Chemical Readings & Additions	5 years		5 years		Mag, Ppr			Health Department regulations; 8 CCR §3195.12; GC §34090
Community Services / Recreation	CS-033	Swimming Pool Incidents	5 years		5 years		Mag, Ppr			Health Department regulations; 8 CCR §3195.12; GC §34090
Community Services / Recreation	CS-034	Transportation Dial-A-Ride Applications	5 years		5 years		Mag, Ppr			Department Preference for grant funding audits; GC §34090
Community Services / Recreation	CS-035	Transportation Dial-A-Ride Monthly Reports - Transit	5 years		5 years		Mag, Ppr			Department Preference for grant funding audits; GC §34090

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Community Services / Recreation	CS-036	Transportation Dial-A-Ride Vehicle & Equipment History Files	Disposal of Vehicle + 2 years		Disposal of Vehicle + 2 years		Mag, Ppr			Department Preference; If a motor carrier, required for 18 months after vehicle is sold; CHP requires life of vehicle; OSHA requires 1 year; 8 CCR § 3203(b)(1); 49 CFR 396.21(b)(1); 49 CFR 396.3(c); CCP §337 et. seq., 13 CCR 1234(f); GC §34090
Community Services / Recreation	CS-037	Transportation Dial-A-Ride Vehicle Safety Checks / Daily Vehicle Inspections / Daily Equipment Checks / CHP Inspections / Pre-Trip Inspections	2 years		2 years		Ppr			13 CCR 1234(c); GC§34090
Community Services / Recreation	CS-038	Transportation Shuttles: Beach, Lunchtime, etc. - Daily Logs, Passenger Counts, etc.	5 years		5 years		Ppr			Department Preference for grant funding audits; GC §34090
Community Services / Recreation	CS-039	Vehicle Safety Checks / Daily Vehicle Inspections / Daily Equipment Checks / CHP Inspections / Pre-Trip Inspections	2 years		2 years		Ppr			13 CCR 1234(c); GC§34090
Lead Division	CS-040	Volunteer Applications & Agreements / Reserves - Successful Applicants	Inactive / Separation + 3 years		Inactive / Separation + 3 years		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department preference (Courts treat volunteers as employees); EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; 29 CFR 1602.31 & 1627.3(b)(1)(i)&(ii), GC §§12946, 12960, 34090

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RECORDS RETENTION SCHEDULE: COMMUNITY SERVICES - LIBRARY AND RECREATION

Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
(OFR)			Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
Lead Division	CS-041	Volunteer Applications & Agreements / Reserves - Unsuccessful Applicants	3 years		3 years		Ppr			Department preference (Courts treat volunteers as employees); EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; 29 CFR 1602.31 & 1627.3(b)(1)(i)&(ii), GC §§12946, 12960, 34090
Community Services / Recreation	CS-042	Youth Sports Council - All Records (Comprised of representatives from various sports organizations)	2 years		2 years		Ppr			GC §34090

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RECORDS RETENTION SCHEDULE - FIRE

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(OFR)			Active (in office)	Inactive (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd	
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FIRE / EMERGENCY MEDICAL SERVICES										
Fire / EMS	FR-000	Controlled Substance Logs, Inventories / Ambulance Inventory Logs	2 years		2 years		Mag, Ppr			Department Preference - Controlled substances are required for 2 years after inventory or transaction; 21 CFR §1304.04, 1310.04; GC §34090
Fire / EMS	FR-001	EMS / Paramedic Training Records / Continuing Education	4 years		4 years		Mag, Ppr			22 CCR 100395, GC §34090
Fire / EMS	FR-002	EMS Complaints	3 years		3 years		Mag, Ppr			Statute of Limitations for health providers is 3 years; 13 CCR 1100.7, GC §34090
Fire / EMS	FR-003	HIPAA Policies and Procedures (Health Insurance Portability and Accountability Act)	Superseded + 6 years		Superseded + 6 years		Mag, Mfr, OD, Ppr	S	Yes: After 1 year	24 CFR 164.530(j)

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Fire / EMS	FR-004	Patient Care Reports / PCRs / Paramedic Release Forms (EMS transportation): **ADULTS** Includes e-PCR Database / Electronic Patient Care Report Database	7 years		7 years		Mag, Mfr, OD, Ppr	S	Yes: After 1 year	Department Preference; law requires 7 years for clinics, health facilities, hospitals, adult day health care centers, and in-home skilled nursing services, and is actually based upon "if the licensee ceases operations"; 10 years is recommended by AHIMA for "healthcare providers"; California Healthcare Association recommends Acute Care Facilities retain adult records for ten years following discharge; Juvenile records are required until patient becomes 18 years old; Statute of Limitations for health providers is 3 years; Federal law requires 3 years, statewide guidelines propose 3 years; HIPAA provides privacy regulations for patient's health records; 13 CFR 1100.7, CCP §340.5, GC §34090; H&S §123145

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***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
Fire / EMS	FR-005	Patient Care Reports / PCRs / Paramedic Release Forms (EMS transportation): **MINORS / JUVENILES** Includes e-PCR Database / Electronic Patient Care Report Database	20 years		20 years		Mag, Mfr, OD, Ppr	S	Yes: After 1 year	Department Preference; law requires 7 years for clinics, health facilities, hospitals, adult day health care centers, and in-home skilled nursing services, and is actually based upon "if the licensee ceases operations"; 10 years is recommended by AHIMA for "healthcare providers"; California Healthcare Association recommends Acute Care Facilities retain adult records for ten years following discharge; Juvenile records are required until patient becomes 18 years old; Statute of Limitations for health providers is 3 years; Federal law requires 3 years, statewide guidelines propose 3 years; HIPAA provides privacy regulations for patient's health records; 13 CFR 1100.7, CCP §340.5, GC §34090; H&S §123145

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FIRE ADMINISTRATION										
Fire / Admin.	FR-006	All-Hazards Incident Management Team (AHIMT) Partially Funded by FEMA / OES	10 years		10 years		Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Meets auditing standards; Grants covered by a Consolidated Action Plan are required for 5 years; Uniform Admin. Requirements for Grants to Local Governments is 3 years from expenditure report or final payment of grantee or subgrantee; 2 CFR 200.334; 24 CFR 91.105(h), 92.505, & 570.502(a), 29 CFR 97.42; OMB Circular A-110 & A-133.320(g); GC §34090; GC §8546.7
Fire / Admin.	FR-007	Background Packets - **UNSUCCESSFUL Applicants** (Successful Applicants are sent to Human Resources)	3 years		3 years		Mag, Ppr			Department preference; EEOC / FLSA / ADEA (Age) requires 1-3 years; State Law requires 2 - 3 years; 29 CFR 1602 et seq & 1627.3(a)(5) and (6), 2 CCR 7287.0(c)(2), 8 CCR §11040(7.(c)), GC §§12946, 12960, 34090
Fire / Admin.	FR-008	Billing: Alarms, Annual Inspections, Life & Safety Inspections, Sprinkler Testing, etc.	5 years		5 years		Mag, Ppr			Department preference (meets municipal government auditing standards); GC §34090
Fire / Admin.	FR-009	Citizen's Emergency Response Training / Neighborhood Training Disaster Service Worker Certification, Roster, etc.	5 years		5 years		Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Department Preference; GC §34090

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Fire / Admin.	FR-010	Department Safety Committee Minutes	5 years		5 years		Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Department Preference; OSHA requires 5 years for safety records; 8 CCR §3203 et seq., 8 CCR 14300.33(a); 29 CFR 1627.3(b)(2), 29 CFR 1904.33, 29 CFR 1904.44; LC §6429(c); GC §§12946, 12960, 34090
Fire / Admin.	FR-011	Emergency Plans / Disaster Preparedness Manuals, etc.	When Superseded - **Minimum 2 years**		When Superseded **Minimum 2 years**		Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Department Preference; GC §34090
Fire / Admin.	FR-012	FEMA Reports / FEMA Reimbursements / EOC Activations / Cal OES Strike Team Reimbursements	3 years After Reimburse-ment, **Minimum 10 years**		3 years After Reimburse-ment, **Minimum 10 years**		Mag, Ppr			Department preference to allow for FEMA audits (up to 6 years & 3 months from the date of the final inspection report); Uniform Admin. Requirements for Grants to Local Governments is 3 years from expenditure report or final payment of grantee or subgrantee; (Also See Grants on City-wide); GC §34090 et seq.
Fire / Admin.	FR-013	Fire RMS Incident **Database**	Indefinite		Indefinite	Yes	Mag			Data is interrelated; GC §34090 et seq.
Fire / Admin. OR Fire Prevention or Police (for Arson)	FR-014	Fire Incident Reports	When No Longer Required		When No Longer Required		Mag, Mfr, OD, Ppr			Department preference; data is in RMS database; GC §34090 et seq.

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Fire / Admin.	FR-015	ISO Insurance Ratings	15 years		15 years		Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Department Preference (rated every 10 years); GC §34090
City Clerk	FR-016	Memoranda of Understanding (MOUs) / Mutual Aid Agreements / Joint Power Authorities	Copies - When No Longer Required		Copies - When No Longer Required		Mag, Mfr, OD, Ppr			Originals Maintained by City Clerk or County Clerk of the Board Permanently; GC §34090.7
Fire / Admin.	FR-017	Programs and Projects	Minimum 2 years		Minimum 2 years		Mag, Ppr			Department Preference; GC § 34090 et seq.
Fire / Admin.	FR-018	Requests for Copies of Incident Reports	2 years		2 years		Ppr			GC §34090
Human Resources	FR-019	Respiratory Fit Tests for Breathing Apparatus	Send to Human Resources		Send to Human Resources		Mag, Ppr			Department preference; Claims can be made for 30 years for toxic substance exposure; 8 CCR §3204(d)(1) et seq., GC §§12946, 12960, 34090
Fire / Admin.	FR-020	Staff Meeting Minutes	2 years		2 years	Yes	Ppr			GC §34090
FIRE / Environmental Safety - CUPA (Certified Unified Program Agencies)										
Fire / Environ. Safety	FR-021	Business Inspections	P		P		Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Department preference for environmental contamination investigations; Reporting is required for 5 years, enforcement actions for 3 years after resolved; GC §26202, 34090; 27 CCR 15188(a)

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Fire / Environ. Safety	FR-022	Chemical Inventory Reporting / New Construction, Site Assessments	When No Longer Required - **Minimum 3 years**		When No Longer Required - **Minimum 3 years**		Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Department preference; NPDES Monitoring records required for 3 years; 40 CFR §§122.21, 122.41; GC §34090
Fire / Environ. Safety	FR-023	CUPA Self-Audit, State Summary Report	5 years		5 years		Mag, Ppr			GC §§26202, 60201 et seq.; 27 CCR 15188(a), 15280(a)(2)
Fire / Environ. Safety	FR-024	Enforcement Files / Notice of Violation / Compliance History / Enforcement Actions / Hazardous Materials Enforcement Actions / Hazardous Waste Enforcement Actions (Except UST Violations Resulting in a Release - see Site Mitigation)	5 years	P	P	Yes	Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Department Preference; GC §34090
Fire / Environ. Safety	FR-025	Hazardous Materials Disclosures / Business Emergency Plans	Indefinite		Indefinite	Yes	Mag			Data Fields / Records are interrelated; GC §34090
Fire / Environ. Safety	FR-026	Hazardous Materials Notifications / Hazardous Waste Treatment Notifications	P		P		Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Department Preference; GC §34090
Fire / Environ. Safety & Fire Marshal / Fire Prevention	FR-027	Hazardous Materials Responses	P		P		Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Department preference; Claims can be made for 30 years for toxic substance exposure; 8 CCR §3204(d)(1) et seq., GC §§12946, 12960, 34090

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Fire / Environ. Safety	FR-028	Lab Data / Sampling Data (by address)	P		P		Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Department preference; Monitoring records required for 3 years; 40 CFR §§122.21, 122.41
Fire / Environ. Safety	FR-029	Site Assessments / Mitigations (Contaminated Soil, UST Closures / Violations Resulting in a Release, Site Assessment and Remedial Action Records, etc.)	P		P	Yes	Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Department Preference; Claims can be made for 30 years for toxic substance exposure; 8 CCR §3204(d)(1) et seq., GC §§12946, 12960, 34090
FIRE MARSHAL / FIRE PREVENTION										
Commun. Develop. / Building	FR-030	Alarm Plans and Sprinkler Plans (large format drawings)	Copies - When No Longer Required		Copies - When No Longer Required		Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Department Preference; GC §34090.7
Fire / Fire Marshal & Fire Prevention	FR-031	Annual Fire Inspections / Business Inspection Files / Annual Inspections, Life & Safety Inspections (Approvals, Inspections, Fires, Modification / Alternative Methods or Materials)	Until Building Demolished - **Minimum 5 years**		Until Building Demolished - **Minimum 5 years**		Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Required for the Life of the Structure or Activity, or Minimum 5 years CFC §§ 104.6 – 104.6.4
Fire / Fire Marshal & Fire Prevention	FR-032	Citations / Notice of Violations (Fire Department)	Minimum 2 years		Minimum 2 years		Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Department preference; GC §34090
Fire / CUPA & Fire Marshal & Fire Prevention	FR-033	Hazardous Materials Responses	P		P		Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Department preference; Claims can be made for 30 years for toxic substance exposure; 8 CCR §3204(d)(1) et seq., GC §§12946, 12960, 34090

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Fire / Fire Marshal & Fire Prevention	FR-034	Fire Code Permits / Film Permits, Special Event Permits (assembly permits, candle permits, tent permits, fire hydrant use, open flame, etc.)	Expiration + 2 years		Expiration + 2 years	Yes: Before Event	Mag, Ppr			GC §34090 et seq.
Fire / Fire Marshal & Fire Prevention	FR-035	Investigation Reports - **Capital Crimes & Suspected Capital Crimes (Arson, etc)**	P		P		Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Department Preference (no statute of limitations on these incidents/crimes); California Fire Code requires 3 years; CFC §§ 104.6 – 104.6.4, GC §34090
Fire / Fire Marshal & Fire Prevention	FR-036	Investigation Reports - **Criminal & Citations (Administrative, Infraction, or Misdemeanor), Service Requests**	5 years		5 years		Mag, Ppr			Department Preference; California Fire Code requires 3 years; CFC §§ 104.6 – 104.6.4, GC §34090
Community Develop / Building	FR-037	Plan Checks / Conditions of Approval	Copies - When No Longer Required		Copies - When No Longer Required		Mag, Ppr			Copies; GC §34090.7
Fire / Fire Marshal & Fire Prevention	FR-038	Public Information / Education (when produced internally)	Minimum 2 years		Minimum 2 years		Mag, Ppr			Department Preference; GC §34090
Community Develop / Building	FR-039	Record Drawings ("As-Builts") and CAD drawings of buildings	Copies - When No Longer Required		Copies - When No Longer Required		Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Copies; GC §34090.7
OPERATIONS / SUPPRESSION										

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Fire / Operations	FR-040	Apparatus & Equipment (LARGE) Records & Testing Ladder, Hose, Pump Testing	Disposal + 2 years		Disposal + 2 years		Mag, Ppr			Department Preference to be in compliance with NFPA Standards for in-service automotive fire apparatus ; NFPA 1911.4.7.3 & Annex C.5 GC §34090
Human Resources	FR-041	Personnel **Training File** - Tests, Bulletins, Certificates, Field Training, etc.	Separation + 5 years		Separation + 5 years		Mag, Mfr, OD, Ppr	S / i	Yes: After QC & OD	Department Preference; OSHA requires 5 years for safety records; 8 CCR §3203 et seq., 8 CCR 14300.33(a); 29 CFR 1627.3(b)(2), 29 CFR 1904.33, 29 CFR 1904.44; LC §6429(c); GC §§12946, 12960, 34090
Fire / Operations	FR-042	Pre-Fire Plans	When Superseded		When Superseded		Mag, Ppr			GC §34090 et seq.
Fire / Operations	FR-043	Self-contained Breathing Apparatus (SCBA) and Bottles	Expiration of Certificate - **Minimum 2 years**		Expiration of Certificate - **Minimum 2 years**		Mag, Ppr			Certificates are issued for 3-5 years; GC §34090 et. seq.
Fire / Operations	FR-044	Station Log Books (Incidents - kept at Fire Stations)	2 years	P	P		Mag, Mfr, OD, Ppr	S/I	No	Retained for historical and administrative value; GC §34090
Lead Dept.	FR-045	Vehicle Safety Checks / Daily Vehicle Inspections / Daily Equipment Checks	2 years		2 years		Ppr			GC §34090

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RECORDS RETENTION SCHEDULE: HUMAN RESOURCES

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HUMAN RESOURCES										
Human Resources	HR-001	Classification / Reorganization Studies (for employee classifications and department structures)	Minimum 3 years		Minimum 3 years		Mag, Ppr			Department preference; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 - 3 years; retirement benefits is 6 years from last action; 29 CFR 1602.31 & 1627.3(b)(2), 8 CCR §3204(d)(1) et seq., GC §§12946, 12960, 34090
Human Resources	HR-002	Classification Specifications / Job Descriptions	Minimum 3 years		Minimum 3 years		Mag, Mfr, OD, Ppr	S / I	Yes: After 1 year	Department preference; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 - 3 years; retirement benefits is 6 years from last action; 29 CFR 1602.31 & 1627.3(b)(2), 8 CCR §3204(d)(1) et seq., GC §§12946, *12960,* 34090;
Human Resources	HR-004	Compensation Surveys & Studies	3 years		3 years		Mag, Ppr			Department preference; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 - 3 years; retirement benefits is 6 years from last action; 29 CFR 1602.31 & 1627.3(b)(2), 8 CCR §3204(d)(1) et seq., GC §§12946, 12960, 34090

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Human Resources	HR-005	Confidential Investigations	Separation + 6 years		Separation + 6 years	Yes: Until Separation	Mag, Ppr			Department Preference to match Personnel Files; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 - 3 years; 29 CFR 1602.31 & 1627.3(b)(ii), GC §§12946, 12960, 34090; 29 USC 1113, LC 1174
Human Resources	HR-006	COVID-19 Notifications to Employees	3 years		3 years		Mag, Ppr			LC §6409.6(k), GC §34090
Human Resources	HR-007	DMV - Addition, Deletion Form	2 years		2 years		Mag, Ppr			GC §34090
Human Resources	HR-008	DMV-Pull Notices, Waivers for Pull Notices	When Superseded or Separated		When Superseded or Separated		Mag Ppr			Department preference; Transitory or source records not retained in the ordinary course of business; CHP audits every 2 years; Bureau of National Affairs recommends 2 years for all supplementary Personnel records; GC §34090

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Human Resources	HR-009	Drug Testing Program / DOT Testing - Eligible Pool Lists, Drug & Alcohol Test Results, Training, BIT Inspections, etc.	2 years	3 years	5 years		Mag Ppr			D.O.T. Requires 5 years for positive tests, refusals, annual summaries, etc, 1 year for negative tests; EEOC / FLSA / ADEA (Age) requires 3 years physical examinations; State Law requires 2 years; 29 CFR 1627.3(b)(1)(v), GC §§12946, 12960, 34090; 49 CFR 655.71 et seq.; 49 CFR 382.401 et seq.
Human Resources	HR-010	Equal Opportunity Employment - Complaints / Department of Fair Employment & Housing (DFEH or EEOC) Claims / Harassment Claims	Separation + 3 years		Separation + 3 years		Mag, Ppr			Department preference; All State and Federal laws require retention until final disposition of formal complaint; State requires 2 years after "fully and finally disposed"; 2 CCR 7287.0; GC §§12946, 12960, 34090
Human Resources	HR-011	Equal Opportunity Employment - EEOC Reports (EEO-4 Reports)	3 years		3 years		Mag, Ppr			29 CFR 1602.30; 29 CFR 1602.31, 29 CFR 1602.32; GC §34090
Human Resources	HR-012	Grievances	Separation + 6 years		Separation + 6 years	Yes: Until Separation	Mag, Ppr			Department Preference to match Personnel Files; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 - 3 years; 29 CFR 1602.31 & 1627.3(b)(ii), GC §§12946, 12960, 34090; 29 USC 1113, LC 1174

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Human Resources	HR-013	I-9s	Separation + 3 years		Separation + 3 years		Mag, Mfr, OD, Ppr	S / i	Yes:–After QC & OD	Required for 1 year from termination or 3 years from hiring, whichever is later; EEOC / FLSA / ADEA (Age) requires 3 years for "any other forms of employment inquiry"; State Law requires 2 -3 years; 8 CFR 274a.2; 29 CFR 1627.3(b)(1); GC §§12946, 12960, 34090; INA 274A(b)(3); INS Rule 274a.1(b)(2)
Human Resources	HR-014	LiveScan Fingerprint Clearance Forms - for Employees, Contractors, Volunteers, Interns	Separation + 3 years		Separation + 3 years		Mag, Ppr			Department preference (protects City in the event of past employee misconduct); DOJ allows retention for legitimate business needs; must be maintained in a secure and confidential file; DOJ Information Bulletin No. 02-17-BCII; GC§ 34090 et seq.
Human Resources	HR-015	Negotiation Binders / Notes, Side Letters, Correspondence, etc.	10 years		10 years	Yes while current	Mag, Ppr			Department preference; GC §34090

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Human Resources	HR-017	Personnel Files - **All Employees** (Part-time employee's files are forwarded to Human Resources when they are Separated)	Separation + 1 year	5 years	Separation + 6 years	Yes: Until Separation	Mag, Mfr, OD, Ppr	S / i	Yes:–After QC & OD	Department Preference; Statute of Limitations for Retirement Benefits is 6 years from last action; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 -3 years; 8 CCR 5144, 8 CCR 15400.2; 29 CFR 1910.1020(d)(1)(i), GC §§12946, 12960, 34090, 3105; LC §1198.5; 29 CFR 1602.14; 53235.2(b); 53237.2(b); LC §1198.5
Human Resources	HR-018	Personnel Files - **Fire Department Background Files** (Successful Applicants)	Separation + 1 year	5 years	Separation + 6 years	Yes: Until Separation	Mag, Mfr, OD, Ppr	S / i	Yes:–After QC & OD	Department Preference; Statute of Limitations for Retirement Benefits is 6 years from last action; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 -3 years; 8 CCR 5144, 8 CCR 15400.2; 29 CFR 1910.1020(d)(1)(i), GC §§12946, 12960, 34090, 3105; LC §1198.5; 29 CFR 1602.14; 53235.2(b); 53237.2(b); LC §1198.5

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Human Resources	HR-019	Personnel Files - **Medical** Records (all employees) Includes Breathing Apparatus Fit Tests & LiveScan Log	Separation + 1 year	29 years, OR Termination of Benefits + 5 years (whichever is longer)	Separation + 30 years, OR Termination of Benefits + 5 years (whichever is longer)	Yes: Until Separation	Mag, Mfr, OD, Ppr	S / i	Yes:–After QC & OD	Department preference; Files maintained separately; Claims can be made for 30 years for toxic substance exposure; 8 CCR §3204(d)(1) et seq., 8 CCR 5144, 8 CCR 15400.2; 29 CFR 1910.1020(d)(1)(i), GC §§12946, 12960, 34090
Human Resources	HR-020	Recruitment Database - NeoGov	4 ~~3~~ years		4 ~~3~~ years		Mag, Ppr			Department preference; EEOC / FLSA / ADEA (Age) requires 1-3 years; State Law requires 2 - 3 years; 29 CFR 1602 et seq & 1627.3(a)(5) and (6), 2 CCR 11013(c); 8 CCR §11040(7.(c)), GC §§12946, 12960, 34090
Human Resources	HR-021	Recruitment Files - Full-time Employees (Includes Applications (Unsuccessful), Advertisements, Job Brochures, Test Data, Rating Sheets, Questions, Eligible Lists, Reference Checks, Background Checks from Fire or PD, etc.)	Minimum 4 ~~3~~ years		Minimum 4 ~~3~~ years		Mag, Ppr			Department preference; EEOC / FLSA / ADEA (Age) requires 1-3 years; State Law requires 2 - 3 years; 29 CFR 1602 et seq & 1627.3(a)(5) and (6), 2 CCR 11013(c); 8 CCR §11040(7.(c)), GC §§12946, 12960, 34090
Human Resources	HR-022	Studies & Surveys Conducted on Behalf of the City (Attrition, Benefits, Succession Planning, etc.)	Minimum 3 years		Minimum 3 years		Mag, Ppr			Department preference; GC §34090

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Human Resources	HR-023	Training - Harassment Prevention and Violence in the Workplace (for others, see the City-wide Schedule) (Attendance Rosters, Outlines and Materials)	5 years		5 years		Mag, Mfr, OD, Ppr	S / i	Yes:–After QC & OD	Department Preference; OSHA requires 5 years for safety records;-Calif. Labor Division is required to keep their OSHA records 7 years; Ethics Training is 5 years; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 -3 years; 8 CCR §3203 et seq., 8 CCR 14300.33(a); 29 CFR 1627.3(b)(2), 29 CFR 1904.33, 29 CFR 1904.44; LC §6429(c); GC §§12946, 12960, 34090, 53235.2(b)
Human Resources	HR-024	Workers' Compensation or Disability Claims / Employee or Volunteer Accident Reports Includes all Employee Accident, Incident, or Injury Reports, Refusal of Medical Treatment of an Industrial Accident	Until Closed	29 years, OR Termination of Benefits + 5 years (whichever is longer)	Separation + 30 years, OR Termination of Benefits + 5 years (whichever is longer)		Mag, Mfr, OD, Ppr	S / i	Yes:–After QC & OD	Department preference; Claims can be made for 30 years for toxic substance exposure; Claims are required for five years after the end of compensation, or injury, whichever is longer8 CCR 5144, 8 CCR 15400.2; 29 CFR 1910.1020(d)(1)(i), GC §§12946, 12960, 34090

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PUBLIC WORKS / ENGINEERING										
City Clerk & Public Works / Engineering	PW-001	Abandonments / Vacations (Streets) / Survey File	P		P	Yes (all)	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	GC §34090 et seq.
Public Works / Engineering	PW-002	Assessment Districts / Sewer Districts / Maintenance Districts / Landscape & Lighting / Street Improvement Districts **(FORMATION, BOUNDARIES, ENGINEERS REPORTS)**	P		P	Yes: Until Completed	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; Statute of Limitations is 4 - 10 years (for Errors & Omissions); CCP §§337. 337.1(a), 337.15, 343; GC §34090.7
Public Works / Engineering	PW-003	Capital Improvement Projects (CIP): **Administration File** Project Administration, Certified Payrolls, Construction Manager's Logs, Daily Inspections, Insurance Certificates, Meeting Minutes, Project Schedules, Progress meetings, Real Estate Appraisals, RFIs & Responses, etc.	Upon Completion	10 years or After Funding Agency Audit, if required, whichever is longer	Completion + 10 years or After Funding Agency Audit, if required, whichever is longer	Yes: Until Completed	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Some grant funding agencies require audits; Statute of Limitations for Errors & Omissions is 10 years; Published Audit Standards=4-7 years; Statute of Limitations: Contracts & Spec's=4 years, Wrongful Death=comp. + 5 years, Developers=comp. + 10 years; CCP §337 et. seq., GC §34090

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Public Works / Engineering	PW-004	Capital Improvement Projects (CIP): **Permanent File** Plans, Specifications, Successful Proposal, Change Orders, Materials Testing Reports, Grading Permits, Hazardous Materials Plans, Notice of Completion, Photos, Soils Reports, Studies, Submittals, Surveys, etc.	Upon Completion	P	P	Yes: Until Completed	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department preference; retained for disaster preparedness purposes; GC §34090
Public Works / Engineering	PW-005	Capital Improvement Projects (CIP): **Unsuccessful Proposals**	2 years		2 years		Mag, Ppr			GC §34090
Public Works / Engineering	PW-006	Capital Improvement Projects (CIP): **Where City is NOT the Lead Agency (Grade Separation, etc.)**	When No Longer Required		When No Longer Required		Mag, Ppr			Non-records (another agency is the lead)
Public Works / Engineering	PW-007	CCTV Collection Line Inspection Tapes / Video Inspections / Video Tapes or Digital Recordings **(all lines)**	10 years		10 years		Mag			Department Preference; GC §34090 et seq.
Public Works / Engineering	PW-008	Correspondence - **Regulatory Agencies**	Minimum 2 years		Minimum 2 years	Yes: While Active Issues	Mag, Ppr			Department preference; Some correspondence from Regulatory Agencies need to be retained for long periods of time; GC §34090

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Public Works / Engineering	PW-009	Design & Construction Standards	P		P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §34090
City Clerk	PW-010	Easements	P		P	Yes (all)	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference (copies); GC §34090.7
Public Works / Engineering	PW-011	Encroachment Permits - **Permanent Encroachments**	P		P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §34090
Public Works / Engineering	PW-012	Engineering Studies / Surveys - Preliminary Studies / Project Assessments (**Not Acquired or Developed**)	Minimum 5 years		Minimum 5 years		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §34090
Public Works / Engineering	PW-013	Engineering Studies / Surveys (City Built Projects)	P		P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §34090
Public Works / Engineering	PW-014	Geotechnical and Soils Reports	P		P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §34090
Public Works / Engineering	PW-015	Grading Permits & Plans	P		P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §34090
Public Works / Engineering	PW-016	Maps, Plans and Record Drawings (Capital Improvement Project "As-Builts", Record Drawings, etc.)	P		P	Yes (all)	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Drafts should be destroyed; Some maps are also retained by Planning; Selected maps are retained in Public Works for administrative purposes; GC §34090, 34090.7

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Public Works / Engineering	PW-017	NPDES Permits - Stormwater	Expiration + 5 years		Expiration + 5 years	Yes: Until Expiration	Mag, Ppr			Department preference; NPDES Monitoring records required for 3 years in Federal law; 40 CFR §§122.21, 122.41, 122.44
Public Works / Engineering	PW-018	NPDES Reporting and Monitoring - Stormwater	5 years		5 years	Yes: Until Expiration	Mag, Ppr			Department preference; NPDES Monitoring records required for 3 years in Federal law; 40 CFR §§122.21, 122.41, 122.44
Public Works / Engineering	PW-019	Pretreatment Annual / Quarterly Reports Industrial Pre-Treatment	5 years		5 years		Mag, Ppr			Department Preference; NPDES Monitoring records required for 3 years; POTW reports are required for 3 years; 40 CFR 403.12; GC §34090
City Clerk & Public Works / Engineering	PW-020	Rights of Way	P		P	Yes (all)	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department preference (copies); GC §34090.7
Public Works / Engineering	PW-021	Standard Construction Drawings / Details / Plans	P		P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §34090
Public Works / Engineering	PW-022	Subdivisions	P		P		Mag, Ppr			Official record held by City Clerk; GC §34090.7
Public Works / Engineering	PW-023	Underground Service Alerts (USA's) / Dig Alerts-- City	3 years		3years		Ppr			Department Preference (the warrantee period for work done is 5 years); Required for 3 years; GC §§4216.2(f) & 4216.3(d); GC §34090

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Public Works / Engineering	PW-024	Urban Water Management Plans (UWMP)	10 years		10 years	Yes	Mag, Ppr			Department Preference; GC §34090
Public Works / Engineering	PW-025	Vulnerability Assessment / Emergency Response Plan / Risk & Resiliency Assessment	When Superseded - **Minimum 2 years**		When Superseded - **Minimum 2 years**		Mag, Ppr			Confidential; GC §34090
Public Works / Engineering	PW-026	Wastewater / Sewer System Management Plans (SSMP) and Audits, Sanitary Spills Overflow Prevention Plan (SSOPP) and Sanitary Sewer Overflow Response Plan	10 years		10 years		Mag, Ppr			Department Preference; plans must be updated every 5 years, audits are required every 2 years; 40 CFR 122.41(j)(2); SWRCB Order 2006-03; 40 CFR 122.41(i)(2); GC §34090
ENGINEERING - PRIVATE DEVELOPMENT										
Public Works / Engineering / Private Develop.	PW-027	Maps, Plans and Record Drawings (Final Maps, Parcel Maps, Right of Way, Tract Maps, etc.)	P		P	Yes (all)	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Drafts should be destroyed; Some maps are also retained by Planning; Selected maps are retained in Public Works for administrative purposes; GC §34090, 34090.7
ENGINEERING - TRAFFIC & TRANSPORTATION										
Public Works / Engineering / Traffic & Trans.	PW-028	Master Plans - Transportation	Superseded + 5 years		Superseded + 5 years	Yes (all)	Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §34090
Public Works / Engineering / Traffic & Trans.	PW-029	Newsrack Permits	2 years		2 years		Mag, Ppr			GC §34090

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Public Works / Engineering / Traffic & Trans.	PW-030	Residential Parking Permits	2 years		2 years		Mag, Ppr			GC §34090
Public Works / Engineering / Traffic & Trans.	PW-031	Studies - Transportation	Minimum 5 years		Minimum 5 years		Mag Ppr			Department Preference; GC §34090
Public Works / Engineering / Traffic & Trans.	PW-032	Traffic Calming Requests	Minimum 2 years		Minimum 2 years		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department preference; GC §34090
Public Works / Engineering / Traffic & Trans.	PW-033	Traffic Commission **AGENDAS, AGENDA PACKETS**	Minimum 2 years		Minimum 2 years		Mag, Ppr			Department Preference; GC §34090
Public Works / Engineering / Traffic & Trans.	PW-034	Traffic Commission **MINUTES, BYLAWS**	P		P		Mag, Mfr, OD, Ppr	S	No	GC §34090
Public Works / Engineering / Traffic & Trans.	PW-035	Traffic Speed Surveys	10 years		10 years		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department preference (required every 5 years, but can be extended to 7 or 10 years); GC §34090
Public Works / Engineering / Traffic & Trans.	PW-036	Traffic Studies / Traffic Counts	10 years		10 years		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department preference; GC §34090
GENERAL SERVICES / EQUIPMENT MAINTENANCE & FLEET										

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Lead Depart.	PW-037	AQMD Permits (Generators, etc.)	5 years		5 years		Mag, Ppr			40 CFR 70.6; GC §34090
Public Works / Fleet	PW-038	Fleet Management Database	Indefinite		Indefinite		Mag, Ppr			Department preference (data is inter-related); If a motor carrier, required for 18 months after vehicle is sold; CHP requires life of vehicle; OSHA requires 1 year; 8 CCR § 3203(b)(1); 49 CFR 396.21(b)(1); 49 CFR 396.3(c); CCP §337 et seq., GC §34090
Lead Depart.	PW-039	Generator Operation Logs / Inspections	5 years		5 years		Mag, Ppr			AQMD Rule 1470; Form 400–E–13a instructions; GC §34090
Lead Depart.	PW-040	Operations & Maintenance Manuals / O & M Manuals	Disposal of Equipment		Disposal of Equipment		Mag, Ppr			Department preference; GC §34090
Public Works / Fleet	PW-041	Pressure Vessel Certifications or Permits (Air Compressors, Propane, etc.)	Current + 2 Previous Certificates		Current + 2 Previous Certificates		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department preference; GC §34090 et. seq.
Lead Depart.	PW-042	Pre-Trip Inspections / DOT Program / CHP Inspections / Vehicle Safety Checks / Daily Vehicle Inspections / Daily Equipment Checks	2 years		2 years		Ppr			13 CCR 1234(c); GC§34090
Public Works / Fleet	PW-043	Used Oil Disposal	3 years		3 years		Mag, Ppr			22 CCR 66266.130(c)(5), H&S §25250.18(b), 25250.19(a)(3) et seq.

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Public Works / Division **Providing** Service / Work	PW-044	Work Orders / Service Requests / Service Tracker **CMMS DATABASE** (Computerized Maintenance Management System)	Indefinite		Indefinite		Mag			Data is interrelated; GC §34090
Public Works / Division **Providing** Service / Work	PW-045	Work Orders / Service Requests / Service Tracker - **All Information Entered in CMMS Database**	When No Longer Required		When No Longer Required		Mag Ppr			Preliminary drafts (the database is the original); GC §34090
Public Works / Division **Providing** Service / Work	PW-046	Work Orders / Service Requests / Service Tracker - **NOT entered in CMMS Database** (or partial information entered into CMMS Database) (Division providing service retains originals; Division requesting service is considered a copy)	5 years		5 years		Mag Ppr			City preference; CCP §§338 et seq., 340 et seq., 342, GC §34090
GENERAL SERVICES / GOVERNMENT BUILDINGS										
Public Works / Government Buildings	PW-047	Elevator Permits	When Superseded		When Superseded		Mag, Ppr			GC §34090
Lead Depart.	PW-048	Hazardous Materials Manifests	10 years	P	P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; 40 CFR 262.40, 8 CCR 3204(d)(1)(A), 22 CCR 66262.40; GC §34090

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Lead Depart.	PW-049	Hazardous Materials Manifests - State Reports	10 years		10 years		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §34090
Lead Depart.	PW-050	Operations & Maintenance Manuals / O & M Manuals	Disposal of Equipment		Disposal of Equipment		Mag, Ppr			Department preference; GC §34090
Community Services / Recreation OR Public Works / Government Buildings	PW-051	Swimming Pool Chemical Readings & Additions	5 years		5 years		Mag, Ppr			Health Department regulations; 8 CCR §3195.12; GC §34090
Public Works / Division **Providing** Service / Work	PW-052	Work Orders / Service Requests / Service Tracker **CMMS DATABASE** (Computerized Maintenance Management System)	Indefinite		Indefinite		Mag			Data is interrelated; GC §34090
Public Works / Division **Providing** Service / Work	PW-053	Work Orders / Service Requests / Service Tracker - **All Information Entered in CMMS Database**	When No Longer Required		When No Longer Required		Mag Ppr			Preliminary drafts (the database is the original); GC §34090
GENERAL SERVICES / STORMWATER										

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Public Works / Division **Providing** Service / Work	PW-054	Work Orders / Service Requests / Service Tracker / Inspections / Maintenance / Spills and Responses / Repairs / Mitigations - **CMMS DATABASE** (Computerized Maintenance Management System)	Indefinite		Indefinite		Mag			Data is interrelated; GC §34090
Public Works / Division **Providing** Service / Work	PW-055	Work Orders / Service Requests / Service Tracker / Spills and Responses / Repairs / Mitigations - **All Information Entered in CMMS Database**	When No Longer Required		When No Longer Required		Mag Ppr			Preliminary drafts (the database is the original); GC §34090
GENERAL SERVICES / WASTEWATER										
Public Works / General Services / Wastewater	PW-056	CCTV Collection Line Inspection Tapes / Video Inspections / Video Tapes or Digital Recordings & Reports **(all lines)**	When Superseded		When Superseded		Mag			Department Preference (preliminary drafts not retained in the ordinary course of business); GC §34090 et seq.
Public Works / General Services / Wastewater	PW-057	Correspondence - **Regulatory Agencies**	Minimum 2 years		Minimum 2 years	Yes: While Active Issues	Mag, Ppr			Department preference; Some correspondence from Regulatory Agencies need to be retained for long periods of time; GC §34090

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Public Works / General Services / Wastewater	PW-058	Daily Vehicle & Equipment Safety Checks / DMV Reports / Daily Work Reports / Vehicle Inspections / Daily Equipment Checks	2 years		2 years		Ppr			GC §34090
Public Works / General Services / Wastewater	PW-059	Flow Measurements	5 years		5 years		Mag, Ppr			Department preference; GC §34090
Public Works / General Services / Wastewater	PW-060	FOG (Fats, Oil & Grease) / Hot Spots	5 years		5 years		Mag, Ppr			Department Preference; NPDES Monitoring records required for 3 years; POTW reports are required for 3 years; 40 CFR 403.12; GC §34090
Public Works / General Services / Wastewater	PW-061	Lift Station - Inspections, Maintenance, Repairs, Service Requests, Alarm Recording, Logs, Charts, Flow Monitoring, Voltage Readings, Permits	5 years		5 years		Mag, Ppr			Department Policy (sewage sludge is required for 5 years); WC §13263.2(b) et seq.; 40 CFR 122.41(j)(2)GC §34090
Public Works / General Services / Wastewater	PW-062	Operations & Maintenance Manuals / O & M Manuals	Disposal of Equipment		Disposal of Equipment		Mag, Ppr			Department preference; GC §34090
Public Works / General Services / Wastewater	PW-063	Pumping Station Logs / Sewer Lift Station Logs / Motor Logs, etc.	P		P		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §34090

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Public Works / General Services / Wastewater	PW-064	Sanitary Sewer Overflows (SSOs)	5 years		5 years		Mag, Ppr			Required for a minimum of 5 years; 40 CFR 122.41(j)(2); SWRCB Order 2006-03; 40 CFR 122.41(j)(2); GC §34090
Public Works / General Services / Wastewater	PW-065	Waste Discharge Monitoring Reports	5 years		5 years		Mag, Ppr			Department preference; Monitoring records required for 3 years in Federal law; 40 CFR §§122.21, 122.41
Public Works / Division **Providing** Service / Work	PW-066	Work Orders / Service Requests / Service Tracker **CMMS DATABASE** (Computerized Maintenance Management System)	Indefinite		Indefinite		Mag			Data is interrelated; GC §34090
Public Works / Division **Providing** Service / Work	PW-067	Work Orders / Service Requests / Service Tracker - **All Information Entered in CMMS Database**	When No Longer Required		When No Longer Required		Mag Ppr			Preliminary drafts (the database is the original); GC §34090
Public Works / Division **Providing** Service / Work	PW-068	Work Orders / Service Requests / Service Tracker - **NOT entered in CMMS Database** (or partial information entered into CMMS Database) (Division providing service retains originals; Division requesting service is considered a copy)	5 years		5 years		Mag Ppr			City preference; CCP §§338 et seq., 340 et seq., 342, GC §34090

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***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
PARK MAINTENANCE										
Public Works / Park Maint.	PW-069	Memory Trees / Memory Benches	P		P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §34090
Lead Depart.	PW-070	Operations & Maintenance Manuals / O & M Manuals	Disposal of Equipment		Disposal of Equipment		Mag, Ppr			Department preference; GC §34090
Public Works / Park Maint.	PW-071	Pesticide Application / Use	2 years		2 years		Ppr			Department Preference (agricultural pesticide records are required for 2 years); GC §26202; 3 CCR 6623(c), ~~40 CFR 171.11 et seq.~~; GC §34090
Public Works / Park Maint.	PW-072	Playground Inspections / Playground Maintenance	10 years		10 years		Mag, Ppr			Department Preference; GC §34090
Public Works / Park Maint.	PW-073	Tree Crew Schedule / City Tree Trimming	10 years		10 years		Mag, Ppr			Department Preference; GC §34090
Public Works / Park Maint.	PW-074	Tree Maintenance Database (West Coast Arborist)	Minimum 10 years		Minimum 10 years		Mag, Ppr			Department Preference; GC §34090
SOLID WASTE										

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Public Works / Solid Waste	PW-075	AB 939 Compliance / SB 1383 Compliance (Organic Waste Collection and Recycling) / Solid Waste Tonnage Reports	10 years		10 years		Mag, Ppr			Department preference; SB 1383 compliance is required for 5 years; Low-Carbon Fuel Standard regulations credits can be received for 10 years, and are eligible for an extension; 14 CCR § 18995;.2 H&S §39730.7;GC §34090
Public Works / Solid Waste	PW-076	Environmental Committee **AGENDAS, AGENDA PACKETS**	Minimum 2 years		Minimum 2 years		Mag, Ppr			Department Preference; GC §34090
Public Works / Solid Waste	PW-077	Environmental Committee **MINUTES, BYLAWS**	P		P		Mag, Mfr, OD, Ppr	S	No	GC §34090
Public Works / Solid Waste	PW-078	Environmental Programs / Conservation Programs: Beach Cleanups, etc.	5 years		5 years		Mag, Ppr			Department preference to meet any grants or subventions; NPDES Monitoring records required for 3 years in Federal law; 40 CFR §§122.21, 122.41, 122.44
Public Works / Solid Waste	PW-079	Environmental Work Plan	Superseded + 5 years		Superseded + 5 years		Mag, Ppr			Department Preference; GC §34090
Public Works / Solid Waste	PW-080	Exemptions from Mandatory Trash Services	Expiration + 2 years		Expiration + 2 years		Mag, Ppr			Department Preference; GC §34090
Public Works / Solid Waste	PW-081	Haulers, Trash Company, Solid Waste Vendor Permits and Applications	Expiration + 2 years		Expiration + 2 years		Mag, Ppr			Department Preference; GC §34090

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Public Works / Solid Waste	PW-082	Hazardous Materials Manifests	10 years	P	P		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §34090
Public Works / Solid Waste	PW-083	Hazardous Materials Manifests - State Reports	10 years		10 years		Mag, Mfr, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §34090
Public Works / Solid Waste	PW-084	Solid Waste - Recycling - SRRE (Source Reduction and Recycling Element)	10 years		10 years		Mag, Ppr			Department Preference; GC §34090
Public Works / Solid Waste	PW-085	Solid Waste Enforcement Letters	5 years		5 years		Mag, Ppr			Department Preference; GC §34090
STREETS										
Public Works / Streets	PW-086	Graffiti Removal / Weed Abatement	2 years		2 years		Mag, Ppr			GC §34090
Public Works / Streets	PW-087	Inspections (Contractor's work in Right-of-Way)	3 years		3 years		Mag, Ppr			Department preference; NPDES Monitoring records required for 3 years in Federal law; 40 CFR §§122.21, 122.41, 122.44
Public Works / Streets	PW-088	Sidewalk Inspections & Repairs: Bicycle Ways, Curbs, Sidewalks, etc.	10 years		10 years		Mag, Ppr			Department Preference; GC §34090
Public Works / Streets	PW-089	Street Signal Outages & Maintenance	2 years		2 years		Mag, Ppr			GC §34090
Public Works / Streets	PW-090	Street Sweeping	3 years		3 years		Mag, Ppr			Department preference; NPDES Monitoring records required for 3 years in Federal law; 40 CFR §§122.21, 122.41, 122.44

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Public Works / Division **Providing** Service / Work	PW-091	Work Orders / Service Requests / Service Tracker **CMMS DATABASE** (Computerized Maintenance Management System)	Indefinite		Indefinite		Mag			Data is interrelated; GC §34090
Public Works / Division **Providing** Service / Work	PW-092	Work Orders / Service Requests / Service Tracker - **All Information Entered in CMMS Database**	When No Longer Required		When No Longer Required		Mag Ppr			Preliminary drafts (the database is the original); GC §34090
Public Works / Division **Providing** Service / Work	PW-093	Work Orders / Service Requests / Service Tracker - **NOT entered in CMMS Database** (or partial information entered into CMMS Database) (Division providing service retains originals; Division requesting service is considered a copy)	5 years		5 years		Mag Ppr			City preference; CCP §§338 et seq., 340 et seq., 342, GC §34090
WATER DISTRIBUTION										
Public Works / Water Dist.	PW-094	Backflow: Cross-Connection Backflow Device Inspections and Maintenance	5 years		5 years		Mag, Ppr			Department Preference; Meets California Department of Public Health requirements (3 years); GC §34090; 17 CCR 7605(f)

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Lead Depart.	PW-095	Confined Space Entries	3 years		3 years		Mag, Ppr			8 CCR 5157(d)(14) & (e)(6); 29 CFR 1910.146(e)(6); GC §34090
Public Works / Water Dist.	PW-096	Customer Concerns / Customer Complaints: Odor / Taste / Visual Complaints (regarding Potable Water)	5 years		5 years		Mag, Ppr			5 years is required in State and Federal law for any complaints; 40 CFR 122.41(j)(2) & 40 CFR 141.33(b); 22 CCR 64470
Public Works / Water Dist.	PW-097	Environmental Agencies / Regulatory Agencies (EPA, DHS, etc.)	Minimum 2 years		Minimum 2 years		Mag, Ppr			Department Preference; GC §34090
Public Works / Water Dist.	PW-098	Fire Flow Test Applications and Witness to Test	10 years		10 years		Mag, Ppr			Department Preference; Meets California Department of Public Health requirements (3 years); GC §34090; 17 CCR 7605
Public Works / Water Dist.	PW-099	Hydrant Inspections / Flushing / Turning Sheets / Valve Exercises / Valve Activations	10 years		10 years		Mag, Ppr			Department preference; GC §34090 et seq.
Lead Depart.	PW-100	Lockout-Blockout / Lockout-Tagout	2 years		2 years		Mag, Ppr			GC §34090
Public Works / Water Dist.	PW-101	Meter Change Cards / Replacement Cards	Upon Disposal of Meter		Upon Disposal of Meter		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §34090
Public Works / Water Dist.	PW-102	Metropolitan Information	When No Longer Required		When No Longer Required		Mag, Ppr			Non-records

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Public Works / Lead Div.	PW-103	Operations & Maintenance Manuals / O & M Manuals	Disposal of Equipment		Disposal of Equipment		Mag, Ppr			Department preference; GC §34090
Public Works / Water Dist.	PW-104	SCADA Database (Supervisory Control and Data Acquisition)	Indefinite		Indefinite	Yes	Mag			Data is interrelated; system qualifies as a "trusted system"; GC §§34090, 12168.7
Public Works / Water Dist.	PW-105	Temporary Hydrant Meters - Rentals (Pools, Construction)	End of Rental		End of Rental		Ppr			Preliminary drafts not retained in the ordinary course of business; GC §34090 et seq.
Lead Depart.	PW-106	Underground Service Alerts (USA's) / Dig Alerts-- City	3 years		3 years		Ppr			Required for 3 years; GC §§4216.2(f) & 4216.3(d); GC §34090
Public Works / Water Dist.	PW-107	Videos - Reservoirs, Tanks, etc.	P		P		Mag			Department preference; GC §34090
Public Works / Water Dist.	PW-108	Water Analysis & Sampling: **Bacteriological & Organics**	2 years	3 years	5 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	40 CFR 141.33(a); 22 CCR §64470
Public Works / Water Dist.	PW-109	Water Analysis & Sampling: **Chemical**	2 years	8 years	10 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	40 CFR 141.33(a); 22 CCR §64470
Public Works / Water Dist.	PW-110	Water Analysis & Sampling: **Lead & Copper**	2 years	10 years	12 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Lead and Copper are required for 12 years or 2 compliance cycles (some compliance cycles are nine years); 22 CCR 64400.25; 22 CCR §64470, 40 CFR 141.33(a); 40 CFR 141.91

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Public Works / Water Dist.	PW-111	Water Pressure Charts	5 years		5 years		Mag, Ppr			Department Preference; GC §34090 et seq.
Public Works / Water Dist.	PW-112	Water Quality Reports / Consumer Confidence Reports	12 years		12 years		Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	State law requires 12 years, federal 10 years; 40 CFR 141.33(a); 22 CCR §64470; 22 CCR §64483
City Clerk	PW-113	Water Supply Agreements	Copies - When No Longer Required		Copies - When No Longer Required	Yes	Mag, Mfr, OD, Ppr	S	No	GC §34090.7
Public Works / Water Dist.	PW-114	Water Usage Reports	Minimum 2 years		Minimum 2 years		Mag, Ppr			Department preference; GC §34090 et seq.
Public Works / Water Dist.	PW-115	Well History / Well Decommissions or Abandonments	P		P		Mag, Mfr, OD, Ppr			Department Preference; GC §34090 et seq.

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RECORDS RETENTION SCHEDULE: RISK MANAGEMENT

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RISK MANAGEMENT										
City Attorney & Finance / Risk Manag.	RM-001	Claims - **Juveniles**	Age of Majority (minimum Settle + 5 years)		Age of Majority (minimum Settle + 5 years)	Yes: Until Settlement	Mag, Mfr, OD, Ppr	S	Yes: After Settled	Juveniles may have additional legal recourses; CCP §§ 337 et seq.; GC §§ 911.2, 945, 34090, 34090.6; PC §832.5
City Attorney & Finance / Risk Manag.	RM-002	Claims - **Not Juveniles** Tort Claims / Liability Claims	Settle + 5 years		Settle + 5 years	Yes: Until Settlement	Mag, Mfr, OD, Ppr	S	Yes: After Settled	Claim must be filed within 1 year, lawsuit within 2 years; complaints against peace officers within 5 years; Statute of Limitations for contracts is 4 years; wrongful death for construction is completion + 5 years; CCP §§ 337 et seq.; GC §§ 911.2, 945, 34090, 34090.6; PC §832.5
Risk Manage.	RM-003	Claims Against Others (Damage to City Property, etc.)	Final Settlement	5 years	Final Settlement + 5 years	Yes: Until Resolution	Mag, Ppr			Department Preference; Covers various statute of limitations; CCP §§ 337 et seq.; GC §§ 911.2, 34090, 34090.6; PC §832.5
Risk Manage.	RM-004	Insurance Policies & Certificates (City-owned - NOT liability insurance): Fire, Flood, etc.	Completion + 5 years		Completion + 5 years	Yes: Before Expiration	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	Consistent with Agreement retention; CCP §§337; GC §34090
Risk Manage.	RM-005	Insurance Policies & Certificates (City-owned): ICMA, Self-insurance & Liability (General & Public), Workers Compensation	P		P	Yes: Before Expiration	Mag, Mfr, OD, Ppr	S / I	Yes: After QC & OD	For protection from litigation; CCP §§337. GC §34090

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Office of Record	Retention No.	Records Description	Retention / Disposition							Comments / Reference
(OFR)			Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	
If the record is not listed here, refer to the Retention for City-Wide Standards										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
***HOLDS:** Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).*										
Risk Manage.	RM-006	OSHA Inspections & Citations, Log 200 and Log 300, 301, 301A, etc.	2 years	3 years	5 years		Ppr			Calif. Labor Division is required to keep their records 7 years; OSHA requires 5 years; State law requires 2 years; 8 CCR §3203(b)(1), GC §34090; LC §6429(c)
Risk Manage.	RM-007	Safety Committee Minutes	5 years		5 years		Mag, Mfr, OD, Ppr	S / i	Yes:–After QC & OD	Department Preference; OSHA requires 5 years for safety records; 8 CCR §3203 et seq., 8 CCR 14300.33(a); 29 CFR 1627.3(b)(2), 29 CFR 1904.33, 29 CFR 1904.44; LC §6429(c); GC §§12946, 12960, 34090

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HOW TO USE RETENTION SCHEDULES

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A legend explaining the information presented in the retention schedule has been printed on the back of each page for your easy reference; an index to locate records is also provided.

The specified retention period applies regardless of the media of the record: If a record is stored on paper and a computer file on a hard drive, both records should be destroyed (or erased) after the specified period of time has elapsed.

Copies or duplicates of records should never be retained longer than the prescribed period for the original record.

STRUCTURE: CITYWIDE, DEPARTMENTS & DIVISIONS

The City-wide retention schedule includes those records all departments have in common (letters, memorandums, purchase orders, etc.). These records are NOT repeated in the Department retention schedule, unless that department is the Office of Record, and therefore responsible for maintaining the original record for the prescribed length of time.

Each department has a separate retention schedule that describes the records that are unique to their department, or for which they are the Office of Record. Where appropriate, the department retention schedules are organized by Division within that Department. If a record is not listed in your department retention schedule, refer to the City-wide retention schedule. An index will be provided for your reference.

BENEFITS

This retention schedule has been developed by Diane R. Gladwell, MMC, an expert in Municipal Government records, and will provide the City with the following benefits:

- Reduce administrative expenses, expedite procedures
- Free filing cabinet and office space
- Reduce the cost of records storage
- Eliminate duplication of effort within the City
- Find records faster
- Easier purging of file folders
- Determine what media should be used to store records

For questions, please contact the City Clerk.

AUTHORIZATION TO DESTROY RECORDS:

Destruction of an original record that has exceeded its retention period must be authorized according to City Policies & Procedures prior to destroying it.

- If there is a **minimum** retention ("**Minimum 2 years**"), destruction of the document must be authorized before it is destroyed, as it is an original record.

Copies, drafts, notes and non-records do NOT require authorization, and can be destroyed "When No Longer Required."

- If there is **NOT** a minimum retention ("When No Longer Required"), it does NOT need to be authorized prior to destruction, as it is a preliminary draft / transitory record or a copy.

On every page of the schedules (near the top, just under the column headings) are important instructions, including instructions regarding holds on destroying records. "**Litigation, complaints, claims, public records act requests, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).**"

City Council Agenda Statement

Meeting Date: February 21, 2023
Agenda Heading: Consent
Item Number: B.7

TITLE:

Special Legal Services Agreement with Liebert Cassidy Whitmore

RECOMMENDATION:

1. Approve an amended agreement with the law firm of Liebert Cassidy Whitmore, P.C. ("LCW") for special consulting, representational, and legal services pertaining to employment relations matters.

2. Authorize the City Manager to execute the agreement with LCW.

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

FISCAL IMPACT:

The increase for the blended rate on all attorney services would constitute an approximate 2% per year increase over the rate the City Council approved in 2018. Based on LCW's charges for labor and personnel services the past three fiscal years (approximately $140,000 per year), the average yearly increase would be approximately $15,000. If approved by City Council, the increase will be programmed into the FY 2023-24 budget.

BACKGROUND:

LCW has provided special legal services relating to labor and personnel matters to the City for approximately 20 years. Under LCW's managing partner Scott Tiedemann, its attorneys have been a valuable resource to the City and have an exceptional working knowledge of the City's personnel codes, regulations, and labor agreements. In light of the ever-increasing complexities of personnel and labor laws and LCW's history with the City, the specialized law firm is able to provide timely and efficient guidance to staff. The City Council last approved an amendment to LCW's agreement on January 16, 2018.

DISCUSSION:

LCW charges the City a blended hourly rate for all attorney services. The proposed amended agreement would increase the current blended rate of $280 per hour to $310 for all attorney services subject to an annual rate increase at the beginning of each fiscal year by $10.00 beginning July 1, 2024. A blended hourly rate establishes a single hourly fee for attorneys that typically charge various hourly rates. The proposed amended agreement would also establish competitive hourly rates of $270 for labor relations/human resources consulting and $145-$185 for paraprofessional and litigation support staff as of April 1, 2023. For ICRMA-related litigation, such as the current outstanding numerous personnel lawsuits, the hourly rate cap of $275 will remain in effect.

It is recommended that the City Council approve the amended agreement with LCW based upon their thorough knowledge of the City's personnel and labor history and competitive rates. For context, the City's 2018 survey for firms providing labor and professional services indicated a rate of approximately $350 per hour. Following years of unusually high interest rates, LCW's proposed rates under the proposed agreement are very competitive.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 3: Promote a Quality Workforce Through Teamwork and Organizational Efficiencies

Objective: El Segundo is an employer of choice and consistently hires for the future, with a workforce that is inspired, world-class, engaged and innovative.

Goal 5: Champion Economic Development and Fiscal Sustainability

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

PREPARED BY:
Joaquin Vazquez, Deputy City Attorney
REVIEWED BY:
Mark Hensley, City Attorney
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

None

City Council Agenda Statement

Meeting Date: February 21, 2023
Agenda Heading: Consent
Item Number: B.8

TITLE:

2023 Legislative Platform

RECOMMENDATION:

1. Approve the 2023 Legislative Platform.

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

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 directions for 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 will 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, regulations, and related matters.

The City Manager may update the Legislative Platform throughout the year, if 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 name 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.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Diversity, Equity, Inclusion and Communication

Goal 2: Support Community Safety and Preparedness

Goal 3: Promote a Quality Workforce Through Teamwork and Organizational Efficiencies

Goal 4: Develop and Maintain Quality Infrastructure and Technology

Goal 5: Champion Economic Development and Fiscal Sustainability

PREPARED BY:
Portland Bates, Management Analyst
REVIEWED BY:
Barbara Voss, Deputy City Manager
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. 2023 Legislative Platform

2023 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.

Staff 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, Diversity, Equity, and Inclusion and Communication
2. Support Community Safety and Preparedness
3. Promote a Quality Workforce through Teamwork and Organizational Efficiencies
4. Develop and Maintain Quality Infrastructure and Technology
5. Champion Economic Development and Fiscal Sustainability

2023 Legislative Priorities

County/Regional

- Ensure local city input on all regional land use and planning issues.
- 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.
- 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 Services

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.
- Statewide initiatives for:
  - Early education
  - Services for vulnerable populations
  - Adult/family literacy
  - Other education and social services programs
  - Healthy lifestyles
  - 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
    - Technology for use in the home, including laptops and hotspots

- 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.

- AB 40 the Reduction of Ambulance Patient Offloading Time at Hospitals.

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.
- Efforts to achieve public employee workers' compensation reform.
- Measures that will create stricter rules for local municipalities to raise state and local taxes, fees, assessments, and property-related fees.

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.

- Keeping land use local and not a matter of state authority.

- Apply lessons learned during the COVID-19 pandemic to allow expanded use of email notification, postings on agency websites, publicizing at community groups, and/or other methods of outreach available to the local agency.

- Developing and supporting a long term strategy to hold large scale municipal organizations accountable for environmental violations that place the quality of life and health of residents and businesses at risk.

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 the 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 senior housing opportunities and projects.

- California Environmental Quality Act (CEQA) reform to expedite and streamline both project development and delivery, especially for transportation, transit-oriented, infill, and/or housing projects.

- Measures that require transparency in CEQA litigation and eliminate duplicative CEQA lawsuits.

- The restoration and expansion of tax increment tools to build affordable housing stock, improve public transit, and reduce climate-warming carbon emissions. Incentivize collaboration among potentially impacted jurisdictions by sharing the net proceeds from future tax increment financing districts, and emphasize tax increment as a public financing tool that does not increase taxes to residents.

- Secure adequate and sustainable funding for cities to increase construction of housing at all income levels, particularly affordable housing and workforce housing.

- Reform state housing laws to ensure cities retain local decision-making to meet the needs of their communities.

- Redevelopment like process to facilitate community development focused on infrastructure to support housing, improved jobs/housing balance, infill and improved conditions/opportunities for disadvantaged communities.

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 AB 1482)
- 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).
- Any additional mandatory general plan elements that don't allow cities and counties the flexibility to determine how to include new mandatory subject matter.

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.
- Strengthening programs that support crime victims and their families through advocacy, and outreach.
- 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 bail programs that are potentially harmful to El Segundo community.

- Expanding "early release" for serious and violent offenders.

- Expanding the definition of "early release", non-serious crimes, and non-violent crimes.

- Any further actions that would 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.

- Legislation that supersedes local authorities' land use policies and practices, that result in a "one size fits all" mandate.

City Council Agenda Statement

Meeting Date: February 21, 2023
Agenda Heading: Consent
Item Number: B.9

TITLE:

Amendment to Agreement with Dennis Grubb and Associates, LLC

RECOMMENDATION:

1. Approve an amendment to City Professional Services Agreement No. 6379 with Dennis Grubb and Associates, LLC to increase the total contract amount by $75,000 from $150,000 to $225,000 for fire prevention plan check services.

2. Authorize the City Manager to execute the amended agreement (No. 6379C).

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

FISCAL IMPACT:

Amount Budgeted: $150,000
Additional Appropriation: An additional appropriation of $75,000 is requested with the mid-year report (assuming mid-year report is adopted as proposed).
Account Number(s): 001-400-3204-6214

BACKGROUND:

Dennis Grubb and Associates, LLC provide fire prevention plan check services and part time inspection services to the City of El Segundo. Plan check and inspection service fees paid to this vendor are fully recovered by the City via the plan check and inspection fees adopted in the FY 22-23 Master Fee Schedule (FR-001 through FR-003M, FR-004A, FR-009, and FR-013).

DISCUSSION:

Based on excellent services delivered to the City of El Segundo, and the high demand for fire prevention plan check and inspection services in the City, staff recommends increasing the contract amount with Dennis Grubb and Associates, LLC by $75,000, for a total not to exceed amount of $225,000 for FY 22-23.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Diversity, Equity, Inclusion and Communication

Objective 1A: El Segundo provides unparalleled service to all customers.

Goal 4: Develop and Maintain Quality Infrastructure and Technology

Objective 4A: El Segundo's physical infrastructure supports an inviting and safe community.
Objective 4B: El Segundo's technology supports effective, efficient, and proactive operations.

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5A: El Segundo promotes economic growth and vitality for business and the community.
Objective 5B: El Segundo approaches its work in a financially strategic and responsible way.

PREPARED BY:
Vanessa Arias, Management Analyst
REVIEWED BY:
Deena Lee, Fire Chief
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Dennis Grubb and Associates Amendment 6379C
2. Dennis Grubb and Associates Agreement 6379

THIRD AMENDMENT TO AGREEMENT NO. 6379 BETWEEN THE CITY OF EL SEGUNDO AND DENNIS GRUBB AND ASSOCIATES, LLC

THIS THIRD AMENDMENT ("Amendment") to Agreement No. 6379 ("Agreement") is made and entered into this 22nd day of February, 2023, by and between CITY OF EL SEGUNDO, a general law city and municipal corporation existing under the laws of California ("CITY"), and DENNIS GRUBB AND ASSOCIATES, LLC ("CONSULTANT"). The parties agree as follows:

1. The parties intend for this Amendment to be retroactively effective to July 1, 2022.

2. Pursuant to Agreement Section 34, Section 1(C) is amended to increase the not-to-exceed compensation sum by $75,000 to establish a new total, not-to-exceed contract compensation sum of $225,000 for CONSULTANT's services.

3. Pursuant to Section 34 of the Agreement, Section 7 is amended to extend the Agreement's term described in Section 7 is through June 30, 2023.

4. This Amendment may be executed in any number of counterparts, and all such counterparts so executed constitute one Amendment binding on all the parties notwithstanding that all the parties are not signatories to the same counterpart. In accordance with Government Code §16.5, the parties agree that this Amendment will be considered signed when the signature of a party is delivered by electronic transmission. Such electronic signature will be treated in all respects as having the same effect as an original signature.

5. Except as modified by this Amendment, all other terms and conditions of the Agreement will 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

_____
Darrell George
City Manager

ATTEST:

_____
Tracy Weaver,
City Clerk

APPROVED AS TO FORM:
MARK D. HENSLEY, CITY ATTORNEY

By: _____
Joaquin Vazquez,
Deputy City Attorney

DENNIS GRUBB AND ASSOCIATES, LLC

_____
By: Dennis J Grubb

_____
Title:

Taxpayer ID No. 20-8680376

CA Entity # 200704410104

PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF EL SEGUNDO AND
DENNIS GRUBB AND ASSOCIATES, LLC

This AGREEMENT is made and entered into this 24th day of May, 2022 (the "Effective Date"), by and between the CITY OF EL SEGUNDO, a municipal corporation and general law city ("CITY") and DENNIS GRUBB AND ASSOCIATES, LLC") a California limited liability company ("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 fifty thousand dollars ($50,000) each fiscal year 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 Fire plan check 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 the Effective Date through June 30, 2022. Thereafter, this Agreement will renew annually for a one year period beginning July 1, 2022. 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 and Fees

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:

Type of Insurance	Limits
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:	If to CITY:
Dennis Grubb and Associates, LLC 6560 Van Buren Blvd, Ste B Riverside, CA 92503 Attention: Dennis Grubb Phone: 951-772-0007 Email: Dennis@DGAssociates.org	City of El Segundo 350 Main Street El Segundo, CA Attention: Nicole Pesqueira, Fire Marshal Phone: 310-524-2239 Email: npesqueira@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.

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

Darrell George,
Interim City Manager

COMPANY NAME

Dennis Grubb and Associates, LLC
President

ATTEST:

Tracy Weaver,
City Clerk

Taxpayer ID No. 20-8680376

CA Entity #: 200704410104

APPROVED AS TO FORM:
MARK D. HENSLEY, CITY ATTORNEY

Joaquin Vazquez,
Deputy City Attorney

Dennis Grubb and Associates, LLC
Assisting Cities Build Safe Communities

EXHIBIT "A"

May 5, 2022

El Segundo Fire Department
Attn: Fire Marshal Nicole Pesqueira
314 Main St
El Segundo, CA. 90245

Subject: Fire Plan Check Proposal

Dear Fire Marshal Pesqueira

Dennis Grubb & Associates, LLC (DGA) is pleased to submit this proposal to provide professional Fire Plan Review and Inspection Services to El Segundo Fire Department. This proposal outlines all the elements that make DGA a high-quality solution to the El Segundo Fire Department's needs, including our experienced personnel and our range of Fire Prevention services.

The following characteristics make Dennis Grubb & Associates, LLC uniquely qualified to service the El Segundo Fire Department:

- Experienced plan review with specific technical skills in fire code application
- DGA specializes exclusively in fire life safety plan review
- DGA does not do any design work so that there is never a conflict of interest with the clients that submit plans for review
- Electronic plan review capability utilizing Bluebeam software
- We are associates are well-versed in local, regional and state policies and practices
- Associates possess core business skills including strong verbal & written communication skills, professionalism & teamwork, proficiency in MS Office, Outlook, Windows and a variety of fire prevention software packages
- Competitive fees

6560 Van Buren Blvd, Ste B, Riverside, CA. 92503
(800) 975-7395 * (951)772-0007

- Excellent references, see Attachment 1

DGA Qualifications

Our associates each have 20+ years direct fire plan review experience working directly with Public Fire Agencies. All of our plan examiners are ICC Certified Fire Plans Examiners

DGA possess the certifications and qualifications required and are highly experienced in the use and content of all California Building Standards Codes (DGA resumes can be provided upon request)

All associates are proficient in:

- Fire Sprinklers
- Fire Alarm and Monitoring Systems
- Underground Water Supply
- Fire Pumps
- Special, clean agent system
- Commercial Cooking fire protection
- High Piled Storage
- Above and Below Ground Tank Storage
- Refueling Station
- Hazardous Material
- Combustible Dust
- Battery Systems
- Compressed Gas Systems (Medical, Industrial)
- Smoke Control
- Chemical Classification
- Architectural (all occupancies including high-rise)
- Leak Detection Systems
- Enhanced Radio Communication Systems

Scope of Work

- Transfer plans to and from El Segundo Fire Department with the use a courier/mail service (at the expense of DGA) within the stated turnaround time.
- Verify plan compliance with adopted state & local codes/ordinances including updates
- Communicate corrections with applicant and El Segundo Fire Department as directed
- Stamp plans in a manner as directed by the El Segundo Fire Department.
- Be available for phone calls or in-person meetings with El Segundo Fire Department as needed

- Assist with adopting and administering the Fire Code as needed.
- Plan review to ensure compliance with all applicable codes.
- Provide input to the Planning Department for new development and provide project specific conditions as applicable.
- Review and provide response to Fire Code alternate means & methods/practical difficulty requests after consultation with the Fire Marshal.
- Other duties as needed and agreed to between DGA and the El Segundo Fire Department.

Plan Turnaround Plan Review Times:

- Initial review – 10 city business days from time of receipt
- Resubmittals – 7 city business days from time of receipt
- Expedite Request – 3 Business days from time of receipt

Fees:

Plan Review

DGA fees are based on a flat fee. The fee is for the first and second plan check and includes the plan review, administrative work, and shipping. If additional review/s are required there is a flat fee per submittal (outlined below):

FD Access	$370
Alarm System	$360
Sprinkler System – TI	$305
Sprinkler – TI with calculations	$375
Sprinkler System – New	$500
Additional Riser/Floor Control in Same Building	$170
Underground	$475
Fire Pump	$550
Standpipe System	$250
Engineered System (H&D, Clean Agent, etc) per System	$290
Special System/ Process (HPS, AST, UST, Spray Booth etc.) ea	$400
Hazardous Material Disclosure	$840
Smoke Control	$800
Architectural- TI	$390
Architectural- New	$630
Architectural – New > 2-story or R-1/R-2 with more than 50 units	$710
Architectural – High Rise (Buildings >75')	$1475

Note: Architectural review is per building

Development Review (CUP, Tract Map, Etc.)	$370
Revision	$220
Additional Reviews (Past 2nd)	$220
Expedite Plan Check (per submittal)	$200
Time & Material (Hourly Rate)	$130

This proposal is valid, binding, and capable of acceptance by the El Segundo Fire Department for 90 days from the date of submittal. We look forward to building a relationship with El Segundo Fire Department and we welcome any request to provide further information regarding our qualifications to perform these services. Should you have any questions or need additional information you can contact me directly at (951) 218-5482.

Sincerely,



Dennis J. Grubb, CFPE
President

6560 Van Buren Blvd, Ste B, Riverside, CA. 92503
(800) 975-7395 * (951)772-0007

Attachment 1

City of Carlsbad

March 23, 2022

To whom it may concern.

Subject: Letter of Recommendation for Dennis Grubb & Associates

Dear Sirs,

I would like to take this opportunity to highly recommend Dennis Grubb & Associates (DGA) as a consulting plan review firm for Fire Services.

DGA has worked for the Carlsbad Fire Department for the past 7 years and serves as our primary plan review firm. The quality of their review process, as well as the customer service that they provide to our city and our applicants, is well above all other firms that I have worked with over the past 14 years. The service levels that they provide allowed me to make the decision to transition our entire plan review process away from an in-house service to a third party service without any concerns that would negatively affect the development process. DGA continually goes the extra mile for my fire department and the personal relationship that Dennis provides assures me that I can always reach out to him if I have any questions or concerns.

As the Fire Marshal, I have selected DGA to work for me for two different cities now over the past 14 years. They continue to be the only plan review firm in Southern California that only services the fire service, and the professionalism of his associates is superior to all other firms that I have used. The full service approach that he takes to our contract is something that I have yet to experience with any other firm and I will highly recommend DGA to any fire agency that is seeking to out-source their plan review process.

If you would like to discuss DGA's qualifications further, please feel free to contact me at (626) 536-6677.

Sincerely,

Randall Metz, EFO, CFO, FM, MIFireE
Division - Fire Marshal
Carlsbad Fire Department

Fire Department
Fire Prevention 1635 Faraday Ave. | Carlsbad, CA 92008 | 760-602-4660 | www.carlsbadca.gov

6560 Van Buren Blvd, Ste B, Riverside, CA. 92503
(800) 975-7395 * (951)772-0007

CITY OF PERRIS
DEVELOPMENT SERVICES DEPARTMENT
BUILDING DIVISION
135 N. "D" Streets, Perris, CA 92570-2200
TEL: (951) 943-5003 FAX: (951) 943-8379

March 21, 2022

To Whom It May Concern,

Dennis Grubb & Associates has been providing excellent and timely fire plan review services and staff Review Comments for Planning Entitlement cases for the City of Perris since 2005. To this day Dennis and his staff have provided excellent technical expertise, professional service and demonstrated sound judgment in executing their duties and responsibilities.

In my experience, Dennis Grubb and Associates attention to detail has helped identify and mitigate problems quickly, resulting in consistent expedient turn around timeframes. In addition, I also consider Mr. Grubb to be an excellent resource by drawing from his extensive knowledge and experience whenever technical code interpretation is sought.

We look forward to a successful, continued relationship with Dennis Grubb and Associates.

Sincerely,

David J. Martinez CBO
Fire Marshal
City of Perris

City of Loma Linda Fire Department

Community Risk Reduction Division

To Whom It May Concern:

This is my professional recommendation for Dennis Grubb of Dennis Grubb and Associates, LLC. Dennis Grubb is currently a fire plan check consultant for the City of Loma Linda Fire Department and had provided these services to the Fire Department since June of 2018.

Over the past months, the City of Loma Linda has experienced unprecedented growth with the new construction and tenant improvements. With current projects, and numerous completed projects, Dennis has not only met, but exceeded all expectations and requirements of his current Professional Services Agreement with the City.

Dennis has been very responsive and has always made himself available for training, questions, or clarifications on any issues. With over 23 years' experience in doing Fire plan checks for multiple cities, Dennis has built relationships with numerous professionals in a multitude of related fields. As the Fire Marshal, I have benefitted immensely from this vast network of knowledge as Dennis has also helped me to start building rapport and relationships with these professionals which in turn has provided further value and depth to this agreement.

Dennis's knowledge and attention to detail on construction and fire code requirements on plan checks has proven invaluable not only to the Fire Department, but also to the contractors and developers that we work with daily. Since June of 2018, our ability to provide outstanding customer service has increased greatly with the assistance of Dennis and his firm and I look forward to our continued work together.

Please feel free to contact me if you have any questions, or require further information.

Respectfully,

Tom Ingalls
Fire Marshal

25541 Barton Road, Loma Linda, CA 92354 • (909) 799-2850 • Fax (909) 799-2891

City Council Agenda Statement

Meeting Date: February 21, 2023
Agenda Heading: Consent
Item Number: B.10

TITLE:

Resolution Allowing Continued Teleconferenced Public Meetings under AB 361

RECOMMENDATION:

1. Approve the proposed resolution to continue the City's utilization of relaxed teleconferencing requirements under the Brown Act.

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

FISCAL IMPACT:

The proposed action would have no significant fiscal impact on the General Fund. Teleconferencing under AB 2449 (see Discussion section below) may result in additional staffing and equipment costs for the City's legislative bodies' use of teleconferencing under AB 2449.

BACKGROUND:

Assembly Bill (“AB”) 361 amended certain provisions of the Ralph M. Brown Act governing open meetings to allow teleconferencing, including internet-based video conferencing, in a manner similar to previously-issued gubernatorial executive orders. AB 361 allows a legislative body to continue utilizing teleconferencing to conduct public meetings under certain circumstances, provided it makes certain findings outlined in Government Code § 54953(e). Government Code § 54953(f) allows the municipal, but not state, legislative bodies to continue such teleconferencing until the earlier of the lifting of the Governor’s state of emergency declaration or December 31, 2023, so long as certain findings are made every 30 days.

DISCUSSION:

Since the Governor’s state of emergency is still effective and the County of Los Angeles Health Officer order, dated September 23, 2022, continues to strongly recommend certain masking and social distancing measures, the necessary findings can be made

for the City Council to adopt the proposed Resolution allowing the continued use of “hybrid” teleconferenced meetings pursuant to Government Code §§ 54953(e) and 54953(f) for a period of 30 days from the date of the Resolution's adoption.

The City cannot use AB 361's relaxed teleconferencing procedures after the earlier of the Governor's rescission of the COVID-10 proclaimed state of emergency or January 1, 2024. Since the City relies on Governor Newsom's state of emergency for purposes of authorizing AB 361 teleconferencing procedures, the rescission of this proclamation will preclude the City's use of AB 361 protocols. On October 17, 2022, the Governor announced that he would rescind this state of emergency as of February 28, 2023.

Effective January 1, 2023, AB 2449 adds a limited, alternative abbreviated method for virtual, remote meetings. This method requires at least a quorum of the legislative body to be physically present at a public location and allows one or more members to teleconference with relaxed noticing procedures if a member has "just cause" or is experiencing an "emergency circumstances," as defined. Examples of "just cause" include, without limitation: a childcare/caregiving need; contagious illness; disability; or travel for City business. "Emergency circumstances" are a physical or family medical emergency that prevent a member from attending the meeting in person. Requests can be made up to the beginning of the meeting, and Council action is required to permit a member's participation for emergency circumstances, but not just causes under AB 2449. The public must also have teleconferencing access to the meeting using the audio/visual platform (e.g., Zoom or Microsoft Teams) used for the physically absent member. The public must be able to address the legislative body through such platform and the meeting's agenda must inform the public of the means of accessing the platform, such as a link with meeting information.

The use of this alternative teleconferencing method under AB 2449 is limited. A member can only use "just cause" twice in a calendar year and AB 2449, as a whole, cannot be used by a member for more than three consecutive months or 20% of the Council's regular meetings within a calendar year. AB 2449 also requires the City to adopt a reasonable accommodation policy for accessing meetings and publicly advise of the policy's availability on meeting agendas.

Notwithstanding the relaxed teleconferencing methods in AB 361 and AB 2449, the City may still utilize traditional Brown Act teleconferencing rules, which include requirements such as noticing the teleconferenced location on the meeting agenda and providing ADA-accessible public access to such location for public comment.

The proposed resolution and associated actions were reviewed pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq., “CEQA”) and the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, et seq., the “CEQA Guidelines”). Based upon that review, this action is exempt from further review pursuant to CEQA Guidelines § 15269(a) because the protection of public and private property is necessary to maintain services essential to

the public, health and welfare.

CITY STRATEGIC PLAN COMPLIANCE:

PREPARED BY:
Joaquin Vazquez, Deputy City Attorney
REVIEWED BY:
Mark Hensley, City Attorney
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Resolution

RESOLUTION NO. _____-

A RESOLUTION OF THE CITY COUNCIL OF CITY OF EL SEGUNDO FINDING THAT CERTAIN CONDITIONS EXIST TO CONTINUE CONDUCTING PUBLIC MEETINGS VIA TELECONFERENCING PURUSANT TO GOVERNMENT CODE SECTION §§ 54953(e) AND 54953(f).

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

SECTION 1. *Findings*. The City Council finds and declares as follows:

A. On March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency to exist in California due to the threat of the COVID-19 pandemic and such State of Emergency has not been rescinded by either the Governor or the California Legislature.

B. This gubernatorial proclamation, among other things, suspended local government emergency declaration, reporting, and extension requirements of Government Code § 8630 for the duration of the COVID-19 pandemic.

C. Effective September 16, 2021, Assembly Bill No. 361 ("AB 361") took effect which, among other things, amends certain provisions of the Ralph M. Brown Act ("Brown Act") governing open meetings to allow teleconferencing, including internet-based video conferencing, in a manner similar to previously issued gubernatorial executive orders.

D. During a proclaimed state of emergency, AB 361 allows a legislative body, like the City Council, to continue utilizing teleconferencing to conduct public meetings under certain circumstances, provided the legislative body makes certain findings.

E. The City Council has previously adopted and made findings to continue meeting via teleconferencing pursuant to AB 361 and seeks to make additional findings under Government Code § 54953(e) to continue such teleconferencing use.

F. The Los Angeles County Department of Public Health's latest order, dated September 23, 2022, maintains its position that masks are strongly recommended in indoor settings to prevent transmission of COVID-19.

SECTION 2. *Teleconferencing; Ratification.*

A. Pursuant to Government Code § 54953(e), the City Council has reconsidered the circumstances of the state of emergency finds as follows:

1. California continues to be in a declared state of emergency pursuant to Government Code § 8625 (the California Emergency Services Act; *see* Government Code § 54953(e)(3); *see also* Governor's Proclamation dated March 4, 2020); and

2. Based upon the Order of the Health Officer for County of Los Angeles Department of Public Health (dated September 23, 2022) and recent public Los Angeles County Department of Public Health releases, masks are still strongly recommended to curb the spread of COVID-19 (Government Code § 54953(e)(3)(B)(ii)).

B. Accordingly, to protect public health and safety the City Council:

1. Finds that it is in the public interest to conduct City Council meetings via teleconference as defined by Government Code § 54953;

2. Authorizes City Council members to appear at regular and special meetings in person; and

3. Authorizes public officials, designated by the City Manager, or designee, to attend such City Council meetings if presenting matters to the legislative body or if the official's presence at the meeting is otherwise deemed necessary by the City Manager or designee.

C. The City Council will adhere to all requirements of Government Code § 54953 governing teleconferencing during the emergency including, without limitation, posting agendas; allowing for real-time public comment via either call-in or internet-based; allowing for written communications that will be either read or summarized into the record during the meeting as determined by the City Council; and protecting the statutory and constitutional rights of all persons appearing before the legislative body.

SECTION 3. *Environmental Review.* This Resolution itself and the actions anticipated herein were reviewed pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq., "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, et seq., the "CEQA Guidelines"). Based upon that review, this action is exempt from further review pursuant to CEQA Guidelines § 15269(a) because the protection of public

and private property is necessary to maintain services essential to the public, health and welfare.

SECTION 4. *Reporting.* Every 30 days following adoption of this Resolution, the City Council will reconsider the extension of the teleconferencing method of public meetings in accordance with Government Code § 54953(e)(3). Such determinations may be placed on the consent calendar.

SECTION 5. *Signature Authority*. The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of El Segundo, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

SECTION 6. *Effective Date.* This Resolution will take effect immediately upon adoption and will remain effective unless this Resolution is repealed or superseded. Upon the rescission of Governor Newsom's COVID-19 State of Emergency, this Resolution will be void and have no further force or effect.

SECTION 7. *City Clerk Actions*. The City Clerk will certify to the passage and adoption of this Resolution, enter it in the City's book of original Resolutions, and make a record of this action in the meeting's minutes.

PASSED AND ADOPTED this ___ day of _____, 2023.

_____
Drew Boyles, Mayor

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

I, Tracy Weaver, City Clerk of the City of El Segundo, California, hereby certify that the whole number of members of the City Council of the City is five; that the foregoing Resolution No. _____ was duly passed 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 _____, 2023, and the same was so passed and adopted by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Tracy Weaver, City Clerk

APPROVED AS TO FORM:
MARK HENSLEY, CITY ATTORNEY

_____
Joaquin Vazquez, Assistant City Attorney

City Council Agenda Statement

Meeting Date: February 21, 2023
Agenda Heading: Public Hearings
Item Number: C.11

TITLE:

Amendments to El Segundo Municipal Code Title 15 (Zoning) Regarding the State Density Bonus, Transitional and Supportive Housing, and Micro-Units

RECOMMENDATION:

1. Open the public hearing and solicit public testimony.

2. Waive first reading and introduce three ordinances amending Title 15 of the El Segundo Municipal Code to establish regulations for the state density bonus, transitional and supportive housing, and micro-units and find they are exempt under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines § 15061(b)(3)) because they do not approve any particular development project, they consist only of minor revisions to existing zoning regulations and related procedures, and they do not have the potential for causing a significant effect on the environment.

3. Schedule second reading for the March 7, 2023 City Council meeting.

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

FISCAL IMPACT:

The proposed ESMC amendments are not anticipated to have any fiscal impact.

BACKGROUND:

On November 15, 2022, the City Council adopted the 2021-2029 Housing Element, which includes several programs and policies to be implemented between today and 2029. Program No. 9 is a carry over from the previous Housing Element cycle, and includes programs to bring the ESMC into compliance with state law and to facilitate production of housing in El Segundo. Staff initiated work on amendments in three areas prior to the adoption of the Housing Element, because these amendments were commitments in the previous Housing Element as well. The three areas are:

1. Density Bonus
2. Transitional and Supportive Housing
3. Micro-Unit Housing

On June 23, 2022, the Planning Commission held a public hearing and adopted resolutions recommending that the City Council adopt regulations regarding the Density Bonus and Transitional and Supportive Housing. At the same meeting, the Planning Commission formed a subcommittee to work with staff to develop regulations for Micro-Unit developments. The subcommittee met with staff twice, reviewed draft regulations, and provided input on standards for a Micro-Unit ordinance. On January 12, 2023, the Planning Commission held a public hearing and adopted a resolution recommending that the City Council adopt regulations for Micro-Unit developments. The discussion below describes the purpose and contents of the three ordinances under consideration. Staff has prepared a separate ordinance for each area listed above.

DISCUSSION:

Density Bonus Ordinance

The State Density Bonus Law (California Government Code sections 65915-65918) entitles a property owner or developer to build more housing units than a local zoning code would otherwise allow, provided they reserve a share of the units for lower income and/or senior residents. The law provides an incentive for property owners and developers to construct more affordable housing in California to help meet the growing need. All cities and counties are required to adopt an ordinance that specifies how the Density Bonus Law will be implemented in their jurisdiction.

The proposed ordinance ensures the ESMC is consistent with and incorporates all provisions of State Law and establishes procedures for processing Density Bonus requests.

State Law consistency. The draft ordinance references State Law minimum criteria for affordable housing projects, and bonus and concession levels that the City must award qualifying projects. The project criteria and concession levels are not specifically listed in the ordinance to avoid amending the City's ordinance each time the State Density Bonus Law changes. The current state project criteria and concession levels are provided in attachment No. 4.

Application procedures. The application procedures are listed in the draft ordinance and cover the following areas:

1. Application submittal requirements

2. Review of qualified projects and calculation of concession levels

3. Waiver of development standards process and findings

4. Affordable housing agreement and miscellaneous requirements

Transitional and Supportive Housing Ordinance

Government Code Section 65583 requires transitional and supportive housing to be considered a residential use and only subject to those restrictions that apply to other residential uses of the same type in the same zone. Transitional and supportive housing uses are currently not listed as a permitted use in any of the City's residential zones. The proposed ordinance defines and adds these uses to the permitted uses list in the City's residential zones, which ensures the ESMC is consistent with state law.

Micro-Unit Ordinance

State Law does not require that cities permit/regulate micro-units and the ESMC does not currently address the topic of Micro-Units. However, due to their reduced footprint, micro-units can provide a more affordable housing option for various population groups. In addition, they can make higher density development more feasible in built-out cities with limited housing sites, such as El Segundo. The proposed ordinance establishes minimum unit sizes, location requirements, development standards, and other micro-unit regulations, which are summarized below.

Summary of Micro-Unit regulations

Applicability:
The ordinance defines a Micro-unit development as a residential development that contains at least five units that are between 250 and 450 square feet. Units less than 250 square feet are prohibited.

Locations:
Micro-unit developments are permitted in all the zones, specific plans, and overlay districts that permit multi-family residential uses.

Unit size:
Micro-units must be at least 250 square feet and must not exceed 450 square feet.

Unit mix:
Micro-units may not exceed 25% of the total residential units in a development.

Development agreement requirement:
Micro-unit developments require review and approval of a development agreement when:

a. *a development exceeds 40 total units*
b. *micro-units in a development exceed 25% of the total residential units, or*
c. *a development does not comply with the micro-unit limitations and standards.*

Operational standards:
The operational standards include the following requirements:

a. *an onsite manager for developments over a certain size,*
b. *a 31-day minimum length of stay (no short-term rentals),*
c. *an occupancy limit of two persons per unit, and*
d. *City review and approval of a management plan.*

In-unit amenities:
The ordinance establishes minimum requirements for the kitchen, bathroom, and storage to make each micro-unit self-sufficient and ensure an adequate living standard for micro-unit residents.

Development standards:

a. *Parking - 1 space per 1-bedroom unit and 1.5 spaces for 2-bedroom units*
b. *Bicycle parking - above minimum ESMC requirements*
c. *Parking demand study to deviate from the required number of parking spaces*
d. *Mobility requirements and incentives required as part of parking demand study review*
e. *Security*

Common onsite amenities:

a. *Private open space*
b. *Common open space*
c. *Common indoor space*
d. *Laundry*

Design standards:

a. *Unit configuration*
b. *Ceiling height*
c. *Access to natural light*
d. *Minimum window size*

Condominium subdivisions:
Micro-units in multi-family residential developments are prohibited from being subdivided into individual condominiums.

ENVIRONMENTAL REVIEW

The above zone text amendments are exempt from further review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines § 15061(b)(3)), because they do not approve any particular development project, they consist only of minor revisions to existing zoning regulations and related procedures, and they do not have the potential for causing a significant effect on the environment.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5A: El Segundo promotes economic growth and vitality for business and the community.

PREPARED BY:
Paul Samaras, AICP, Principal Planner
REVIEWED BY:
Michael Allen, AICP, Development Services Director
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Density Bonus Ordinance
2. Transitional and Supportive Housing Ordinance
3. Micro-Unit Ordinance
4. California Density Bonus Law 2021

ORDINANCE NO. ____

AN ORDINANCE ADDING CHAPTER 15-35 (DENSITY BONUS) TO THE EL SEGUNDO MUNICIPAL CODE

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

SECTION 1: The Council finds and declares as follows:

A. The State Legislature has declared that the lack of housing, including providing for a variety of housing types for all income levels and special needs groups, is a critical problem that threatens the economic, environmental, and social quality of life in California.

B. Government Code Section 65583 requires that the City's Housing Element address governmental constraints to the development of housing, including providing for a variety of housing types for all income levels.

C. The City Council of the City of El Segundo adopted the City's 2021-2029 Housing Element on February 1, 2022.

D. Government Code Section 65915 requires that local governments adopt procedures for processing a density bonus application.

E. Program 7 of the City's 2014-2021 Housing Element provides that the City will establish a density bonus program that is consistent with California Law.

F. The Legislature amended Government Code Section 65915 in 2019 to clarify certain provisions of Density Bonus Law, and the City wishes to update the Development Code to ensure consistency with State law and clarify how to implement the density bonus program.

G. On June 23, 2022, the Planning Commission held a public hearing to receive public testimony and other evidence regarding the proposed ordinance; the Planning Commission adopted Resolution No. 2921 recommending that the City Council introduce and adopt the density bonus ordinance.

SECTION 2: *Factual Findings and Conclusions*. The City Council finds that introducing and adopting the proposed ordinance will amend the City's municipal code to bring it into compliance with state law.

SECTION 3: *General Plan Findings*. As required under Government Code § 65454 the proposed Ordinance is consistent with the City's General Plan as follows:

A. The proposed zone text amendment is consistent with the Housing Element goals, objectives and policies. Specifically, the zone text amendment is consistent with Goal No. 4 to remove governmental constraints on housing development, in that it will remove development restrictions that limit the number of affordable housing units that can be produced in the City. In addition, the zone text amendment is consistent with Goal No. 2 (assisting in the production of affordable housing) and Program 7, Zoning Revisions.

SECTION 4: *Zone Text Amendment Findings*. In accordance with ESMC § 15-26-4 and based on the findings set forth in Section 3, the proposed amendments are consistent with the goals, policies, and objectives of the ESMC as follows:

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

B. It is necessary to facilitate the development process and ensure the orderly location of uses within the City.

SECTION 5: *Environmental Assessment.* Based on the facts set forth in Section 2, the City Council finds that the zone text amendment is exempt from further review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines § 15061(b)(3)), because it consists only of minor revisions to existing zoning regulations and related procedures and does not have the potential for causing a significant effect on the environment.

SECTION 6: ESMC Chapter 15-35 (Density Bonus) is added to read as follows:

CHAPTER 35
Density Bonus

15-35-1: Purpose
15-35-2: Application
15-35-3: Density Bonus Application
15-35-4: Review and Determination
15-35-5: Waiver of Development Standards
15-35-6: Agreement and Additional Provisions

15-35-1: Purpose

It is the purpose of this Chapter to encourage the production of very low-income, low-income, moderate-income and senior citizens housing units in accordance with Government Code Sections 65915 through 65918, as may be amended from time to time ("State Density Bonus Law"). In enacting this section, it is also the intent of the City to facilitate the development of affordable housing and to implement the goals, objectives,

and policies of the housing element of the City's General Plan. A copy of the current State Density Bonus Law shall be kept on file with the Development Services Department.

15-35-2: Application

This Chapter shall apply to any qualifying residential development application which meets the criteria to receive a density bonus.

15-35-3: Density Bonus Application

A. In addition to any other review required for a proposed housing development, applications for density bonus shall be filed on a form approved by the Development Services Director ("director"). The application for a density bonus shall be filed concurrently with an application for a development. At the time the application is submitted, the applicant shall pay a density bonus application fee, established by City Council resolution.

B. An applicant for a density bonus must file an application for a density bonus with the director concurrently with the application for all other entitlements necessary for the proposed housing development.

C. The application must contain information sufficient to fully evaluate the request under the requirements of this chapter and Government Code section 65915, including, without limitation, the following:

    1. A description of the proposed housing development, including an explanation of how the proposed project will satisfy the eligibility requirements of Government Code section 65915;
    2. The total number of housing units proposed in the project, including unit sizes and the number of bedrooms;
    3. The total number of units proposed to be granted through the density increase over and above the otherwise maximum density for the project site;
    4. The total number of units to be made affordable to or reserved for sale or rental to very low, low or moderate-income households, or senior citizens, or other qualifying residents consistent with state law;
    5. A list of any concessions or incentives being requested to facilitate the development of the project, together with documentation of resulting cost reductions necessary to provide for affordable housing costs; and
    6. Any other information the director determines necessary to process and evaluate the proposal consistent with Government Code section 65915.

15-35-4: Review and Determination

A. For a housing development qualifying pursuant to the requirements of Government Code Section 65915, the City shall grant a density bonus in an amount specified

by Government Code Section 65915. Except as otherwise required by Government Code Section 65915, the density bonus units shall not be included when calculating the total number of housing units that qualifies the housing development for a density bonus.

B. For the purpose of calculating the density bonus, the "maximum allowable residential density" shall be the maximum density allowed under the zoning ordinance and land use element of the general plan, or, if a range of density is permitted, the maximum allowable density for the specific zoning range and land use element of the general plan applicable to the project. Where the density allowed under the zoning ordinance is inconsistent with the density allowed under the land use element of the general plan, the maximum density allowed in the general plan shall prevail.

C. The City shall grant the applicant the number of incentives and concessions required by Government Code Section 65915. The City shall grant the specific concession(s) or incentive(s) requested by the applicant, unless it makes any of the relevant written findings stated in Government Code Section 65915(d)(1).

D. The applicant may request, and the City shall grant, a reduction in parking requirements in accordance with Government Code Section 65915(p), as that section may be amended from time to time.

15-35-5: Waiver of Development Standards

A. Except as restricted by Government Code Section 65915, the applicant for a density bonus may submit a proposal for the waiver or reduction of development standards that have the effect of physically precluding the construction of a housing development incorporating the density bonus and any incentives or concessions granted to the applicant. A request for a waiver or reduction of development standards shall be accompanied by documentation demonstrating that the waiver or reduction is physically necessary to construct the housing development with the additional density allowed pursuant to the density bonus and incorporating any incentives or concessions required to be granted. The City shall approve a waiver or reduction of a development standard, unless it finds that:

1. The application of the development standard does not have the effect of physically precluding the construction of a housing development at the density allowed by the density bonus and with the incentives or concessions granted to the applicant;
2. The waiver or reduction of the development standard would have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon health, safety, or the physical environment, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact;

3. The waiver or reduction of the development standard would have an adverse impact on any real property that is listed in the California Register of Historical Resources; or
4. The waiver or reduction of the development standard would be contrary to state or federal law.

15-35-6: Agreement and Additional Provisions

A. The applicant shall enter into an agreement with the City to ensure the continued affordability of all affordable units or the continued reservation of such units for qualifying senior citizens. Prior to receiving a building permit for any project that receives a density bonus or any incentive, concession, waiver, or reduction of development standards pursuant to this section, such agreement shall be recorded as a covenant against the property.

B. For any development project that is granted a density bonus or other benefit pursuant to this section, the affordable units that qualify the project as eligible for a density bonus, must be constructed concurrently with or prior to the construction of any market rate units.

C. In addition, the affordable units must be integrated with the market rate units so that there is a mix of affordable and market rate units, if any, in each building of the development project.

D. An applicant shall not receive a density bonus or other incentive or concession unless the housing development is entitled to such a bonus, incentive or concession under Government Code Section 65915.

E. The provisions of this subdivision shall be interpreted to fulfill the requirements of Government Code Section 65915. Any changes to that Government Code Section 65915 shall be deemed to supersede and govern any conflicting provisions contained herein.

F. The director is authorized to adopt administrative regulations and procedures necessary to implement this chapter consistent with Chapter 4.3 (Density Bonuses and Other Incentives) of Division 1 of Title 7 of the Government Code.

SECTION 7: If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 8: The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of El Segundo's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within 15 days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 9: This Ordinance will become effective 30 days following its passage and adoption.

PASSED AND ADOPTED this ___ day of _____, 2022.

_____
Drew Boyles, Mayor

APPROVED AS TO FORM:

_____
Mark D. Hensley, City Attorney

ATTEST:

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

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. _____ was duly introduced by said City Council at a regular meeting held on the ___ day of _____ 2022, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ___ day of _____, 2022, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Tracy Weaver, City Clerk

ORDINANCE NO. ____

AN ORDINANCE AMENDING TITLE 15 OF THE EL SEGUNDO MUNICIPAL CODE TO PERMIT TRANSITIONAL AND SUPPORTIVE HOUSING IN RESIDENTIAL ZONES

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

SECTION 1: The Council finds and declares as follows:

A. The State Legislature has declared that the lack of housing, including providing for a variety of housing types for all income levels and special needs groups, is a critical problem that threatens the economic, environmental, and social quality of life in California.

B. Government Code Section 65583 requires that the City's Housing Element address governmental constraints to the development of housing, including providing for a variety of housing types for all income levels.

C. The City Council of the City of El Segundo adopted the City's 2021-2029 Housing Element on February 1, 2022.

D. Government Code Section 65583 requires transitional and supportive housing to be considered a residential use and only subject to those restrictions that apply to other residential uses of the same type in the same zone.

E. Program 8 of the City's 2021-2029 Housing Element provides that the City will amend the ESMC to permit transitional and supportive housing as required by California Law.

F. On June 23, 2022, the Planning Commission held a public hearing to receive public testimony and other evidence regarding the proposed ordinance; the Planning Commission adopted Resolution No. 2922 recommending that the City Council introduce and adopt the transitional and supportive housing ordinance.

SECTION 2: *Factual Findings and Conclusions*. The City Council finds that introducing and adopting the proposed ordinance will amend the City's municipal code to bring it into compliance with state law.

SECTION 3: *General Plan Findings*. As required under Government Code § 65454 the proposed Ordinance is consistent with the City's General Plan as follows:

A. The proposed zone text amendment is consistent with the Housing Element goals, objectives and policies. Specifically, the zone text amendment is

consistent with Goal No. 4 to remove governmental constraints on housing development, in that it will remove development restrictions that limit the number of affordable housing units that can be produced in the City. In addition, the zone text amendment is consistent with Housing Element Program 8, Zoning Revisions.

SECTION 3: *Zone Text Amendment Findings*. In accordance with ESMC § 15-27-3 and based on the findings set forth in Section 3, the proposed amendments are consistent with the goals, policies, and objectives of the ESMC as follows:

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

B. It is necessary to facilitate the development process and ensure the orderly location of uses within the City.

SECTION 4: *Environmental Assessment.* Based on the facts set forth in Section 2, the City Council finds that the zone text amendment is exempt from further review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines § 15061(b)(3)), because it consists only of minor revisions to existing zoning regulations and related procedures and does not have the potential for causing a significant effect on the environment.

SECTION 5: ESMC Section 15-1-6 (Definitions) is amended to add the following definitions:

(after studio/soundstage):
"Supportive housing" means housing with no limit on length of stay, that is occupied by the target population, and that is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Supportive housing shall be considered a residential use of property. Supportive housing can take the form of single-family or multi-family units and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone.

(after synthetic grass):
"Target population" means persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Welfare and Institutions Code § 4500, et seq.) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people.

(after transit support facility):
"Transitional housing" means buildings configured as rental housing developments but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance. Transitional housing shall be considered a residential use of property. Transitional housing can take the form of single-family or multi-family units and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone.

SECTION 6: ESMC Section 15-4A-2 (R-1 Zone Permitted Uses) is amended to read as follows:

15-4A-2: PERMITTED USES:
Only the following uses and developments may be conducted or constructed in the R-1 Zone:

A. A State authorized, certified or licensed family care home, foster family home, or group home serving six (6) or fewer children.

B. A State authorized, certified or licensed residential facility, residential care facility, residential care facility for the elderly, intermediate care facility, developmentally disabled habilitative or nursing, or congregate living health facility, serving six (6) or fewer persons.

C. Transitional or Supportive Housing.

D ~~C~~. Home occupations.

E ~~D~~. Large family daycare homes pursuant to section 15-4A-4 of this article.

F ~~E~~. One (1) mobile or manufactured home subject to the following:

1. The mobile or manufactured home has been certified pursuant to the National Manufactured Housing Construction and Safety Standards Act of 1974, and has not been altered in violation of applicable codes; and

2. The mobile or manufactured home must be installed on a permanent foundation in compliance with all applicable building regulations and division 13, part 2 (commencing with section 18000) of the California Health and Safety Code.

G ~~F~~. Parks, playgrounds, recreational areas (publicly owned and operated) but excluding ballparks, bleachers, swimming pools or other types of facilities where racing or contests are conducted or public amusement devices are for hire.

H ~~G~~. Single-family dwellings; provided, that where a dwelling containing seven hundred (700) square feet or less exists on the rear portion of the lot and was placed thereon prior to, or for which a building permit was issued prior to December 26, 1947, in conformance to the requirements of ordinance 293 of the City, a second one-family

dwelling may be erected on the front portion of the lot, whereupon the dwelling on the rear portion of the lot shall assume the status of a nonconforming use as defined herein, but may be expanded to a maximum of seven hundred (700) square feet.

I ~~H~~. Small family daycare homes.

J ~~I~~. The keeping of animals and pets in accordance with title 6, chapter 2 of this Code.

K ~~J~~. On compliant parcels only, home sharing of a permitted single-family dwelling unit, or portion thereof, when conducted in accordance with a valid Short-term Home Sharing Rental Permit issued pursuant to Title 4, Chapter 16 of this Code. This subsection will automatically sunset 15 months after the pilot program established by Chapter 4-16 commences.

1. For purposes of this subsection, a compliant parcel is one that provides off-street parking on the parcel at a ratio of not less than one parking space per guest bedroom in the residence on the parcel. Parking spaces may include garage or driveway spaces. Tandem parking spaces are acceptable provided each tandem space measures at least 9 feet by 20 feet and does not extend into public right-of-way
2. Home sharing is not a permitted use in the absence of a valid Short-term Home Sharing Rental Permit.
3. An accessory dwelling unit may not be used for home sharing or as a short-term rental.

L ~~K~~. Other similar uses approved by the Director, as provided by chapter 22 of this title.

SECTION 7: If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 8: The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of El Segundo's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within 15 days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 9: This Ordinance will become effective 30 days following its passage and adoption.

PASSED AND ADOPTED this ___ day of _____, 2022.

_____
Drew Boyles, Mayor

APPROVED AS TO FORM:

_____
Mark D. Hensley, City Attorney

ATTEST:

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

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. _____ was duly introduced by said City Council at a regular meeting held on the ___ day of _____ 2022, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ___ day of _____, 2022, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Tracy Weaver, City Clerk

ORDINANCE NO. ____

AN ORDINANCE ADDING CHAPTER 15-13C (MICRO-UNITS) TO EL SEGUNDO MUNICIPAL CODE TITLE 15 TO IMPLEMENT THE 2021-2029 EL SEGUNDO HOUSING ELEMENT

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

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

A. The State Legislature has declared that the lack of housing, including providing for a variety of housing types for all income levels and special needs groups, is a critical problem that threatens the economic, environmental, and social quality of life in California.

B. Government Code Section 65583 requires that the City's Housing Element address governmental constraints to the development of housing, including providing for a variety of housing types for all income levels.

C. The City Council of the City of El Segundo adopted the City's 2021-2029 Housing Element on February 1, 2022.

D. Program 8 of the City's 2021-2029 Housing Element provides that the City will establish regulations for micro-units.

E. On June 23, 2022, the Planning Commission held a study session to receive public testimony and provide direction to staff on drafting a micro-unit ordinance. The Planning Commission appointed a subcommittee of two Commissioners to work with staff on drafting the proposed ordinance ("Ordinance").

F. On January 12, 2023, the Planning Commission held a public hearing to receive public testimony and other evidence regarding the Ordinance and adopted Resolution No. 2928 recommending that the City Council introduce and adopt the micro-unit Ordinance.

SECTION 2: *Factual Findings and Conclusions*. The City Council finds that introducing and adopting the Ordinance will amend the City's municipal code to establish:

A. a minimum unit size in the City's residential zones;

B. a definition for Micro-Unit developments;

C. development, design, and operational standards; and

D. ministerial and discretionary review and approval processes for micro-unit developments.

SECTION 3: *General Plan Findings*. As required under Government Code § 65855 the proposed Ordinance is consistent with the City's General Plan as follows:

A. The proposed zone text amendment is consistent with the Housing Element goals, objectives and policies. Specifically, the zone text amendment is consistent with Goal No. 4 to remove governmental constraints on housing development, in that it will remove development restrictions that limit the number of affordable housing units that can be produced in the City. In addition, the zone text amendment is consistent with Goal No. 2 to provide sufficient new, affordable housing opportunities in the City. Further, the Ordinance is consistent with Program 7e, (Zoning Revisions) to consider an amendment to the ESMC to establish regulations for Single Room Occupancy (SRO) or Micro-unit Housing.

SECTION 4: *Zone Text Amendment Findings*. In accordance with ESMC § 15-27-3, the Planning Commission finds that:

A. The amendment is consistent with the General Plan, in that it is consistent with and implements several Housing Element goals and programs as set forth in Section 3 above.

B. The amendment is necessary to serve the public health, safety, and general welfare in that it will facilitate the construction of new affordable housing units ranging from 250 to 450 square feet, which will meet the needs of certain groups with special requirements, including the needs of lower and moderate- income households as identified in the 2021-2029 Housing Element.

SECTION 5: *Environmental Assessment.* Based on the facts set forth in Section 2, the City Council finds that the Ordinance is exempt from the California Environmental Quality Act ("CEQA") (Pub. Resources Code, § 21000 et seq.) pursuant to CEQA Guidelines § 15061(b)(3)), because it consists only of minor revisions to existing zoning regulations and related procedures, and, therefore, it can be seen with certainty that there is no possibility that the Ordinance may have a significant effect on the environment. Furthermore, the Ordinance does not approve any specific project, and City staff will conduct discrete environmental review for any project proposed under this Ordinance's provisions.

SECTION 6: ESMC Subsection 15-4A-6(F) regarding the R-1 zone Floor Area Ratio for lots wider than 25 feet is amended to read as follows:

F. **Minimum Unit Size and** Floor Area Ratio:

The minimum dwelling unit size shall be 250 square feet and the floor area ratio shall be as follows:

1. The maximum total building area on the lot shall not exceed an overall floor area ratio (FAR) of 0.60. There is no minimum building size.
2. The maximum FAR for the second floor of the primary structure shall not exceed 0.25.
3. In calculating the overall FAR, floor area is measured to the interior of a building's perimeter walls and shall include all floors of the primary dwelling (i.e., main structure), attached and detached accessory dwelling units, habitable attic space, accessory buildings, and balconies, decks, verandas and porches.
4. Areas where the vertical measurement between the floor and ceiling directly above is fourteen feet (14') or more shall be counted on both the first and second stories for FAR calculations (areas such as rotundas, spaces with vaulted ceilings, and other similar areas with volume).
5. Stairs and elevators are counted once and are applied to the first floor.
6. For purposes of calculating floor area, the following are not included:
   a. Basements as defined in section 15-1-6 of this title;
   b. Up to five hundred (500) square feet of interior floor area of an attached or detached garage;
   c. Detached accessory structures measuring not more than one hundred twenty (120) square feet;
   d. Up to five hundred (500) square feet cumulative of first floor decks, verandas and porches, covered or uncovered, attached or detached, and at least thirty inches (30") in height (as measured from adjacent grade to the walking surface), provided that the deck, veranda or porch is at least fifty percent (50%) open on the sides.
   e. Second floor balconies and decks that are not covered.
   f. Up to twelve (12) square feet of second floor decks and balconies that are covered by roof, lattice, or trellis.
   g. The area of decks, balconies, verandas or porches covered by eave projections up to eighteen inches (18").
7. In cases of uncertainty or ambiguity, the director will determine whether an area is counted toward FAR.

SECTION 7: ESMC Subsection 15-4A-6-1(F) regarding the R-1 zone Building Area for lots 25 feet wide or less is amended to read as follows:

F. ~~Building Area: No minimum requirement.~~**Minimum Unit Size:**

The minimum dwelling unit size shall be 250 square feet.

SECTION 8: ESMC Subsection 15-4B-6(F) regarding the R-2 zone Building Area is amended to read as follows:

F. ~~Building Area: No minimum requirement.~~**Minimum Unit Size:**

The minimum dwelling unit size shall be 250 square feet.

SECTION 9: ESMC Subsection 15-4C-5(F) regarding the R-3 zone Building Area is amended to read as follows:

F. ~~Building Area: The minimum lot area per dwelling unit shall be as follows:~~**Minimum Unit Size and Density:**

The minimum dwelling unit size shall be 250 square feet and the density shall be as follows:

1. On property of ~~fifteen thousand (~~15,000~~)~~ square feet or less in size, one unit for every ~~one thousand six hundred thirteen (~~1,613~~)~~ square feet of lot area is allowed. A fraction of a lot greater than ~~one thousand seventy five (~~1,075~~)~~ square feet will allow an additional unit.
2. On property greater than ~~fifteen thousand (~~15,000~~)~~ square feet in size, one ~~(1)~~ unit for every ~~two thousand four hundred twenty (~~2,420~~)~~ square feet of lot area is allowed. A fraction of a lot greater than ~~one thousand six hundred thirteen (~~1,613~~)~~ square feet will allow an additional unit.

SECTION 10: A new Chapter 15-13C (Micro-Units) is added to ESMC Title 15 to read as follows:

CHAPTER 15-13C
Micro-Units

15-13C-1: Purpose
15-13C-2: Applicability; Locations
15-13C-3: Unit size; Unit size mix
15-13C-4: Concentration; Unit mix
15-13C-5: Development agreement required
15-13C-6: Operational standards
15-13C-7: In-unit amenities
15-13C-8: Development standards
15-13C-9: Common onsite amenities
15-13C-10: Design standards
15-13C-11: Prohibition of condominium subdivisions
15-13C-12: Development impact mitigation fees
15-13C-13: Administration and enforcement

15-13C-1: Purpose

It is the purpose of this chapter to encourage the production of a more diverse housing stock and more affordable housing options. In enacting this chapter, it is also the intent

of the City to implement the goals, objectives, and policies of the Housing Element of the City's General Plan.

15-13C-2: Applicability; Locations

A. Housing developments containing 5 or more units 250 to 450 square feet shall be considered "Micro-Unit developments" and be subject to the standards in the underlying zoning district, specific plan or overlay and the standards in this chapter. If the standards in this chapter conflict with the underlying zoning, the standards in this chapter will take precedence. Housing developments containing fewer than 5 units 250 to 450 square feet shall not be considered Micro-Unit developments and shall be subject only to the standards in the underlying zoning district, specific plan or overlay.

B. Micro-Unit developments are permitted in the following zones, overlays, specific plans, and other locations that the City Council may designate:

1. Multi-family Residential (R-3) Zone
2. Housing Overlay (HO) District
3. Mixed-Use Overlay (MU-O) District
4. Pacific Coast Commons Specific Plan (PCCSP)
5. Downtown Specific Plan (DSP)

15-13C-3: Unit size; Unit size mix

A. *Unit size*. Each unit must be at least 250 square feet in floor area but cannot exceed 450 square feet in floor area.

B. *Unit size mix*. 50% of the micro-units in a project must be at least 350 square feet in floor area.

15-13C-4: Concentration; Unit mix

A maximum 25% of residential units in a development may be micro-units, unless otherwise agreed to via development agreement under section 15-13C-6.

15-13C-5: Development agreement required

A. A development agreement pursuant to Government Code § 65854 et seq. is required for a micro-unit development proposing more than 40 total units or in excess of the 25% micro-unit limit set forth in section 15-13C-4. The foregoing notwithstanding, no development may not exceed a maximum of 75% micro-units of the total number of residential units in a development.

B. A development agreement is required for projects with 40 or fewer total units that do not comply with the required standards, amenities, or unit mix specified in this chapter.

C. The Community Development Director, or designee, may require the person requesting the development agreement to include reasonable information or documentation as part of the development agreement application process.

15-13C-6: Operational standards

Projects subject to this chapter must comply with this section's operational standards, unless otherwise provided in a development agreement pursuant to section 15-13C-6:

A. Onsite manager required for projects pursuant to California Code of Regulations Title 25 section 42.

B. The minimum length of stay shall be 30 days; short-term rentals are prohibited.

C. Occupancy is limited to two persons, not including children up to three years of age.

D. A management plan must be submitted to the Community Development Director before the City issues building permits or before a development agreement is approved for review and approval and must, without limitation, provide for the following:

1. Security;
2. Rental periods;
3. Tenant screening and residency requirements;
4. Parking; and
5. Occupancy limits.

15-13C-7: In-unit amenities

Each micro-unit must contain the following amenities, unless otherwise provided in a development agreement pursuant to section 15-13C-6:

A. One kitchen in every unit, including the following minimums:
   1. 30-inch sink;
   2. 18-inch by 24-inch counter;
   3. Stove and/or oven feature;
   4. 24-inch wide, full height refrigerator; and
   5. Microwave

B. One bathroom, including the following minimums:
   1. Toilet;
   2. Sink; and
   3. Bathtub or shower.

C. A minimum 48 square feet of storage space in a closet.

15-3C-8: Development standards

Projects subject to this chapter must comply with this section's development standards for micro-units, unless otherwise provided in a development agreement pursuant to section 15-13C-6:

A. Vehicle parking. One space for studio and one-bedroom units or 1.5 spaces for two-bedroom units.

B. Other parking standards in Chapter 15-15 (Off-street parking)

C. Bicycle parking – 1 rack (two-bike capacity) for every 3 units

D. Deviation from parking standards. Any person requesting deviation from the vehicle parking requirements in section 15-3C-9 must submit a parking demand study and Transportation Demand Management (TDM) program to the City with its development agreement application, or at a later time, for review and approval by the Community Development Director or designee. The Community Development Director or designee will consider the following mobility amenities and incentives in reviewing the TDM program and proposed deviations from the parking requirements in this section:

   1. Bicycle parking/storage beyond minimum code requirements;
   2. Onsite bike-share station;
   3. Onsite car-share stop;
   4. Shuttle service to major hubs;
   5. Onsite childcare service;
   6. Subsidized transit passes for residents;
   7. Unbundling parking spots from the regular rent; or
   8. Use of point system or consideration of proximity to public transit.

E. Security.

   1. Minimum lighting of 1.25 foot-candles is required in all parking areas.
   2. Projects must comply with all applicable security code provisions in this code.

15-13C-9: Common onsite amenities

A. *Private Open Space.* All units must have a minimum of 50 square feet of private open space.

B. *Common Open Space.* There must be a minimum of 400 square feet of common open space for the first 30 project units overall, plus 15 square feet per each unit above the first 30 project units.

C. Common Indoor Space.

1. Projects must include common indoor space equal to at least the greater of 10 square feet per unit or 200 square feet.

2. Common indoor space must consist of the following amenities:

    a. Communal kitchen. Projects with more than 30 units must incorporate at least one common full kitchen and

    b. Multipurpose space. Projects must incorporate multipurpose space on each floor that may include any of the following:

        i. Office/meeting room;

        ii. Fitness room/gym;

        iii. Game/craft room;

        iv. Living room; or

        v. Other similar uses.

3. Required common indoor space excludes janitorial storage, laundry facilities, and common hallways.

D. *Laundry.* Projects must provide one washer and dryer per 10 units or fraction thereof.

15-13C-10: Design Standards

Projects subject to this chapter must comply with the following design standards, unless otherwise provided in a development agreement pursuant to section 15-13C-6:

A. *Unit configuration.* Project configuration must facilitate the future combination of micro-units into larger units.

B. *Ceiling height.* Micro-unit ceiling height must be at least nine feet.

C. *Access to natural light.* Micro-units must have direct access to natural light.

D. *Window size.* The total square-foot area of windows in a micro-unit must equal at least 15% of the unit's floor area.

15-13C-11: Prohibition of condominium subdivisions

The subdivision or individual sale of micro-units is prohibited.

15-13C-12: Development impact mitigation fees

Micro-units are subject to the same development impact mitigation fees as other multi-family residential units.

15-13C-13: Administration and enforcement.

A. The City Council may establish fees by resolution for the City's ongoing administration of this chapter.

B. The Community Development Director, or designee, may promulgate regulations to facilitate the City's ongoing administration of this chapter, and such regulations will become effective upon publication on the City's website.

SECTION 11: *Electronic Signatures*. This Ordinance may be executed with electronic signatures in accordance with Government Code § 16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 12: *Construction*. This Ordinance must be broadly construed to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 13: *Severability.* If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 14: *Recordation.* The City Clerk, or designee, is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of El Segundo's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within 15 days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 15: *Effective Date.* This Ordinance will become effective 30 days following its passage and adoption.

PASSED AND ADOPTED this ___ day of _____, 2023.

_____
Drew Boyles, Mayor

APPROVED AS TO FORM:

_____
Mark D. Hensley, City Attorney

ATTEST:

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

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. _____ was duly introduced by said City Council at a regular meeting held on the ___ day of _____ 2023, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ___ day of _____, 2023, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Tracy Weaver, City Clerk

Guide to the California Density Bonus Law

BY JON GOETZ AND TOM SAKAI

REVISED JANUARY 2021



meyers | nave

Table of Contents

INTRODUCTION AND OVERVIEW..... 2

HOW THE DENSITY BONUS WORKS..... 3

DENSITY BONUS CHART..... 4

HOW THE DENSITY BONUS CAN HELP IN A FRIENDLY JURISDICTION..... 10

HOW THE DENSITY BONUS CAN HELP IN A HOSTILE JURISDICTION..... 11

CEQA ISSUES IN DENSITY BONUS PROJECTS..... 11

USING THE DENSITY BONUS TO SATISFY INCLUSIONARY HOUSING REQUIREMENTS..... 11

DENSITY BONUS AND REPLACEMENT HOUSING..... 12

DENSITY BONUS IN THE COASTAL ZONE..... 12

DENSITY BONUS - A FLEXIBLE TOOL..... 12

DENSITY BONUS STATUTES..... 13

ABOUT THE AUTHORS



JON GOETZ
E-mail: jgoetz@meyersnave.com
Direct: 800.464.3559

Jon Goetz is an attorney at Meyers Nave. He has over 30 years of experience in real estate, land use, environmental, redevelopment, housing and municipal law. Jon represents private and public entities in complex real estate development transactions, land use planning, public-private development, infrastructure financing and affordable housing. He has advised on acquiring, financing, leasing and disposing of all forms of improved and unimproved property.



TOM SAKAI
E-mail: tsakai@springbrookadvisors.com
Direct: 949.833.2599

Tom Sakai is the Principal of Springbrook Realty Advisors, Inc., a real estate consulting practice located in Newport Beach. His practice specializes in consulting to land developers and homebuilders, focusing on pro formas and feasibilities for master-planned communities, school negotiations, assessment district and Mello-Roos financing, affordable housing issues, and other services to the real estate industry.



Introduction and Overview

Savvy housing developers are taking advantage of California's Density Bonus Law, a mechanism which allows them to obtain more favorable local development requirements in exchange for offering to build or donate land for affordable or senior units. The Density Bonus Law (found in California Government Code Sections 65915 – 65918) provides developers with powerful tools to encourage the development of affordable and senior housing, including up to a 50% increase in project densities for most projects, depending on the amount of affordable housing provided, and an 80% increase in density for projects which are completely affordable. The Density Bonus Law is about more than the density bonus itself, however. It is actually a larger package of incentives intended to help make the development of affordable and senior housing economically feasible. Other tools include reduced parking requirements, and incentives and concessions such as reduced setback and minimum square footage requirements. Often these other tools are even more helpful to project economics than the density bonus itself, particularly the special parking benefits. Sometimes these incentives are sufficient to make the project pencil out, but for other projects financial assistance is necessary to make the project feasible.

In determining whether a development project would benefit from becoming a density bonus project, developers also need to be aware that:

- The Density Bonus is a state mandate. A developer who meets the requirements of the state law is entitled to receive the density bonus and other benefits as a matter of right. As with any state mandate, some local governments will resist complying with the state requirement. But many local governments favor the density bonus as a helpful tool to cut through their own land use requirements and local political issues.

- Use of a density bonus may be particularly helpful in those jurisdictions that impose inclusionary housing requirements for new developments.

- Special development bonuses are available for developers of commercial projects who partner with affordable housing developers to provide onsite or offsite affordable housing. Special bonuses are also available for condominium conversion projects and projects that include childcare facilities.

- The Legislature has recently added density bonuses for housing developments for foster youth, disabled veterans, homeless persons and college students.

How the Density Bonus Works

PROJECTS ENTITLED TO A DENSITY BONUS

Cities and counties are required to grant a density bonus and other incentives or concessions to housing projects which contain one of the following:

- At least 5% of the housing units are restricted to very low income residents.
- At least 10% of the housing units are restricted to lower income residents.
- At least 10% of the housing units in a for-sale common interest development are restricted to moderate income residents.
- 100% of the housing units (other than manager's units) are restricted to very low, lower and moderate income residents (with a maximum of 20% moderate).
- At least 10% of the housing units are for transitional foster youth, disabled veterans or homeless persons, with rents restricted at the very low income level.
- At least 20% of the housing units are for low income college students in housing dedicated for full-time students at accredited colleges.
- The project donates at least one acre of land to the city or county for very low income units, and the land has the appropriate general plan designation, zoning, permits and approvals, and access to public facilities needed for such housing.
- The project is a senior citizen housing development (no affordable units required).
- The project is a mobilehome park age-restricted to senior citizens (no affordable units required).

DENSITY BONUS AMOUNT

The amount of the density bonus is set on a sliding scale, based upon the percentage of affordable units at each income level, as shown in the chart on the following page. (Note that maximum density bonus amounts for very low, lower and moderate income housing were increased by legislation approved in 2020.)



DENSITY BONUS CHART*

AFFORDABLE UNIT PERCENTAGE**	VERY LOW INCOME DENSITY BONUS	LOW INCOME DENSITY BONUS	MODERATE INCOME DENSITY BONUS***	LAND DONATION DENSITY BONUS	SENIOR****	FOSTER YOUTH/ DISABLED VETS/ HOMELESS	COLLEGE STUDENTS
5%	20%	-	-	-	20%	-	-
6%	22.5%	-	-	-	20%	-	-
7%	25%	-	-	-	20%	-	-
8%	27.5%	-	-	-	20%	-	-
9%	30%	-	-	-	20%	-	-
10%	32.5%	20%	5%	15%	20%	20%	-
11%	35%	21.5%	6%	16%	20%	20%	-
12%	38.75%	23%	7%	17%	20%	20%	-
13%	42.5%	24.5%	8%	18%	20%	20%	-
14%	46.25%	26%	9%	19%	20%	20%	-
15%	50%	27.5%	10%	20%	20%	20%	-
16%	50%	29%	11%	21%	20%	20%	-
17%	50%	30.5%	12%	22%	20%	20%	-
18%	50%	32%	13%	23%	20%	20%	-
19%	50%	33.5%	14%	24%	20%	20%	-
20%	50%	35%	15%	25%	20%	20%	35%
21%	50%	38.75%	16%	26%	20%	20%	35%
22%	50%	42.5%	17%	27%	20%	20%	35%
23%	50%	46.25%	18%	28%	20%	20%	35%
24%	50%	50%	19%	29%	20%	20%	35%
25%	50%	50%	20%	30%	20%	20%	35%
26%	50%	50%	21%	31%	20%	20%	35%
27%	50%	50%	22%	32%	20%	20%	35%
28%	50%	50%	23%	33%	20%	20%	35%
29%	50%	50%	24%	34%	20%	20%	35%
30%	50%	50%	25%	35%	20%	20%	35%
31%	50%	50%	26%	35%	20%	20%	35%
32%	50%	50%	27%	35%	20%	20%	35%
33%	50%	50%	28%	35%	20%	20%	35%
34%	50%	50%	29%	35%	20%	20%	35%
35%	50%	50%	30%	35%	20%	20%	35%
36%	50%	50%	31%	35%	20%	20%	35%
37%	50%	50%	32%	35%	20%	20%	35%
38%	50%	50%	33%	35%	20%	20%	35%
39%	50%	50%	34%	35%	20%	20%	35%
40%	50%	50%	35%	35%	20%	20%	35%
41%	50%	50%	38.75%	35%	20%	20%	35%
42%	50%	50%	42.5%	35%	20%	20%	35%
43%	50%	50%	46.25%	35%	20%	20%	35%
44%	50%	50%	50%	35%	20%	20%	35%
100%*****	80%	80%	80%	35%	20%	20%	35%

*All density bonus calculations resulting in fractions are rounded up to the next whole number.
**Affordable unit percentage is calculated excluding units added by a density bonus.
***Moderate income density bonus applies to for sale units, not to rental units.
****No affordable units are required for senior units.
***** Applies when 100% of the total units (other than manager's units) are restricted to very low, lower and moderate income (maximum 20% moderate).

REQUIRED INCENTIVES AND CONCESSIONS

In addition to the density bonus, the city or county is also required to provide one or more "incentives" or "concessions" to each project which qualifies for a density bonus (except that market rate senior citizen projects with no affordable units, and land donated for very low income housing, do not appear to be entitled to incentives or concessions). A concession or incentive is defined as:

- A reduction in site development standards or a modification of zoning code or architectural design requirements, such as a reduction in setback or minimum square footage requirements; or
- Approval of mixed use zoning; or
- Other regulatory incentives or concessions which actually result in identifiable and actual cost reductions.

The number of required incentives or concessions is based on the percentage of affordable units in the project:

NO. OF INCENTIVES/ CONCESSIONS	VERY LOW INCOME PERCENTAGE	LOWER INCOME PERCENTAGE	MODERATE INCOME PERCENTAGE
1	5%	10%	10%
2	10%	17%	20%
3	15%	24%	30%
4	100% Low/Very Low/Mod (20% Moderate allowed)	100% Low/Very Low/Mod (20% Moderate allowed)	100% Low/Very Low/Mod (20% Moderate allowed)

The city or county is required to grant the concession or incentive proposed by the developer unless it finds that the proposed concession or incentive does not result in identifiable and actual cost reductions, would cause a public health or safety problem, would cause an environmental problem, would harm historical property, or would be contrary to law. The Density Bonus Law restricts the types of information and reports that a developer may be required to provide to the local jurisdiction in order to obtain the requested incentive or concession. The local jurisdiction has the burden of proof in the event it declines to grant a requested incentive or concession. Financial incentives, fee waivers and reductions in dedication requirements may be, but are not required to be, provided by the city or county. The developer may be entitled to the incentives and concessions even without a request for a density bonus.

OTHER FORMS OF ASSISTANCE

A development qualifying for a density bonus also receives two additional forms of assistance which have important benefits for a housing project:

- **Waiver or Reduction of Development Standards.** If any other city or county development standard would physically prevent the project from being built at the permitted density and with the granted concessions/incentives, the developer may propose to have those standards waived or reduced. The city or county is not permitted to apply any development standard which physically precludes the construction of the project at its permitted density and with the granted concessions/incentives. The city or county is not required to waive or reduce development standards that would cause a public health or safety problem, cause an environmental problem, harm historical property, or would be contrary to law. The waiver or reduction of a development standard does not count as an incentive or concession, and there is no limit on the number of development standard waivers that may be requested or granted. Development standards which have been waived or reduced utilizing this section include setback, lot coverage and open space requirements, and should apply to building height limits as well. This ability to force the locality to modify its normal development standards is sometimes the most compelling reason for the developer to structure a project to qualify for the density bonus.

- **Maximum Parking Requirements.** Upon the developer's request, the city or county may not require more than the following parking ratios for a density bonus project (inclusive of parking for persons with disabilities):

Studio	1 space
1 Bedroom	1 space
2 Bedroom	1.5 spaces
3 Bedroom	1.5 spaces
4 Bedroom	2.5 spaces

- **Special Parking Requirements.** Lower parking ratios apply to specified projects (although local jurisdictions can require higher parking ratios if supported by a specified parking study):

Rental/for sale projects with at least 11% very low income or 20% lower income units, within 1/2 mile of accessible major transit stop	0.5 spaces per unit
Rental projects 100% affordable to lower income, within 1/2 mile of accessible major transit stop	0 spaces per unit
Rental senior projects 100% affordable to lower income, either with paratransit service or within 1/2-half mile of accessible bus route (operating at least eight times per day)	0 spaces per unit
Rental special needs projects 100% affordable to lower income households, either with paratransit service or within 1/2-half mile of accessible bus route (operating at least eight times per day)	0 spaces per unit
Rental supportive housing developments 100% affordable to lower income households	0 spaces per unit

Onsite spaces may be provided through tandem or uncovered parking, but not onstreet parking. Requesting these parking standards does not count as an incentive or concession, but the developer may request further parking standard reductions as an incentive or concession. This is one of the most important benefits of the density bonus statute. In many cases, achieving a reduction in parking requirements may be more valuable than the additional permitted units. In higher density developments requiring the use of structured parking, the construction cost of structured parking is very expensive, costing upwards of $20,000 per parking space. While this provision of the density bonus statute can be used to reduce excessive parking requirements, care must be taken not to impact the project's marketability by reducing parking to minimum requirements which lead to parking shortages.



AFFORDABLE HOUSING RESTRICTIONS

- **Rental Units.** Affordable rental units must be restricted by an agreement which sets maximum incomes and rents for those units. As of January 1, 2015, the income and rent restrictions must remain in place for a 55 year term for very low or lower income units (formerly only a 30 year term was required).

  Rents must be restricted as follows (continue to page 7):

- For very low income units, rents may not exceed 30% x 50% of the area median income for a household size suitable for the unit.
- For lower income units, rents may not exceed 30% x 60% of the area median income for a household size suitable for the unit.
- In 100% affordable housing developments, the rent for at least 20% of the units must meet the rent standards of Health and Safety Code Section 50053, and the remaining units may instead meet Low Income Housing Tax Credit rent standards.
- Area median income is determined annually by regulation of the California Department of Housing and Community Development, based upon median income regulations adopted by the U.S. Department of Housing and Urban Development.
- Rents must include a reasonable utility allowance.
- Household size appropriate to the unit means 1 for a studio unit, 2 for a one bedroom unit, 3 for a two bedroom unit, 4 for a three bedroom unit, etc.

- **For Sale Units.** Affordable for sale units must be sold to the initial buyer at an affordable housing cost. Housing related costs include mortgage loan payments, mortgage insurance payments, property taxes and assessments, homeowner association fees, reasonable utilities allowance, insurance premiums, maintenance costs, and space rent.

  - For very low income units, housing costs may not exceed 30% x 50% of the area median income for a household size suitable for the unit.
  - For lower income units, housing costs may not exceed 30% x 70% of the area median income for a household size suitable for the unit.
  - For moderate income units, housing costs may not exceed 35% x 110% of the area median income for a household size suitable for the unit.
  - Buyers must enter into an equity sharing agreement with the city or county, unless the equity sharing requirements conflict with the requirements of another public funding source or law. The equity sharing agreement does not restrict the resale price, but requires the original owner to pay the city or county a portion of any appreciation received on resale.
  - The city/county percentage of appreciation is the purchase price discount received by the original buyer, plus any down payment assistance provided by the city/county. (For example, if the original sales price is $300,000, and the original fair market value is $400,000, and there is no city/county down payment assistance, the city/county subsidy is $100,000, and the city/county's share of appreciation is 25%).



- The seller is permitted to retain its original down payment, the value of any improvements made to the home, and the remaining share of the appreciation.
- The income and affordability requirements are not binding on resale purchasers (but if other public funding sources or programs are used, the requirements may apply to resales for a fixed number of years).

LOCAL GOVERNMENT PROCESSING OF DENSITY BONUS APPLICATIONS

Under new legislation effective in 2019, local governments are now required to notify developers what information must be submitted for a complete density bonus application. Once a development application is determined to be complete, the local government must notify the developer the level of density bonus and parking ratio the development is eligible to receive. If the developer requests incentives, concessions, waivers or reductions of development standards, the local jurisdiction is required to notify the developer if it has submitted sufficient information necessary for the local government to make a determination on those issues.

HOW THE DENSITY BONUS WORKS FOR 100% AFFORDABLE PROJECTS

2019 legislation requires local governments to grant an 80% density bonus to housing projects in which all of the units (other than manager's units) are restricted to very low, low and moderate income residents, with a maximum of 20% restricted to moderate income units. If a 100% affordable project is located within a half mile of a major transit stop, the local government may not impose any maximum density limits at all, and the project is further entitled to receive a maximum height increase of up to three additional stories or 33 feet. However, if the project receives a waiver from maximum controls on density, it is not eligible for the waiver or reduction of any development standards which would otherwise be available. 100% affordable projects are also entitled to a fourth incentive or concession.

HOW THE DENSITY BONUS WORKS FOR SENIOR PROJECTS

As shown in the Density Bonus Chart on page 4, a senior citizen housing development of at least 35 units meeting the requirements of Section 51.3 or 51.12 of the Civil Code qualifies for a 20% density bonus. This is a very desirable option for senior housing developments. In jurisdictions where the local ordinances do not reduce the parking requirements for senior housing developments, the reduced parking requirements alone may justify applying for a density bonus.

HOW THE DENSITY BONUS WORKS FOR STUDENT HOUSING PROJECTS

New legislation taking effect in 2019 requires cities and counties to grant a 35% density bonus for housing developments that will include at least 20% of the units for low income college students. The housing must be used exclusively for full-time students at accredited colleges, and must be subject to an operating agreement or master lease with one or more colleges. Unlike the maximum income requirements for other forms of affordable housing, resident income levels are determined through the student's eligibility for the state's Cal Grant financial aid program. Affordable rent levels are also specially tailored for a student population, with maximum rents established per bed for individual residents, rather than for the entire apartment unit. Homeless students receive priority for affordable units.

HOW THE DENSITY BONUS WORKS FOR COMMERCIAL PROJECTS

The Density Bonus Law requires that cities and counties provide a "development bonus" to commercial developers who partner with affordable housing developers for the construction of affordable housing on the commercial project site, or offsite within the jurisdiction located near schools, employment and a major transit stop. The commercial developer may participate through the donation of land or funds for the

affordable housing, or direct construction of the housing units. The partnership between the commercial developer and the affordable developer can occur through a newly formed legal entity such as a corporation, LLC or partnership, or can take the shape of a contractual agreement between the parties. To be eligible for the development bonus, at least 30% of the housing units must be restricted to lower income residents or 15% of the housing units must be restricted to very low income residents. Unlike the primary Density Bonus Law, there is no fixed amount of increased density awarded to the developer. Instead, the development bonus can be any mutually agreeable incentive, including up to a 20% increase in development intensity, floor area ratio, or height limits, up to a 20% reduction in parking requirements, use of a limited use elevator, or an exception to a zoning ordinance or land use requirement. Commercial developers who need extra leverage to obtain more favorable development standards for their project may want to consider providing affordable housing in order to take advantage of the benefits of the development bonus.

HOW THE DENSITY BONUS WORKS FOR CONDOMINIUM CONVERSION PROJECTS

The density bonus statute provides for a density bonus of up to 25% for condominium conversion projects providing at least 33% for the total units to low or moderate income households or 15% of the units to lower income households. Many condominium conversion projects are not designed in a manner that allows them to take advantage of the opportunity to construct additional units, but some projects may find this helpful.

HOW THE DENSITY BONUS WORKS FOR CHILDCARE

Housing projects that provide childcare are eligible for a separate density bonus equal to the size of the childcare facility. The childcare facility must remain in operation for at least the length of the affordability covenants. A percentage of the childcare spaces must also be made available to low and moderate income families. A separate statute permits cities and counties to grant density bonuses to commercial and industrial projects of at least 50,000 square feet, when the developer sets aside at least 2,000 square feet in the building and 3,000 square feet of outside space for a childcare facility.

HOW TO OBTAIN A DENSITY BONUS THROUGH LAND DONATION

Many market rate housing developers are uncomfortable with building and marketing affordable units themselves, whether due to their lack of experience with the affordable housing process or because of their desire to concentrate on their core market rate homes. Other developers may have sites that are underutilized in terms of project density. The Density Bonus Law contains a special sliding scale bonus for land donation which allows those developers to turn over the actual development of the affordable units to local agencies or experienced low income developers. The density bonus is available for the donation of at least an acre of fully entitled land, with all needed public facilities and infrastructure, and large enough for the construction of a high density very low income project containing 10% of the total homes in the development. The parcel must be located within the boundary of the proposed development or, subject to the approval of the jurisdiction, within one-fourth mile of the boundary of the proposed development. The more units that can be built on the donated land, the larger the density bonus. Because of the parcel size requirements, this option is only practical for larger developments. The land donation density bonus can be combined with the regular density bonus provided for the development of affordable units, up to a maximum 35% density bonus. A master planned community developer needs to carefully evaluate the land donation option as opposed to engaging an affordable housing developer to fulfill the project's affordable housing obligations. In many cases the master developer will prefer to control the affordable component of the project through a direct agreement with the affordable housing developer, rather than allowing the local government to control the project.

FLOOR AREA RATIO BONUSES

Under new legislation effective in 2019, a local jurisdiction is permitted to grant a floor area ratio bonus rather than a traditional density bonus to certain high density affordable housing projects adjacent to public

transit. Eligible projects are also entitled to special parking ratios of one-tenth of a parking space per affordable unit and one-half space per market rate unit. To be eligible for the floor area ratio bonus, the project must restrict at least 20 percent of the units to very low income tenants, must be located within a transit priority area or near a major transit stop, and must be in compliance with local height limits.

How the Density Bonus Can Help in a Friendly Jurisdiction

While the Density Bonus Law is often used by developers to obtain more housing than the local jurisdiction would ordinarily permit, it can also be a helpful land use tool in jurisdictions which favor the proposed project and want to provide support. Planners in many cities and counties may be disposed by personal ideology or local policy to encourage the construction of higher density housing and mixed use developments near transit stops and downtown areas, but are hampered by existing general plan standards and zoning from approving these sorts of projects. Elected officials often support these projects too, but may find it politically difficult to oppose neighborhood and environmental groups over the necessary general plan amendments, zoning changes and CEQA approvals.

The density bonus can provide a useful mechanism for increasing allowable density without requiring local officials to approve general plan amendments and zoning changes. A project that satisfies the requirements of the Density Bonus Law often can obtain the necessary land use approvals through the award of the density bonus units and requested concessions and incentives, without having to amend the underlying land use requirements. Friendly local officials may encourage the use of the density bonus to "force" the jurisdiction to approve a desired project.



How the Density Bonus Law Can Help in a Hostile Jurisdiction

It is important to know that the density bonus is a state law requirement which is mandatory on cities and counties, even charter cities which are free from many other state requirements. A developer who meets the law's requirements for affordable or senior units is entitled to the density bonus and other assistance as of right, regardless of the locality's desires (subject to limited health and safety exceptions). The density bonus statute can be used to achieve reductions in development standards or the granting of concessions or incentives from jurisdictions that otherwise would not be inclined to grant those items. Examples might include a reduction in parking standards if those standards are deemed excessive by the developer, or other reductions in development standards if needed to achieve the total density permitted by the density bonus.

Developers who nonetheless encounter hostility from local jurisdictions are provided several tools to ensure that a required density bonus is actually granted. Developers are entitled to an informal meeting with a local jurisdiction which fails to modify a requested development standard. If a developer successfully sues the locality to enforce the density bonus requirements, it is entitled to an award of its attorneys' fees. The obligation to pay a developer's attorneys' fees is a powerful incentive for local jurisdictions to voluntarily comply with the state law density bonus requirements, even when the jurisdiction is not in favor of its effects on the project.

CEQA Issues in Density Bonus Projects

Although there is no specific density bonus exemption from the California Environmental Quality Act (CEQA), many density bonus projects are likely candidates for urban infill and affordable housing exemptions from CEQA. One commonly invoked exemption is the Class 32 urban infill exemption found in CEQA Guidelines Section 15332. That exemption is available if the project is consistent with applicable general plan designation and zoning, the site is five acres or less and surrounded by urban uses, is not habitat for endangered, rare or threatened species, does not have any significant effects relating to traffic, noise, air quality or water quality, and is adequately served by utilities and public services. Other exemptions are available for high density housing projects near major transit stops (CEQA Guidelines Section 15195) and affordable housing projects of up to 100 units (CEQA Guidelines Section 15194).

A 2011 case, *Wollmer v. City of Berkeley*, clarified the use of the CEQA infill exemption for density bonus projects. In that case, an opponent of a Berkeley density bonus project challenged the City's use of the urban infill exemption on the grounds that the City's modifications and waivers of development standards, as required under the Density Bonus Law, meant that the project was not consistent with existing zoning. The court rejected that argument, finding that the modifications required by the Density Bonus Law did not disqualify the project from claiming the exemption.

Not all density bonus projects will qualify for one of these CEQA exemptions, however. Sometimes the additional density provided to non-exempt projects may bring the project out of the coverage of an existing CEQA approval for a general plan, specific plan or other larger project. For instance, if a previously approved environmental impact report analyzed a 100 unit project as the largest allowed under existing zoning, but the developer is able to qualify for 120 units with a density bonus, the existing EIR may not cover the larger project. The larger density bonus project may require additional CEQA analysis for approval.

Using the Density Bonus to Satisfy Inclusionary Housing Requirements

Many of California's cities and counties have adopted inclusionary housing ordinances, which typically require that a specified percentage of units in a new housing development be restricted as affordable units. The inclusionary requirements significantly reduce income from rental units and sales prices of for-sale homes. In today's tight housing market, compliance with local inclusionary requirements may make many projects economically infeasible. The density bonus provides one method for developers to improve the economics of their project while still complying with the inclusionary A 2013 case, *Latinos Unidos del Valle de*

Napa y Solano v. County of Napa, held that inclusionary units qualify as affordable units for purposes of the Density Bonus Law. The case confirmed that the density bonus is a financial tool available to help developers achieve city and county inclusionary housing requirements.

Density Bonus and Replacement Housing

Developers obtaining a density bonus are required to replace existing units which were previously occupied by very low or lower income households or subject to rent control, when those units have been demolished or vacated prior to the density bonus application. The housing development must also meet the applicable affordable housing standards, including the replacement units. As a result of uncertainty about how to apply these standards when the income levels of prior residents is unknown. The Density Bonus Law establishes a rebuttable presumption for the income level of the replacement unit when the income level of the actual prior resident is unknown.

Density Bonus in the Coastal Zone

When affordable housing is proposed in the coastal zone, the Density Bonus Law's focus on encouraging the development of affordable housing could clash with the California Coastal Act's focus on environmental protection. Legislation effective in 2019 now requires the density bonus to be administered in the Coastal Zone in a manner that is consistent and harmonized with the California Coastal Act. This legislation overturns a 2016 appellate court ruling, *Kalnel Gardens, LLC v. City of Los Angeles*, which found that a proposed housing project that violates the Coastal Act as a result of a density bonus could be denied on that basis. The court in *Kalnel Gardens* held that the Density Bonus Law is subordinate to the Coastal Act, but the new language attempts to strike a balance between the state goals of promoting housing and protecting the coast.

Density Bonus – A Flexible Tool

The Density Bonus Law can be a powerful tool for different types of development projects, whether they are traditional affordable housing projects, predominantly market rate housing developments, or senior projects. Obtaining greater density can help the developer of any project bring costs and financing sources into line by putting more homes on the land, reducing the per unit land costs. Use of the favorable parking requirements can reduce the amount of costly land needed for parking. The incentives and concessions to be provided by the local government can provide a helpful way to modify development requirements which may stand in the way of a successful project. Of course there is a price to pay for these benefits—the affordable units needed to earn the density bonus. Developers need to make a cost-benefit determination whether the cost of compliance is worth the benefits. But the Density Bonus Law is unquestionably a useful option for housing developers trying to make financial sense of projects in today's economy.

Density Bonus Statutes

Government Code Sections 65915 – 65918. Effective as of January 1, 2021

65915. (a) (1) When an applicant seeks a density bonus for a housing development within, or for the donation of land for housing within, the jurisdiction of a city, county, or city and county, that local government shall comply with this section. A city, county, or city and county shall adopt an ordinance that specifies how compliance with this section will be implemented. Except as otherwise provided in subdivision (s), failure to adopt an ordinance shall not relieve a city, county, or city and county from complying with this section.

(2) A local government shall not condition the submission, review, or approval of an application pursuant to this chapter on the preparation of an additional report or study that is not otherwise required by state law, including this section. This subdivision does not prohibit a local government from requiring an applicant to provide reasonable documentation to establish eligibility for a requested density bonus, incentives or concessions, as described in subdivision (d), waivers or reductions of development standards, as described in subdivision (e), and parking ratios, as described in subdivision (p).

(3) In order to provide for the expeditious processing of a density bonus application, the local government shall do all of the following:

(A) Adopt procedures and timelines for processing a density bonus application.

(B) Provide a list of all documents and information required to be submitted with the density bonus application in order for the density bonus application to be deemed complete. This list shall be consistent with this chapter.

(C) Notify the applicant for a density bonus whether the application is complete in a manner consistent with the timelines specified in Section 65943.

(D) (i) If the local government notifies the applicant that the application is deemed complete pursuant to subparagraph (C), provide the applicant with a determination as to the following matters:

(I) The amount of density bonus, calculated pursuant to subdivision (f), for which the applicant is eligible.

(II) If the applicant requests a parking ratio pursuant to subdivision (p), the parking ratio for which the applicant is eligible.

(III) If the applicant requests incentives or concessions pursuant to subdivision (d) or waivers or reductions of development standards pursuant to subdivision (e), whether the applicant has provided adequate information for the local government to make a determination as to those incentives, concessions, or waivers or reductions of development standards.

(ii) Any determination required by this subparagraph shall be based on the development project at the time the application is deemed complete. The local government shall adjust the amount of density bonus and parking ratios awarded pursuant to this section based on any changes to the project during the course of development.

(b) (1) A city, county, or city and county shall grant one density bonus, the amount of which shall be as specified in subdivision (f), and, if requested by the applicant and consistent with the applicable requirements of this section, incentives or concessions, as described in subdivision (d), waivers or reductions of development standards, as described in subdivision (e), and parking ratios, as described in subdivision (p), when an applicant for a housing development seeks and agrees to construct a housing development, excluding any units permitted by the density bonus awarded pursuant to this section, that will contain at least any one of the following:

(A) Ten percent of the total units of a housing development for lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(B) Five percent of the total units of a housing development for very low income households, as defined in Section 50105 of the Health and Safety Code.

(C) A senior citizen housing development, as defined in Sections 51.3 and 51.12 of the Civil Code, or a mobilehome park that limits residency based on age requirements for housing for older persons pursuant to Section 798.76 or 799.5 of the Civil Code.

(D) Ten percent of the total dwelling units in a common interest development, as defined in Section 4100 of the Civil Code, for persons and families of moderate income, as defined in Section 50093 of the Health and Safety Code, provided that all units in the development are offered to the public for purchase.

(E) Ten percent of the total units of a housing development for transitional foster youth, as defined in Section 66025.9 of the Education Code, disabled veterans, as defined in Section 18541, or homeless persons, as defined in the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.). The units described in this subparagraph shall be subject to a recorded affordability restriction of 55 years and shall be provided at the same affordability level as very low income units.

(F) (i) Twenty percent of the total units for lower income students in a student housing development that meets the following requirements:

(I) All units in the student housing development will be used exclusively for undergraduate, graduate, or professional students enrolled full time at an institution of higher education accredited by the Western Association of Schools and Colleges or the Accrediting Commission for Community and Junior Colleges. In order to be eligible under this subclause, the developer shall, as a condition of receiving a certificate of occupancy, provide evidence to the city, county, or city and county that the developer has entered into an operating agreement or master lease with one or more institutions of higher education for the institution or institutions to occupy all units of the student housing development with students from that institution or institutions. An operating agreement or master lease entered into pursuant to this subclause is not violated or breached if, in any subsequent year, there are not sufficient students enrolled in an institution of higher education to fill all units in the student housing development.

(II) The applicable 20-percent units will be used for lower income students. For purposes of this clause, "lower income students" means students who have a household income and asset level that does not exceed the level for Cal Grant A or Cal Grant B award recipients as set forth in paragraph (1) of subdivision (k) of Section 69432.7 of the Education Code. The eligibility of a student under this clause shall be verified by an affidavit, award letter, or letter of eligibility provided by the institution of higher education that the student is enrolled in, as described in subclause (I), or by the California Student Aid Commission that the student receives or is eligible for financial aid, including an institutional grant or fee waiver, from the college or university, the California Student Aid Commission, or the federal government shall be sufficient to satisfy this subclause.

(III) The rent provided in the applicable units of the development for lower income students shall be calculated at 30 percent of 65 percent of the area median income for a single-room occupancy unit type.

(IV) The development will provide priority for the applicable affordable units for lower income students experiencing homelessness. A homeless service provider, as defined in paragraph (3) of subdivision (e) of Section 103577 of the Health and Safety Code, or institution of higher education that has knowledge of a person's homeless status may verify a person's status as homeless for purposes of this subclause.

(ii) For purposes of calculating a density bonus granted pursuant to this subparagraph, the term "unit" as used in this section means one rental bed and its pro rata share of associated common area facilities. The units described in this subparagraph shall be subject to a recorded affordability restriction of 55 years.

(G) One hundred percent of all units in the development, including total units and density bonus units, but exclusive of a manager's unit or units, are for lower income households, as defined by Section 50079.5 of the Health and Safety Code, except that up to 20 percent of the units in the development, including total units and density bonus units, may be for moderate-income households, as defined in Section 50053 of the Health and Safety Code.

(2) For purposes of calculating the amount of the density bonus pursuant to subdivision (f), an applicant who requests a density bonus pursuant to this subdivision shall elect whether the bonus shall be awarded on the basis of subparagraph (A), (B), (C), (D), (E), (F), or (G) of paragraph (1).

(3) For the purposes of this section, "total units," "total dwelling units," or "total rental beds" does not include units added by a density bonus awarded pursuant to this section or any local law granting a greater density bonus.

(c) (1) (A) An applicant shall agree to, and the city, county, or city and county shall ensure, the continued affordability of all very low and low-income rental units that qualified the applicant for the award of the density bonus for 55 years or a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program.

(B) (i) Except as otherwise provided in clause (ii), rents for the lower income density bonus units shall be set at an affordable rent, as defined in Section 50053 of the Health and Safety Code.

(ii) For housing developments meeting the criteria of subparagraph (G) of paragraph (1) of subdivision (b), rents for all units in the development, including both base density and density bonus units, shall be as follows:

(I) The rent for at least 20 percent of the units in the development shall be set at an affordable rent, as defined in Section 50053 of the Health and Safety Code.

(II) The rent for the remaining units in the development shall be set at an amount consistent with the maximum rent levels for a housing development that receives an allocation of state or federal low-income housing tax credits from the California Tax Credit Allocation Committee.

(2) An applicant shall agree to, and the city, county, or

city and county shall ensure that, the initial occupant of all for-sale units that qualified the applicant for the award of the density bonus are persons and families of very low, low, or moderate income, as required, and that the units are offered at an affordable housing cost, as that cost is defined in Section 50052.5 of the Health and Safety Code. The local government shall enforce an equity sharing agreement, unless it is in conflict with the requirements of another public funding source or law. The following apply to the equity sharing agreement:

(A) Upon resale, the seller of the unit shall retain the value of any improvements, the downpayment, and the seller's proportionate share of appreciation. The local government shall recapture any initial subsidy, as defined in subparagraph (B), and its proportionate share of appreciation, as defined in subparagraph (C), which amount shall be used within five years for any of the purposes described in subdivision (e) of Section 33334.2 of the Health and Safety Code that promote home ownership.

(B) For purposes of this subdivision, the local government's initial subsidy shall be equal to the fair market value of the home at the time of initial sale minus the initial sale price to the moderate-income household, plus the amount of any downpayment assistance or mortgage assistance. If upon resale the market value is lower than the initial market value, then the value at the time of the resale shall be used as the initial market value.

(C) For purposes of this subdivision, the local government's proportionate share of appreciation shall be equal to the ratio of the local government's initial subsidy to the fair market value of the home at the time of initial sale.

(3) (A) An applicant shall be ineligible for a density bonus or any other incentives or concessions under this section if the housing development is proposed on any property that includes a parcel or parcels on which rental dwelling units are or, if the dwelling units have been vacated or demolished in the five-year period preceding the application, have been subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income; subject to any other form of rent or price control through a public entity's valid exercise of its police power; or occupied by lower or very low income households, unless the proposed housing development replaces those units, and either of the following applies:

(i) The proposed housing development, inclusive of the units replaced pursuant to this paragraph, contains affordable units at the percentages set forth in subdivision (b).

(ii) Each unit in the development, exclusive of a manager's unit or units, is affordable to, and occupied by, either a lower or very low income household.

(B) For the purposes of this paragraph, "replace" shall mean either of the following:

(i) If any dwelling units described in subparagraph (A) are occupied on the date of application, the proposed housing development shall provide at least the same number of units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those households in occupancy. If the income category of the household in occupancy is not known, it shall be rebuttably presumed that lower income renter households occupied these units in the same proportion of lower income renter households to all renter households within the jurisdiction, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database. For unoccupied dwelling units described in subparagraph (A) in a development with occupied units, the proposed housing development shall provide units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as the last household in occupancy. If the income category of the last household in occupancy is not known, it shall be rebuttably presumed that lower income renter households occupied these units in the same proportion of lower income renter households to all renter households within the jurisdiction, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database. All replacement calculations resulting in fractional units shall be rounded up to the next whole number. If the replacement units will be rental dwelling units, these units shall be subject to a recorded affordability restriction for at least 55 years. If the proposed development is for-sale units, the units replaced shall be subject to paragraph (2).

(ii) If all dwelling units described in subparagraph (A) have been vacated or demolished within the five-year period preceding the application, the proposed housing development shall provide at least the same number of units of equivalent size as existed at the highpoint of those units in the five-year period preceding the application to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those persons and families in occupancy at that time, if known. If the incomes of the persons and families in occupancy at the highpoint is not known, it shall be rebuttably presumed that low-income and very low

income renter households occupied these units in the same proportion of low-income and very low income renter households to all renter households within the jurisdiction, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database. All replacement calculations resulting in fractional units shall be rounded up to the next whole number. If the replacement units will be rental dwelling units, these units shall be subject to a recorded affordability restriction for at least 55 years. If the proposed development is for-sale units, the units replaced shall be subject to paragraph (2).

(C) Notwithstanding subparagraph (B), for any dwelling unit described in subparagraph (A) that is or was, within the five-year period preceding the application, subject to a form of rent or price control through a local government's valid exercise of its police power and that is or was occupied by persons or families above lower income, the city, county, or city and county may do either of the following:

(i) Require that the replacement units be made available at affordable rent or affordable housing cost to, and occupied by, low-income persons or families. If the replacement units will be rental dwelling units, these units shall be subject to a recorded affordability restriction for at least 55 years. If the proposed development is for-sale units, the units replaced shall be subject to paragraph (2).

(ii) Require that the units be replaced in compliance with the jurisdiction's rent or price control ordinance, provided that each unit described in subparagraph (A) is replaced. Unless otherwise required by the jurisdiction's rent or price control ordinance, these units shall not be subject to a recorded affordability restriction.

(D) For purposes of this paragraph, "equivalent size" means that the replacement units contain at least the same total number of bedrooms as the units being replaced.

(E) Subparagraph (A) does not apply to an applicant seeking a density bonus for a proposed housing development if the applicant's application was submitted to, or processed by, a city, county, or city and county before January 1, 2015.

(d) (1) An applicant for a density bonus pursuant to subdivision (b) may submit to a city, county, or city and county a proposal for the specific incentives or concessions that the applicant requests pursuant to this section, and may request a meeting with the city, county, or city and county. The city, county, or city and county shall grant the concession or incentive requested by the applicant unless the city, county, or city and county makes a written finding, based upon substantial evidence, of any of the following:

(A) The concession or incentive does not result in identifiable and actual cost reductions, consistent with subdivision (k), to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

(B) The concession or incentive would have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact without rendering the development unaffordable to low-income and moderate-income households.

(C) The concession or incentive would be contrary to state or federal law.

(2) The applicant shall receive the following number of incentives or concessions:

(A) One incentive or concession for projects that include at least 10 percent of the total units for lower income households, at least 5 percent for very low income households, or at least 10 percent for persons and families of moderate income in a common interest development.

(B) Two incentives or concessions for projects that include at least 17 percent of the total units for lower income households, at least 10 percent for very low income households, or at least 20 percent for persons and families of moderate income in a common interest development.

(C) Three incentives or concessions for projects that include at least 24 percent of the total units for lower income households, at least 15 percent for very low income households, or at least 30 percent for persons and families of moderate income in a common interest development.

(D) Four incentives or concessions for projects meeting the criteria of subparagraph (G) of paragraph (1) of subdivision (b). If the project is located within one-half mile of a major transit stop, the applicant shall also receive a height increase of up to three additional stories, or 33 feet.

(3) The applicant may initiate judicial proceedings if the city, county, or city and county refuses to grant a requested density bonus, incentive, or concession. If a court finds that the refusal to grant a requested density bonus, incentive, or concession is in violation of this

section, the court shall award the plaintiff reasonable attorney's fees and costs of suit. Nothing in this subdivision shall be interpreted to require a local government to grant an incentive or concession that has a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon health, safety, or the physical environment, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. Nothing in this subdivision shall be interpreted to require a local government to grant an incentive or concession that would have an adverse impact on any real property that is listed in the California Register of Historical Resources. The city, county, or city and county shall establish procedures for carrying out this section that shall include legislative body approval of the means of compliance with this section.

(4) The city, county, or city and county shall bear the burden of proof for the denial of a requested concession or incentive.

(e) (1) In no case may a city, county, or city and county apply any development standard that will have the effect of physically precluding the construction of a development meeting the criteria of subdivision (b) at the densities or with the concessions or incentives permitted by this section. Subject to paragraph (3), an applicant may submit to a city, county, or city and county a proposal for the waiver or reduction of development standards that will have the effect of physically precluding the construction of a development meeting the criteria of subdivision (b) at the densities or with the concessions or incentives permitted under this section, and may request a meeting with the city, county, or city and county. If a court finds that the refusal to grant a waiver or reduction of development standards is in violation of this section, the court shall award the plaintiff reasonable attorney's fees and costs of suit. Nothing in this subdivision shall be interpreted to require a local government to waive or reduce development standards if the waiver or reduction would have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon health, safety, or the physical environment, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. Nothing in this subdivision shall be interpreted to require a local government to waive or reduce development standards that would have an adverse impact on any real property that is listed in the California Register of Historical Resources, or to grant any waiver or reduction that would be contrary to state or federal law.

(2) A proposal for the waiver or reduction of development standards pursuant to this subdivision shall neither reduce nor increase the number of incentives or concessions to which the applicant is entitled pursuant to subdivision (d).

(3) A housing development that receives a waiver from any maximum controls on density pursuant to clause (ii) of subparagraph (D) of paragraph (3) of subdivision (f) shall only be eligible for a waiver or reduction of development standards as provided in subparagraph (D) of paragraph (2) of subdivision (d) and clause (ii) of subparagraph (D) of paragraph (3) of subdivision (f), unless the city, county, or city and county agrees to additional waivers or reductions of development standards.

(f) For the purposes of this chapter, "density bonus" means a density increase over the otherwise maximum allowable gross residential density as of the date of application by the applicant to the city, county, or city and county, or, if elected by the applicant, a lesser percentage of density increase, including, but not limited to, no increase in density. The amount of density increase to which the applicant is entitled shall vary according to the amount by which the percentage of affordable housing units exceeds the percentage established in subdivision (b).

(1) For housing developments meeting the criteria of subparagraph (A) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

PERCENTAGE LOW-INCOME UNITS	PERCENTAGE DENSITY BONUS
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5
16	29
17	30.5
18	32
19	33.5
20	35
21	38.75
22	42.5
23	46.25
24	50

(2) For housing developments meeting the criteria of subparagraph (B) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

PERCENTAGE VERY LOW-INCOME UNITS	PERCENTAGE DENSITY BONUS
5	20
6	22.5

7	25
8	27.5
9	30
10	32.5
11	35
12	38.75
13	42.5
14	46.25
15	50

(3) (A) For housing developments meeting the criteria of subparagraph (C) of paragraph (1) of subdivision (b), the density bonus shall be 20 percent of the number of senior housing units.

(B) For housing developments meeting the criteria of subparagraph (E) of paragraph (1) of subdivision (b), the density bonus shall be 20 percent of the number of the type of units giving rise to a density bonus under that subparagraph.

(C) For housing developments meeting the criteria of subparagraph (F) of paragraph (1) of subdivision (b), the density bonus shall be 35 percent of the student housing units.

(D) For housing developments meeting the criteria of subparagraph (G) of paragraph (1) of subdivision (b), the following shall apply:

(i) Except as otherwise provided in clause (ii), the density bonus shall be 80 percent of the number of units for lower income households.

(ii) If the housing development is located within one-half mile of a major transit stop, the city, county, or city and county shall not impose any maximum controls on density.

(4) For housing developments meeting the criteria of subparagraph (D) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

PERCENTAGE MODERATE-INCOME UNITS	PERCENTAGE DENSITY BONUS
10	5
11	6
12	7
13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16
22	17
23	18
24	19
25	20
26	21
27	22
28	23
29	24
30	25
31	26
32	27
33	28
34	29
35	30
36	31
37	32
38	33
39	34
40	35
41	38.75
42	42.5
43	46.25
44	50

(5) All density calculations resulting in fractional units shall be rounded up to the next whole number. The granting of a density bonus shall not require, or be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval.

(g) (1) When an applicant for a tentative subdivision map, parcel map, or other residential development approval donates land to a city, county, or city and county in accordance with this subdivision, the applicant shall be entitled to a 15-percent increase above the otherwise maximum allowable residential density for the entire development, as follows:

PERCENTAGE VERY LOW-INCOME	PERCENTAGE DENSITY BONUS
10	15
11	16
12	17
13	18
14	19

15	20
16	21
17	22
18	23
19	24
20	25
21	26
22	27
23	28
24	29
25	30
26	31
27	32
28	33
29	34
30	35

(2) This increase shall be in addition to any increase in density mandated by subdivision (b), up to a maximum combined mandated density increase of 35 percent if an applicant seeks an increase pursuant to both this subdivision and subdivision (b). All density calculations resulting in fractional units shall be rounded up to the next whole number. Nothing in this subdivision shall be construed to enlarge or diminish the authority of a city, county, or city and county to require a developer to donate land as a condition of development. An applicant shall be eligible for the increased density bonus described in this subdivision if all of the following conditions are met:

(A) The applicant donates and transfers the land no later than the date of approval of the final subdivision map, parcel map, or residential development application.

(B) The developable acreage and zoning classification of the land being transferred are sufficient to permit construction of units affordable to very low income households in an amount not less than 10 percent of the number of residential units of the proposed development.

(C) The transferred land is at least one acre in size or of sufficient size to permit development of at least 40 units, has the appropriate general plan designation, is appropriately zoned with appropriate development standards for development at the density described in paragraph (3) of subdivision (c) of Section 65583.2, and is or will be served by adequate public facilities and infrastructure.

(D) The transferred land shall have all of the permits and approvals, other than building permits, necessary for the development of the very low income housing units on the transferred land, not later than the date of approval of the final subdivision map, parcel map, or residential development application, except that the local government may subject the proposed development to subsequent design review to the extent authorized by subdivision (i) of Section 65583.2 if the design is not reviewed by the local government before the time of transfer.

(E) The transferred land and the affordable units shall be subject to a deed restriction ensuring continued affordability of the units consistent with paragraphs (1) and (2) of subdivision (c), which shall be recorded on the property at the time of the transfer.

(F) The land is transferred to the local agency or to a housing developer approved by the local agency. The local agency may require the applicant to identify and transfer the land to the developer.

(G) The transferred land shall be within the boundary of the proposed development or, if the local agency agrees, within one-quarter mile of the boundary of the proposed development.

(H) A proposed source of funding for the very low income units shall be identified not later than the date of approval of the final subdivision map, parcel map, or residential development application.

(h) (1) When an applicant proposes to construct a housing development that conforms to the requirements of subdivision (b) and includes a childcare facility that will be located on the premises of, as part of, or adjacent to, the project, the city, county, or city and county shall grant either of the following:

(A) An additional density bonus that is an amount of square feet of residential space that is equal to or greater than the amount of square feet in the childcare facility.

(B) An additional concession or incentive that contributes significantly to the economic feasibility of the construction of the childcare facility.

(2) The city, county, or city and county shall require, as a condition of approving the housing development, that the following occur:

(A) The childcare facility shall remain in operation for a period of time that is as long as or longer than the period of time during which the density bonus units are required to remain affordable pursuant to subdivision (c).

(B) Of the children who attend the childcare facility, the children of very low income households, lower income households, or families of moderate income shall equal a percentage that is equal to or greater than the

percentage of dwelling units that are required for very low income households, lower income households, or families of moderate income pursuant to subdivision (b).

(3) Notwithstanding any requirement of this subdivision, a city, county, or city and county shall not be required to provide a density bonus or concession for a childcare facility if it finds, based upon substantial evidence, that the community has adequate childcare facilities.

(4) "Childcare facility," as used in this section, means a child daycare facility other than a family daycare home, including, but not limited to, infant centers, preschools, extended daycare facilities, and schoolage childcare centers.

(i) "Housing development," as used in this section, means a development project for five or more residential units, including mixed-use developments. For the purposes of this section, "housing development" also includes a subdivision or common interest development, as defined in Section 4100 of the Civil Code, approved by a city, county, or city and county and consists of residential units or unimproved residential lots and either a project to substantially rehabilitate and convert an existing commercial building to residential use or the substantial rehabilitation of an existing multifamily dwelling, as defined in subdivision (d) of Section 65863.4, where the result of the rehabilitation would be a net increase in available residential units. For the purpose of calculating a density bonus, the residential units shall be on contiguous sites that are the subject of one development application, but do not have to be based upon individual subdivision maps or parcels. The density bonus shall be permitted in geographic areas of the housing development other than the areas where the units for the lower income households are located.

(j) (1) The granting of a concession or incentive shall not require or be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, study, or other discretionary approval. For purposes of this subdivision, "study" does not include reasonable documentation to establish eligibility for the concession or incentive or to demonstrate that the incentive or concession meets the definition set forth in subdivision (k). This provision is declaratory of existing law.

(2) Except as provided in subdivisions (d) and (e), the granting of a density bonus shall not require or be interpreted to require the waiver of a local ordinance or provisions of a local ordinance unrelated to development standards.

(k) For the purposes of this chapter, concession or incentive means any of the following:

(1) A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code, including, but not limited to, a reduction in setback and square footage requirements and in the ratio of vehicular parking spaces that would otherwise be required that results in identifiable and actual cost reductions, to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

(2) Approval of mixed-use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located.

(3) Other regulatory incentives or concessions proposed by the developer or the city, county, or city and county that result in identifiable and actual cost reductions to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

(l) Subdivision (k) does not limit or require the provision of direct financial incentives for the housing development, including the provision of publicly owned land, by the city, county, or city and county, or the waiver of fees or dedication requirements.

(m) This section does not supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code). Any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which the applicant is entitled under this section shall be permitted in a manner that is consistent with this section and Division 20 (commencing with Section 30000) of the Public Resources Code.

(n) If permitted by local ordinance, nothing in this section shall be construed to prohibit a city, county, or city and county from granting a density bonus greater than what is described in this section for a development that meets the requirements of this section or from granting a proportionately lower density bonus than what is required by this section for developments that do not meet the requirements of this section.

(o) For purposes of this section, the following definitions shall apply:

(1) "Development standard" includes a site or construction condition, including, but not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation.

(2) "Located within one-half mile of a major transit stop" means that any point on a proposed development, for which an applicant seeks a density bonus, other incentives or concessions, waivers or reductions of development standards, or a vehicular parking ratio pursuant to this section, is within one-half mile of any point on the property on which a major transit stop is located, including any parking lot owned by the transit authority or other local agency operating the major transit stop.

(3) "Major transit stop" has the same meaning as defined in subdivision (b) of Section 21155 of the Public Resources Code.

(4) "Maximum allowable residential density" means the density allowed under the zoning ordinance and land use element of the general plan, or, if a range of density is permitted, means the maximum allowable density for the specific zoning range and land use element of the general plan applicable to the project. If the density allowed under the zoning ordinance is inconsistent with the density allowed under the land use element of the general plan, the general plan density shall prevail.

(p) (1) Except as provided in paragraphs (2), (3), and (4), upon the request of the developer, a city, county, or city and county shall not require a vehicular parking ratio, inclusive of parking for persons with a disability and guests, of a development meeting the criteria of subdivisions (b) and (c), that exceeds the following ratios:

(A) Zero to one bedroom: one onsite parking space.

(B) Two to three bedrooms: one and one-half onsite parking spaces.

(C) Four and more bedrooms: two and one-half parking spaces.

(2) (A) Notwithstanding paragraph (1), if a development includes at least 20 percent low-income units for housing developments meeting the criteria of subparagraph (A) of paragraph (1) of subdivision (b) or at least 11 percent very low income units for housing developments meeting the criteria of subparagraph (B) of paragraph (1) of subdivision (b), is located within one-half mile of a major transit stop, and there is unobstructed access to the major transit stop from the development, then, upon the request of the developer, a city, county, or city and county shall not impose a vehicular parking ratio, inclusive of parking for persons with a disability and guests, that exceeds 0.5 spaces per unit.

(B) For purposes of this subdivision, a development shall have unobstructed access to a major transit stop if a resident is able to access the major transit stop without encountering natural or constructed impediments. For purposes of this subparagraph, "natural or constructed impediments" includes, but is not limited to, freeways, rivers, mountains, and bodies of water, but does not include residential structures, shopping centers, parking lots, or rails used for transit.

(3) Notwithstanding paragraph (1), if a development consists solely of rental units, exclusive of a manager's unit or units, with an affordable housing cost to lower income families, as provided in Section 50052.5 of the Health and Safety Code, then, upon the request of the developer, a city, county, or city and county shall not impose vehicular parking standards if the development meets either of the following criteria:

(A) The development is located within one-half mile of a major transit stop and there is unobstructed access to the major transit stop from the development.

(B) The development is a for-rent housing development for individuals who are 62 years of age or older that complies with Sections 51.2 and 51.3 of the Civil Code and the development has either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day.

(4) Notwithstanding paragraphs (1) and (8), if a development consists solely of rental units, exclusive of a manager's unit or units, with an affordable housing cost to lower income families, as provided in Section 50052.5 of the Health and Safety Code, and the development is either a special needs housing development, as defined in Section 51312 of the Health and Safety Code, or a supportive housing development, as defined in Section 50675.14 of the Health and Safety Code, then, upon the request of the developer, a city, county, or city and county shall not impose any minimum vehicular parking requirement. A development that is a special needs housing development shall have either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day.

(5) If the total number of parking spaces required for a development is other than a whole number, the number shall be rounded up to the next whole number. For purposes of this subdivision, a development may provide onsite parking through tandem parking or

uncovered parking, but not through onstreet parking.

(6) This subdivision shall apply to a development that meets the requirements of subdivisions (b) and (c), but only at the request of the applicant. An applicant may request parking incentives or concessions beyond those provided in this subdivision pursuant to subdivision (d).

(7) This subdivision does not preclude a city, county, or city and county from reducing or eliminating a parking requirement for development projects of any type in any location.

(8) Notwithstanding paragraphs (2) and (3), if a city, county, city and county, or an independent consultant has conducted an areawide or jurisdictionwide parking study in the last seven years, then the city, county, or city and county may impose a higher vehicular parking ratio not to exceed the ratio described in paragraph (1), based upon substantial evidence found in the parking study, that includes, but is not limited to, an analysis of parking availability, differing levels of transit access, walkability access to transit services, the potential for shared parking, the effect of parking requirements on the cost of market-rate and subsidized developments, and the lower rates of car ownership for low-income and very low income individuals, including seniors and special needs individuals. The city, county, or city and county shall pay the costs of any new study. The city, county, or city and county shall make findings, based on a parking study completed in conformity with this paragraph, supporting the need for the higher parking ratio.

(9) A request pursuant to this subdivision shall neither reduce nor increase the number of incentives or concessions to which the applicant is entitled pursuant to subdivision (d).

(q) Each component of any density calculation, including base density and bonus density, resulting in fractional units shall be separately rounded up to the next whole number. The Legislature finds and declares that this provision is declaratory of existing law.

(r) This chapter shall be interpreted liberally in favor of producing the maximum number of total housing units.

(s) Notwithstanding any other law, if a city, including a charter city, county, or city and county has adopted an ordinance or a housing program, or both an ordinance and a housing program, that incentivizes the development of affordable housing that allows for density bonuses that exceed the density bonuses required by the version of this section effective through December 31, 2020, that city, county, or city and county is not required to amend or otherwise update its ordinance or corresponding affordable housing incentive program to comply with the amendments made to this section by the act adding this subdivision, and is exempt from complying with the incentive and concession calculation amendments made to this section by the act adding this subdivision as set forth in subdivision (d), particularly subparagraphs (C) and (D) of paragraph (2) of that subdivision, and the amendments made to the density tables under subdivision (f).

65915.5.

(a) When an applicant for approval to convert apartments to a condominium project agrees to provide at least 33 percent of the total units of the proposed condominium project to persons and families of low or moderate income as defined in Section 50093 of the Health and Safety Code, or 15 percent of the total units of the proposed condominium project to lower income households as defined in Section 50079.5 of the Health and Safety Code, and agrees to pay for the reasonably necessary administrative costs incurred by a city, county, or city and county pursuant to this section, the city, county, or city and county shall either (1) grant a density bonus or (2) provide other incentives of equivalent financial value. A city, county, or city and county may place such reasonable conditions on the granting of a density bonus or other incentives of equivalent financial value as it finds appropriate, including, but not limited to, conditions which assure continued affordability of units to subsequent purchasers who are persons and families of low and moderate income or lower income households.

(b) For purposes of this section, "density bonus" means an increase in units of 25 percent over the number of apartments, to be provided within the existing structure or structures proposed for conversion.

(c) For purposes of this section, "other incentives of equivalent financial value" shall not be construed to require a city, county, or city and county to provide cash transfer payments or other monetary compensation but may include the reduction or waiver of requirements which the city, county, or city and county might otherwise apply as conditions of conversion approval.

(d) An applicant for approval to convert apartments to a condominium project may submit to a city, county, or city and county a preliminary proposal pursuant to this section prior to the submittal of any formal requests for subdivision map approvals. The city, county, or city and county shall, within 90 days of receipt of a written proposal, notify the applicant in writing of the manner in which it will comply with this section. The city, county, or city and county shall establish procedures for carrying out this section, which shall include legislative body approval of the means of compliance with this section.

(e) Nothing in this section shall be construed to require a city, county, or city and county to approve a proposal to convert apartments to condominiums.

(f) An applicant shall be ineligible for a density bonus or other incentives under this section if the apartments proposed for conversion constitute a housing development for which a density bonus or other incentives were provided under Section 65915.

(g) An applicant shall be ineligible for a density bonus or any other incentives or concessions under this section if the condominium project is proposed on any property that includes a parcel or parcels on which rental dwelling units are or, if the dwelling units have been vacated or demolished in the five-year period preceding the application, have been subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income; subject to any other form of rent or price control through a public entity's valid exercise of its police power; or occupied by lower or very low income households, unless the proposed condominium project replaces those units, as defined in subparagraph (B) of paragraph (3) of subdivision (c) of Section 65915, and either of the following applies:

(1) The proposed condominium project, inclusive of the units replaced pursuant to subparagraph (B) of paragraph (3) of subdivision (c) of Section 65915, contains affordable units at the percentages set forth in subdivision (a).

(2) Each unit in the development, exclusive of a manager's unit or units, is affordable to, and occupied by, either a lower or very low income household.

(h) Subdivision (g) does not apply to an applicant seeking a density bonus for a proposed housing development if their application was submitted to, or processed by, a city, county, or city and county before January 1, 2015.

65915.7.

(a) When an applicant for approval of a commercial development has entered into an agreement for partnered housing described in subdivision (c) to contribute affordable housing through a joint project or two separate projects encompassing affordable housing, the city, county, or city and county shall grant to the commercial developer a development bonus as prescribed in subdivision (b).Housing shall be constructed on the site of the commercial development or on a site that is all of the following:

(1) Within the boundaries of the local government.

(2) In close proximity to public amenities including schools and employment centers.

(3) Located within one-half mile of a major transit stop, as defined in subdivision (b) of Section 21155 of the Public Resources Code.

(b) The development bonus granted to the commercial developer shall mean incentives, mutually agreed upon by the developer and the jurisdiction, that may include, but are not limited to, any of the following:

(1) Up to a 20-percent increase in maximum allowable intensity in the General Plan.

(2) Up to a 20-percent increase in maximum allowable floor area ratio.

(3) Up to a 20-percent increase in maximum height requirements.

(4) Up to a 20-percent reduction in minimum parking requirements.

(5) Use of a limited-use/limited-application elevator for upper floor accessibility.

(6) An exception to a zoning ordinance or other land use regulation.

(c) For the purposes of this section, the agreement for partnered housing shall be between the commercial developer and the housing developer, shall identify how the commercial developer will contribute affordable housing, and shall be approved by the city, county, or city and county.

(d) For the purposes of this section, affordable housing may be contributed by the commercial developer in one of the following manners:

(1) The commercial developer may directly build the units.

(2) The commercial developer may donate a portion of the site or property elsewhere to the affordable housing developer for use as a site for affordable housing.

(3) The commercial developer may make a cash payment to the affordable housing developer that shall be used towards the costs of constructing the affordable housing project.

(e) For the purposes of this section, subparagraph (A) of paragraph (3) of subdivision (c) of Section 65915 shall apply.

(f) Nothing in this section shall preclude any additional allowances or incentives offered to developers by local governments pursuant to law or regulation.

(g) If the developer of the affordable units does not

commence with construction of those units in accordance with timelines ascribed by the agreement described in subdivision (c), the local government may withhold certificates of occupancy for the commercial development under construction until the developer has completed construction of the affordable units.

(h) In order to qualify for a development bonus under this section, a commercial developer shall partner with a housing developer that provides at least 30 percent of the total units for low-income households or at least 15 percent of the total units for very low-income households.

(i) Nothing in this section shall preclude an affordable housing developer from seeking a density bonus, concessions or incentives, waivers or reductions of development standards, or parking ratios under Section 65915.

(j) A development bonus pursuant to this section shall not include a reduction or waiver of the requirements within an ordinance that requires the payment of a fee by a commercial developer for the promotion or provision of affordable housing.

(k) A city or county shall submit to the Department of Housing and Community Development, as part of the annual report required by Section 65400, information describing a commercial development bonus approved pursuant to this section, including the terms of the agreements between the commercial developer and the affordable housing developer, and the developers and the local jurisdiction, and the number of affordable units constructed as part of the agreements.

(l) For purposes of this section, "partner" shall mean formation of a partnership, limited liability company, corporation, or other entity recognized by the state in which the commercial development applicant and the affordable housing developer are each partners, members, shareholders or other participants, or a contract or agreement between a commercial development applicant and affordable housing developer for the development of both the commercial and the affordable housing properties.

(m) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

65916.

Where there is a direct financial contribution to a housing development pursuant to Section 65915 through participation in cost of infrastructure, write-down of land costs, or subsidizing the cost of construction, the city, county, or city and county shall assure continued availability for low- and moderate-income units for 30 years. When appropriate, the agreement provided for in Section 65915 shall specify the mechanisms and procedures necessary to carry out this section.

65917.

In enacting this chapter it is the intent of the Legislature that the density bonus or other incentives offered by the city, county, or city and county pursuant to this chapter shall contribute significantly to the economic feasibility of lower income housing in proposed housing developments. In the absence of an agreement by a developer in accordance with Section 65915, a locality shall not offer a density bonus or any other incentive that would undermine the intent of this chapter.

65917.2.

(a) As used in this section, the following terms shall have the following meanings:

(1) "Eligible housing development" means a development that satisfies all of the following criteria:

(A) The development is a multifamily housing development that contains five or more residential units, exclusive of any other floor area ratio bonus or incentive or concession awarded pursuant to this chapter.

(B) The development is located within one of the following:

(i) An urban infill site that is within a transit priority area.

(ii) One-half mile of a major transit stop.

(C) The site of the development is zoned to allow residential use or mixed-use with a minimum planned density of at least 20 dwelling units per acre and does not include any land zoned for low density residential use or for exclusive nonresidential use.

(D) The applicant and the development satisfy the replacement requirements specified in subdivision (c) of Section 65915.

(E) The development includes at least 20 percent of the units, excluding any additional units allowed under a floor area ratio bonus or other incentives or concessions provided pursuant to this chapter, with an affordable housing cost or affordable rent to, and occupied by, persons with a household income equal to or less than 50 percent of the area median income, as determined pursuant to Section 50093 of the Health and Safety Code, and subject to an affordability restriction for a minimum of 55 years.

(F) The development complies with the height

requirements applicable to the underlying zone. A development shall not be eligible to use a floor area ratio bonus or other incentives or concessions provided pursuant to this chapter to relieve the development from a maximum height limitation.

(2) "Floor area ratio" means the ratio of gross building area of the eligible housing development, excluding structured parking areas, proposed for the project divided by the net lot area. For purposes of this paragraph, "gross building area" means the sum of all finished areas of all floors of a building included within the outside faces of its exterior walls.

(3) "Floor area ratio bonus" means an allowance for an eligible housing development to utilize a floor area ratio over the otherwise maximum allowable density permitted under the applicable zoning ordinance and land use elements of the general plan of a city or county, calculated pursuant to paragraph (2) of subdivision (b).

(4) "Major transit stop" has the same meaning as defined in Section 21155 of the Public Resources Code.

(5) "Transit priority area" has the same meaning as defined in Section 21099 of the Public Resources Code.

(b) (1) A city council, including a charter city council or the board of supervisors of a city and county, or county board of supervisors may establish a procedure by ordinance to grant a developer of an eligible housing development, upon the request of the developer, a floor area ratio bonus, calculated as provided in paragraph (2), in lieu of a density bonus awarded on the basis of dwelling units per acre.

(2) In calculating the floor area ratio bonus pursuant to this section, the allowable gross residential floor area in square feet shall be the product of all of the following amounts:

(A) The allowable residential base density in dwelling units per acre.

(B) The site area in square feet, divided by 43,560.

(C) 2,250.

(c) The city council or county board of supervisors shall not impose any parking requirement on an eligible housing development in excess of 0.1 parking spaces per unit that is affordable to persons and families with a household income equal to or less than 120 percent of the area median income and 0.5 parking spaces per unit that is offered at market rate.

(d) A city or county that adopts a floor area ratio bonus ordinance pursuant to this section shall allow an applicant seeking to develop an eligible residential development to calculate impact fees based on square feet, instead of on a per unit basis.

(e) In the case of an eligible housing development that is zoned for mixed-use purposes, any floor area ratio requirement under a zoning ordinance or land use element of the general plan of the city or county applicable to the nonresidential portion of the eligible housing development shall continue to apply notwithstanding the award of a floor area ratio bonus in accordance with this section.

(f) An applicant for a floor area ratio bonus pursuant to this section may also submit to the city, county, or city and county a proposal for specific incentives or concessions pursuant to subdivision (d) of Section 65915.

(g) (1) This section shall not be interpreted to do either of the following:

(A) Supersede or preempt any other section within this chapter.

(B) Prohibit a city, county, or city and county from providing a floor area ratio bonus under terms that are different from those set forth in this section.

(2) The adoption of an ordinance pursuant to this section shall not be interpreted to relieve a city, county, or city and county from complying with Section 65915.

65917.5.

(a) As used in this section, the following terms shall have the following meanings:

(1) "Child care facility" means a facility installed, operated, and maintained under this section for the nonresidential care of children as defined under applicable state licensing requirements for the facility.

(2) "Density bonus" means a floor area ratio bonus over the otherwise maximum allowable density permitted under the applicable zoning ordinance and land use elements of the general plan of a city, including a charter city, city and county, or county of:

(A) A maximum of five square feet of floor area for each one square foot of floor area contained in the child care facility for existing structures.

(B) A maximum of 10 square feet of floor area for each one square foot of floor area contained in the child care facility for new structures.

For purposes of calculating the density bonus under this section, both indoor and outdoor square footage requirements for the child care facility as set forth in applicable state child care licensing requirements shall

be included in the floor area of the child care facility.

(3) "Developer" means the owner or other person, including a lessee, having the right under the applicable zoning ordinance of a city council, including a charter city council, city and county board of supervisors, or county board of supervisors to make an application for development approvals for the development or redevelopment of a commercial or industrial project.

(4) "Floor area" means as to a commercial or industrial project, the floor area as calculated under the applicable zoning ordinance of a city council, including a charter city council, city and county board of supervisors, or county board of supervisors and as to a child care facility, the total area contained within the exterior walls of the facility and all outdoor areas devoted to the use of the facility in accordance with applicable state child care licensing requirements.

(b) A city council, including a charter city council, city and county board of supervisors, or county board of supervisors may establish a procedure by ordinance to grant a developer of a commercial or industrial project, containing at least 50,000 square feet of floor area, a density bonus when that developer has set aside at least 2,000 square feet of floor area and 3,000 outdoor square feet to be used for a child care facility. The granting of a bonus shall not preclude a city council, including a charter city council, city and county board of supervisors, or county board of supervisors from imposing necessary conditions on the project or on the additional square footage. Projects constructed under this section shall conform to height, setback, lot coverage, architectural review, site plan review, fees, charges, and other health, safety, and zoning requirements generally applicable to construction in the zone in which the property is located. A consortium with more than one developer may be permitted to achieve the threshold amount for the available density bonus with each developer's density bonus equal to the percentage participation of the developer. This facility may be located on the project site or may be located offsite as agreed upon by the developer and local agency. If the child care facility is not located on the site of the project, the local agency shall determine whether the location of the child care facility is appropriate and whether it conforms with the intent of this section. The child care facility shall be of a size to comply with all state licensing requirements in order to accommodate at least 40 children.

(c) The developer may operate the child care facility itself or may contract with a licensed child care provider to operate the facility. In all cases, the developer shall show ongoing coordination with a local child care resource and referral network or local governmental child care coordinator in order to qualify for the density bonus.

(d) If the developer uses space allocated for child care facility purposes, in accordance with subdivision (b), for purposes other than for a child care facility, an assessment based on the square footage of the project may be levied and collected by the city council, including a charter city council, city and county board of supervisors, or county board of supervisors. The assessment shall be consistent with the market value of the space. If the developer fails to have the space allocated for the child care facility within three years, from the date upon which the first temporary certificate of occupancy is granted, an assessment based on the square footage of the project may be levied and collected by the city council, including a charter city council, city and county board of supervisors, or county board of supervisors in accordance with procedures to be developed by the legislative body of the city council, including a charter city council, city and county board of supervisors, or county board of supervisors. The assessment shall be consistent with the market value of the space. A penalty levied against a consortium of developers shall be charged to each developer in an amount equal to the developer's percentage square feet participation. Funds collected pursuant to this subdivision shall be deposited by the city council, including a charter city council, city and county board of supervisors, or county board of supervisors into a special account to be used for child care services or child care facilities.

(e) Once the child care facility has been established, prior to the closure, change in use, or reduction in the physical size of, the facility, the city, city council, including a charter city council, city and county board of supervisors, or county board of supervisors shall be required to make a finding that the need for child care is no longer present, or is not present to the same degree as it was at the time the facility was established.

(f) The requirements of Chapter 5 (commencing with Section 66000) and of the amendments made to Sections 53077, 54997, and 54998 by Chapter 1002 of the Statutes of 1987 shall not apply to actions taken in accordance with this section.

(g) This section shall not apply to a voter-approved ordinance adopted by referendum or initiative.

65918.

The provisions of this chapter shall apply to charter cities.

City Council Agenda Statement

Meeting Date: February 21, 2023
Agenda Heading: Staff Presentations
Item Number: D.12

TITLE:

Side Letter Agreement Between the City of El Segundo and the El Segundo Supervisory and Professional Employees' Association

RECOMMENDATION:

1. Approve the Side Letter Agreement between the City of El Segundo and El Segundo Supervisory and Professional Employees' Association.

2. Adopt the Resolution approving the Side Letter Agreement between the City of El Segundo and El Segundo Supervisory and Professional Employees' Association.

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

FISCAL IMPACT:

Thirteen Tier I or Tier II Classic CalPERS SPEA employees will be subject to the side letter; it does not apply to Tier III PEPRA employees. The fiscal impact for FY 2022-23 is de minimus with savings in subsequent years of approximately $19,000 per year. As Classic SPEA members retire or separate from the City, the savings will be reduced. Included in Adopted FY 2022-23 Budget in salaries and benefits.

BACKGROUND:

The City contracts with the California Public Employees' Retirement System (CalPERS) to provide retirement benefits which are funded through employee and employer designated contributions. Employee contributions are negotiated through the meet and confer process and memorialized in a Memorandum of Understanding (MOU) which is ratified by its members and approved by the governing body.

On August 20, 2019, the El Segundo City Council adopted a resolution approving a successor MOU with SPEA for the term October 1, 2018 through September 30, 2022. The adopted and approved SPEA MOU provided that miscellaneous employees defined as "classic" members would increase CalPERS retirement payments by an additional

one percent (1%) for a total employee contribution of eight percent (8%) of compensation beginning September 2021.

Along with the additional withholding, a contract amendment with CalPERS is required to properly allocate the one percent (1%) as an employee contribution. Neither action to begin withholding the additional contribution or amend the CalPERS contract for the cost sharing provision was implemented. The operative MOU expired September 30, 2022 and while the City and SPEA are currently negotiating a successor MOU, both parties have agreed to a Side Letter which begins the additional withholding while the CalPERS contract amendment process moves forward.

The process requires that the City submit the required forms to CalPERS for review and approval, conduct an election of impacted members, approve and adopt a resolution to amend the contract, and receive final notification that the amendment process is complete.

DISCUSSION:

Staff recommends approval of the Side Letter between the City of El Segundo and SPEA which memorializes the agreement to start the previously approved additional one percent (1%) employee contribution to CalPERS and adoption of the associated resolution.

Upon approval of the Side Letter and adoption of the resolution, the City will send the executed documents to CalPERS and request to begin the contract amendment process. Once the documents required to start the contract amendment process have been successfully submitted, the City will begin the one percent (1%) deduction which will constitute an employer contribution. When CalPERS approves the contract amendment, the City will convert the one percent (1%) employer contribution to an employee contribution so that SPEA members receive credit.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 3: Promote a Quality Workforce Through Teamwork and Organizational Efficiencies

Objective: El Segundo is an employer of choice and consistently hires for the future, with a workforce that is inspired, world-class, engaged and innovative.

PREPARED BY:
Rebecca Redyk, Human Resources Director
REVIEWED BY:
Rebecca Redyk, Human Resources Director
APPROVED BY:

Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Side Letter Agreement
2. Resolution Adopting a Side Letter

SIDE LETTER AGREEMENT BETWEEN THE CITY OF EL SEGUNDO AND THE EL SEGUNDO SUPERVISORY AND PROFESSIONAL EMPLOYEES ASSOCIATION

This Side Letter of Agreement ("Agreement") between the City of El Segundo ("City") and the El Segundo Supervisory and Professional Employees Association ("SPEA") (hereinafter referred to as the "Parties") is entered into with respect to the following:

WHEREAS, the Parties are currently parties to a Memorandum of Understanding ("MOU") with a term of October 1, 2018 through September 30, 2022; and

WHEREAS, the MOU provides that "effective on the first day of the first full pay-period in September 2021, miscellaneous employees defined as "classic" members by the California Pension Reform Act of 2013 (AB340) agree to pay an additional one percent (1%) for a total required employee contribution of eight percent (8%) (pre-tax) of compensation" (2018-2022 SPEA MOU, Art. IV, Sec. 1, Subd. (e); Para. i.);

WHEREAS, the City did not start the withholding in September 2021 or withhold the agreed upon amount from "classic" members during the term of the MOU; and

WHEREAS, the Parties are interested in starting the withholding while they negotiate a successor MOU.

WHEREAS, the following sets forth the Parties' Agreement:

Within two (2) weeks of the City Council adopting the resolution approving this side letter, the City will send an executed copy of this side letter to the California Public Employmees' Retirement System ("CalPERS") requesting an amendment to the City's contract with CalPERS in order for the contract to reflect that the additional one percent (1%) that the City is providing to CalPERS is a contribution by members, not the City;

As soon as is practicable following the City's receipt of "Resolution of Intention Packet" from CalPERS, SPEA will conduct an election of the "classic" members in the bargaining unit. As soon as is practicable following the completion of the election, the City will submit to the City Council a resolution authorizing the contract amendment. As soon as is practicable following the City Council's vote on the resolution, the City will submit to CalPERS the forms necessary for CalPERS to review and approve the proposed contract amendment;

In the first full pay period following the City's submission to CalPERS of the forms necessary for CalPERS to review and approve the proposed contract amendment, the City will deduct from each "classic" member's compensation earnable an additional one percent (1%). Until such time as CalPERS approves the contract amendment, this additional one percent (1%) will constitute an employer contribution;

When CalPERS approves the contract amendment, the City will notify SPEA and will change how the City reports the contributions to CalPERS such that SPEA members receive credit for the additional one percent (1%) as a member contribution; and

The following language shall replace the language provided at Article IV Section 1 Subdivision (e) Paragraph i. of the 2018-2022 MOU between the City and SPEA, and shall be incorporated into the successor MOU between the City and SPEA:

> Effective the first pay period following the City's submission to CalPERS of the forms necessary in order for CalPERS to review and approve a proposed amendment to the City's contract with CalPERS, and pursuant to Government Code section 20516, subdivision (f), employees who are considered to be "classic members" (*i.e.*, all employees that do not qualify as "new" members under the Public Employees' Pension Reform Act of 2013 ("PEPRA")) shall contribute an additional one percent (1%) of their compensation earnable toward the employer's required contribution to the California Public Employees' Retirement System ("CalPERS") for retirement benefits.
>
> The one percent (1%) contribution by "classic members" shall be made via payroll deductions and shall be administered by the City.
>
> As a result of the additional contribution, the total withholding for employees who qualify as "classic members" shall increase from the current seven percent (7%) statutory member contribution to eight percent (8%), which shall include the one percent (1%) cost-sharing amount.
>
> The City shall continue such withholding pursuant to Government Code section 20516, subdivision (f), until such time as the City amends its contract with CalPERS, at which time the employee contribution rate shall be governed by the terms of that contract.

FOR THE CITY OF EL SEGUNDO

Darrell George, City Manager — Date: 2-13-23

Rebecca Redyk,
Director of Human Resources — Date: 2-13-2023

Alexander Volberding,
Labor Negotiator — Date: 2/13/2023

FOR THE EL SEGUNDO SUPERVISORY AND PROFESSIONAL EMPLOYEES ASSOCIATION

LaTonya Fair, President — Date: 2/9/2023

Maria Cerritos, Treasurer — Date: 2/9/23

Anthony Esparza, Vice President #2 — Date: 2/9/2023

Ryan Delgado, Vice President #1 — Date: 2/9/2023

Eva Gettler, Secretary — Date: 2/9/2023

Vicky Barker
Labor Negotiator — Date: 02/09/2023

RESOLUTION NO._____

A RESOLUTION ADOPTING A SIDE LETTER AGREEMENT BETWEEN MEMBERS OF THE SUPERVISORY AND PROFESSIONAL EMPLOYEES' ASSOCIATION ("SPEA") AND THE CITY OF EL SEGUNDO TO SHARE THE COSTS OF THE EMPLOYER CONTRIBUTION PURSUANT TO GOVERNMENT CODE SECTION 20516

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

SECTION 1: The City of El Segundo Supervisory and Professional Employees' Association ("SPEA") and the City of El Segundo, are currently parties to a Memorandum of Understanding ("MOU") with a term of October 1, 2018, through September 30, 2022.

SECTION 2: The MOU provides that "effective on the first day of the first full pay-period in September 2021, miscellaneous employees defined as "classic" members by the California Pension Reform Act of 2013 (AB340) agree to pay an additional one percent (1%) for a total required employee contribution of eight percent (8%) (pre-tax) of compensation" (2018-2022 SPEA MOU, Art. IV, Sec. 1, Subd. (e); Para. i.).

SECTION 3: The City did not start the withholding in September 2021 or withhold the agreed upon amount from "classic" members during the term of the MOU.

SECTION 4: Representatives from the City and SPEA met and conferred in good faith to reach a Side Letter Agreement to start the withholding while they negotiate a successor MOU.

SECTION 5: The parties reached agreement on the Side Letter Agreement in or around January 2023.

SECTION 6: In January and February 2023, members of SPEA voted to ratify the Side Letter Agreement to start the withholding while the City completes the formal CalPERS contract amendment process.

SECTION 7: The following language shall replace the language provided at Article IV Section 1 Subdivision (e) Paragraph i. of the 2018-2022 MOU between the City and SPEA, and shall be incorporated into the successor MOU between the City and SPEA:

> Effective the first pay period following the City's submission to CalPERS of the forms necessary in order for CalPERS to review and approve a proposed amendment to the City's contract with CalPERS, and pursuant to Government Code section 20516, subdivision (f), employees who are considered to be "classic members" (*i.e.*, all employees that

do not qualify as “new” members under the Public Employees’ Pension Reform Act of 2013 (“PEPRA”)) shall contribute an additional one percent (1%) of their compensation earnable toward the employer’s required contribution to the California Public Employees’ Retirement System (“CalPERS”) for retirement benefits.

The one percent (1%) contribution by “classic members” shall be made via payroll deductions and shall be administered by the City.

As a result of the additional contribution, the total withholding for employees who qualify as “classic members” shall increase from the current seven percent (7%) statutory member contribution to eight percent (8%), which shall include the one percent (1%) cost-sharing amount.

The City shall continue such withholding pursuant to Government Code section 20516, subdivision (f), until such time as the City amends its contract with CalPERS, at which time the employee contribution rate shall be governed by the terms of that contract.

SECTION 8: The City Clerk is directed to certify the adoption of this Resolution; record this Resolution in the book of the City’s original resolutions, and make a minute of this adoption of the Resolution in the City Council’s records and the minutes of this meeting.

SECTION 9: This Resolution will become effective immediately and will remain effective unless repealed or superseded.

PASSED AND ADOPTED RESOLUTION NO. _____ this 21st day of February, 2023.

_____
Drew Boyles,
Mayor

ATTEST:

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

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. ____ was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ___ day of _____, 2023, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Tracy Weaver, City Clerk

APPROVED AS TO FORM:

_____
Mark D. Hensley, City Attorney

City Council Agenda Statement

Meeting Date: February 21, 2023
Agenda Heading: Staff Presentations
Item Number: D.13

TITLE:

FY 2022-23 Mid-Year Citywide Budget Report, Recommended Adjustments and Resolution to Establish Basic Salary Ranges for the Human Resources Analyst and Utilities Superintendent Classifications

RECOMMENDATION:

1. Receive FY 2022-2023 Citywide Mid-Year Budget Update.

2. Amend FY 2022-2023 General Fund Revenues from $81,750,523 to $83,918,210 and Appropriations from $85,941,128 to $87,755,028 (see exhibit A for details).

3. Amend FY 2022-2023 Certified Unified Program Agency (CUPA) Fund Appropriations from $557,643 to $559,643 (see exhibit A for details).

4. Amend FY 2022-2023 State Grants Fund Appropriations from $0 to $20,000 and revenue from $15,000 to $20,000 (see exhibit A for details).

5. Amend FY 2022-2023 Solid Waste Fund Appropriations from $270,000 to $310,000 (see exhibit A for details).

6. Amend FY 2022-2023 Transportation Fund Appropriations from $4,840,258 to $5,089,664 (see exhibit A for details).

7. Amend FY 2022-2023 Trust Funds – Special Revenue/Donations from $0 to $5,971 (see exhibit A for details).

8. Adopt the proposed Resolution to Establish a Basic Salary Range for the Human Resources Analyst and Utilities Superintendent Classifications.

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

FISCAL IMPACT:

The proposed General Fund, CUPA Fund, State Grants Fund, Trust Fund, Transportation Fund, and Solid Waste Fund Budget adjustments are necessary to ensure FY 2022-2023 ends with a balanced budget on June 30, 2023, as well as ensure City Council strategic goals are implemented. The total fiscal impact on the General Fund is an increase in appropriations of $1,813,900 and an increase to General Fund revenues in the amount of $2,167,688.

An increase in the CUPA Fund (Fund 126) appropriations of $2,000.

An increase to the State Grants Fund (Fund 125) appropriations of $20,000 and revenue of $5,000.

An increase in the Solid Waste Fund (Fund 505) appropriations of $40,000.

An increase in the Trust Fund – Special Revenue/Donations (Fund 702) appropriations of $5,971.

An increase in the Transportation Fund (Fund 112) appropriations of $249,406.

BACKGROUND:

On June 21, 2022, City Council adopted the FY 2022-2023 Citywide Operating and Capital Budget of $158,893,535 for all funds. Of this amount, $85,941,128 was allocated to the General Fund Budget. The General Fund pays for the majority of the City's basic operations, services, and general capital improvement projects. Sample General Fund services include: public safety (police, fire, paramedics, emergency services), public works (highways, streets, engineering), community services (parks, recreation programs, senior programs, teen programs, library, arts & culture), development services (planning, building services, zoning, housing), support services (City Clerk, City Treasurer, finance, information technology, human resources), and general governance and administration (City Council, City Manager, City Attorney).

The following table provides an overview of the adopted FY 2022-2023 Citywide Budget:

No.	Fund Name	FY 2022-23 Adopted Budget	% of Budget
1	General Fund	$85,941,128	54.1%
2	Water Fund	31,359,005	19.7%
3	Transportation Funds	4,340,258	2.7%

4	Debt Service POBs	9,800,000	6.2%
5	Wastewater Fund	6,500,017	4.1%
6	General Fund CIP	7,870,893	5.0%
7	Equipment Replacement Fund	1,386,989	0.9%
8	Workers Compensation Fund	3,263,365	2.1%
9	General Liability Fund	3,572,125	2.2%
10	Dev. Services Trust	0	0.0%
11	Public Safety Special Rev.	1,827,642	1.2%
12	Other Special Rev.	1,805,800	1.1%
13	Rec & Econ Dev Trust Funds	0	0.0%
14	Cultural Dev. Trust Fund	326,000	0.2%
15	Debt Service Fund	545,000	0.3%
16	Solid Waste Fund	270,000	0.2%
17	Senior Housing Fund	75,313	0.0%
18	Golf Fund	10,000	0.0%
19	Economic Uncertainty	0	0.0%
	Total	**$158,893,535**	**100.0%**

The General Fund represents the largest portion of the Citywide Budget at $85,941,128 (54.1%). The Solid Waste Fund total, which is subsidized by the General Fund, is $270,000. Enterprise Funds represent the second largest group at 23.8%, as follows: Water Fund at $31,359,005; Wastewater Fund at $6,500,017; and Golf Fund at $10,000. Internal Service Funds total 5.2%, as follows: Equipment Replacement Fund at $1,386,989; Workers' Compensation Fund at $3,263,365; and General Liability Fund at $3,572,125.

The General Fund Capital Improvement Program (CIP) Fund totals $7,870,893 (or 5.0% of all funds). This includes $2,701,000 in carryover funding from prior fiscal years and $4,145,420 represents funding for new projects. There are a total of 26 General Fund CIP projects that will either be active during the fiscal year or will continue to accumulate funding for future activation.

The remainder of the funds consist of special revenue funds dedicated to specific purposes. These include the Transportation related Funds (Measure M & R, Prop. A & C, Gas Tax, and TDA-3 Funds), Debt Service Fund, Development Services Trust Fund,

Recreation and Parks Fund, Economic Development Fund, Cultural Development Trust Fund, and Senior Housing Project (Park Vista) Fund.

FY 2022-2023 General Fund

The Adopted FY 2022-2023 General Fund Budget preparation process began with uncertainty due to COVID-19 remaining both a health concern and continuing to have a negative impact on some General Fund revenues, particularly the Transient Occupancy Tax. Staff has worked diligently to develop the proposed budget. Through discussions with City Council during the Strategic Planning and Budget Study sessions, the following approach was developed to provide a balanced FY 2022-2023 General Fund Budget:

1. One-time use of OPEB Trust fund: ($1,020,657)
    - Use of the Trust Fund towards the CalPERS unfunded actuarial liability (UAL) complies with the City's UAL policy.

2. Utilize a 5% vacancy rate ($2.4 million)
    - Equivalent to 14 vacant full-time equivalent positions.

3. Reduction to Fire Department Budget of approximately $1 million
    - Brown-out Engine 32 for 6 months in FY 2022-2023; Savings of $50,000 in O&M.
    - Brown-out a Captain position on all three shifts for 6 months: Approximate savings of $400,000
    - Freeze one Captain position for 6 months in FY 2022-2023: Approximate savings of $225,000.
    - Freeze Emergency Management Coordinator & O&M for Division: Approximately $364,000 in savings; $128,000 (personnel) + $236,000 (O&M)

It is the City's practice to prepare quarterly budget updates. On December 6, 2022, City Council was provided with a FY 2022-2023 First Quarter Budget Update for the General Fund and Enterprise Funds.

DISCUSSION:

Please refer to the attached report for discussion of the FY 2022-2023 mid-year Budget review.

In addition to the attached financial discussion, the following information discusses personnel requests from various departments. The Human Resources and Fire

Department requests will have an impact on the FY 2022-23 budget. The remaining requests will have no fiscal impact in FY 2022-23. However, there will be a budget impact for subsequent years for each of the following personnel requests. Human Resources, Fire, and Public Works are requesting new full-time positions (new FTEs). The remaining requests are reorganizing existing department positions to better meet the long-term business model of the City. The fiscal impact of each request is detailed below.

Fire

Request: Convert the part-time Fire Prevention Specialist I position to full-time Fire Prevention Specialist I.

Background: Department is budgeted for two full-time Fire Prevention Specialist I-II. Currently staffed with one (1) full-time Fire Prevention Specialist II and one part-time Fire Prevention Specialist I. If request is approved, would be budgeted for three (3) Fire Prevention Specialist I-II in total.

Discussion:
Per Sections 13146 and 13217 of the Health and Safety Code, the state mandates the inspections of apartments, hotels, schools, institutions, and high-rises. Our SB 1205 report identified that the City of El Segundo is out of compliance with state-mandated inspections, currently at 45%. El Segundo Fire Department is asking for additional staffing due to the fact that they were unable to hire three (3) fire prevention interns due to bargaining unit concerns of interns performing work that falls under the represented positions in the CEA unit.

Hiring an additional Fire Prevention Specialist will reduce the fees paid to Dennis Grubb and Associates for plan check services. It also provides for succession planning. There have been increasing demands from new construction projects including the Chargers Training Facility, Beyond Meat, and new large-scale projects including a high-rise building. Additional staffing would allow for the El Segundo Fire Department to continue a high level of customer service to our current and incoming businesses.

Cost: If approved, positions will be able to be filled in March 2023 from the recruitment currently in process. The fiscal impact for FY 2022-23 will be $37,000 and subsequent years will be $110,000 - $120,000. Fiscal impact could be offset by the provision implemented in July 2022 to obtain 100% cost recovery of fees for fire prevention. We have recovered approximately $250,000 since the new fees were implemented and are projected to recover in excess of $500,000 by the end of the fiscal year.

Human Resources

Request: Add one (1) full-time Human Resources Analyst

Background: Department is budgeted for (5) five full-time staff total. Currently staffed with (2) Human Resources Technicians, (1) Senior Human Resources Analyst, (1)

Human Resources Manager and (1) Human Resources Director. One (1) Human Resources Technician is underfilling a budgeted Human Resources Analyst position.

Discussion:
As referenced in the Society for Human Resources Management (SHRM) study How Organizational Staff Size Influences HR Metrics, "A large HR-to-employee ratio for small organizations suggests that it takes a minimum number of HR employees to deliver core services, such as recruiting, benefits and employee relations. But once a minimum number of HR staff members are hired, the incremental amount of HR FTEs required to support large organizations does not increase at the same rate."

A survey of Human Resources departments in our comparable agencies with both Police and Fire Departments shows the following staffing levels:

Agency	#HR Staff	# Bargaining Units	FTE
Culver City	16 (3 of these are in Risk Management)	6	781
El Segundo	5	7	517
Manhattan Beach	8.5	9	488
Redondo Beach	4.5	8	782
Santa Monica	28	14	2024
Torrance	11	16	1681

In comparison to our neighboring city with a similar number of Full Time Equivalent (FTE), we have 3.5 fewer Human Resources employees (70% less staff) to deliver core services. The department has experienced significant turnover at the Director level with the prior two incumbents serving 1 year and 10 months and 1 year and 3 months respectively. As a result, internal departments absorbed some of the Human Resources Department's functions and other programs remained status quo. While the Human Resources Department has made significant strides in rebuilding core services (i.e., improved benefits and electronic open enrollment process, recruitment, compliance with CalPERS and other regulations) while also providing programs that increase engagement (i.e., wellness campaigns, health fair, citywide training, service award recognition), there remains a substantial amount of work that needs to be completed to bring all services and programs to a level that promotes best practices and stives to meet the Strategic Plan Goal 3: "Promote a quality workforce through teamwork and organizational efficiencies" and Objective: "El Segundo is an employer of choice and consistently hires for the future, with a workforce that is inspired, world-class, engaged, and innovative."

Ongoing and upcoming projects and initiatives include the following: completing labor negotiations with all represented groups, update of the Administrative Code for unrepresented Management and Confidential series, several classification and compensation items, reorganization of divisions and departments, CalPERS contract amendments, implementation of electronic onboarding and performance evaluation modules, investigations/litigation, and more items. Additionally, Human Resources will be working with closely with the Information Technology and Finance Departments in the Request for Proposal (RFP) and implementation of a new Enterprise Resource Planning (ERP) system to replace Eden which will no longer be supported in four years. This implementation is expected to absorb significant staff time and be at least two years in duration.

The department conducted two recruitments in the last two years to fill the budgeted Human Resources Analyst but decided to underfill the position with a Human Resources Technician due to the available candidates at that time and to also provide a promotional opportunity for the Technician to move to the Analyst position once additional experience, knowledge, and skills were obtained. The salary of the Human Resources Analyst position is currently $8,436 at top step while the Management Analyst is $8,611 per month. It is recommended that for internal parity to place the salary range of the Human Resources Analyst at $8,611 and update the job specification to increase the experience required from two years to three years.

Cost: The Human Resources Analyst is covered under the Administrative Code for the Management and Confidential Series (unrepresented). The proposed salary for the Human Resources Analyst's top step salary is $8,611 per month, the same as the Management Analyst salary. If approved, position will likely not be filled until the end of May 2023, so funding in FY 2022-2023 will be needed for approximately one month in the amount of $10,000. Subsequent fiscal years would result in additional budget costs of $120,000 - $140,000.

The proposed resolution would establish a salary range for the Human Resources Analyst and Utilities classification.

Information Technology

Request: Eliminate one Technical Services Analyst position and establish one new Information Technology Services Manager position.

Background: One (1) full-time Information Technology Services Manager oversees both help desk and technical services functions, which has been supplemented by two (2) primary project management consultants working full-time hours.

Department is currently budgeted with one (1) GIS Analyst, one (1), Senior Network Assistant, one (1) Information Systems Specialist, three (3) Technical Services Analyst, one (1) Administrative Specialist, one (1) Information Technology Services Manager, and one (1) Information Technology Services Director. The GIS Analyst is vacant with

some work being performed by a consultant, the Administrative Specialist is also vacant and is under review in a classification study, one (1) Technical Services Analyst is vacant, and both project management consultant assignments have been ended.

Discussion: The new Information Technology Services Director was hired in September 2022 and was tasked with assessing, evaluating, and making recommendations on the most effective and functional structure of the department to provide a higher level of service to internal and external customers. Shortly after the Director position was filled, the Information Technology Services Manager position became vacant. One project management consultant separated from the City and the second consultant's assignment was ended to comply with CalPERS regulations. This request to eliminate one (1) Technical Services Analyst position and establish one (1) new Information Technology Services Manager position reorganizes the department positions to improve workflow and redirects funding previously allocated for project management consultants to staff positions while also eliminating CalPERS concerns.

With the reorganization, the department would have one (1) Information Technology Services Manager overseeing help desk functions and one (1) Information Technology Services Manager overseeing technical services functions. Pending the results of the classification study, the Administrative Specialist position may be recommended for reclassification. Further review and evaluation are ongoing for the help desk positions and GIS Analyst.

Cost: The fully loaded cost of the new Information Technology Services Manager is $202,137 less the savings from the Technical Services Analyst fully loaded cost of $170,665, for an approximate difference of $31,500. Additionally, the hourly bill rate of the project management consultant was $122.84 for a cost of $255,507 annually for full-time hours worked. If approved, the position will likely not be filled until the end of May 2023, so funding in FY 2022-2023 will be needed for approximately one month which can be absorbed into the IT budget due to current vacancies. Subsequent fiscal years would result in additional budget costs of $30,000 - $35,000.

Police

Modification Request One

Request: Reclassify one (1) Police Assistant II position assigned to the Traffic Division to an Administrative Specialist position.

Background: The Department is budgeted for seven (7) Police Assistant I-II positions. This is a support classification that is utilized in both the Records and Traffic Divisions. Six (6) positions are allocated to Records and one (1) to Traffic.

Discussion: The Police Assistant II position assigned to the Traffic Division performs duties of an administrative nature that are more closely aligned with the Administrative Specialist job classification. Additionally, the traffic Division assignment includes

separate and distinct duties that are not performed by other Police Assistant II positions assigned to Records, requiring additional knowledge and skills. Examples of some duties include coordination of the parking citation program including all entries and administrative reviews, hearings, and complaint process. Scheduling for all special events and compiling comprehensive billing statements for reimbursable overtime, planning and coordination of animal control clinics and license renewals, coordinator for alarm permits as well as the Oversize Vehicle Permits program. These duties require the employee to develop extensive program knowledge while exercising initiative, decision making and independent judgement.

Cost: The Police Assistant II is covered under the Police Support Services Employees Association (PSSEA) and the Administrative Specialist is covered under the City Employees' Association (CEA) with similar compensation provisions offered under the respective Memorandum of Understandings (MOU). The Police Assistant II top step salary is $5,066 per month and Administrative Specialist is $5,604 per month. If approved, position will be filled from an existing eligibility list established in November 2022 from the Administrative Specialist recruitment. No additional funding is required for FY 2022-23. Subsequent fiscal years will require an additional $7,000 per year.

Request Two

Request: Reclassify one (1) Management Analyst position assigned to the Administrative Services Division to a Senior Management Analyst position.

Background: The Department is budgeted for one (1) Management Analyst position. This is a support classification that reports to the Administrative Services Police Captain.

Discussion: The incumbent Management Analyst has been serving in this position for more than three years. Over time, the position has taken on additional duties of a higher complexity requiring additional knowledge, skills, and increased independent judgment. The candidate seeks out and manages several state and federal grants related to police equipment and resources. She is required to audit expenditures and serves as the point of contact for the Department. The candidate must work cooperatively with varied City staff in the Department and outside, while handling tasks that arise simultaneously and unexpectedly. She manages all contracts and service agreements, investigates and addresses vendor contract issues as appropriate.

Cost: Both the Management Analyst and the Senior Management Analyst are covered under the Administrative Code for the Management and Confidential Series (unrepresented). The Management Analyst top step salary is $8,611 per month and Senior Management Analyst is $9,355 per month. If approved, a closed promotional recruitment will be conducted to establish an eligibility list for the reclassified position. No additional funding is required for FY 2022-23. Subsequent fiscal years will require an additional $10,000 per year.

Public Works

Request: Establish one (1) Utilities Superintendent (At-will) to oversee both water and wastewater functions.
Background: A study of the structure of the Public Works Department has been completed and the consultant has recommended the consolidation of water and wastewater functions under a Utilities Division to align with best practices and improve efficiencies.

Discussion: Currently, the water and wastewater functions are split over two divisions. Water employees report to the Water Supervisor while wastewater employees report to the recently updated General Services Manager position (now General Services Superintendent At-Will).

The reorganization of the water and wastewater function would establish a Utilities Superintendent which is in alignment with the responsibility at a level more equivalent to the General Services Superintendent and the City Engineer. Both the Water Supervisor and Wastewater Supervisor positions would report to the Utilities Superintendent.

Cost: The Utilities Superintendent (At-will) would be covered under the Administrative Code for the Management and Confidential Series (unrepresented). The recommended salary range for the Utilities Superintendent is the same as the General Services Superintendent which is $10,233 to $12,279 per month. The fully loaded cost of the new Utilities Superintendent position is between $182,000 to $212,000 per year. This cost could be split evenly between Water & Wastewater Enterprise Funds, with no impact on the General Fund. If approved, the position will likely not be filled until the end of May 2023. Funding in FY 2022-2023 will be needed for approximately one month which can be absorbed into the existing budget due to vacancies in the Water and Wastewater Enterprises during the current fiscal year. Subsequent fiscal years would result in additional budget costs of $182,000 - $212,000.

The proposed Resolution would establish a salary range for the Utilities Superintendent classification.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion Economic Development and Fiscal Sustainability

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

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

ATTACHED SUPPORTING DOCUMENTS:

1. FY 2022-23 Mid-Year Budget Report
2. Resolution Establishing Basic Salary Range
3. Exhibit A - Itemization of Mid-Year Appropriation Requests - FY2022-2023

DISCUSSION:

Staff has reviewed all revenues and expenditures through the first sixth months (July-December) of FY 2022-2023, with an emphasis on the General Fund, to determine if all sources and uses are on target with the originally adopted budget. The following is a brief review of the first sixth months of FY 2022-2023 revenues and expenditures, as well as other funds, with noted activity from the second quarter (July-December 2022):

FY 2022-2023 General Fund Revenues

No.	Revenue Source	*FY 2022-2023 Budget*	*Actual Through 12/31/2022*	*% of Budget Received*	*Prior Year Actual Through 12/31/2021*
1	Sales & Use Tax	$12,950,000	$5,685,037	43.9%	$3,873,490
2	Business License	$11,935,200	$2,052,076	17.2%	$1,290,694
3	Transient Occupancy Tax	$11,040,000	$4,905,164	44.4%	$4,340,647
4	Property Tax	$10,145,860	$4,049,476	39.9%	$3,805,389
5	Chevron Tax Reso Agreement	$7,578,805	$0	0.0%	$0
6	Utility User Tax (UUT)	$7,269,908	$3,743,362	51.5%	$2,984,880
7	Charges for Services	$4,797,150	$2,753,526	57.4%	$2,360,574
8	Transfers In	$3,052,390	$2,146,733	70.4%	$2,011,733
9	Franchise Tax	$3,300,000	$125,323	3.8%	$76,454
10	Other Revenues	$2,163,683	$1,080,316	26.2%	$1,020,365
11	Intergovernmental	$2,231,761	$46,959	2.1%	$79,142
12	License & Permits	$2,100,000	$1,518,646	72.3%	$1,049,274
13	Interest & Rental Income	$2,874,000	$1,411,802	47.0%	$238,296
14	Fines & Forfeitures	$311,766	$266,313	85.4%	$196,193
Total General Fund Revenues		**$81,750,523**	**$29,784,733**	**36.5%**	**$23,327,131**

The above displays FY 2022-23 General Fund budgeted revenues ($81,750,522) and the first six months of FY 2022-23 revenue compared to the first six months of revenue from FY 2021-22.

Sales & Use Tax, Property Tax, and Utility User Tax all showed increases in revenues. Fines & Forfeitures experienced increased revenue particularly in City Code Fines, Parking Fines, and Towing Services Fines. Transient Occupancy Tax reflects an increase due to increased occupancy rates, which will be discussed later in this report.

Intergovernmental revenue showed very little activity through the second quarter; lagging payments for VLF will likely be reflected in the third quarter financial report.

Interest & Rental Income includes the City's investment earnings, leased property, as well as the TopGolf ground lease.

Revenue totals are generally trending higher in the second quarter of the current fiscal year than they did in the previous fiscal year second quarter: $6,457,602 over the prior year.

Revised General Fund Revenues:

The Adopted FY 2022-2023 General Fund revenue estimate was $81,750,522. Staff's revised year-end revenue estimate is $83,918,210. This reflects an increase of $2,167,688 or 2.7%. This is primarily due to fluctuations of certain General Fund revenues which are described in detail in the discussion under General Fund revenue analysis. The following table reflects the revised revenue estimates:

No.	General Fund Revenue	FY 2022-2023 Adopted Revenue	FY 2022-2023 Year-End Est.	Dollar Change	% Change
1	Sales & Use Tax	$12,950,000	$14,600,000	$1,650,000	12.7%
2	Business License	11,935,200	11,300,000	(635,200)	-5.3%
3	Transient Occupancy Tax	11,040,000	12,500,000	1,460,000	13.2%
4	Property Tax	10,145,860	10,145,860	0	-
5	Chevron Tax Reso Agreement	7,578,805	7,578,805	0	-
6	Utility User Tax (UUT)	7,269,908	7,431,908	162,000	2.2%
7	Charges for Services	4,797,150	4,797,150	0	-
8	Transfers In	3,052,390	2,191,733	(860,657)	-28.2%
9	Franchise Tax	3,300,000	3,500,000	200,000	6.1%
10	Other Revenues	2,163,683	2,163,683	0	-
11	Intergovernmental	2,231,761	2,258,306	26,545	1.2%
12	License & Permits	2,100,000	2,200,000	100,000	4.8%
13	Interest & Rental Income	2,874,000	2,874,000	0	-
14	Fines & Forfeitures	311,766	376,766	65,000	20.8%
Total General Fund Revenues		**$81,750,523**	**$83,918,210**	**$2,167,688**	**2.7%**

FY 2022-2023 General Fund Revenue Analysis

Four revenue sources are estimated to experience moderate increases, mainly due to changes in the economic climate: Sales & Use Tax, Transient Occupancy Tax, Utility User Tax, and Franchise Tax. Intergovernmental Revenue, Licenses & Permits, and Fines & Forfeitures are also anticipated to experience increases by year-end.

Two revenue sources are estimated to experience significant to moderate reductions due to various reasons: Business License Tax (BLT), and Transfers-In.

The following provides more details associated with the General Fund's 15 revenue categories.

1. Sales & Use Tax
   The revised year-end revenue estimate was increased by $1,650,000 (12.7%). This is primarily due to higher fuels prices, increase in B2B transactions, and Topgolf transactions on food and beverage items which are subject to sales tax. This is separate from the Topgolf agreement that guarantees 3% of beverage sales to the City paid out on an annual basis ninety days from the date of first opening operations to the public. The 3% of beverage sales is expected to be paid to the City in mid-July 2023 and will be included with the FY 2023-24 General Fund revenues.

2. Business License Tax
   Revenues are estimated to be down by $635,200 (-5.3%) due to some businesses that are no longer operating in the City in 2023, lower head count by a few of the businesses, and some smaller businesses moving into vacated business locations. Business License Tax Measure BT passed by El Segundo voters in November 2022. Measure BT will be effective January 2024 and will generate, approximately, an additional $3 million dollars.

3. Property Tax
   The year-end revenue estimate is unchanged.

4. Transient Occupancy Tax
   The revised year-end revenue estimate is up by $1,460,000 (13.2%). This revenue source is driven by two factors: hotel occupancy rates and room charges. In the second quarter of 2022, occupancy rates trended higher than those in the previous period in calendar year 2021. The occupancy rate in October 2022 was 85.7%, which was the highest rate in the calendar year 2022. Room rates were higher in October and November 2022 than those in the same time period in 2021, but lower in December. While TOT is improving from the previous year, it is still lower than the pre-COVID level of approximately $15 million.

5. Chevron Tax Resolution Agreement (TRA)
   The year-end revenue estimate is unchanged. The payment is based upon the prior year's actual tax revenue received from Chevron plus a "true-up" payment to be paid

once the actual tax revenues have been reconciled. Per the agreement there is an established annual tax ceiling for Chevron that is increased each year by the applicable Consumer Price Index (CPI). The Chevron TRA expires on September 30, 2027.

6. Utility User Tax

   The year-end revenue estimate is up $162,000 (2.2%) primarily due to increased commodity prices in natural gas and electricity, which drive price increases to the consumer, and ultimately increase the UUT received by the City. Cogenerated UUT, Chevron, is also higher.

7. Charges for Services

   The year-end revenue estimate is unchanged. Staff will bring the master fee schedule to City Council in April or May to apply the annual consumer price index (cpi) increase, as well as specifically review Recreation and Park programming charges and any adjustments that may be recommended to the fee structure.

8. Transfers-in

   The Adopted Budget anticipated a transfer-in of $1,020,657 from the City's Pension Trust. Due to the overall increase in General Fund revenues, the Chief Financial Officer is recommending to no longer transfer funds from the OPEB Trust due to the overall General Revenues performing better than anticipated. The recommendation of transferring $1.02 million from the Pension Trust was approved in the adopted budget. This number is offset slightly by an addition of $160,000 to Transfers-In for Equipment Replacement for the Wiseburn Aquatic Center pool heater repair.

9. Franchise Tax

   The year-end revenue estimate is increased by $200,000 (6.1%) due to anticipated higher revenues for SoCal Edison and The Gas Company.

10. Other Revenue

    The year-end revenue estimate is unchanged.

11. Intergovernmental Revenue

    The year-end revenue is estimated to increase by $26,545 (1.2%) in the Vehicle License Fee (VLF) Swap, wherein the State distributes a portion of vehicle license fees to local governments to use for any spending purposes. This revenue is received by the City in January and May of each fiscal year.

12. Licenses and Permits

    The year-end revenue estimate is up by $100,000 (4.8%) due to an increase in building permits. This reflects an increase in local development activity.

13. Interest Earnings & Rental Income

The year-end revenue estimate is unchanged. This category includes investment income earned on the City investment portfolio, the Topgolf ground lease, and lease agreements of City assets/property.

14. Fines & Forfeitures

The year-end revenue estimate is up by $65,000 (20.8%) due to an increase in City Code Fines.

General Fund Expenditures:

	Expenditure Source	FY 2022-23 Adopted Budget	2nd Quarter FY23 Expenditures July 1- December 31, 2022	% of Budget Expensed July - December	July 1, 2021 – December 31, 2021
1	Police	$20,378,246	$10,704,351	53%	$9,102,103
2	Fire	13,564,268	6,876,286	51%	7,019,026
3	Transfers Out	13,985,120	1,825,637	13%	12,586,208
4	Public Works	7,154,856	3,123,145	44%	3,696,957
5	Non-departmental	6,128,801	3,271,567	53%	3,177,894
6	Community Services	8,685,569	3,953,414	46%	2,176,431
7	Community Develop.	3,828,987	1,241,478	32%	1,133,094
8	Information Technology	3,741,130	1,151,900	31%	1,254,571
9	City Manager	2,850,000	1,008,218	35%	1,079,781
10	Finance	2,576,681	1,107,519	43%	1,015,285
11	Human Resources	1,492,491	546,088	37%	388,155
12	City Attorney	770,450	316,031	41%	227,876
13	City Clerk	568,511	163,989	29%	216,166
14	City Council	216,018	126,583	59%	151,251
15	COVID-19	-	-	0%	264,815
16	COVID-19 Reimbursements	-	(168,652)	-	(125,535)
	Total General Fund Expenditures	**$85,941,128**	**$35,247,554**	**41%**	**$43,364,079**

As noted in the table above, most of the City Departments/Operations are trending below or near the adopted appropriations of 50% expensed through December 31, 2022. Anomalies are explained below with brief explanations.

Item #3, Transfers Out, the recording of the Pension Obligation Bond payment (POBs) of $9.7 million was recorded in December in FY 2021-22. In FY 2022-23 the POBs payment

was recorded in January, pushing the expense to the 3rd quarter, This accounting entry transaction is the reason for the difference in Transfers Out, as well the total expenditures.

The Non-departmental fund experienced a large expense in the month of December 2022, due to annual vacation and sick leave payouts. As explained during the First Quarter report, the City is not billed until mid-October for attorney services provided in July, August, and September, so the second quarter actuals are reflective of multi-months of activity, as expected. Also, the City Attorney billings have increased over the prior year due to increased employment claims and lawsuits. HR's expenditures are higher than the previous year due to being fully staffed, as well as an increase in labor negotiations and employment claims and investigations. Community Services expenditures are considerably higher than the previous year, but in line with the adopted budget, due to all programming coming back compared to the prior year which still had COVID restrictions.

Both Fire and Police show slight over-budget totals mainly due to overtime. Some overtime pay for the Police department which was reimbursable is not reflected against the expenditures. Additionally, there was a quarterly payment made in December 2022 for South Bay Regional Public Communications Authority (dispatch center) that had been the previous fiscal year in January; this is another source of variance between the previous fiscal year Police expenditures and the current fiscal year.

Expenditure totals are generally, with some exceptions, trending lower in the second quarter of the current fiscal year than they did in the previous fiscal year second quarter. Expenditures in the current fiscal year are offset by $168,652 from FEMA reimbursements received either in part or in full for three of the City's thirteen total COVID-19 related projects submitted to FEMA for reimbursement. Claims to FEMA were first submitted by the City in FY 2021-22. To date, the City has been reimbursed $568,522 out of total claims of $4,280,733.

FY 2022-2023 General Fund Expenditures

The Adopted FY 2022-2023 General Fund Budget was $85,941,128. The revised year-end estimate is $87,755,028. This reflects a $1,813,900 (2.1%) increase from the adopted budget. Most of the departments are expected to end the fiscal year at or near their adopted budgets. The following table reflects the revised expenditures by department:

General Fund Appropriations					
No.	**Department**	**FY 2021-2022 Adopted Budget**	**FY 2021-2022 Year-end Estimate**	**$ Change**	**% Change**
1	Police	$20,378,246	$20,628,246	$250,000	1%
2	Fire	13,564,268	14,374,268	$810,000	6%
3	Transfers Out	13,985,120	13,985,120	$0	0%
4	Public Works	7,154,856	7,504,856	$350,000	5%
5	Non-Departmental	6,128,801	6,328,801	$200,000	3%
6	Recreation, Park and Library	8,685,569	8,722,569	$37,000	0%
7	Community Development Department	3,828,987	3,828,987	$0	0%
8	Information Technology	3,741,130	3,741,130	$0	0%
9	City Manager	2,850,000	2,850,000	$0	0%
10	Finance	2,576,681	2,576,681	$0	0%
11	Human Resources	1,492,491	1,659,391	$166,900	11%
12	City Attorney	770,450	770,450	$0	0%
13	City Clerk	568,511	568,511	$0	0%
14	City Council	216,018	216,018	$0	0%
	Total	**$85,941,128**	**$87,755,028**	**$1,813,900**	**2.1%**

FY 2022-2023 General Fund Expenditure Analysis & Additional Appropriation Requests

Most of the departments are expected to end the fiscal year at or near their adopted budgets.

The following discussion provides more details with respect to the three departments that are anticipated to experience increased year-end expenditures.

- Police
  An increase of $250,000 is due to an increase in Patrol overtime.

- Fire
  An increase of $810,000 (6%): $698,000 is due to an increase in Suppression replacement leave overtime; $75,000 is due to continued increases in development and projects in the City, which increases the plan check consultant fees for the Fire Prevention division; and $37,000 for the new Fire Prevention Specialist I position anticipated to be filled by the end of March 2023, pending City Council approval.

- Public Works
  The revised year-end expenditure estimate is increasing by $350,000 (6%) is due to the following: $125,00 for additional inspection services, architect services, and grant application assistance; $20,000 for library boiler repair; $35,000 for temp staffing services; $20,000 for street signage and $30,000 for supplies for street maintenance; and $120,000 for pool covers, additional maintenance and supplies for all three pools ($50,000 for pool covers; $70,000 for maintenance and supplies, particularly chlorine, for which there has been a substantial recent price increase).

- Nondepartmental
  An increase of $200,000 (3%) is necessary to cover the increase cost for retiree medical due to a greater number of new retirements than anticipated in the adopted budget.

- Recreation, Park & Library
  An increase of $37,000 is due to additional funding requested for Tennis Court #6 and Volleyball resurfacing ($20k); Brett Field scoreboard wiring to Announcers Booth ($7k); and for Refurnish/Refinishing the Teen Center ($10k).

- Human Resources
  The revised year-end expenditure estimate is up by $166,900 (11%) due to the following: $25,000 an increase in employee investigations; $65,000 for legal fees; $9,800 to contract out for Livescan (fingerprinting new employees) services; $50,000 for executive coaching; $10,000 for the new analyst position anticipated to begin in late May; $5,000 for employee recognition; and $2,100 for operating supplies.

As is the case with most California cities, El Segundo has historically budgeted to fill 100% of all budgeted positions. Cities are seldom fully staffed at 100%. At the time of the FY 2022-2023 budget adoption, the City had about 24 vacant General Fund positions. This represented about 9% of the 277 full-time budgeted General Fund positions (excluding elected officials). After careful analysis and discussion with City Council during the FY 2022-2023 Strategic Plan Study Session, the Adopted FY 2022-2023 Budget included a 5% vacancy rate built into each department budget (except for City Clerk and HR due to those being departments with 5 full-time staff or less), rather than freezing full-time vacant positions, which has been done for the past three fiscal years.

As part of the comprehensive long-term Strategic Financial Plan, each department will develop long-term staffing plans and reassess their organizational structure to provide essential services in the most cost-effective manner. Each department will be required to take a closer look at future year staffing levels.

Estimated Fund Balance for General Fund

With the Adopted FY 2022-23 Budget, the projected ending General Fund unassigned fund balance for June 30, 2022 was $27,898,675 based on the unaudited financials for FY 2021-2022. The audit for FY 2021-2022 was completed on January 24, 2023. The

audited financials resulted in a revised ending fund balance for June 30, 2022, in the amount of $31,974,382. The increase in unassigned fund balance is due to the following factors: year-end FY 2021-22 expenditures lower than anticipated due to vacancies and FY 2021-22 General Fund revenues higher than anticipated.

As a reminder, "fund balance" is defined as the difference between assets and liabilities and is contained within reserved, unreserved, designated, or undesignated categories. City policy is to set the General Fund reserve levels at 20%-25% of appropriations. The policy discussion on what reserve level is appropriate for each fiscal year and use of any additional unassigned reserves will take place with the development and adoption of the FY 2023-2024 Budget.

The table below represents the General Fund's revised estimated year-end unassigned fund balance and reserves for FY 2022-2023. The unassigned fund balance is the amount of financial resources immediately available for use and may be used at the discretion of City Council.

Revised General Fund "Fund Balance" for Fiscal Year 2022-2023

The following represents the General Fund's projected year-end "fund balance" and reserves for FY 2022-2023:

Description	7/1/2022 (estimated)	Revised Year-end Estimate (based on FY 2021-22 ACFR)
Beginning Unassigned Fund Balance on July 1, 2022	$27,898,675	$31,974,382
FY 2022-23 Revenues	$81,750,523	$83,918,210
FY 2022-23 Expenditures One-time expenditures:	-$85,941,128	-$87,518,028
Estimated Ending Unassigned Fund Balance (June 30, 2022)	$23,708,070	$28,374,564
20% - 25% Reserve Policy	$17,188,226 - $21,485,282	$17,503,606 - $21,879,507
Available Unassigned Reserves	**$6,519,844 - $2,222,788**	**$10,870,958 - $6,495,057**
Actual Reserves	28%	33%

General Fund Reserves

Maintaining a **minimum reserve** of at least 20% is considered "Best Management Practice" (BMP) by municipal financial advisory firms and bond rating agencies, especially given the COVID-19 pandemic (and not to mention the rise in natural disasters over the years, including fires, floods and earthquakes). In addition, the possibility of another economic recession during the COVID-19 recovery, continues to raise its head. Further, the City has significant financial exposure associated with its aging and deteriorating public infrastructure which will require unexpected future infusions of cash.

It is also recommended that the City maintain an Economic Uncertainty Reserve balance of $2.0 million. At the end of FY 2022-2023 this balance will be in compliance with the Council policy.

The City also maintains a Section 115 Pension Trust. As of December 31, 2022, the Trust balance was $4.7 million. Staff recommends revisiting the City's reserve policies each budget cycle to ensure the reserves meet the short-term and long-term fiscal sustainability planning needs of the City.

Other Funds (Debt Service, Enterprise, Internal Service Funds)

The **Debt Service fund** records the City's lease payments for the Douglas Street Gap Closure capital improvement project. The interest rate on the bonds is 2.87% per annum. Payments on the lease obligation are due February 1 (interest only) and August 1 (principal and interest) of each year. Revenue in the second quarter comes from development impact fees – STS Signals and Bridges.

Debt Service Fund

	Revenues	Expenses
FY 2022-23 Adopted Budget	$360,000	$545,000
FY 2022-23 Actuals (Year-to-Date)	$31,071	$446,347

The **Water Fund** purchases all potable and recycled water from West Basin Municipal Water District, also operates and maintains water reservoirs, pipelines, and equipment. Water revenues are trending close to but slightly under the adopted budget. Water expenses include the purchase of potable and recycled water.

Water Fund

	Revenues	Expenses
FY 2022-23 Adopted Budget	$36,700,000	$31,359,005
FY 2022-23 Actuals (Year-to-Date)	$14,457,131	$14,891,466

Every few years, the City reviews its water and wastewater rates to determine what rates should be adjusted over the next five years to pay for the full cost of providing reliable water and collecting and treating wastewater in an effective and environmentally safe manner. A fundamental policy goal is for the ratepayers to pay the cost of services provided and for each fund to be self-sustaining.

Water rates were previously last adjusted in 2019. In anticipation of the need to adjust rates for the next five-year period, staff initiated a comprehensive Water and Wastewater "Rate Study" for each enterprise in the fall of 2019. This study was completed in the fall of 2020 and was presented to City Council on December 15, 2020. This study included presenting a series of water and wastewater adjustment options for each year from FY 2020-2021 through FY 2024-2025.

On March 2, 2021, City Council adopted a five-year water rate plan with the following annual rate adjustments: 0% rate increase on April 2, 2021, 3% on January 1, 2022, 3% on January 1, 2023, 3% one January 1, 2024 and 3% on January 1,2025. These adjustments are expected to cover the rising cost of purchasing potable and recycled water from West Basin Municipal Water District and inflationary expenses associated with the City's distribution system (maintenance and operating costs).

The Adopted FY 2022-2023 Water Fund Budget is $31.3 million, including $3.1 million in new capital and $.26 million in carryover from previous fiscal years for capital improvement projects related to water main replacement, water infrastructure replacement, and Citywide meter replacements. The Water Division operates, maintains, and repairs the City's water distribution system consisting of approximately 65 miles of pipeline, a six-million-gallon reservoir, a three-million-gallon reservoir, and a 200,000-gallon elevated water tank.

The largest budget line-item is the cost of purchasing water ($23.5 million) and this is projected to steadily increase at an annual rate of 5% for the foreseeable future. There is no local source of potable water in the City, therefore, 100% of potable water is purchased from a water wholesaler, West Basin Municipal Water District. The Water Fund is structurally balanced for FY 2022-2023 with the cost of capital, maintenance improvements, and all on-going operations costs paid for with on-going revenue. Future years will need to account for increased potable water costs and increased capital maintenance costs.

The Water Fund receives revenue primarily from metered water sales and base charges. FY 2022-2023 Water Fund revenues are estimated at $36.7 million. Since the water utility must be self-sufficient, the City remains committed to maintaining critical infrastructure and complying with all applicable laws, rules and regulations to deliver safe, dependable and efficient recycled water and water services to all customers. The City strives to maintain affordable water rates while ensuring the long-term integrity of the water distribution system. On March 2, 2021, City Council adopted a five-year water rate plan with the following annual rate adjustments: 0% rate increase on April 2, 2021, 3% on January 1, 2022, 3% on January 1, 2023, 3% on January 1, 2024 and 3% on January 1,2025. These adjustments are expected to cover the rising cost of purchasing potable and recycled water from West Basin Municipal Water District and inflationary expenses associated with the City's distribution system (maintenance and operating costs).

Wastewater Fund revenues are trending with the adopted revenues. The expenses are trending below budget.

Wastewater Fund	Revenues	Expenses
FY 2022-23 Adopted Budget	$5,344,000	$6,500,017
FY 2022-23 Actuals (Year-to-Date)	$2,096,989	$1,511,488

The Adopted FY 2022-2023 Wastewater Fund Budget is $6.5 million, including $.8 million for capital improvement projects which include pump station, lifts, and sewer main repairs. While the Hyperion and Regional Sanitation District treatment plants are operated by the City of Los Angeles (Hyperion) and Los Angeles County (Los Angeles County Regional Sanitation District), the City of El Segundo operates and maintains the wastewater collection system which consists of nine stations, 18 pumps, and approximately 57 miles of sewer mains. The lift stations run in automatic mode 24 hours per day to convey over half-billion gallons of sewage per year to the Hyperion and Regional Sanitation District treatment plants. Customers located west of Pacific Coast Highway have their wastewater treated at the Hyperion plant. Customers east of Pacific Coast Highway have their wastewater treated at the Los Angeles County Regional Sanitation District plant.

The Wastewater Fund receives revenue primarily from residential and commercial user and connection fees. FY 2022-2023 revenues are estimated at $5.3 million. The Wastewater Fund has been running an operational deficit for several years which has been covered by using retained earnings (available fund balance). This is not a good business practice and does not comply with the industry's Best Management Practices.

Since the wastewater utility must be self-sufficient, the City remains committed to maintaining critical infrastructure and complying with all applicable laws, rules and regulations to deliver safe, dependable and efficient wastewater services. The City strives to maintain affordable wastewater rates while ensuring the long-term integrity of the wastewater collection system. As a result, on March 2, 2021, City Council adopted a five-year wastewater rate plan with the following annual rate adjustments: 9% rate on April 2, 2021, 9% on January 1, 2022, 9.5% on January 1, 2023, 9.5% on January 1, 2024, and 9.5% on January 1, 2025. These adjustments are expected to cover the rising cost of El Segundo's contractual costs associated with Hyperion's treatment plant (including much needed deferred maintenance and capital improvement projects) along with the inflationary expenses associated with the City's collection system (maintenance and operating costs).

General Liability Fund revenues are transferred in from operating departments and programs throughout the City. In the second quarter, the revenues are expected to trend with the approved revenue budget, and expenses are lower than the approved budget, as the primary expense for the fund is the annual insurance premium paid each July.

General Liability Fund

	Revenues	Expenses
FY 2022-23 Adopted Budget	$3,030,000	$3,572,125
FY 2022-23 Actuals (Year-to-Date)	$1,620,110	$2,206,004

Workers' Compensation Fund revenues and expenses are in trend with the adopted budget. Expenses are primarily the annual insurance premium paid and claims paid. The annual premium is paid each July ($1M for FY 2022-23), and claims are paid as they occur.

Workers' Compensation Fund

	Revenues	Expenses
FY 2022-23 Adopted Budget	$3,125,374	$3,263,365
FY 2022-23 Actuals (Year-to-Date)	$1,571,316	$2,131,233

In 1986, the City constructed a 97-unit senior housing project, Park Vista. The City continues to own and maintain Park Vista. It is overseen by the Senior Citizen Housing Corporation Board and managed by a third-party property management firm, The Cadman Group. Revenues reflected in the second quarter are related to interest in investments, and expenses are related to administrative and legal counsel activity.

Senior Housing Fund

	Revenues	Expenses
FY 2022-23 Adopted Budget	$10,000	$75,313
FY 2022-23 Actuals (Year-to-Date)	$14,281	$6,438

The following table represents the projected year-end projected appropriations for each City fund:

No.	Fund Name	FY 2022-23 Adopted Budget	FY 2022-23 Year-end Projected Budget	$ change	% change
1	General Fund	$85,941,128	$87,755,028	$1,813,900	2.1%
2	Water Fund	31,359,005	31,359,005	$0	0.0%
3	Transportation Funds	4,840,258	5,089,664	$249,406	5.2%
4	Debt Service POBs	9,800,000	9,800,000	$0	0.0%
5	Wastewater Fund	6,500,017	6,500,017	$0	0.0%
6	General Fund CIP	7,870,893	7,870,893	$0	0.0%
7	Equip. Replcmt. Fund	1,386,989	1,386,989	$0	0.0%
8	Workers Comp. Fund	3,263,365	3,263,365	$0	0.0%
9	General Liability Fund	3,572,125	3,572,125	$0	0.0%
10	Dev. Services Trust	0	0	0	0
11	Public Safety Spcl. Rev.	1,782,642	1,784,642	$2,000	0.1%
12	Other Special Rev.	1,350,800	1,370,800	$20,000	1.5%
13	Rec & Econ Dev Trust	0	5,971	$5,971	0
14	Cultural Dev. Trust Fund	326,000	326,000	$0	0.0%
15	Debt Service Fund	545,000	545,000	$0	0.0%
16	Solid Waste Fund	270,000	310,000	$40,000	14.8%
17	Senior Housing Fund	75,313	75,313	$0	0.0%
18	Golf Fund	10,000	10,000	$0	0.0%
19	Economic Uncertainty	0	0	0	0
	Total	**$158,893,535**	**$161,024,812**	**$2,131,277**	**1.4%**

The following is a brief discussion on each fund:

1. General Fund
   The increase of $1,813,900 is due to the following:
   - Human Resources: an increase in employee investigations; the need to contract out for Livescan (fingerprinting new employees) services; executive coaching; employee recognition; a new analyst position; and operating supplies;
   - Fire Department: additional funding needed for leave replacement overtime, a new Fire Prevention Specialist I, and Fire Prevention plan check consultant fees.
   - Police Department: increase in Patrol overtime.
   - Public Works: additional inspection services, architect services, and grant application assistance; library boiler repair; temp staffing services; street signage and supplies for street maintenance; and pool covers, additional maintenance and supplies for all three pools.
   - Recreation, Parks and Library: an increase to resurface Tennis Court 36 and the volleyball court; purchase furniture and Audio Visual equipment for the Teen Center; and wiring of scoreboard switch to announcers booth at Brett Field

2. Water Fund
   The projected year-end expenditures remain unchanged.

3. Transportation Funds
   The increase of $249,406 is requested for ongoing projects using Prop A funds.

4. Debt Service – Pension Obligation Bonds (POBs)
   The projected year-end expenditures remain unchanged.

5. Wastewater Fund
   The projected year-end expenditures remain unchanged.

6. General Fund CIP
   The projected year-end expenses remain unchanged.

7. Equipment Replacement Fund
   The projected year-end expenditures remain unchanged.

8. Workers Compensation Fund
   The projected year-end expenses remain unchanged.

9. General Liability Fund
   The projected year-end expenditures remain unchanged.

10. Development Services Trust
    The projected year-end expenditures remain unchanged.

11. Public Safety Special Revenue Fund
    The increase of $2,000 is due to the following:
    Fire Department: additional funding needed for the Accreditation process

    This category includes Asset Forfeiture Fund, C.O.P.S. Fund, CUPA Funds (Fire Dept.), and Public Safety Augmentation Fund (PSAF).

12. Other Special Revenue Funds
    The increase of $20,000 is to appropriate funds for two different Public Works-related grant programs funded through State grants.

    This category includes Measure W (LA County Stormwater Funds), Affordable Housing Fund, AQMD Fund, CDBG Fund, Federal Grants, and State Grants.

13. Recreation and Economic Development Trust Funds
    The increase of $5,971 is due to an increase to funds available for St. Vincent Meals on Wheels.

14. Cultural Development Trust Fund
    The projected year-end expenses remain unchanged.

15. Debt Service Fund
    The projected year-end expenses remain unchanged.

16. Solid Waste Fund
    The increase of $40,000 is due to additional funding needed for compliance with CalRecycle requirements under SB 1383. This State mandated program was anticipated by the City and additional fees to fund this new State mandated program were approved by City Council in FY 2021-22. The approved haulers are assessed this new fee to cover the cost of this program.

17. Senior Housing Fund
    The projected year-end expenses remain unchanged.

18. Golf Fund
    The projected year-end expenses remain unchanged.

19. Economic Uncertainty Fund
    The projected year-end expenses remain unchanged.

Additional Discussion on Special Revenue Funds and CIP Fund

Special Revenue Funds

The Adopted FY 2022-2023 Budget for all Special Revenue Funds is $8.2 million, including $4.9 million for capital improvements such as street repair, sidewalk repairs, Park Place Transportation Project, etc. These funds are dedicated for specific purposes governed by specific laws and regulations. For example, the Gas Tax Fund can be spent only on street-related expenditures. Prop A and Prop C Funds can only be spent on transportation projects. Asset Forfeiture and COPS Funds can only be spent on public safety related activities – as a supplement and not to supplant current appropriations. Federal, State, or County grants can only be spent for the specific grant purpose that it is awarded. Some Special Revenue fund balances are projected to "decrease" as the City appropriated funds for specific purposes that they were intended to be used.

General Fund Capital Improvement Program (CIP) Fund

The adopted FY 2022-2023 General Fund CIP Fund Budget totals $6,846,420. Of this amount, $2,701,000 represents "carryover" unspent funds from prior fiscal years and the remaining $4,145,420 represents funding for new FY 2022-2023 projects. As delineated in the "Proposed Capital Improvement Program for All Funds," located toward the end of this budget document, there is a total of 12 General Fund CIP projects that will either be active during this fiscal year or will continue to accumulate funding for future activation (such as the Plunge Rehabilitation Project).

Capital improvement projects that are paid for via other funds are located within each of the respected fund budgets.

Ideally, a local government will dedicate at least 2% to 5% of its total budget each year to the community's public infrastructure, including public facilities. As the City ages and its infrastructure continues to deteriorate, the City will need to rely heavily on long-term financial planning to better prepare, and re-invest, in this essential aspect of the budget. The longer the City procrastinates and delays properly managing its existing facilities, infrastructure, and assets, it will end up costing both current and subsequent generations significantly more to rebuild and pay for rising future legal claims and settlements. In addition, this poor business practice continues to result in rising recurring operating costs (such as more expensive utilities and security measures) due to relying on inefficient and environmentally antiquated energy systems and safety risks.

Summary

The revised year-end revenue estimates and expenditure projections represent a clear picture as to where the City's finances will be by June 30, 2023. At this time, staff is seeking City Council authorization to amend the FY 2022-2023 Budget for the General Fund, the Public Safety Special Revenue Fund, the Other Special Revenue Fund, the Rec and Economic Development Trust Fund, the Solid Waste Fund, and Other Revenues

Fund to reflect revised year-end revenue estimates and projected year-end expenditures. This request is reflected at the beginning of this staff report, as well as in attachment A. The General Fund unassigned reserves will be discussed with City Council during the FY 2023-24 Budget Study Session(s) on how to allocate these available funds towards initiatives that achieve City Council Strategic Goals and Objectives.

With a united front among City Council, management, and our hard-working employees, the City will continue to maintain financial stability, continue to provide excellent customer service to all constituents, and limit impacts on core municipal services provided to residents, businesses, and visitors seven days a week, 24 hours per day.

NEXT STEPS:

FY 2022-2023 Budget

- End of Fiscal Year (June 30, 2023)
- FY 2022-2023 Year-end Audit (June 2023 – November 2023)
- FY 2022-2023 ACFR Presentation to City Council (December 2023)

FY 2023-2024 Budget

- Strategic Planning Study Session (March 2023)
- Proposed FY 2023-2024 Budget Study Session (April 2023)
- There will be an opportunity to conduct a 2nd Budget Study Session in May if necessary
- FY 2023-2024 Budget Public Hearing and Adoption (June 6, 2023)
- Beginning of FY 2023-2024 (July 1, 2023)
- Submit Adopted FY 2023-24 Budget for CSMFO Budget award (July 2023)

RESOLUTION NO. _____

A RESOLUTION ESTABLISHING BASIC MONTHLY SALARY RANGE FOR FULL TIME JOB CLASSIFICATIONS

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

SECTION 1: The City Council approves the following basic salary ranges:

Classification	Salary Range
Utilities Superintendent (At-Will)	$10,233.12 - $12,279.74 Monthly
Human Resources Analyst	$7,176.04 - $8,611.25 Monthly

SECTION 2: *Authority.* The City Manager or his designee is authorized to take any steps necessary in order to effectuate this Resolution.

SECTION 3: *Construction*. This Resolution must be broadly construed in order to achieve the purposes stated in this Resolution. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Resolution.

SECTION 4: *Severability.* If any part of this Resolution or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 5: The City Clerk is directed to certify the adoption of this Resolution; record this Resolution in the book of the City's original resolutions and make a minute of this adoption of the Resolution in the City Council's records and the minutes of this meeting.

SECTION 6: This Resolution is effective February 21, 2023 and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 21st day of February, 2023

_____
Drew Boyles,
Mayor

ATTEST:

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

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. ____ was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ___ day of _____, 2023, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Tracy Weaver, City Clerk

APPROVED AS TO FORM:

_____
Mark D. Hensley, City Attorney

Exhibit A: **Fiscal Year 2022-2023 Mid-Year Budget Adjustments**

Item #	Description	Fiscal Impact: General Fund	Fiscal Impact: Other Funds	Account
General Fund Revenues				
1	Sales Tax	1,650,000		001-300-0000-3201
2	Business License Tax	(635,200)		001-300-0000-3301
3	Transient Occupancy Tax (T.O.T.)	1,460,000		001-300-0000-3203
4	Utility User Tax (UUT)	162,000		001-300-0000-3212
5	Transfers-In	(860,657)		001-300-0000-9401
6	Franchise Tax	200,000		001-300-0000-3972
7	Intergovernmental	26,545		001-300-0000-3715
8	License & Permits	100,000		001-300-0000-34xx (various)
9	Fines & Forfeitures	65,000		001-300-0000-35xx (various)
	Increase in General Fund Revenues	**$2,167,688**		
Other Funds Revenues				
10	California Beverage Grant purchase revenue		5,000	125-300-5102-3617
	Increase in Other Funds Revenues		**$5,000**	
General Fund Expenditures				
11	Fire - Plan Check Consultant Fees	75,000		001-400-3204-6214
12	Fire - Increase leave replacement	698,000		001-400-3202-4110
13	Fire - Fire Prevention Specialist I (staffing for four months)	37,000		001-400-3204-XXXX (various)
14	PD - Increase overtime	250,000		001-400-31XX-XXXX (various)
15	HR - Employee Recognition	5,000		001-400-2506-6214
16	HR - Executive Coaching	50,000		001-400-2506-6214
17	HR - Investigations	25,000		001-400-2506-6214
18	HR - Laptop	2,100		001-400-2506-5204
19	HR - Livescan	9,800		001-400-2506-6262
20	HR -Legal Fees (LCW)	65,000		001-400-2506-6214
21	HR - New analyst position (staffing for one month)	10,000		001-400-2506-XXXX (various)
22	PW - Additional supplies	30,000		001-400-4202-5204
23	PW - Library boiler repair	20,000		001-400-2601-6281
24	PW - New street signage	20,000		001-400-4205-5204
25	PW - Temp staffing services	35,000		001-400-2601-6214
26	PW -Additional inspection services, architect services, and grant application assistance	125,000		001-400-4101-6206
27	PW - Wiseburn/Pools pool covers ($50K), pool maintenance (chemicals) and supplies ($70k)	120,000		001-400-2601-xxxx (various)
28	Rec Park - Tennis Court #6 & Volleyball Resurfacing	20,000		001-400-5102-6206
29	Rec Park - Refurnish/Refinishing Teen Center - Furniture & AV	10,000		001-400-5205-5204
30	Rec Park - Brett Field Scoreboard- Wiring of Scoreboard Switch to Announcers booth	7,000		001-400-5102-6214
31	Retiree medical cost increase due to greater number of retirees	200,000		001-400-2901-XXXX (various)
	Increase in General Fund Expenditures	**$1,813,900**		
Other Funds Expenditures				
32	Fire - Funding for Accreditation		2,000	126-400-3205-6214
33	PW - CalEPA-Green Business Grant		15,000	125-400-4801-3755
34	PW - California Beverage Grant purchase		5,000	125-400-3617-5204
35	PW - SB 1383, Compliance with CalRecycle requirements		40,000	505-400-0000-6214
36	Rec Park - PO to St. Vincent		5,971	702-400-5101-2605
37	RPL - Prop A budget shortage from potential lapsing amount		249,406	112-400-5294-5204
	Increase in Other Funds Expenditures		**$317,377**	

City Council Agenda Statement

Meeting Date: February 21, 2023
Agenda Heading: Staff Presentations
Item Number: D.14

TITLE:

Downtown Specific Plan Update

RECOMMENDATION:

1. Receive and file a Downtown Specific Plan Update status presentation.

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

FISCAL IMPACT:

The Downtown Specific Plan Update is funded by the General Plan Maintenance Fund (not the General Fund). This fund receives revenue from a dedicated permit fee that is collected from land development projects to be used for updates to the City's General Plan, including its Specific Plans. No additional appropriation is requested.

BACKGROUND:

The Downtown Specific Plan Update was initiated in late 2021.

DISCUSSION:

Staff will provide a status presentation (See Exhibit No. 1) that includes the tasks completed to date, the current status, and the next steps in the process until project completion.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5A: El Segundo promotes economic growth and vitality for business and the community.

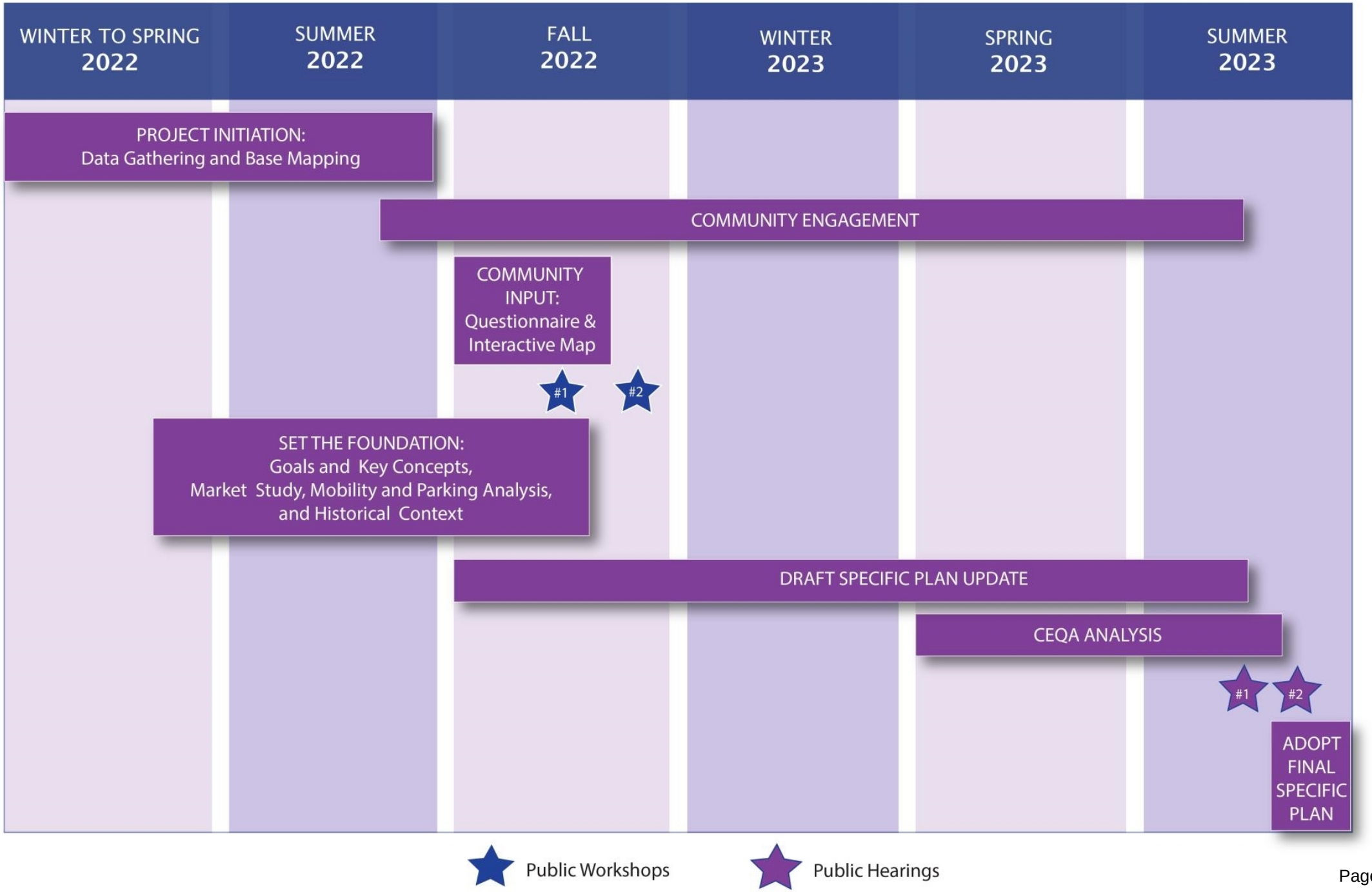
PREPARED BY:
Paul Samaras, AICP, Principal Planner
REVIEWED BY:
Michael Allen, AICP, Development Services Director
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Downtown Specific Plan Update Presentation

CITY OF EL SEGUNDO

Downtown Specific Plan Update


WINTER TO SPRING 2022
SUMMER 2022
FALL 2022
WINTER 2023
SPRING 2023
SUMMER 2023
PROJECT INITIATION: Data Gathering and Base Mapping
COMMUNITY ENGAGEMENT
COMMUNITY INPUT: Questionnaire & Interactive Map
#1
#2
SET THE FOUNDATION: Goals and Key Concepts, Market Study, Mobility and Parking Analysis, and Historical Context
DRAFT SPECIFIC PLAN UPDATE
CEQA ANALYSIS
#1
#2
ADOPT FINAL SPECIFIC PLAN
Public Workshops
Public Hearings

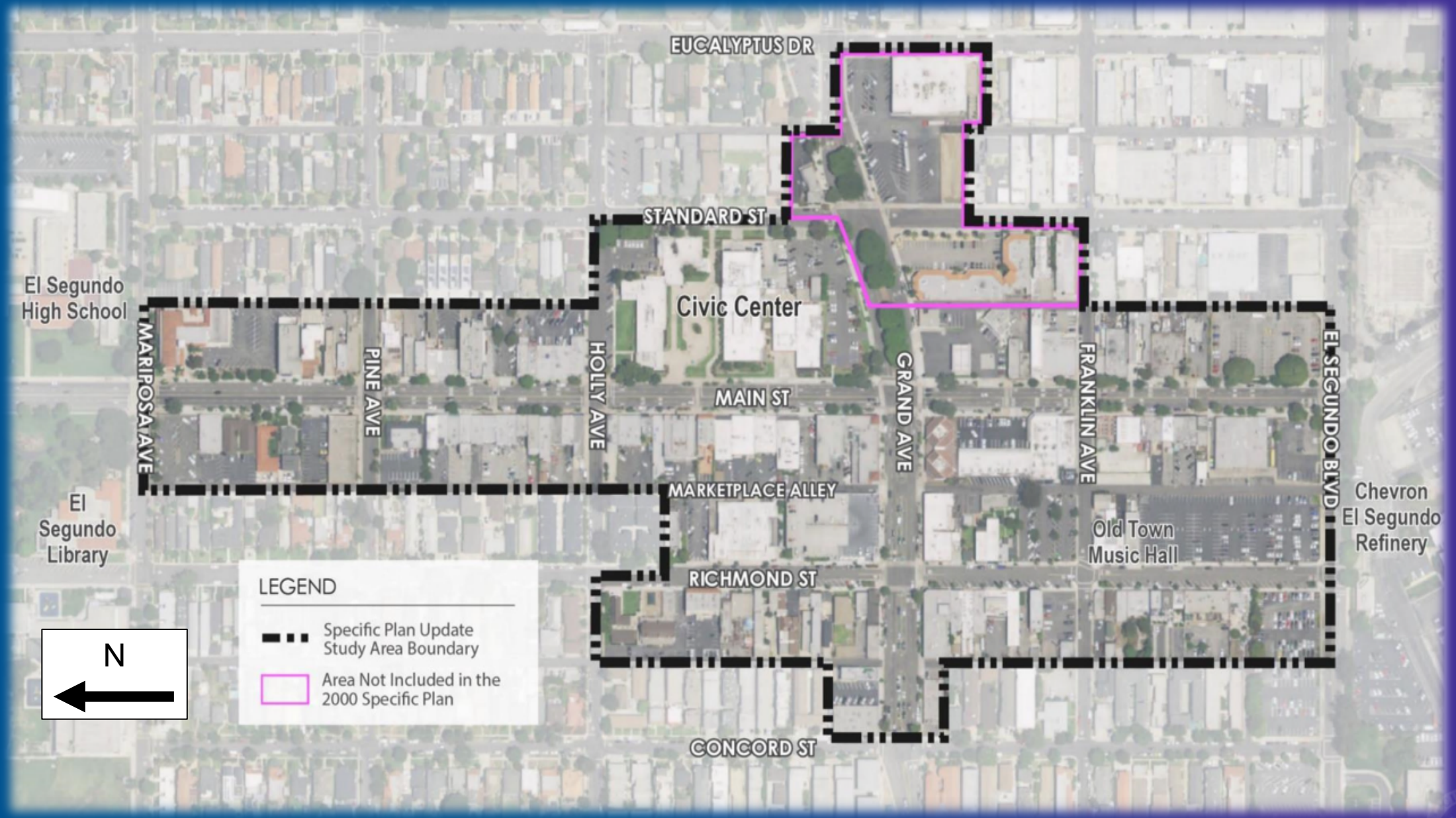
Initial research and studies

- Existing Conditions
- Historic Resources
- Real Estate Market Demand
- Parking Analysis
- Traffic

Outreach process

- Stakeholder meetings and interviews (March & June, 2022)
- Online questionnaire (May-July, 2022)
- Interactive mapping tool (online)
- Community meeting (June 28, 2022)
- Planning Commission Study Session (Nov. 10, 2022)
- EIR Public Scoping Meeting (Feb. 2, 2023)

- www.elsegundo.org/downtownupdate


EUCALYPTUS DR
STANDARD ST
El Segundo
High School
Civic Center
MARIPOSA AVE
PINE AVE
HOLLY AVE
MAIN ST
GRAND AVE
FRANKLIN AVE
EL SEGUNDO BLVD
MARKETPLACE ALLEY
El
Segundo
Library
Old Town
Music Hall
Chevron
El Segundo
Refinery
RICHMOND ST
CONCORD ST
LEGEND
Specific Plan Update
Study Area Boundary
Area Not Included in the
2000 Specific Plan
N

Where we are now

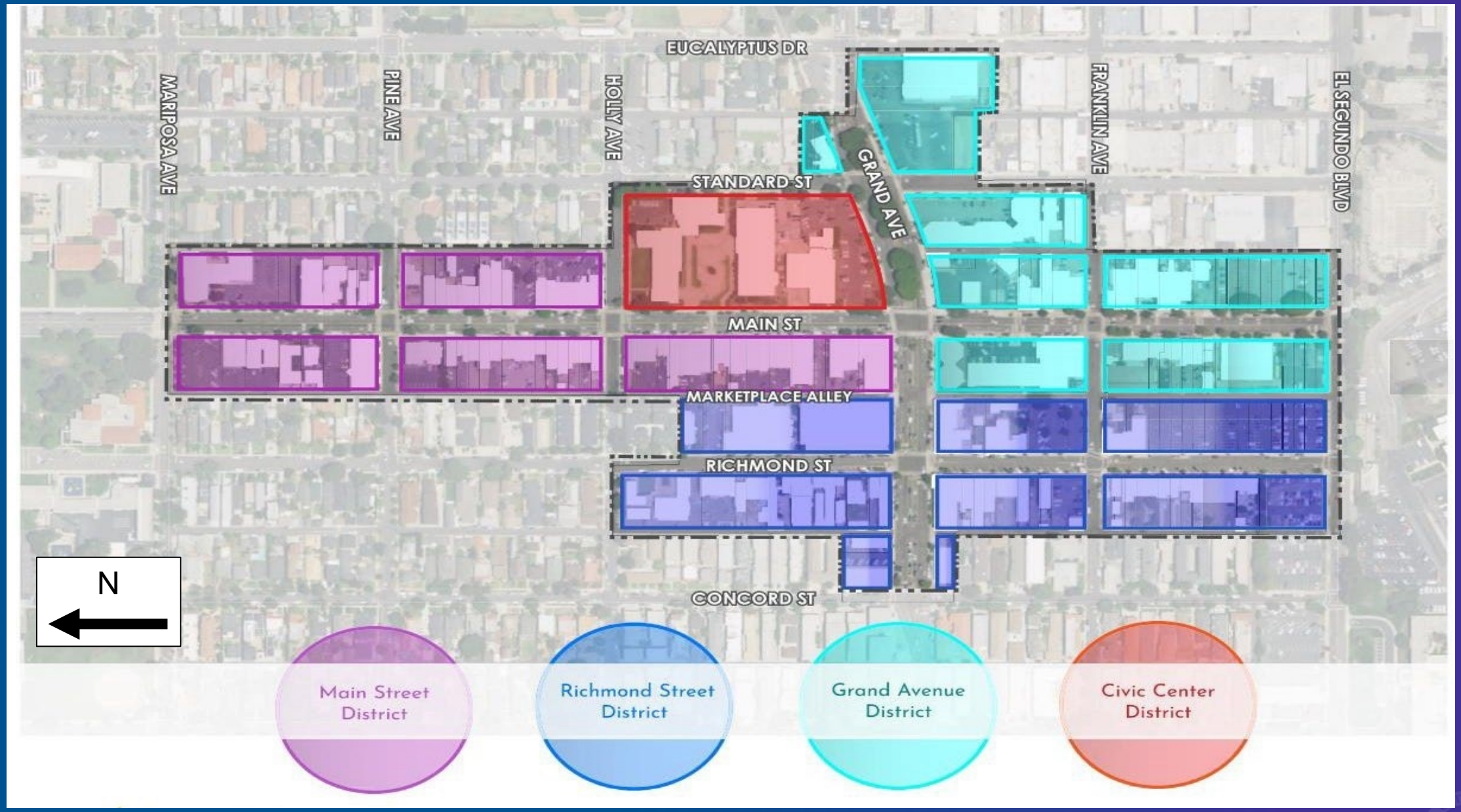
CEQA

- Initial Study public comment period
  January 12, 2023 – February 13, 2023

- Public scoping meeting
  February 2, 2023

Draft Specific Plan

- Preparing Draft Specific Plan


EUCALYPTUS DR
MARIPOSA AVE
PINE AVE
HOLLY AVE
FRANKLIN AVE
EL SEGUNDO BLVD
GRAND AVE
STANDARD ST
MAIN ST
MARKETPLACE ALLEY
RICHMOND ST
CONCORD ST
N
Main Street District
Richmond Street District
Grand Avenue District
Civic Center District

Draft Specific Plan Topics

- Development standards (Height, FAR, density, etc.)
- Parking Recommendations
- Housing Opportunities
- Outdoor Dining
- Public Roadway and Sidewalk Improvements

www.elsegundo.org/downtownupdate

Next Steps

- February – April: Complete technical studies and draft EIR
  Complete draft Specific Plan Update
- May – June: Release draft EIR for public review
- July – September: Planning Commission and City Council

- Community Development
Housing Division
- Planning Division
Active Projects
Climate Action Plan
Bicycle Master Plan
General Plan
Planning Applications
Planning Commission
Planning Handouts and Forms
Downtown Specific Plan Update
Specific Plans
Environmental/CEQA Information
Application to Temporarily Expand Dining & Retail

www.elsegundo.org/downtownupdate

Government » DEPARTMENTS » Community Development » Planning Division »

Downtown Specific Plan Update

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Questions

City Council Agenda Statement

Meeting Date: February 21, 2023
Agenda Heading: Staff Presentations
Item Number: D.15

TITLE:

Annual Comprehensive Financial Report for Fiscal Year Ending June 30, 2022

RECOMMENDATION:

1. Receive and file the Annual Comprehensive Financial Report for fiscal year ending June 30, 2022.

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

FISCAL IMPACT:

None

BACKGROUND:

The Annual Comprehensive Financial Report (ACFR) for fiscal year ending June 30, 2022, is submitted to the City Council for review. A representative from the City's audit firm, Clifton Larsen Allen LLP (CLA) will provide a brief virtual presentation on the audit and will be available to answer questions.

DISCUSSION:

Overview of the Financial Statements

This annual report consists of four parts – management's discussion and analysis (MD&A - current portion), the basic financial statements, *optional* combining statements for non-major governmental funds, and required supplementary information. The MD&A discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

Financial Highlights

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by $132,082,072 as of the current fiscal year end (*total net position*). The City had an unrestricted net position of ($72,981,661). This negative unrestricted net position is the result of GASB 68 implementation in FY 2014-15 that required all government entities to place their unfunded pension liabilities onto their agency's Statement of Net Position.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $71,839,010. Of this amount, $34,597,775 (*unrestricted fundbalance per GASB 54*) is available for spending at the City's discretion.

At the end of FY 2021-22, unrestricted fund balance per GASB 54 for the general fund was $34,799,542 which represents 53% of total general fund expenditures.

Governmental Activities Net Position

The City's net position from governmental activities increased $77,869,071. The increase in net position is attributed to an increase in revenues due to the economy recovering from the Pandemic and a decrease in expenses in governmental funds. The City changed the 2021 fiscal year end to June 30th, therefore, consideration needs to be taken into the comparison of the twelve-month 2022 fiscal year to the nine-month 2021 fiscal year.

In summary, the following primary contributing items have impacted the overall net position:

Changes in Revenues

- Transient Occupancy Taxes increased by $7.9 million because hotel occupancy rates and room rates continued to rise post-economic shutdown and FY 2020-21 was a nine-month fiscal year;

- Sales Taxes increased by $5.0 million primarily due to the economy's return to pre-COVID levels and the fact that FY 2020-21 was a nine-month fiscal year;

- Operating grants and contributions increased by $4.2 million, of which $2 million was from the American Rescue Plan Act of 2021 (ARPA) fund;

- Utility Users Tax increased by $2.8 million due to businesses reopening from lifting L.A. County Department of Health's economic restrictions and fully utilizing utilities again, continually rising commodity prices, and the fact that FY 2020-21 was

a nine-month fiscal year;

- Other taxes increased by $2 million primarily due to the economy's return to pre-COVID levels and the fact that FY 2020-21 was a nine-month fiscal year;

- Charges for Services increased by $1.5 million due a recovery from the Pandemic, applying an annual inflation adjustment (CPI adjustment) to the Citywide master fee schedule, and the fact the prior fiscal year was nine months;

- Franchise Taxes increased by $.9 million due to higher revenues collected by the major utility companies that pay a franchise fee;

- Property Taxes increased by $.2 million due to increased assessed property values;

- Business License Tax increased by $77,000 primarily due to the annual CPI increase offsetting businesses that have downsized; and

- Use of Money (Investments) and Property decreased by $.9 million due to significant increases in the Fed's discount rate and overall interest rate increases in the fixed income space, which has an inverse effect on bond market values. The City's investments are reported at fair market value per GASB 72.

Changes in Expenditures

- Public Works expenditures increased by $3.5 million primarily due to the prior fiscal year being only nine months;

- General government expenditures increased by $3.1 million primarily due to the prior fiscal year being only nine months;

- Interest on long-term debt increased by $2.4 million due to the Pension Obligation Bonds the City issued in June 2021; and

- Public Safety expenditures decreased by $51.9 million primarily due to a $63.5 million GASB (Governmental Accounting Standards Board) 34 governmental accounting adjustment for the net pension asset of safety pension plans with CalPERS as a result of the City issuing Pension Obligation Bonds (POBs). The GASB 34 adjustment is only reflected in the financial statements and not the City's actual expenditures. When excluding the GASB 34 adjustment, the Public Safety expenditures have increased by $11.6 million due to the prior fiscal year being only nine months, as well as an increase in overtime.

More details can be found in the "Management's Discussion and Analysis" section of the attached ACFR on pages 5-19.

Auditor's Opinion

CLA LLP completed the audit of the City and issued an unmodified (“clean”) opinion on the City’s financial statements for the year ending June 30, 2022.

Copies of the audit were provided to the City Councilmembers, in electronic format, as well as included with their agenda packages. Other interested individuals may obtain a copy of the audit from the Finance Department or through the City's website at www.ELSEGUNDO.org or https://www.elsegundo.org/government/departments/finance/financial-reports.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion Economic Development and Fiscal Sustainability

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

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

ATTACHED SUPPORTING DOCUMENTS:

1. City of El Segundo FY 2022 ACFR
2. El Segundo Audit FY 2022



CITY OF EL SEGUNDO

CALIFORNIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED – JUNE 30, 2022



CITY OF EL SEGUNDO, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

PREPARED BY THE CITY'S FINANCE DEPARTMENT

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CITY OF EL SEGUNDO
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022

INTRODUCTORY SECTION (UNAUDITED)

LETTER OF TRANSMITTAL I

ORGANIZATIONAL CHART V

OFFICIALS OF THE CITY VI

GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARD VII

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT 1

MANAGEMENT'S DISCUSSION AND ANALYSIS 5

FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION 22

STATEMENT OF ACTIVITIES 24

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUND FINANCIAL STATEMENTS

BALANCE SHEET 30

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION 31

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES 32

RECONCILIATION OF THE GOVERNMENT FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION 33

PROPRIETARY FUND FINANCIAL STATEMENTS

STATEMENT OF NET POSITION 36

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION 40

STATEMENT OF CASH FLOWS 42

NOTES TO FINANCIAL STATEMENTS 49

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND 102

NOTE TO BUDGETARY COMPARISON SCHEDULE 103

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – CALPERS MISCELLANEOUS RATE PLAN 104

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – CALPERS SAFETY RATE PLAN 106

SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS – CALPERS SAFETY RATE PLAN 107

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – PUBLIC AGENCY RETIREMENT SYSTEM DEFINED BENEFIT PLAN 108

SCHEDULE OF CONTRIBUTIONS – CALPERS MISCELLANEOUS RATE PLAN 110

SCHEDULE OF CONTRIBUTIONS – CALPERS SAFETY RATE PLAN 112

SCHEDULE OF CONTRIBUTIONS – PUBLIC AGENCY RETIREMENT SYSTEM DEFINED BENEFIT PLAN 114

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS 116

SCHEDULE OF CONTRIBUTIONS – OPEB PLAN 118

SUPPLEMENTARY INFORMATION

GENERAL FUND COMPONENTS

COMBINING SCHEDULE OF BALANCE SHEET 120

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES 122

NONMAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF BALANCE SHEET 128

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES 134

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

STATE GAS TAX SPECIAL REVENUE FUND 140

RESIDENTIAL SOUND INSULATION SPECIAL REVENUE FUND 141

CERTIFIED UNION PROGRAM AGENCIES SPECIAL REVENUE FUND 142

COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND 143

ASSET FORFEITURE SPECIAL REVENUE FUND 144

PROP A SPECIAL REVENUE FUND 145

PROP C SPECIAL REVENUE FUND 146

TRAFFIC SAFETY SPECIAL REVENUE FUND 147

AIR POLLUTION REDUCTION SPECIAL REVENUE FUND 148

SB 821 SPECIAL REVENUE FUND 149

C.O.P.S. SPECIAL REVENUE FUND 150
MTA GRANT SPECIAL REVENUE FUND 151
MEASURE R SPECIAL REVENUE FUND 152
FEDERAL GRANTS SPECIAL REVENUE FUND 153
STATE GRANTS SPECIAL REVENUE FUND 154
PSAF PROPERTY TAX PUBLIC SAFETY SPECIAL REVENUE FUND 155
SENIOR HOUSING SPECIAL REVENUE FUND 156
MEASURE M SPECIAL REVENUE FUND 157
SB 1 SPECIAL REVENUE FUND 158
CERTIFIED ACCESS SPECIALIST PROGRAM SPECIAL REVENUE FUND 159
AFFORDABLE HOUSING SPECIAL REVENUE FUND 160
CULTURAL DEVELOPMENT SPECIAL REVENUE FUND 161
SPECIAL REVENUES AND DONATIONS SPECIAL REVENUE FUND 162
COUNTY STORM WATER PROGRAM SPECIAL REVENUE FUND 163
FACILITY LEASE DEBT REVENUE FUND 164
CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND 165
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION 168
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION 169
COMBINING STATEMENT OF CASH FLOWS 170
STATISTICAL SECTION (UNAUDITED)
DESCRIPTION OF STATISTICAL SECTION CONTENTS 173
FINANCIAL TRENDS
NET POSITION BY COMPONENT 174
CHANGES IN NET POSITION 176
FUND BALANCES OF GOVERNMENTAL FUNDS 178
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS 180
REVENUE CAPACITY
PRINCIPAL SALES TAX PRODUCERS 182
PRINCIPAL PROPERTY TAXPAYERS 183
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY 184
DIRECT AND OVERLAPPING PROPERTY TAX RATES 185

PROPERTY TAX LEVIES AND COLLECTIONS 186
DEBT CAPACITY
RATIO OF GENERAL BONDED DEBT OUTSTANDING 187
RATIO OF OUTSTANDING DEBT BY TYPE 188
DIRECT AND OVERLAPPING BONDED DEBT 191
LEGAL DEBT MARGIN INFORMATION 192
DEMOGRAPHIC AND ECONOMIC INFORMATION
DEMOGRAPHIC AND ECONOMIC STATISTICS 194
PRINCIPAL EMPLOYERS 195
OPERATING INFORMATION
OPERATING INDICATORS BY FUNCTION 196
FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION 198
CAPITAL ASSET STATISTICS BY FUNCTION 200

City of El Segundo

January 24, 2023

Honorable Mayor, Members of the City Council, City Manager, and citizens of El Segundo:

State law requires that every general-purpose local government publish each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2022.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive frame-work of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

CliftonLarsonAllen LLP (CLA), formerly White Nelson Diehl Evans LLP (WNDE), an Independent CPA Firm, has issued an unmodified ("clean") opinion on the City of El Segundo's financial statements for the year ending June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follow the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

City of El Segundo Profile

The City of El Segundo is located 14 miles southwest of downtown Los Angeles, adjacent to the City of Los Angeles International Airport. The City was incorporated January 18, 1917, as a General Law city, with the Standard Oil Company of California refinery as the major industrial taxpayer and employer. The substantial petroleum base of the local economy remains evident, although the defense industry emerged as a major segment during World War II. Aerospace experienced rapid growth during the early 1980's and accounted for a significant share of El Segundo's industrial growth during those years. A downturn in the aerospace/defense industry began in the late 1980's, and the industry's recovery took place through consolidation and diversification into commercial endeavors. The available commercial/industrial space has been attracting new business-to-business retail services providers, providing opportunities to diversify and enhance the revenue source of the City.

The City has operated under the Council-Manager Form of Government since 1917. Policy-making and legislative authority are vested in the City Council (governing body) consisting of the Mayor and four Councilmembers, all elected on a non-partisan basis. The Council appoints the government's City Manager, who serves as the organization's Chief Executive Officer (CEO) and in turn, appoints the heads of the departments. Council members serve four-year terms and are elected at-large. The

election schedule alternates with two seats open during one election cycle and three seats open the next election cycle. The Mayor is selected by the seated City Council every two years.

The City provides a full range of municipal services, including police and fire protection; highway, street and infrastructure maintenance and construction; water and wastewater operations; library services; planning, zoning and code enforcement; recreational and cultural activities; and general administration. This report includes all funds of the City and those component units controlled by, and dependent on the City. Accordingly, this report incorporates financial data for the El Segundo Senior Citizen Housing Corporation.

City Council is required to adopt a final budget by no later than the close of the previous fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., Police). Department Heads may transfer resources within a department. Transfers between departments, however, must be approved by the City Manager. Any transfers between funds must be approved by the City Council.

Local economy

El Segundo celebrated its centennial anniversary in 2017, commemorating 100 years of innovation, leadership, and growth. The City celebrated its 105th anniversary in 2022. In 1911, Standard Oil (Chevron) opened its second refinery in California in what is now El Segundo. The city was incorporated 1917 with its foundation as home to workers in the petroleum industry. Over the last 105 years, El Segundo has become a thriving business center, home to AT&T, Los Angeles Times, Los Angeles Lakers and Los Angeles Kings, DaVita Healthcare, and Mattel.

Los Angeles Air Force Base and the Aerospace Corporation are located in El Segundo, and the City has a longstanding tradition of innovation in Aerospace. Boeing, Northrop Grumman, Lockheed Martin and Raytheon, are among the many prestigious Fortune 500 companies with facilities in El Segundo. Over half of all satellites and vehicles in space were manufactured in El Segundo. Global Positioning Satellite Systems, Global Hawk's unmanned aerial vehicle surveillance aircraft, and the FA-18 were also developed and conceived in El Segundo.

In addition to aerospace and petroleum, the local economy is comprised of many high-growth industries, including: bioscience, emerging technology, creative services, sports, entertainment, and professional services. El Segundo is also home to inventive and growing companies that will shape our future economy, such as Beyond Meat, JustFab, Kite Pharma, Milleneum Space Systems, Topgolf, and WPromote. El Segundo has been recognized as the Most Business-Friendly City in Los Angeles County three times, and offers low tax rates, convenient access to transportation, and a highly skilled workforce.

Long-term financial planning

The City's financial security is fundamental to the administration of City policies and practices. City Council has always been and continues to take a conservative approach in maintaining a strong financial position by limiting the growth of spending and acquiring additional debt. It has established a General Fund Reserve, Economic Uncertainty Reserve Fund, and Capital Improvement Fund to meet the needs of unforeseen circumstances that may occur in the future.

The City has traditionally implemented a strategy of adopting a Citywide Strategic Plan that is reviewed and updated each year by the City's management and the City Council. A new four-year Strategic Plan was developed during FY 2021-2022 and will be implemented for FY 2022-2023 through FY 2025-2026. The Strategic Plan will be used as a guideline to set priorities and in development of each subsequent budget year.

On January 19, 2021, City Council approved the issuance and sale of taxable POBs to refund the pension obligations of the City of El Segundo and authorized the execution of a Trust Agreement which then began the judicial validation proceedings relating to the issuance of the POBs. The Los Angeles Superior Court approved the validation in April 2021, setting the stage for the City to ultimately issue the POBs in June 2021.

The City's POB Finance Team (City staff, Municipal Advisor, Underwriters, Bond Counsel, Disclosure Counsel, and Trustee), met with Standard & Poor's (S&P) staff on May 10, 2021 for a bond rating presentation. The meeting was successful and resulted in a strong AA+ bond rating. This is an excellent rating, particularly in the economic environment that exists with COVID-19 still having negative impacts on the economy. S&P provided a write-up of the rating meeting with guidance on how to possibly achieve a AAA rating in the near future.

On May 18, 2021, City Council formally approved issuing the POBs at 95% of the current UAL with CalPERS. Once in the marketplace, the POBs were 4.5x over subscribed which helped to lower the POB interest rate to 2.568%. This was the second lowest rate of any POBs issued in the State of California over the last two years, including POBs with a AAA rating. This exceptional interest rate resulted in savings to the City of approximately $82.2 million over the next 19 years.

Through the issuance of pension obligation bonds to prepay the existing UAL, along with a series of other forward-thinking actions taken by City Council over the past few years (including: Reduced "Fresh Start" Amortization Period; Past additional discretionary UAL payments; Prepaid UAL payments; Creation of a Pension Trust Fund; Requiring "Classic " employees to pay their full "employee share", Adoption of formal UAL Policies; and, the Topgolf Revenue Allocation Policy), the City is well-positioned to meet its present and future pension obligations over the next 19 years.

The annual $9.8 million payment on the POBs represents a much lower recurring pension cost to the City than what would have been the case without the POBs. The City now has control over its pension costs through July 1, 2040. After 2040, the City's pensions will be fully funded and the recurring pension costs should drop significantly. After years of stress and uncertainty, the City now has more clarity and predictability in managing its pension obligations.

City Council is commended for taking a proactive approach to address the City's rising pension costs to reduce the City's overall pension liabilities, saving millions of dollars.

Relevant financial policies

The City's general fund reserve policy in FY 2021-22 was a range of 20%-25% of the City's current general fund expenditures for its operating reserves, as well as funding up to $2 million in a separate Economic Uncertainty Reserve Fund. The goal is to maintain a minimum reserve for the General Fund at 20% and strategically increase the reserve up to 25% in subsequent years, as well as maintain a reserve of $2 million in the Economic Uncertainty Fund, per current City Council policy direction.

The City takes a conservative approach in relation to incurring debt with a "pay-as-you-go" approach. It is currently funding 100% of the actuarial required contribution (ARC) for its other (than pension) post-employment benefits (OPEB).

The elected City Treasurer is charged with managing and investing cash for the City along with support from the Investment Advisory Committee.

Major initiatives

The City currently has a Capital Infrastructure Plan (CIP) that includes the following projects:

- Annual Sidewalk, ADA ramp installation, Curb and Gutter Restoration Program
- Brett Field Restrooms
- City Hall improvements
- City-wide HVAC Replacement
- El Segundo Blvd. Improvements
- Gateway beautification project
- Library Improvements (Elevator & HVAC)
- Local street rehabilitation and slurry seal
- Park Place gap closure project (design phase)
- Park Vista Senior Housing Improvement Projects
- Plunge replacement scope assessment
- Recreation Park Projects
- Sewer main repairs
- Water infrastructure improvements
- Various smaller projects that have provided enhanced benefits to the community

Acknowledgements

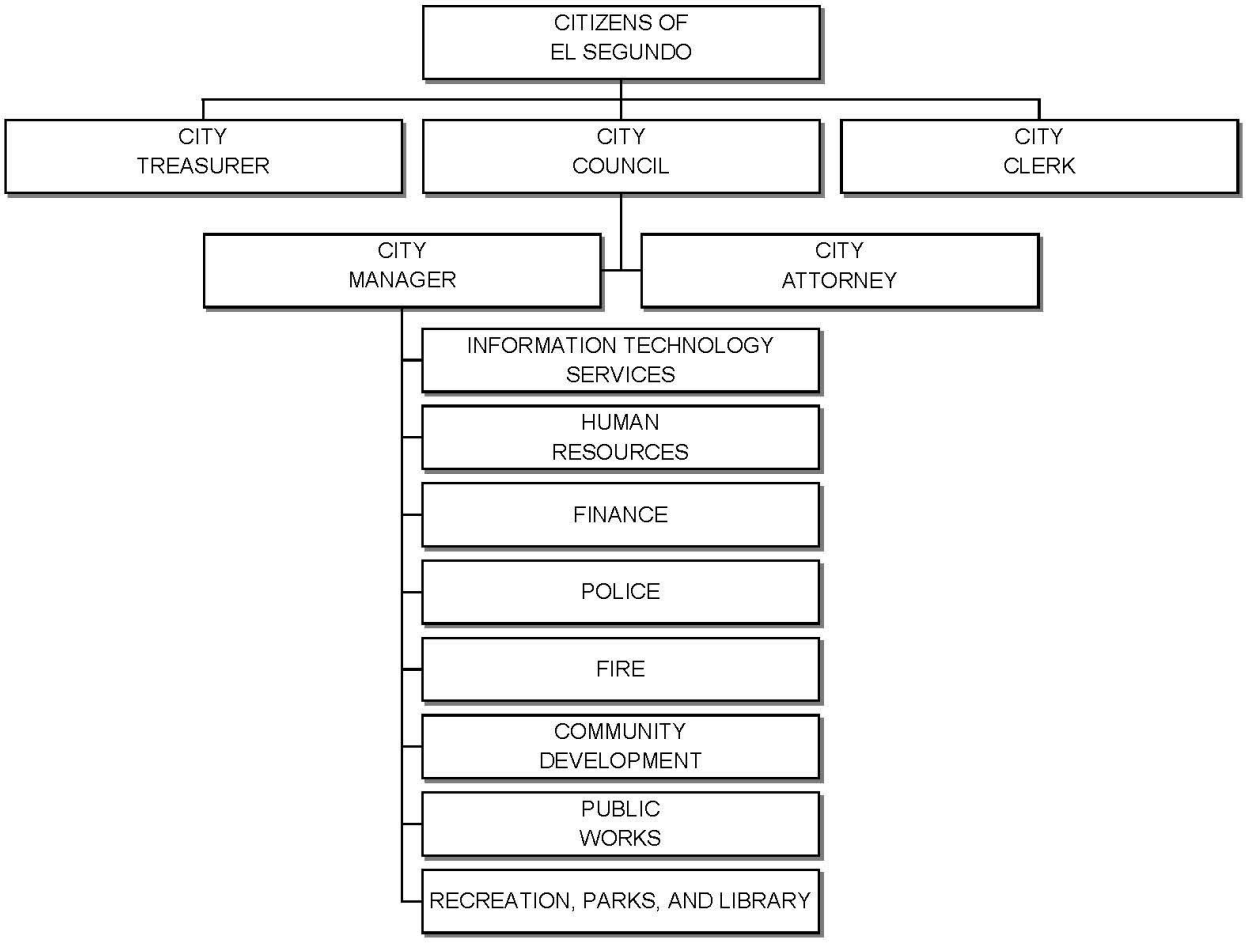
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of El Segundo's finances.

Respectfully submitted,



Joseph Lillio
Chief Financial Officer

CITY OF EL SEGUNDO



CITY OF EL SEGUNDO
OFFICIALS OF THE CITY
JUNE 30,2022

CITY COUNCIL MEMBERS

Name		Term Expires
Drew Boyles	Mayor	November 2024
Chris Pimentel	Mayor Pro Tem	November 2022
Carol Pirsztuk	Council Member	November 2024
Lance Giroux	Council Member	November 2024
Scot Nicol	Council Member	November 2022

CITY OFFICIALS

Darrell George	Interim City Manager
Mark Hensley	City Attorney
Matthew Robinson	City Treasurer
Tracy Weaver	City Clerk

CITY ADMINISTRATION

Barbara Voss	Deputy City manager
Joseph Lillio	Chief Financial Officer
Rebecca Redyk	Director of Human Resources
Jaime Bermudez	Chief of Police
Deena Lee	Fire Chief
Aly Mancini	Director of Recreation, Park, and Library
Michael Allen	Director of Development Services
Elias Sassoon	Director of Public Works
Scott Kim	Interim Director of Information Systems

Government Finance Officers Association

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Presented to

City of El Segundo
California

For its Annual Comprehensive
Financial Report
For the Nine Months Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

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CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of El Segundo
El Segundo, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Segundo, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of El Segundo's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Segundo, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the El Segundo Senior Citizen Housing Corporation (dba Park Vista), which represents 100% of the assets, net position, and revenues of the El Segundo Senior Citizen Housing Corporation nonmajor enterprise fund as of December 31, 2021, and the respective changes in financial position, and cash flows thereof of the year end ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for El Segundo Senior Citizen Housing Corporation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City of El Segundo and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of El Segundo Senior Citizen Housing Corporation nonmajor enterprise fund was not audited in accordance with *Government Auditing Standards*.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

Change in Accounting Principle

As described in Note 1 to the financial statements, effective July 1, 2021, the City adopted new accounting guidance, GASB No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of El Segundo's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of El Segundo's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Segundo's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – general fund, schedules of changes in net pension liabilities and related ratios - CalPERS miscellaneous rate plan, CalPERS safety rate plan, and public agency retirement system defined benefit plan, schedule of the City's proportionate share of the net pension liability and related ratios - CalPERS safety rate plan, schedule of contributions - CalPERS miscellaneous rate plan, CalPERS safety rate plan, and public agency retirement system defined benefit plan, schedule of changes in total OPEB liability and related ratios, and schedule of contributions – OPEB be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the Required Supplementary Information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of El Segundo's basic financial statements. The general fund combining schedules and the combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the general fund combining schedules and the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2023, on our consideration of the City of El Segundo's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of El Segundo's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of El Segundo's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
January 24, 2023

As management of the City of El Segundo, California (City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of El Segundo for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

FINANCIAL HIGHLIGHTS

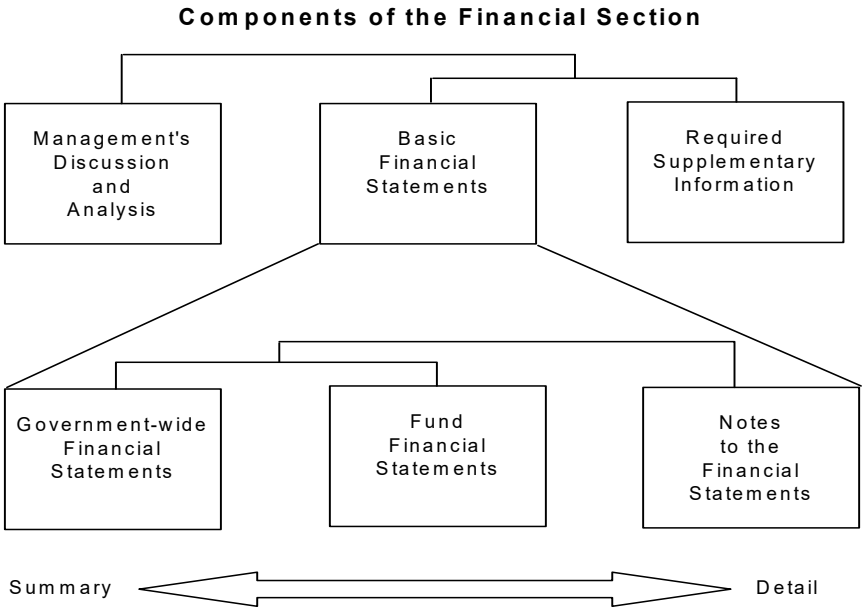
The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by $132,082,072 as of the current fiscal year end (*total net position*). The City had an unrestricted net position of ($72,981,661). This negative unrestricted net position is the result of GASB 68 implementation in FY 2014-15 that required all government entities to place their unfunded pension liabilities onto their agencies Statement of Net Position.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $71,839,010. Of this amount, $34,597,775 (*unrestricted fund balance per GASB 54*) is available for spending at the City's discretion.

At the end of the current year, unrestricted fund balance per GASB 54 for the general fund was $34,799,542 which represents 53% of total general fund expenditures, net of transfer out, for fiscal year 2021-22.

Overview of the Financial Statements

This annual report consists of four parts – management's discussion and analysis (MD&A - current portion), the basic financial statements, optional combining statements for non-major governmental funds, and required supplementary information. The MD&A discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements 2) fund financial statements and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.



Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. These statements include all assets and liabilities of the City.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only affect cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from functions that are intended to recover some or all of their costs through user fees and charges (*business-type activities*).

***Governmental activities*:** Most of the City's basic services are reported in this category, including the general administration (city manager, city clerk, administrative services, etc.), police and fire protection, public works and community development. Property taxes, sales tax, transient occupancy tax, user fees, interest income, franchise fees, state and federal grants, contributions from other agencies, and other revenues finance these activities.

***Business-type activities**:* The City charges a fee to customers to cover all or most of the costs of certain services it provides. The City's Water and Sewer utilities, the Solid Waste and Golf Course operations and the Senior Housing Corporation are reported in this category.

The government-wide financial statements can be found beginning on page 21 of this report.

Fund Financial Statements: The fund financial statements provide detailed information about the most significant funds and other funds – not the City as a whole. Some funds are required by state law and by bond covenants. However, management has established other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other resources. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. The City's governmental funds in fiscal year 2022 are General Fund and Non-major Governmental Funds. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between the results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

In addition to the major funds reported separately on the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances, the City also maintains 24 special revenue funds, one capital project fund and two debt service funds. Data from these funds are combined into a single, aggregated presentation referred to as *other governmental funds.*

Individual fund data for each of these non-major governmental funds are provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for all of its governmental and proprietary funds. A budgetary comparison statement has been provided for the general fund and major special revenue funds to demonstrate compliance with this budget. This comparison can be found beginning on page 102 of this report.

The governmental fund financial statements can be found beginning on page 29 of this report.

Proprietary funds: When the City charges customers for the services it provides, these services are generally reported in proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type* activities in the government-wide financial statement*s.* The City uses enterprise funds to account for its Water, Sewer, Solid Waste, Golf Course activities and the Senior Housing Corporation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its equipment replacement cost and general liability and workers' compensation cost. Because these services predominantly benefit governmental rather than business-type functions, these funds have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements except that more detail is presented. The proprietary fund financial statements provide separate information for the Water, Wastewater (Sewer) and Golf Course operations, all of which are considered major funds of the City. The Senior Housing Corporation are not considered major funds of the City. The City's internal service fund is shown separately under the heading of *governmental activities.*

The proprietary fund financial statements can be found beginning on page 35 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 47 of this report.

Other information: The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found beginning on page 125 of this report.

Government-wide Financial Analysis

As was referenced earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by $132,082,072 at the close of 2022 fiscal year. A summary of the government-wide *statement of net position* follows:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Assets:						
Current assets and other assets	217,785,894	84,645,449	49,081,941	41,684,230	266,867,835	126,329,679
Capital assets, net	96,822,240	98,272,191	27,883,663	27,436,197	124,705,903	125,708,388
Total assets	314,608,134	182,917,640	76,965,604	69,120,427	391,573,738	252,038,067
Deferred Outflows of Resources	110,760,794	168,444,292	423,825	4,677,998	111,184,619	173,122,290
Liabilities:						
Current and other liabilities	21,155,336	20,661,255	6,308,178	4,638,456	27,463,514	25,299,711
Noncurrent liabilities	187,765,425	329,560,427	5,557,564	9,498,459	193,322,989	339,058,886
Total liabilities	208,920,761	350,221,682	11,865,742	14,136,915	220,786,503	364,358,597
Deferred Inflows of Resources	148,765,563	11,326,717	1,124,219	438,113	149,889,782	11,764,830
Net position:						
Net investment in capital assets	91,541,308	93,360,733	26,842,980	27,259,225	118,384,288	120,619,958
Restricted	85,598,580	21,618,456	1,080,865	-	86,679,445	21,618,456
Unrestricted	(109,457,284)	(125,165,656)	36,475,623	31,964,172	(72,981,661)	(93,201,484)
Total net position	$ 67,682,604	$ (10,186,467)	$ 64,399,468	$ 59,223,397	$ 132,082,072	$ 49,036,930

It should be kept in mind while reviewing these schedules that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities. These assets are used to provide services to its citizens and are *not* available for future spending.

A summary of the government-wide *statement of activities* follows:

	Governmental Activities		Business -Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	8,452,057	6,940,974	41,594,620	29,765,020	50,046,677	36,705,994
Operating grants and contributions	6,408,261	2,120,276	-	-	6,408,261	2,120,276
Capital grants and contributions	2,328,528	2,421,429	-	-	2,328,528	2,421,429
General revenues:						
Property taxes	12,551,435	12,348,994	-	-	12,551,435	12,348,994
Transient Occupancy taxes	12,267,534	4,416,020	-	-	12,267,534	4,416,020
Sales taxes	13,374,232	8,339,284	-	-	13,374,232	8,339,284
Utility user taxes	6,810,917	4,019,510	-	-	6,810,917	4,019,510
Franchise taxes	3,853,865	2,940,024	-	-	3,853,865	2,940,024
Business license taxes	11,684,753	11,761,998	-	-	11,684,753	11,761,998
Other taxes	9,662,332	7,675,557	-	-	9,662,332	7,675,557
Motor vehicles in lieu	-	-	-	-	-	-
Use of money and property, unrestricte	(465,662)	457,980	(746,994)	427,834	(1,212,656)	885,814
Other	1,812,224	1,405,086	-	-	1,812,224	1,405,086
Total revenues	88,740,476	64,847,132	40,847,626	30,192,854	129,588,102	95,039,986
Expenses						
General government	18,434,149	15,339,955	-	-	18,434,149	15,339,955
Public safety	(30,085,922)	21,813,534	-	-	(30,085,922)	21,813,534
Public works	12,320,674	8,868,760	-	-	12,320,674	8,868,760
Community & cultural	7,277,725	7,026,812	-	-	7,277,725	7,026,812
Interest on long-term debt	2,924,779	500,659	-	-	2,924,779	500,659
Water	-	-	30,211,365	18,520,750	30,211,365	18,520,750
Sewer	-	-	4,441,887	3,430,966	4,441,887	3,430,966
Golf Course	-	-	239,326	4,678,672	239,326	4,678,672
Nonmajor fund Senior Housing	-	-	778,977	597,152	778,977	597,152
Total expenses	10,871,405	53,549,720	35,671,555	27,227,540	46,542,960	80,777,260
Increase (decrease) in net position	77,869,071	11,297,412	5,176,071	2,965,314	83,045,142	14,262,726
Net position at beginning of year	(10,186,467)	(21,483,879)	59,223,397	56,258,083	49,036,930	34,774,204
Net position at end of year	$ 67,682,604	$ (10,186,467)	$ 64,399,468	$ 59,223,397	$ 132,082,072	$ 49,036,930

Governmental Activities

The City's net position from governmental activities increased $77,869,071. The increase in net position is attributed to an increase in revenues due to the economy recovering from the pandemic and a decrease in expenses in governmental funds. The City changed the 2021 fiscal year end to June 30th; therefore, a consideration needs to be taken into the comparison of the twelve-month 2022 fiscal year to the nine-month 2021 fiscal year. Details are listed below:

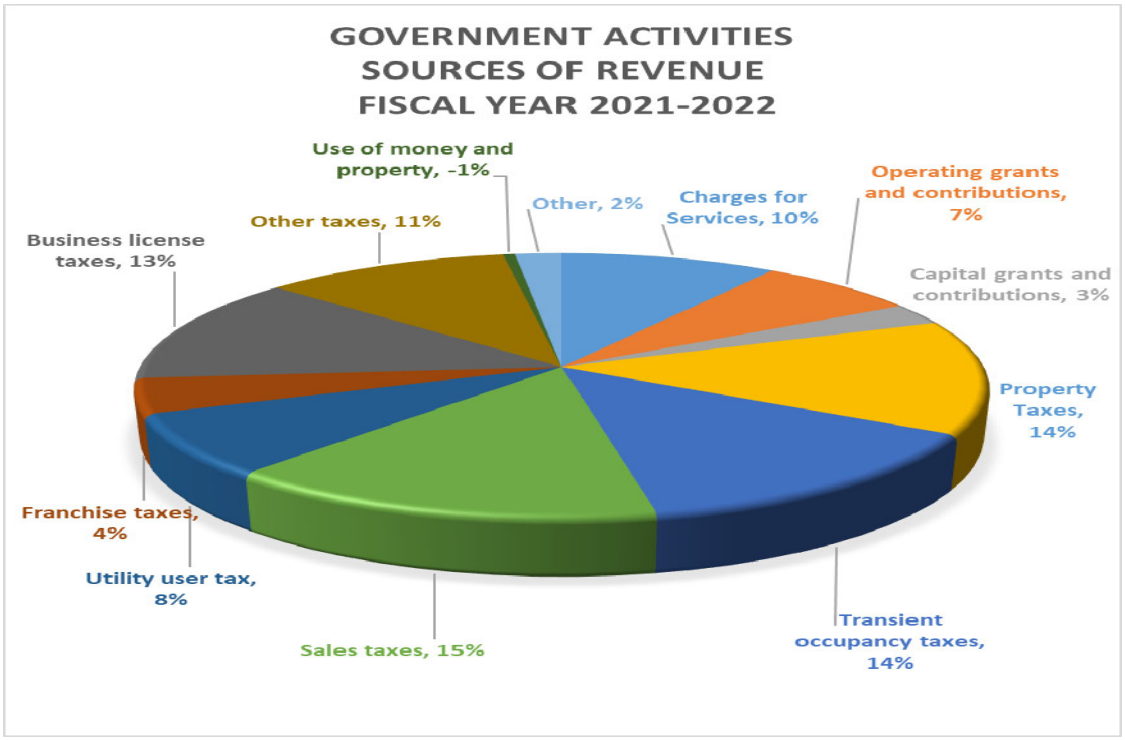
Changes in Revenues

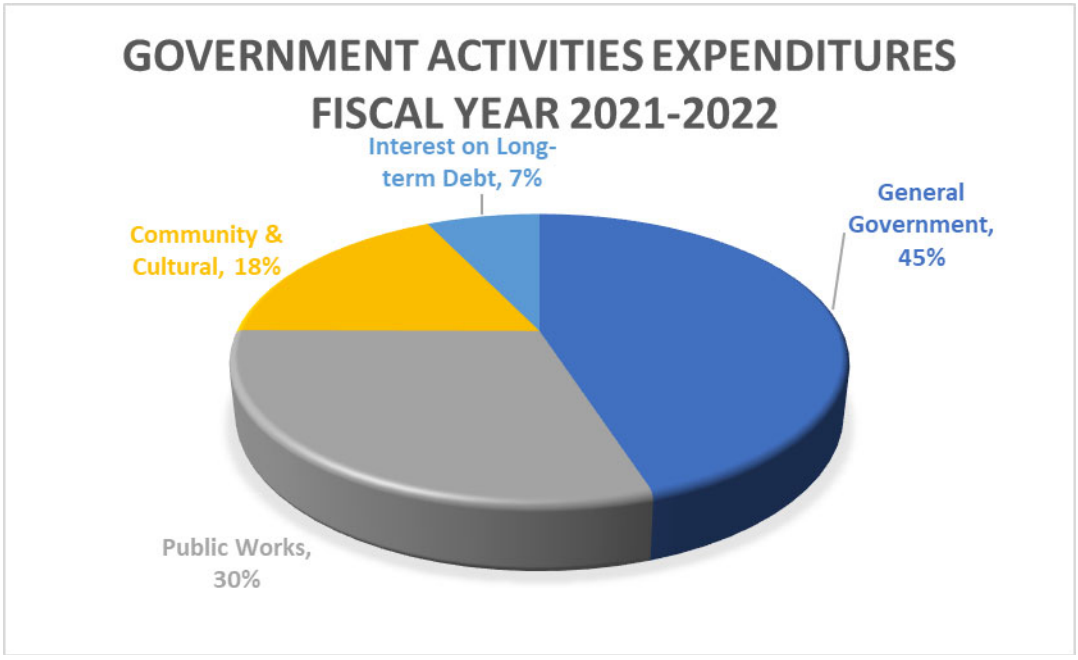
- Charges for services increased by $1.5 million due to a recovery from the pandemic, a cpi increase applied to many of the charges for services, and the fact that prior FY 20-21 was a nine-month fiscal year;
- Operating grants and contributions increased by $4.2 million, of which $2 million was from the American Rescue Plan Act of 2021 (ARPA) fund;
- Property taxes increased by $202 thousand due to increased property values;
- Transient Occupancy taxes increased by $7.9 million because hotel occupancy rates and room rates continued to rise post-economic shutdown and the fact that prior FY 20-21 was a nine-month fiscal year;
- Sales taxes increased by $5.0 million due to economy's return to pre-COVID levels and the fact that prior FY 20-21 was a nine-month fiscal year;
- Utility Users taxes increased by $2.8 million due to businesses coming back online from lifting L.A. County Department of Health economic restrictions, the continually rising commodity prices which directly impacted the price of utilities by resulting in higher utility bills, and in turn led to higher Utility Users taxes collected by the City;
- Franchise taxes increased by $914 thousand due to the fact that prior FY 20-21 was a nine-month fiscal year, as well as higher revenues collected by the major utility companies;
- Business license taxes decreased by $77 thousand due to the permanent impact of pandemic on some local businesses;
- Other taxes increased by $2.0 million mainly due to the price increase of cogenerated electric energy by Chevron Corporation, which led to higher tax collected by the City;
- Interest and rentals decreased by $924 thousand due to significant increases in the Fed's discount rate and overall interest rate increases in the fixed income space. City's investments are reported at fair value per GASB 72.

Changes in Expenditures

- General government expenses increased by $3.1 million due to the fact that prior FY 20-21 was a nine-month fiscal year;
- Public safety expenses decreased by $51.9 million primarily due to a $63.5 million GASB 34 adjustment for the net pension asset of safety pension plan with CalPERS as a result of the City issuing Pension Obligation Bonds (POBs).
- Public works expenses increased by $3.5 million due to the fact that prior FY 20-21 was a nine-month fiscal year;
- Interest on long-term debt increased by $2.4 million mainly due to the Pension Obligation Bonds the city issued in June 2021;

Overall, the $10.9 million cost of all "public benefit" governmental activities for the year was fully financed by the City's governmental program revenues of $17.2 million, which were paid by those who directly benefited from the programs ($8.5 million) or by other governments and organizations that subsidized certain programs with grants and contributions ($8.7 million). In 2022 fiscal year the city collected $70.2 million taxes - business license taxes of $11.7 million, sales and use taxes of $13.4 million, property taxes of $12.6 million, transient occupancy tax of $12.3 million, utility user taxes of $6.8 million, franchise taxes of $3.9 million, and other taxes of $9.7 million.





Note: Public safety expenses were not included in the above Government Activities Expenditures Chart. Public safety expenses decreased by $51.9 million primarily due to a $63.5 million GASB 34 adjustment for the net pension asset of safety pension plan with CalPERS as a result of the City issuing Pension Obligation Bonds (POBs).

Business-Type Activities

The programs for the business-type activities include the water, wastewater (sewer), golf course operations and the Senior Housing corporation.

The City's net position from business-type activities increased by $5,176,071. The cost of all business-type activities this year was $35,671,555.

Charges for services are the major revenue source for the City's business-type activities, accounting for $41,594,620 of total business-type activity revenue.

The Water Utility net cost of service of $4,970,401, comparing to net cost of service of $6,459,325 in last fiscal year, is attributable to the net effect of increases in revenues and purchase costs due to the rate increase in potable and recycled water, and the increase of personnel costs.

The Wastewater (Sewer) Utility net cost of service of $287,178, comparing to net cost of service of $(99,856) in last fiscal year, is attributable to an increase in revenue due to the rate increase in wastewater rates as a result of the City conducting a Proposition 218 rate study and related public hearing on the rate increases.

The Golf Course net cost of service of $(120,397), comparing to net cost of service of $(3,579,756) in last fiscal year is due to the discontinued operation by the prior management company. Topgolf took possession of The Lakes Golf Course through a ground lease agreement with the City on February 14, 2021. There were some administration costs during the transition process.

The Senior Housing Corporation net cost of service of $38,889, comparing to net cost of service of $185,600 in last fiscal year, is attributable to an increase in repair and maintenance costs.

Financial Analysis of the Government's Funds

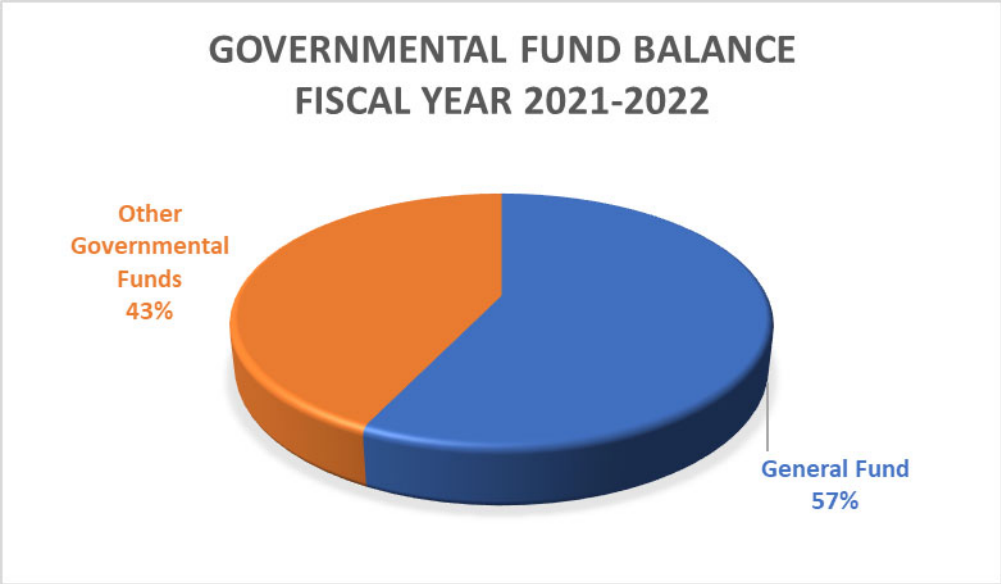
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $71,839,010, an increase of $13.9 million or 24.1% from the previous year. The increase is primarily due to city's tax revenues (including mainly Transient Occupancy Taxes, Utility Users' Tax and Sales and Use Taxes) recovered in line with economy's return to pre-pandemic levels. In addition, the city received its $2 million allocation of the American Rescue Plan Act of 2021 (ARPA) fund responding to address both the health and economic impacts of the pandemic on localities. The City's General Fund increased $4.1 million due to the net effect of a decrease in expenditures due to vacancies related to an aging workforce, as well as the pandemic and a transfer of $10 million to Pension Obligation Bonds Nonmajor Debt Service Fund for debt service payment due at the beginning of the next fiscal year. The General Fund transfer out was offset by the Nonmajor Governmental Funds

transfer in for the same amount, which mainly caused the increase of $9.9 million in the ending fund balances of non-major Governmental funds. The portion of fund balance that is unreserved, undesignated for all governmental funds is $34.6 million which represents amounts available for spending at the government's discretion.

Additionally, there are portions of the identified combined ending fund balance that are classified to indicate (1) it represents nonspendable amounts for inventory, notes and loans receivable and prepaid costs $330,490, (2) for a variety of other restricted and assigned purposes $36.9 million. More details can be found in Note 15.



Major Funds: There is one major fund on the balance sheet for governmental funds. This is the general fund, the chief operating fund of the City. At the end of the current fiscal year, the available fund balance (assigned and unassigned) was $36,197,036 which represents 88% of total fund balance of $41,050,349. As a measure of the general fund's available resources, it may be useful to compare restricted and total fund balance to total fund expenditures. The available fund balance represents 55% of total general fund expenditures, net of transfer out, while total general fund balance represents 63% of that same amount.

Proprietary Funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements but in greater detail.

Ending unrestricted net position for the proprietary funds is $35,802,145 for the Water Utility Fund, $4,422,841 for the Wastewater (Sewer) Utility Fund, a negative $5,229,689 for the Golf Course Fund and $1,480,326 for the Senior Housing Corporation. The total change in net position for the City's four proprietary funds is as follows:

- The Water Utility's net position increased by $4,970,401 or an increase of 12% over net position of the prior year due to an increase in revenues;

- The Wastewater (Sewer) Utility's net position increased $287,178 or an increase of 2% over net position of the prior year due to an increase in revenues;
- The Golf Course net position decreased $120,397 or a net decrease of 14% over the prior year due to the discontinued operation by the prior management company. Topgolf took possession of The Lakes Golf Course through a ground lease agreement with the City on February 14, 2021.
- The Senior Housing Corporation's net position increased by $38,889 or an increase of 2% over net position of the prior year is attributable to a net effect of increases in both rent and repair and maintenance costs.

Other factors concerning the finances of these four funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

During the year, with the recommendation from the City's staff, the City Council revised the expenditure City budget several times. Adjustments were made as the City's staff requested additional appropriations to cover the cost of projects that either had change orders for additional work, or the estimated cost at the beginning of the project was underestimated. All amendments that resulted in a net increase in appropriations are approved by the City Council.

Appropriations

Differences between the original budget and the final amended budget of the General Fund resulted in an increase in appropriations of $872,972, or a net decrease in budgetary fund balance of $872,972.

- General Government encumbrances decreased $234,700.
- Public Safety encumbrances increased $83,935.
- Public Works encumbrances increased $386,081.
- Community and Cultural encumbrances decreased $212,344.
- Capital Outlay encumbrances increased $850,000.

Expenditure

Over-all, the general fund expenditure was under budget for $4,661,381 when comparing final budget to actual. This was due to position vacancies as a result from the talent recruitment hardship throughout the pandemic and applying ARPA funds to public safety services to maintain the on-going needs for first responders. The reasons for the variance follow:

- The General Government Departments came in $1,603,292 under budget due to position vacancies from the talent recruitment hardship throughout pandemic.
- The Public Safety Departments came in $1,972,831 under budget mainly due to applying ARPA fund to public safety services.

- The Public Works Departments came in $558,070 under budget due to position vacancies from the talent recruitment hardship throughout pandemic.
- The Community and Cultural Departments came in $772,331 under budget due to position vacancies from the talent recruitment hardship throughout pandemic.

Revenue

Differences between the final budget and the actual revenues resulted in an increase of $6,545,960, or an 9% increase in budgeted revenues.

Some significant variances between the final budget and actual revenues are as follows:

- Transient Occupancy Tax increased $1,792,534 due to higher hotel occupancy and increased room rates along with the economy's recovery to pre-pandemic levels.
- Cogenerated Electric/Chevron increased $1,339,815 due to Chevron ramping up production at the oil refinery compared to the prior year.
- Utility Users Taxes increased $1,016,417 above the final budget is mainly attributable to an increase in electric utility taxes.
- Sales and Use Tax increased $909,026 above the final budget is mainly attributable to a steady increase in retail purchases.
- Property Taxes increased $722,592 above the final budget is attributable to an increase in property values.
- Franchise Taxes increased $853,865 above the final budget due to the increasing commodity prices as well as increased revenues for SoCal Edison and The Gas Company.
- Charges for Services increased $993,000 above the final budget is mainly attributable to an increase in accelerated plan check fees, and recreation and park activities' return to pre-COVID levels.
- Use of money and property decreased $1,602,180 below the final budget due to the City's investments being reported at fair value per GASB 72: mark-to-market. Bonds held in the City's investment portfolio had fair market value losses (capital losses) due to bond prices dropping because of rates increasing (inverse relationship between bond prices and rates). The actual investment income for FY 2022 significantly increased from the prior year.

For the City's general fund, amounts available for appropriation of $73,196,232 was $6,545,960 lower than actual revenues of $79,742,192. Actual ending expenditures not including transfers out were $65,594,236 which was $4,661,381 lower than the final budget of $70,255,617, not including transfer out. The net effect of these variances between actual and budgeted was an increase in budgetary fund balance of $11,207,341.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The City's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounts to $124,312,819 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment, park facilities, roads, highways, streets, bridges, and right-to-use lease related land and capital assets.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Capital assets not being depreciated						
Land	29,522,040	29,522,040	5,999,980	5,999,980	35,522,020	35,522,020
Construction in progress	2,063,479	692,638	1,000,704	1,248,988	3,064,183	1,941,626
Total capital assets not being depreciated	31,585,519	30,214,678	7,000,684	7,248,968	38,586,203	37,463,646
Capital assets being depreciated, net						
Buildings and improvements	17,428,016	17,455,318	-	399,722	17,428,016	17,855,040
Vehicles and equipment	5,280,473	6,458,703	-	33,408	5,280,473	6,492,111
Infrastructure	42,413,358	44,143,492	20,328,832	19,754,099	62,742,190	63,897,591
Right-to-use Lease Land	9,078	-	161,063	-	170,141	-
Right-to-use Lease Vehicles and Equipment	105,796	-	-	-	105,796	-
Total capital assets being depreciated, net	65,236,721	68,057,513	20,489,895	20,187,229	85,726,616	88,244,742
Total capital assets, net	$ 96,822,240	$98,272,191	$ 27,490,579	$ 27,436,197	$ 124,312,819	$ 125,708,388

Additional information on the City's capital assets can be found in Note 7 of the Notes to Financial Statements in this report.

Long-term debt: The City's governmental activities total debt increased by $734,113. Which is attributed to the increase in claims and judgements of $1,243,000 and the loan obligation of Douglas Street Gap decreased by $335,351. The City's business-type activities total debt increased by $164,216, which is attributable to the implementation of GASB 87 leases in FY 21-22. City-wide, compensated absences decreased by $88,804.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Direct Borrowings:						
Finance Purchase Obligation	1,920,577	1,981,703	-	-	1,920,577	6,178,064
Loan Obligation	5,842,713	6,178,064	-	-	5,842,713	1,981,703
Other Long-Term Debt:						
Pension Obligation Bonds	140,095,398	140,095,398	4,039,602	4,039,602	144,135,000	144,135,000
Leases Payable	117,088	178,664	202,186		319,274	178,664
Claims Payable	17,430,000	16,187,000	-	-	17,430,000	16,187,000
Compensated Absences	4,985,186	5,036,020	138,176	176,146	5,123,362	5,212,166
Total long-term debt	$ 170,390,962	$ 169,656,849	$ 4,379,964	$ 4,215,748	$ 174,770,926	$ 173,872,597

Additional information on the City's long-term debt can be found in Note 8 of the Notes to Financial Statements in this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

In preparing the budget for 2022-2023 the following economic factors significantly impacted the budget process:

- Inflation, as well as the performance of national, state and primarily local economies and its impact on El Segundo's major revenue sources.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of El Segundo's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department at the City of El Segundo, 350 Main Street, El Segundo, CA 90245.

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FINANCIAL STATEMENTS

CITY OF EL SEGUNDO
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
CURRENT ASSETS			
Cash and Investments	$ 72,181,044	$ 44,891,708	$ 117,072,752
Receivables:			
Taxes	6,861,487	-	6,861,487
Accounts	850,862	7,212,287	8,063,149
Interest	466,696	-	466,696
Notes and Loans	49,661	-	49,661
Leases	95,176	-	95,176
Internal Balances	5,577,910	(5,577,910)	-
Due from Other Governments	728,581	-	728,581
Inventories	182,280	58,694	240,974
Prepaids and Other Assets	147,954	38,363	186,317
Total Current Assets	87,141,651	46,623,142	133,764,793
NONCURRENT ASSETS			
Restricted Cash	12,376,989	1,377,934	13,754,923
Leases Receivable	64,369,825	-	64,369,825
Net Pension Asset	53,897,429	1,080,865	54,978,294
Capital Assets, not Being Depreciated/Amortized	31,585,519	7,000,684	38,586,203
Capital Assets, Net of Depreciation/Amortization	65,236,721	20,882,979	86,119,700
Total Noncurrent Assets	227,466,483	30,342,462	257,808,945
Total Assets	314,608,134	76,965,604	391,573,738
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pensions	106,612,271	209,121	106,821,392
Deferred Outflows of Resources Related to OPEB	4,148,523	214,704	4,363,227
Total Deferred Outflows of Resources	110,760,794	423,825	111,184,619

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
CURRENT LIABILITIES			
Accounts Payable	$ 2,639,610	$ 5,527,362	$ 8,166,972
Accrued Liabilities	1,882,294	110,547	1,992,841
Retention Payable	71,556	39,111	110,667
Accrued Interest	1,294,087	-	1,294,087
Unearned Revenue	-	29,142	29,142
Deposits Payable	476,426	178,181	654,607
Long-Term Liabilities - Due Within One Year	14,791,363	423,835	15,215,198
Total Current Liabilities	21,155,336	6,308,178	27,463,514
NONCURRENT LIABILITIES			
Long-Term Liabilities - Due in More Than One Year	155,599,599	3,956,129	159,555,728
Net Pension Liability	1,222,886	-	1,222,886
Net Other Postemployment Benefit Liability	30,942,940	1,601,435	32,544,375
Total Noncurrent Liabilities	187,765,425	5,557,564	193,322,989
Total Liabilities	208,920,761	11,865,742	220,786,503
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pensions	80,256,391	914,915	81,171,306
Deferred Inflows of Resources Related to OPEB	4,044,171	209,304	4,253,475
Deferred Inflows of Resources Related to Leases	64,465,001	-	64,465,001
Total Deferred Outflows of Resources	148,765,563	1,124,219	149,889,782
NET POSITION			
Net Investment in Capital Assets	91,541,308	26,842,980	118,384,288
Restricted for:			
Public Safety	1,905,808	-	1,905,808
Public Works	3,766,730	-	3,766,730
Economic Development	101,049	-	101,049
Community and Cultural	12,290,983	-	12,290,983
Debt Services	9,093,316	-	9,093,316
Pension	58,440,694	1,080,865	59,521,559
Unrestricted (Deficit)	(109,457,284)	36,475,623	(72,981,661)
Total Net Position	$ 67,682,604	$ 64,399,468	$ 132,082,072

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Contributions and Grants	Program Revenues: Capital Contributions and Grants	Program Revenues: Total Program Revenues
GOVERNMENTAL ACTIVITIES					
General Government	$ 18,434,149	$ 286,451	$ 1,986,733	$ -	$ 2,273,184
Public Safety	(30,085,922)	1,636,988	850,731	532,053	3,019,772
Public Works	12,320,674	54,457	1,228,057	637,121	1,919,635
Community and Cultural	7,277,725	6,474,161	2,342,740	1,159,354	9,976,255
Interest on Long-Term Debt	2,924,779	-	-	-	-
Total Governmental Activities	10,871,405	8,452,057	6,408,261	2,328,528	17,188,846
BUSINESS-TYPE ACTVITIES					
Water	30,211,365	35,830,853	-	-	35,830,853
Sewer	4,441,887	4,829,814	-	-	4,829,814
Golf Course	239,326	118,929	-	-	118,929
El Segundo Senior Citizen Housing Corp.	778,977	815,024	-	-	815,024
Total Business-Type Activities	35,671,555	41,594,620	-	-	41,594,620
Total Primary Government	$ 46,542,960	$ 50,046,677	$ 6,408,261	$ 2,328,528	$ 58,783,466

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2022

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES			
General Government	$ (16,160,965)	$ -	$ (16,160,965)
Public Safety	33,105,694	-	33,105,694
Public Works	(10,401,039)	-	(10,401,039)
Community and Cultural	2,698,530	-	2,698,530
Interest on Long-Term Debt	(2,924,779)	-	(2,924,779)
Total Governmental Activities	6,317,441	-	6,317,441
BUSINESS-TYPE ACTVITIES			
Water	-	5,619,488	5,619,488
Sewer	-	387,927	387,927
Golf Course	-	(120,397)	(120,397)
El Segundo Senior Citizen Housing Corp.	-	36,047	36,047
Total Business-Type Activities	-	5,923,065	5,923,065
Total Primary Government	6,317,441	5,923,065	12,240,506
GENERAL REVENUES			
Taxes:			
Property Taxes, Levied for General Purpose	12,551,435	-	12,551,435
Transient Occupancy Taxes	12,267,534	-	12,267,534
Sales Taxes	13,374,232	-	13,374,232
Utility User Taxes	6,810,917	-	6,810,917
Franchise Taxes	3,853,865	-	3,853,865
Business Licenses Taxes	11,684,753	-	11,684,753
Other Taxes	9,662,332	-	9,662,332
Total Taxes	70,205,068	-	70,205,068
Use of Money and Property, Unrestricted	(465,662)	(746,994)	(1,212,656)
Other	1,812,224	-	1,812,224
Total General Revenues	71,551,630	(746,994)	70,804,636
CHANGE IN NET POSITION	77,869,071	5,176,071	83,045,142
Net Position - Beginning of Year	(10,186,467)	59,223,397	49,036,930
NET POSITION - END OF YEAR	$ 67,682,604	$ 64,399,468	$ 132,082,072

See accompanying Notes to Financial Statements.

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

General Fund – To account for and report all financial resources not accounted for and reported in another fund.

Nonmajor Governmental Funds – To account for the aggregate of all the nonmajor governmental funds.

CITY OF EL SEGUNDO
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Nonmajor Governmental Funds	Total
ASSETS			
Cash and Investments	$ 32,229,304	$ 23,194,885	$ 55,424,189
Restricted Cash and Investments	4,543,265	7,833,724	12,376,989
Receivables:			
Taxes	6,861,487	-	6,861,487
Accounts	692,796	5,499	698,295
Interest	466,577	119	466,696
Notes and Loans	256	49,405	49,661
Leases	64,465,001	-	64,465,001
Due from Other Funds	301,485	-	301,485
Due from Other Governments	88,182	640,399	728,581
Inventories	182,280	-	182,280
Prepaids	127,512	20,442	147,954
Total Assets	$ 109,958,145	$ 31,744,473	$ 141,702,618
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 2,035,585	$ 598,896	$ 2,634,481
Accrued Liabilities	1,816,669	22,994	1,839,663
Retentions Payable	41,933	29,623	71,556
Due to Other Funds	-	301,485	301,485
Unearned Revenue	-	-	-
Deposits Payable	473,612	2,814	476,426
Total Liabilities	4,367,799	955,812	5,323,611
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	74,996	-	74,996
Related to Leases	64,465,001	-	64,465,001
Total Deferred Inflows of Resources	64,539,997	-	64,539,997
FUND BALANCES			
Nonspendable	310,048	20,442	330,490
Restricted	4,543,265	27,382,627	31,925,892
Assigned	1,397,494	3,587,359	4,984,853
Unassigned (Deficit)	34,799,542	(201,767)	34,597,775
Total Fund Balances	41,050,349	30,788,661	71,839,010
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 109,958,145	$ 31,744,473	$ 141,702,618

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2022

Total Fund Balances -Total Governmental Funds		$ 71,839,010
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
Amount Reported in Government-Wide Statement of Position:		
Capital Assets, Nondepreciable	$ 31,585,519	
Capital Assets, Depreciable, Net (Net of $3,860,432 - reported in ISF)	62,146,373	
		93,731,892
Interest is recognized when due and, therefore, interest payable is not reported in the governmental funds.		(1,294,087)
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds' Balance Sheet.		
Finance Purchase and Loan Obligations		(7,763,290)
Leases Payable		(117,088)
Pension Obligation Bonds		(140,095,398)
Compensated Absences		(4,985,186)
Net OPEB liability is not due and payable in the current period and, therefore, is not reported in the governmental funds. (Net of $151,105 reported in ISF.)		(30,791,835)
OPEB related deferred outflows of resources are not reported in the governmental funds, but are reported in the government-wide financial statements. (Net of $20,259 reported in ISF.)		4,128,264
OPEB related deferred inflows of resources are not reported in the governmental funds, but are reported in government- wide financial statements. (Net of $19,749 reported in ISF.)		(4,024,422)
Aggregate net pension asset is not an asset in the current period and, therefore, is not reported in the governmental funds. (Net of $193,808 reported in ISF.)		52,480,735
Pensions related deferred outflows of resources are not reported in the governmental funds, but are reported in the government-wide financial statements. (Net of $37,497 reported in ISF.)		106,574,774
Pensions related deferred inflows of resources are not reported in the governmental funds, but are reported in government- wide financial statements. (Net of $164,051 reported in ISF.)		(80,092,340)
Certain revenues in the governmental funds are unavailable because they are not collected within the prescribed time period after year-end. Those revenues are are recognized on the accrual basis in the government-wide statements.		74,996
Internal service funds are used by management to charge the costs of equipment replacement, general liability, and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Government-Wide Statement of Net Position.		8,016,579
Net Position of Governmental Activities		$ 67,682,604

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	Nonmajor Governmental Funds	Total
REVENUES			
Taxes	$ 58,484,432	$ 35,883	$ 58,520,315
Licenses and Permits	13,605,327	28,331	13,633,658
Intergovernmental	-	6,340,810	6,340,810
Charges for Services	5,605,586	286,896	5,892,482
Use of Money and Property	(651,380)	152,112	(499,268)
Fines and Forfeitures	373,424	54,180	427,604
Developer Fees	331,326	1,110,924	1,442,250
Miscellaneous	1,993,477	1,176,967	3,170,444
Total Revenues	79,742,192	9,186,103	88,928,295
EXPENDITURES			
Current:			
General Government	19,295,091	18,535	19,313,626
Public Safety	31,329,946	2,305,916	33,635,862
Public Works	8,893,415	646,966	9,540,381
Community and Cultural	4,980,641	1,706,322	6,686,963
Capital Outlay	837,950	2,555,350	3,393,300
Debt Service:			
Principal Retirement	122,702	335,351	458,053
Interest	134,491	1,835,298	1,969,789
Total Expenditures	65,594,236	9,403,738	74,997,974
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	14,147,956	(217,635)	13,930,321
OTHER FINANCING SOURCES (USES)			
Transfers In	25,000	10,101,878	10,126,878
Transfers Out	(10,101,878)	(25,000)	(10,126,878)
Total Other Financing Sources (Uses)	(10,076,878)	10,076,878	-
NET CHANGE IN FUND BALANCES	4,071,078	9,859,243	13,930,321
Fund Balances - Beginning of year	36,979,271	20,929,418	57,908,689
FUND BALANCES - END OF YEAR	$ 41,050,349	$ 30,788,661	$ 71,839,010

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
RECONCILIATION OF THE GOVERNMENT FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Total Governmental Funds	$	13,930,321
Amounts reported for governmental activities in the Statement of Activities are different because:		
Acquisition of capital assets was reported as expenditures in the governmental funds. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over the estimated useful lives as depreciation/amortization expense. The following was the amount of capital assets recorded in the current period:		
Capital Outlay		3,020,505
Depreciation/Amortization expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation/amortization expense was not reported as an expenditure in the governmental funds. (Net of $780,209 reported in ISF)		(3,879,036)
Long-term compensated absences expense was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the change in long-term compensated absences was not reported in the governmental funds.		50,833
Other postemployment benefits and pension expenses were reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the increase in other postemployment benefits liability and net pension liabilities were not reported as an expenditure in the governmental funds.		
OPEB credit (expense) net of reporting contribution made after measurement date reported in deferred outflows of resources in the Government-Wide Statement of Net Position, but reported as OPEB expense in the governmental fund.		(131,592)
Pension credit (expense) net of reporting contribution made after measurement date reported in deferred outflows of resources in the Government-Wide Statement of Net Position, but reported as pension expense in the governmental fund.		63,974,458
Proceeds from long-term debt provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Principal repayment of leases was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.		
Principal Repayments of Long-Term Debt		458,053
Interest Accrual on Long-Term Debt		(954,990)
Certain revenues in the governmental funds are unavailable if they are not collected within the prescribed time period after year-end. Those revenues are recognized on the accrual basis in the government-wide statements.		(224,738)
Internal service funds were used by management to charge the costs of certain activities, such as equipment replacement and insurance, to individual funds. The net revenue of the internal service funds was reported with governmental activities.		1,625,257
Change in net Net Position of Governmental Activities	$	77,869,071

See accompanying Notes to Financial Statements.

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PROPRIETARY FUNDS FINANCIAL STATEMENTS

Water Fund – To account for water utility revenues, including service fees and installation charges, and all expenses related to the construction and maintenance of the City's water distribution system.

Sewer Fund – To account for user charges, fees, and all operating costs associated with the operation, maintenance, upgrade, and periodic reconstructions of the City's wastewater collection system.

Golf Course Fund – To account for revenues from user fees and expenses incurred for the operation and maintenance of "The Lakes at El Segundo" golf facility.

Nonmajor Enterprise Funds - To account for the aggregate of all the nonmajor enterprise funds.

Internal Service Funds – To account for financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

CITY OF EL SEGUNDO
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf Course	Nonmajor Enterprise Funds El Segundo Senior Citizen Housing Corporation December 31, 2021
ASSETS				
Current Assets:				
Cash and Investments	$ 37,848,310	$ 6,124,646	$ 538,657	$ 380,095
Accounts Receivable	6,332,318	879,969	-	-
Inventories	58,694	-	-	-
Prepaid Items	3,208	3,208	-	31,947
Total Current Assets	44,242,530	7,007,823	538,657	412,042
Noncurrent Assets:				
Advances to Other Funds	-	-	-	-
Restricted Cash	137,010	88,653	-	1,152,271
Net Pension Asset	675,068	405,797	-	-
Capital Assets, not Being Depreciated/Amortized	1,000,704	-	5,999,980	-
Capital Assets, Being Depreciated/Amortized	10,408,468	9,920,364	161,063	393,084
Total Noncurrent Assets	12,221,250	10,414,814	6,161,043	1,545,355
Total Assets	56,463,780	17,422,637	6,699,700	1,957,397
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pension	130,609	78,512	-	-
Deferred Outflows of Resources Related to OPEB	120,906	93,798	-	-
Total Deferred Outflows of Resources	251,515	172,310	-	-

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2022

	Business-Type Activities - Enterprise Funds Total	Governmental Activities- Internal Service Funds
ASSETS		
Current Assets:		
Cash and Investments	$ 44,891,708	$ 16,756,855
Accounts Receivable	7,212,287	152,567
Inventories	58,694	-
Prepaid Items	38,363	-
Total Current Assets	52,201,052	16,909,422
Noncurrent Assets:		
Advances to Other Funds	-	5,577,910
Restricted Cash	1,377,934	-
Net Pension Asset	1,080,865	193,808
Capital Assets, not Being Depreciated/Amortized	7,000,684	-
Capital Assets, Being Depreciated/Amortized	20,882,979	3,090,348
Total Noncurrent Assets	30,342,462	8,862,066
Total Assets	82,543,514	25,771,488
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources Related to Pension	209,121	37,497
Deferred Outflows of Resources Related to OPEB	214,704	20,259
Total Deferred Outflows of Resources	423,825	57,756

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf Course	Nonmajor Enterprise Funds El Segundo Senior Citizen Housing Corporation December 31, 2021
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 5,267,648	$ 80,269	$ 168,614	$ 10,831
Accrued Liabilities	65,550	44,997	-	-
Retentions Payable	39,111	-	-	-
Unearned Revenue	-	-	21,822	7,320
Deposits Payable	112,345	-	-	65,836
Claims and Judgments, Current Portion	-	-	-	-
Compensated Absences, Current Portion	74,851	47,509	-	-
Leases Payable, Current Portion	-	-	118,495	-
Pension Obligation Bonds, Current Portion	111,095	71,885	-	-
Total Current Liabilities	5,670,600	244,660	308,931	83,987
Noncurrent Liabilities:				
Advances from Other Funds	-	-	5,577,910	-
Claims and Judgments, Net of Current	-	-	-	-
Compensated Absences, Net of Current	10,908	4,908	-	-
Leases Payable, Net of Current	-	-	83,691	-
Pension Bonds Payable	2,394,799	1,461,823	-	-
Net Other Postemployment Benefit Liability	901,813	699,622	-	-
Total Noncurrent Liabilities	3,307,520	2,166,353	5,661,601	-
Total Liabilities	8,978,120	2,411,013	5,970,532	83,987
DEFERRED INFLOWS OF REOSURCES				
Deferred Inflows of Resources Related to Pensions	571,422	343,493	-	-
Deferred Inflows of Resources Related to OPEB	117,865	91,439	-	-
Total Deferred Inflows of Resources	689,287	434,932	-	-
NET POSITION				
Net Investment in Capital Assets	10,570,675	9,920,364	5,958,857	393,084
Pension	675,068	405,797	-	-
Unrestricted (Deficit)	35,802,145	4,422,841	(5,229,689)	1,480,326
Total Net Position	$ 47,047,888	$ 14,749,002	$ 729,168	$ 1,873,410

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2022

	Business-Type Activities - Enterprise Funds Total	Governmental Activities- Internal Service Funds
LIABILITIES		
Current Liabilities:		
Accounts Payable	$ 5,527,362	$ 5,129
Accrued Liabilities	110,547	42,631
Retentions Payable	39,111	-
Unearned Revenue	29,142	-
Deposits Payable	178,181	-
Claims and Judgments, Current Portion	-	3,321,068
Compensated Absences, Current Portion	122,360	-
Leases Payable, Current Portion	118,495	-
Pension Obligation Bonds, Current Portion	182,980	-
Total Current Liabilities	6,308,178	3,368,828
Noncurrent Liabilities:		
Advances from Other Funds	5,577,910	-
Claims and Judgments, Net of Current	-	14,108,932
Compensated Absences, Net of Current	15,816	-
Leases Payable	83,691	-
Pension Bonds Payable	3,856,622	-
Net Other Postemployment Benefit Liability	1,601,435	151,105
Total Noncurrent Liabilities	11,135,474	14,260,037
Total Liabilities	17,443,652	17,628,865
DEFERRED INFLOWS OF REOSURCES		
Deferred Inflows of Resources Related to Pensions	914,915	164,051
Deferred Inflows of Resources Related to OPEB	209,304	19,749
Total Deferred Inflows of Resources	1,124,219	183,800
NET POSITION		
Net Investment in Capital Assets	26,842,980	3,090,348
Pension	1,080,865	193,808
Unrestricted (Deficit)	36,475,623	4,732,423
Total Net Position	$ 64,399,468	$ 8,016,579

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf Course	Nonmajor Enterprise Funds El Segundo Senior Citizen Housing Corporation December 31, 2021
OPERATING REVENUES				
Sales and Service Charges	$ 35,781,719	$ 4,829,584	$ -	$ 779,953
Interdepartmental Charges	-	-	-	-
Lease Revenue	-	-	118,929	-
Miscellaneous	49,134	230	-	35,071
Total Operating Revenues	35,830,853	4,829,814	118,929	815,024
OPERATING EXPENSES				
Personnel Services	1,344,808	919,346	-	-
Materials and Supplies	105,192	127,318	177	-
Purchased Water/Utilities	26,209,612	-	-	125,133
Insurance and Claims	1,000,000	500,000	-	38,548
Contractual Services	224,481	1,697,140	-	181,500
Repairs and Maintenance	347,130	351,233	39,702	296,874
Administrative Cost	734,219	409,093	158,324	96,876
Depreciation/Amortization	190,927	402,171	41,123	40,046
Total Operating Expenses	30,156,369	4,406,301	239,326	778,977
OPERATING INCOME (LOSS)	5,674,484	423,513	(120,397)	36,047
NONOPERATING REVENUES (EXPENSES)				
Interest Revenue	(649,087)	(100,749)	-	2,842
Interest Expense	(54,996)	(35,586)	-	-
Total Nonoperating Revenues (Expenses)	(704,083)	(136,335)	-	2,842
CHANGES IN NET POSITION	4,970,401	287,178	(120,397)	38,889
Net Position - Beginning of Year	42,077,487	14,461,824	849,565	1,834,521
NET POSITION - END OF YEAR	$ 47,047,888	$ 14,749,002	$ 729,168	$ 1,873,410

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Business-Type Activities Enterprise Funds Total	Governmental Activities - Internal Service Funds
OPERATING REVENUES		
Sales and Service Charges	$ 41,391,256	$ -
Interdepartmental Charges	-	7,079,669
Lease Revenue	118,929	-
Miscellaneous	84,435	1,203,706
Total Operating Revenues	41,594,620	8,283,375
OPERATING EXPENSES		
Personnel Services	2,264,154	(477,605)
Materials and Supplies	232,687	231,449
Purchased Water/Utilities	26,334,745	-
Insurance and Claims	1,538,548	6,160,983
Contractual Services	2,103,121	-
Repairs and Maintenance	1,034,939	-
Administrative Cost	1,398,512	-
Depreciation/Amortization	674,267	780,210
Total Operating Expenses	35,580,973	6,695,037
OPERATING INCOME (LOSS)	6,013,647	1,588,338
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	(746,994)	36,919
Interest Expense	(90,582)	-
Total Nonoperating Revenues (Expenses)	(837,576)	36,919
CHANGES IN NET POSITION	5,176,071	1,625,257
Net Position - Beginning of Year	59,223,397	6,391,322
NET POSITION - END OF YEAR	$ 64,399,468	$ 8,016,579

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf Course	Nonmajor Enterprise Funds El Segundo Senior Citizen Housing Corporation December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	$ 32,805,070	$ 4,676,112	$ -	$ -
Receipts of Lease Payments	-	-	118,929	-
Payments for Insurance Claims	-	-	-	818,800
Payments to Suppliers	(27,338,547)	(3,027,164)	(29,589)	(726,741)
Payments to Employees	(1,428,203)	(1,007,678)	-	-
Net Cash Provided by Operating Activities	4,038,320	641,270	89,340	92,059
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interest Expense	(54,996)	(35,586)	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(54,996)	(35,586)	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(867,540)	(52,006)	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(867,540)	(52,006)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	(649,087)	(100,749)	-	2,842
Net Cash Provided (Used) by Investing Activities	(649,087)	(100,749)	-	2,842
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,466,697	452,929	89,340	94,901
Cash and Cash Equivalents - Beginning of Year	35,518,623	5,760,370	449,317	1,437,465
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 37,985,320	$ 6,213,299	$ 538,657	$ 1,532,366
CASH AND CASH EQUIVALENTS				
Cash and Investments	$ 37,848,310	$ 6,124,646	$ 538,657	$ 380,095
Restricted Cash	137,010	88,653	-	1,152,271
	$ 37,985,320	$ 6,213,299	$ 538,657	$ 1,532,366

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	$ 37,481,182	$ 8,183,433
Receipts of Lease Payments	118,929	-
Payments for Insurance Claims	818,800	(5,589,448)
Payments to Suppliers	(31,122,041)	(243,698)
Payments to Employees	(2,435,881)	(288,591)
Net Cash Provided by Operating Activities	4,860,989	2,061,696
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interest Expense	(90,582)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(90,582)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(919,546)	(10,126)
Net Cash Provided (Used) by Capital and Related Financing Activities	(919,546)	(10,126)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	(746,994)	36,919
Net Cash Provided (Used) by Investing Activities	(746,994)	36,919
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,103,867	2,088,489
Cash and Cash Equivalents - Beginning of Year	43,165,775	14,668,366
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 46,269,642	$ 16,756,855
CASH AND CASH EQUIVALENTS		
Cash and Investments	$ 44,891,708	$ 16,756,855
Restricted Cash	1,377,934	-
	$ 46,269,642	$ 16,756,855

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf Course	Nonmajor Enterprise Funds El Segundo Senior Citizen Housing Corporation December 31, 2021
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	$ 5,674,484	$ 423,513	$ (120,397)	$ 36,047
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation/Amortization	190,927	402,171	41,123	40,046
(Increase) Decrease in:				
Accounts Receivable	(3,025,783)	(153,948)	-	-
Inventory	(22,784)	-	-	-
Prepaid Items	(3,208)	(3,208)	-	(4,048)
Deferred Outflows of Resources - Pension	2,707,836	1,658,320	-	-
Deferred Outflows of Resources - OPEB	(63,061)	(48,922)	-	-
Increase (Decrease) in:				
Accounts Payable	1,295,799	42,087	168,614	5,874
Accrued Liabilities	27,108	18,987	-	-
Retentions Payable	10,585	-	-	-
Unearned Revenue	-	-	-	3,776
Deposits Payable	(25,413)	-	-	10,364
Claims and Judgements	-	-	-	-
Compensated Absences Payable	1,544	(39,515)	-	-
Net Pension Liability	(3,357,863)	(2,047,386)	-	-
Net Other Postemployment Liability	186,516	144,698	-	-
Deferred Inflows of Resources - Pension	561,234	337,259	-	-
Deferred Inflows of Resources - OPEB	(119,601)	(92,786)	-	-
Total Adjustments	(1,636,164)	217,757	209,737	56,012
Net Cash Provided by Operating Activities	$ 4,038,320	$ 641,270	$ 89,340	$ 92,059

See accompanying Notes to Financial Statements.

CITY OF EL SEGUNDO
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds Total	Governmental Activities Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ 6,013,647	$ 1,588,338
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation/Amortization	674,267	780,210
(Increase) Decrease in:		
Accounts Receivable	(3,179,731)	(99,942)
Inventory	(22,784)	-
Prepaid Items	(10,464)	-
Deferred Outflows of Resources - Pension	4,366,156	38,083
Deferred Outflows of Resources - OPEB	(111,983)	102,896
Increase (Decrease) in:		
Accounts Payable	1,512,374	(654,996)
Accrued Liabilities	46,095	(28,718)
Retentions Payable	10,585	-
Unearned Revenue	3,776	-
Deposits Payable	(15,049)	-
Claims and Judgements	-	1,243,000
Compensated Absences Payable	(37,971)	-
Net Pension Liability	(5,405,249)	(992,445)
Net Other Postemployment Liability	331,214	31,252
Deferred Inflows of Resources - Pension	898,493	64,585
Deferred Inflows of Resources - OPEB	(212,387)	(10,567)
Total Adjustments	(1,152,658)	473,358
Net Cash Provided by Operating Activities	$ 4,860,989	$ 2,061,696

See accompanying Notes to Financial Statements.

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NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of El Segundo, California (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies:

Financial Reporting Entity

The City was incorporated on January 18, 1917, under the laws of the state of California and enjoys all the rights and privileges applicable to a general law city. The City is governed by an elected five-member board.

Blended Component Unit

Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

The El Segundo Senior Citizen Housing Corporation, dba Park Vista (the Corporation), is a California nonprofit public benefit corporation created by the City of El Segundo in 1984 to operate a low income senior apartment complex. The apartment complex was built and funded by the City. In 1987, the complex was ready for occupancy. Rather than operate the complex as a fund of the City, the City elected to form the Corporation to facilitate better communication with the residents who live there. The Corporation is managed by a seven-member Board of Directors, appointed by the City Council, all of whom are unpaid volunteers. The City is financially accountable and has the ability to impose its will on the Corporation which has the potential to provide specific financial benefits to, or impose specific financial burdens on, the City. The City is the sole corporate member of the Corporation, as identified in the Corporation's articles of incorporation. As such, the activities of the Corporation are presented as a blended component unit in the proprietary fund financial statements as a nonmajor enterprise fund.

The Corporation's fiscal year end is December 31, which is different than the City's fiscal year-end. Separate financial statements may be obtained at City Hall, City of El Segundo, 350 Main Street, El Segundo, CA 90245.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self- balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The statement of net position reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources – represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time. The City has items related to pensions and OPEB that qualify for reporting in this category.

Deferred Inflows of Resources – represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as revenue until that time. The City has items related to unavailable revenues, leases, pensions, and OPEB that qualify for reporting in this category.

Government – Wide Financial Statements

The government-wide financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Fiduciary activities are not included in these statements.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for Services
- Operating Grants and Contributions
- Capital Grants and Contributions

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

Government – Wide Financial Statements (Continued)

Certain eliminations have been made in regard to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due from and to Other Funds
- Transfers In and Out

Governmental Fund Financial Statements

All governmental funds are accounted for on a spending, or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recognized as soon as they are both "measurable" and "available". Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For these purposes, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, other local taxes, franchise fees, forfeitures and penalties, motor license fees, rents and concessions, interest revenue, and state and federal grants and subventions. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Reconciliations of the fund financial statements to the government-wide financial statements are provided to explain the differences.

Certain indirect costs are included as part of the program expenses reported for individual functions and activities.

The City reports the following major governmental fund:

- General Fund – The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

The City's fund structure also includes the following fund types:

- Special Revenue Funds – are used to account for proceeds of specific revenue sources that are legally restricted or otherwise committed for specific purposes.

- Capital Projects Funds – are used to account for resources restricted or assigned for capital improvements.

- Debt Service Funds – are used to account for resources restricted or assigned for expenditure of principal and interest.

Proprietary Fund Financial Statements

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities and business-type activities in the government-wide financial statements. The City's internal service funds include three individual funds which provide services directly to other City funds. These areas of service include general liability, workers' compensation, and equipment replacement.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

The City reports the following proprietary funds:

Enterprise Funds

- Water Fund – The Water Fund, which is reported as a major fund, accounts for water utility revenues, including service fees and installation charges, and all expenses related to the construction and maintenance of the City's water distribution system.

- Sewer Fund – The Sewer Fund, which is reported as a major fund, accounts for user charges, fees, and all operating costs associated with the operation, maintenance, upgrade, and periodic reconstructions of the City's wastewater collection system.

- Golf Course Fund – The Golf Course Fund, which is reported as a major fund, accounts for revenues from user fees and expenses incurred for the operation and maintenance of "The Lakes at El Segundo" golf facility.

- Nonmajor Enterprise Funds – Accounts for revenues and expenses of the aggregate nonmajor enterprise funds.

Internal Service Funds

The Internal Service Funds account for financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

Adoption of New Accounting Standards

GASB Statement No. 87, Leases

In June 2017, the GASB issued GASB Statement No. 87, *Leases.* This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and a right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption. There was no change to beginning net position as a result of the implementation of this standard. The City is reporting lease receivables and deferred inflows of resources related to leases disclosed in Note 4, right-to-use assets in Note 7, and lease liabilities in Note 8.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. All cash and investments of proprietary funds are held in the City's investment pool. These cash pools have the general characteristics of a demand deposit account, therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for statement of cash flows purposes.

Investments are stated at fair value (quoted market price or best available estimate thereof).

Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and establishes disclosure about fair value measurement. Investments, unless otherwise specified at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from/to other funds" (i.e., current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Inventories and Prepaid Items

Inventories within the various fund types consist of materials and supplies which are valued at cost on a first-in, first-out basis. Reported expenditures reflect the consumption method of recognizing inventory- related expenditures.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

A nonspendable fund balance has been reported in the governmental funds to show that inventories and prepaid items do not constitute "available spendable resources", even though they are a component of current assets.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

In the government-wide financial statements, capital assets are recorded at cost where historical records are available and at an estimated original cost where no historical records exist (except for right-to-use lease assets, the measurement of which is discussed below). Donated capital assets are valued at their acquisition value. City policy has set the capitalization threshold for reporting capital assets at $5,000.

The City defines infrastructure assets as the basic physical assets that allow the City to function. The assets include streets, bridges, sidewalks, drainage systems, and lighting systems, etc. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping, and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets acquired under capital lease are capitalized at the net present value of the total lease payments.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method. The lives used for depreciation purposes are as follows:

Buildings/Structures and Improvements	50 Years
Vehicles and Equipment	5 to 50 Years
Infrastructure	25 to 100 Years

Leases

Lessee

The City is a lessee for noncancellable leases of land, vehicles, and equipment. The City recognizes a lease liability and a right-to-use lease asset (lease asset) in the applicable governmental activities or business-type activities in the government-wide and in the proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Lessee (Continued)

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor

The City is a lessor for a noncancellable lease of land. The City recognizes lease receivables and a deferred inflow of resources in the applicable governmental activities or business-type activities in the government-wide and in the governmental and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Lessor (Continued)

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Compensated Absences

It is the City's policy to accrue annual leave when incurred in the government-wide financial statements and the proprietary funds. In governmental funds, the costs for annual leave that are expected to be liquidated with expendable available financial resources are reported as an expenditure and reported as a liability of the governmental fund only if they have matured.

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination benefits, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 9). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

CalPERS	
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021
PARS	
Valuation Date	June 30, 2020
Measurement Date	September 30, 2021
Measurement Period	October 1, 2020 to September 30, 2021

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions (Continued)

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over five years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Other Postemployment Benefits (OPEB) Plan

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan (Note 9). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are reported OPEB reporting: OPEB

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the sources of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

Claims Payable

Claims payable in the Internal Service Fund represents estimates of claims against the City. The estimated claims payable represents the City's best estimate of the amount to be paid on workers' compensation and general liability claims. Losses for claims incurred but not reported are also recorded if the probable amount of loss can be reasonably estimated.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Debt

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate activities. Bond premium and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

The governmental fund financial statements do not present long-term liabilities. Consequently, long-term debt is shown as a reconciling item in the reconciliation of the governmental funds balance sheet to the government-wide statement of net position.

Property Taxes

Property taxes are attached as an enforceable lien on property at January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. Any unpaid amounts at the end of the fiscal year are recorded as accounts receivable. The County of Los Angeles bills and collects the property taxes and substantially remits the amount due to the City in installments during the year. Historically, the City has received substantially all of the taxes levied within two years from the date they are levied. The County is permitted by state law (Article XIIIA of the California Constitution) to levy taxes at 1% of full market value (at time of purchase) and can increase the property's value no more than 2% per year.

Net Position and Fund Balances

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt and other payables that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred outflows and inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Nonspendable fund balances are items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position and Fund Balances (Continued)

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City. Adoption of a resolution by the City Council is required to commit resources or to rescind the commitment.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized by resolution the City Finance Officer for that purpose.

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

Governmental Fund Financial Statements

When expenditures are incurred for purposes for which all restricted, committed, assigned, and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 BUDGETARY COMPLIANCE AND DEFICIT FUND BALANCES

Excess of Expenditures Over Appropriations

The following funds had expenditures in excess of appropriations:

	Appropriations	Expenditures	Excess of Expenditures Over Appropriations
Major Governmental Funds:			
General Fund:			
General Government:			
City Treasurer	$ 257,317	$ 264,630	$ (7,313)
City Attorney	561,950	752,603	(190,653)
Nondepartmental	6,923,287	7,013,147	(89,860)
Public Works:			
Government Buildings	1,777,649	1,800,904	(23,255)
Debt Service:			
Principal Retirement	-	122,702	(122,702)
Interest	-	134,491	(134,491)
Nonmajor Governmental Funds:			
Residential Sound Insulation Special Revenue Fund Community and Cultural	800	847	(47)
SB 821 Special Revenue Fund			
Capital Outay	55,000	57,466	(2,466)
Federal Grants Special Revenue Fund			
Public Safety	-	1,986,734	(1,986,734)
Community and Cultural	270,000	632,708	(362,708)
State Grants Special Revenue Fund			
Public Safety	-	44,172	(44,172)
Senior Housing Special Revenue Fund			
Community and Cultural	15,313	36,150	(20,837)
Facility Loan Debt Service Fund			
General Government	-	18,535	(18,535)

NOTE 2 BUDGETARY COMPLIANCE AND DEFICIT FUND BALANCES (CONTINUED)

Deficit Net Positions and Fund Balance

Funds with deficit fund balances and net position at June 30, 2022, are as follows:

	Deficit
Federal Grants Special Revenue Fund	$ 139,902
State Grants Special Revenue Fund	61,865
Liabilty Insurance Internal Service Fund	3,942,464
Workers' Compensation Internal Service Fund	4,111,917

Excess of Expenditures Over Appropriations

The City expects to eliminate the Special Revenue Fund deficits when future reimbursements are received from granting agencies. The Liability Insurance and Workers' Compensation Internal Service Fund deficits are expected to be eliminated through future interdepartmental charges.

For the year ended June 30, 2022, the Governmental Activities of the City reported a deficit unrestricted net position of $(109,457,284). This deficit is largely a result of the implementation of GASB Statement No. 68 in 2015 and GASB Statement No. 75 in 2018 that required the City to report aggregate net pension liabilities and net OPEB liability on the financial statements. The City's has a net pension liability at June 30, 2022, of $1,222,886, that is payable from Governmental Activities. The City also has a net pension asset at June 30, 2022, totaling $54,978,294, of which $53,897,429 is restricted for Governmental Activities. The City's net OPEB liability at June 30, 2022, is $32,544,375, of which $30,942,940 is payable from Governmental Activities.

NOTE 3 CASH AND INVESTMENTS

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds.

Primary Government

Cash and investments as of June 30, 2022, are classified in the accompanying financial statements as follows:

	Government-Wide Statement of Net Position		
	Governmental Activities	Business-Type Activities	Total
Cash and Investments	$ 72,181,044	$ 44,891,708	$ 117,072,752
Restricted Cash	12,376,989	1,377,934	13,754,923
Total Cash and Investments	$ 84,558,033	$ 46,269,642	$ 130,827,675

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments, excluding cash held by the El Segundo Senior Citizen Housing Corporation, as of June 30, 2022, consist of the following:

Cash and Cash Equivalents:	
Petty Cash	$ 12,512
Demand Deposits	4,943,444
Restricted Cash in PARS 115 Trust	4,543,265
Total Cash and Cash Equivalents	9,499,221
Investments:	
Money Market Mututal Funds	8,059,386
CAMP	35,120,278
Corporate Notes	9,488,523
Negotiable Certificates of Deposit	12,269,701
Local Agency Investment Fund	40,830,905
State Obligations	6,233,931
US Treasury Bills	974,000
U.S. Government Sponsored Enterprise Securities	7,971,635
Total Investments	120,948,359
Total Cash and Investments	$ 130,447,580

Blended Component Unit

Cash held by the El Segundo Senior Citizen Housing Corporation as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	$ 380,095

Deposits

The carrying amounts of the City's demand deposits were $4,943,444 at June 30, 2022. Bank balances at that date were $6,253,020, the total amount of which was collateralized or insured with accounts held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). The City did not waive the collateral requirement for deposits insured by FDIC.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits (Continued)

The City follows the practice of pooling cash and investments of all funds. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances.

Investments

Under the provision of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio *	Maximum Investment in One Issuer
United States Treasury Obligations	5 Years	No Limit	No Limit
U.S. Government Sponsored Enterprise Securities	5 Years	No Limit	No Limit
State and Local Agency Bonds	5 Years	10%	No Limit
Bankers' Acceptances	180 Days	40%	No Limit
Commercial Paper	270 Days	10%	3%
Negotiable Certificates of Deposit	5 Years	30%	No Limit
Local Agency Investment Fund (LAIF)	N/A	No Limit	$75M
Nonnegotiable Certificates of Deposits	5 Years	No Limit	No Limit
Medium-Term Notes	5 Years	15%	3%
Mutual Funds	N/A	5%	10%
Money Market Mutual Funds	N/A	5%	10%
Supranational Obligations	5 Years	10%	No Limit
Joint Powers Authority Pool	N/A	30%	No Limit

N/A - Not Applicable

* Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

Investment in State Investment Pool

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the state of California. The City's investments with LAIF at June 30, 2022, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes – debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities – generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2022, the City had $40,830,905 invested in LAIF, which had invested 1.88% of the pool investment funds in Structured Notes and Asset-Backed Securities.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Investment in State Investment Pool (Continued)

The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's prorate share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment in Section 115 Pension Trust

The City established a trust account with Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in administering the City's CalPERS pension plans. The Section 115 Pension Trust's specific cash and investments are managed by a third-party portfolio manager under guidelines approved by the City.

Investment in California Asset Management Program (CAMP)

The City is a voluntary participant in the California Asset Management Program (CAMP) that is regulated by the California Government Code. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro rata share of the fair value provided by CAMP for the entire CAMP portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CAMP, which are recorded on an amortized cost basis.

Fair Value Measurement

As of June 30, 2022, investments are reported at fair value. The following table presents the fair value measurements of investments on a recurring basis and the levels with GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2022:

	Measurement Input		
Investment Type	Significant Other Observable Inputs (Level 2)	Uncategorized	Total
Money Market Mutual Funds	$ -	$ 8,059,386	$ 8,059,386
CAMP	-	35,120,278	35,120,278
Corporate Notes [1]	9,488,523	-	9,488,523
Negotiable Certificates of Deposit [1]	12,269,701	-	12,269,701
Local Agency Investment Fund	-	40,830,905	40,830,905
State Obligations [1]	6,233,931	-	6,233,931
Supranational Obligations [1]	974,000	-	974,000
U.S. Government Sponsored Enterprise Securities [1]	7,971,635	-	7,971,635
Total	$ 28,966,155	$ 84,010,569	$ 120,948,359

[1] Pricing based on Interactive Data Corporation

All investments classified in Level 2 of the fair value hierarchy are valued using specified fair market value factors or institutional bond quotes.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Risk Disclosures

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investments to a maximum maturity of five years. At June 30, 2022, the City had the following investment maturities:

		Investment Maturities (in Years)				
Investment Type	Fair Value	Less Than 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years
Money Market Mutual Funds	$ 8,059,386	$ 8,059,386	$ -	$ -	$ -	$ -
CAMP	35,120,278	35,120,278	-	-	-	-
Corporate Notes	9,488,523	2,640,568	492,165	1,950,535	4,405,255	-
Negotiable Certificates of Deposit	12,269,701	4,364,035	4,352,334	3,553,332	-	-
Local Agency Investment Fund	40,830,905	40,830,905	-	-	-	-
State Obligations	6,233,931	1,800,381	2,968,440	1,465,110	-	-
US Treasury Bills	974,000	974,000	-		-	-
U.S. Government Sponsored Enterprise Securities	7,971,635	2,986,080	3,487,970	1,497,585	-	-
Total	$ 120,948,359	$ 96,775,633	$ 11,300,909	$ 8,466,562	$ 4,405,255	$ -

Custodial Credit Risk

For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk

The City did not have any investments in any one issuer that represent 5% or more of the City's total investments as of June 30, 2022.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the City's investment policy and the actual rating (by Standard & Poor's) as of year-end for each investment type:

Investment Type	Minimum Legal Rating	Total	AAA	AA	A	BBB	Unrated
Money Market Mutual Funds	A	$ 8,059,386	$ 8,059,386	$ -	$ -	$ -	$ -
CAMP	N/A	35,120,278	35,120,278	-	-	-	-
Corporate Notes	A	9,488,523	-	2,140,518	5,391,615	1,956,390	-
Negotiable Certificates of Deposit	A	12,269,701	-	-	-	-	12,269,701
Local Agency Investment Fund	N/A	40,830,905	-	-	-	-	40,830,905
State Obligations	N/A	6,233,931	495,535	3,745,001	1,498,340	-	495,055
Supranational Obligations	AA	974,000	-	-	-	-	974,000
U.S. Government Sponsored Enterprise Securities	N/A	7,971,635	-	7,480,635	-	-	491,000
Total		$ 120,948,359	$ 43,675,199	$ 13,366,154	$ 6,889,955	$ 1,956,390	$ 55,060,661

NOTE 4 LEASE RECEIVABLES

The City (Lessor) and ES CenterCal, LLC, a Delaware limited liability company (Lessee), entered into a ground lease agreement dated February 6, 2021, for the purpose of operating a commercial driving range, full-service restaurant, clubhouse, and event space. The ground lease includes an initial term of 20 years. ES CenterCal will then have six options to extend the agreement by five-year increments, resulting in a potential total agreement term of 50 years. ES CenterCal will make the following payments to the General Fund: (1) $108,333 monthly ground lease payments for the driving range from the Fixed Rent Commencement Date, with a 10% increase every five years, (2) $200,000 annual payment as a community benefit contribution, and (3) 3% of the Gross Receipts from all beverages sold at the driving range with a minimum guarantee of $200,000 annually, with a 10% increase every five years. On an annual basis, ES CenterCal is also required to fund a capital reserve fund at a minimum of $160,000 for the driving range.

In addition to the ground lease noted above, the City, acting as lessor, leases land under long-term, noncancelable lease agreements. The leases expire at various dates through 2034 and provide for renewal options of up to 15 years. As of July 1, 2021, the City recorded $64,582,147 in lease receivables and deferred inflows of resources in the General Fund.

During the year ended June 30, 2022, the City recognized $117,147 and $726,688 in lease revenue and interest revenue, respectively, pursuant to all of its lease contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 95,176	$ 1,705,723	$ 1,800,899
2024	99,281	1,702,735	1,802,016
2025	76,243	1,699,881	1,776,124
2026	79,240	1,697,363	1,776,603
2027	120,806	1,694,317	1,815,123
2028-2032	1,351,300	8,371,036	9,722,336
2033-2037	2,110,626	8,135,548	10,246,174
2038-2042	3,189,820	7,794,708	10,984,528
2043-2047	4,670,557	7,280,900	11,951,457
2048-2052	6,460,463	6,552,252	13,012,715
2053-2057	8,612,952	5,564,605	14,177,557
2058-2062	11,189,936	4,266,216	15,456,152
2063-2067	14,263,115	2,596,554	16,859,669
2067-2072	12,145,486	588,966	12,734,452
Total	$ 64,465,001	$ 59,650,804	$ 124,115,805

NOTE 5 NOTES AND LOANS RECEIVABLES

Loans to Employees

The balance of notes receivable in the General Fund consists of loans made to employees for computer purchases. Participants in the computer loan program is eligible for an initial, interest free loan in the amount of $4,000. Subsequent loans or amount in excess of the above maximum interest free loan, would be at the currently interest rate of 3%. All loans would include a 36-month repayment term. The balance at June 30, 2022, was $256.

Residential Rehabilitation Program

The balance of notes receivable in the other governmental funds consists of minor home repair loans made to qualifying homeowners residing within the City. The balance at June 30, 2022, was $49,405.

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Residential Rehabilitation Program:				
CDBG Loans	$ 49,405	$ -	$ -	$ 49,405
Total	$ 49,405	$ -	$ -	$ 49,405

NOTE 6 INTERFUND ACTIVITIES

Fund Financial Statements

Due From/To Other Funds

At June 30, 2022, the City had the following due from/to other funds:

Due to Other Funds	Due From Other Funds General Fund
Nonmajor Governmental Funds	$ 301,485

The interfund amounts from the General Fund to the Nonmajor Governmental Funds and the Nonmajor Enterprise Fund are for short-term loans to cover operations.

Advance From/To Other Funds

At June 30, 2022, the City has the following advance from/advance to other funds, which represents the advance from Equipment Replacement Fund to the Golf Course Enterprise Fund to address negative cash:

Advance to Other Funds	Advance From Other Funds Golf Course Enterprise Fund
Equipment Replacement Internal Service	$ 5,557,910

NOTE 6 INTERFUND ACTIVITIES (CONTINUED)

Fund Financial Statements (Continued)

Transfers In/Out

At June 30, 2022, the City had the following transfers in/out, which arise in the normal course of operations:

	Transfers In		
	Governmental Funds		
Transfers Out	General Fund	Nonmajor Governmental Funds	Total
Governmental Funds:			
Major Funds:			
General Fund	$ -	$ 10,101,878	$ 10,101,878
Nonmajor Governmental Funds	25,000	-	25,000
Total	$ 25,000	$ 10,101,878	$ 10,126,878

Administratively, resources may be transferred from one City fund to another. The City made the following transfers:

- The General Fund transferred $610,000 to Capital Improvement Nonmajor Capital Projects Fund to fund capital projects.
- The General Fund transferred $9,491,878 of cash to the Pension Obligation Bonds Nonmajor Debt Service Fund for debt service payment.
- The Traffic Safety Nonmajor Special Revenue Fund transferred $25,000 to the General Fund for eligible expenditures.

NOTE 7 CAPITAL ASSETS

Governmental Activities

A summary of changes in capital assets for the governmental activities for the year ended June 30, 2022, was as follows:

	Governmental Activities			
	Balance June 30, 2021 As Restated (1)	Additions	Deletions	Balance June 30, 2022
Capital Assets, not Being Depreciated:				
Land and Rights of Way	$ 29,522,040	$ -	$ -	$ 29,522,040
Construction in Progress	692,638	2,945,630	(1,574,789)	2,063,479
Total Capital Assets, not Being Depreciated	30,214,678	2,945,630	(1,574,789)	31,585,519
Capital Assets, Being Depreciated/Amortized:				
Buildings and Improvements	38,548,209	773,012	-	39,321,221
Vehicles and Equipment	24,442,126	85,001	-	24,527,127
Infrastructure	94,811,308	801,776	-	95,613,084
Right-to-Use Lease Land	10,680	-	-	10,680
Right-to-Use Lease Vehicles and Equipment	167,984	-	-	167,984
Total Capital Assets, Being Depreciated/Amortized	157,980,307	1,659,789	-	159,640,096
Less Accumulated Depreciation/Amortization:				
Buildings and Improvements	(21,092,891)	(800,314)	-	(21,893,205)
Vehicles and Equipment	(17,983,423)	(1,263,231)	-	(19,246,654)
Infrastructure	(50,667,816)	(2,531,910)	-	(53,199,726)
Right-to-Use Lease Land	-	(1,602)	-	(1,602)
Right-to-Use Lease Vehicles and Equipment	-	(62,188)	-	(62,188)
Total Accumulated Depreciation/Amortization	(89,744,130)	(4,659,245)	-	(94,403,375)
Total Capital Assets, Being Depreciated/Amortized, Net	68,236,177	(2,999,456)	-	65,236,721
Governmental Activities Capital Assets, Net	$ 98,450,855	$ (53,826)	$ (1,574,789)	$ 96,822,240

(1) The beginning balance was restated due to the implementation of GASB Statement No. 87. See Note 1.

Depreciation and amortization expenses were charged to functions/programs of the governmental activities for the year ended June 30, 2022, as follows:

General Government	$ 426,955
Public Safety	560,255
Public Works	2,739,582
Community and Cultural	932,453
Total Depreciation and Amortization Expense	$ 4,659,245

NOTE 7 CAPITAL ASSETS (CONTINUED)

Business-Type Activities

A summary of changes in capital assets for the business-type activities, not including the El Segundo Senior Citizen Housing Corporation, for the year ended June 30, 2022, was as follows:

	Business-Type Activities, Not Including the Corporation			
	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Capital Assets, not Being Depreciated:				
Land	$ 5,999,980	$ -	$ -	$ 5,999,980
Construction in Progress	1,248,988	919,546	(1,167,830)	1,000,704
Total Capital Assets, not Being Depreciated	7,248,968	919,546	(1,167,830)	7,000,684
Capital Assets, Being Depreciated/Amortized:				
Buildings and Improvements	3,294,505	-	-	3,294,505
Improvements Other Than Buildings	-	-	-	-
Vehicles and Equipment	853,007	-	-	853,007
Infrastructure	58,720,236	1,167,831	(13,220)	59,874,847
Right-to-Use Lease Land	-	202,186	-	202,186
Total Capital Assets, Being Depreciated/Amortized	62,867,748	1,370,017	(13,220)	64,224,545
Less Accumulated Depreciation/Amortization:				
Buildings and Improvements	(3,294,505)	-	-	(3,294,505)
Vehicles and Equipment	(853,007)	-	-	(853,007)
Infrastructure	(38,966,137)	(593,098)	13,220	(39,546,015)
Right-to-Use Lease Land	-	(41,123)	-	(41,123)
Total Accumulated Depreciation/Amortization	(43,113,649)	(634,221)	13,220	(43,734,650)
Total Capital Assets, Being Depreciated/Amortized, Net	19,754,099	735,796	-	20,489,895
Business-Type Activities Capital Assets, Net	$ 27,003,067	$ 1,655,342	$ (1,167,830)	$ 27,490,579

Depreciation and amortization expenses for business-type activities, not including the Corporation, for the year ended June 30, 2022, was charged as follows:

Water	$ 190,927
Sewer	402,171
Total Depreciation and Amortization Expense	$ 634,221

NOTE 7 CAPITAL ASSETS (CONTINUED)

Blended Component Unit

A summary of changes in capital assets for the El Segundo Senior Citizen Housing Corporation for the year ended December 31, 2021, was as follows:

	El Segundo Senior Citizen Housing Corporation			
	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Capital Assets, Being Depreciated:				
Buildings and Improvements	$ 1,046,041	$ -	$ -	$ 1,046,041
Furniture and Equipment	321,057	-	-	321,057
Total Capital Assets, Being Depreciated	1,367,098	-	-	1,367,098
Less Accumulated Depreciation:				
Buildings and Improvements	(646,319)	(35,124)	-	(681,443)
Furniture and Equipment	(287,649)	(4,922)	-	(292,571)
Total Accumulated Depreciation	(933,968)	(40,046)	-	(974,014)
Total Capital Assets, Being Depreciated, Net	433,130	(40,046)	-	393,084
Total Capital Assets, Net	$ 433,130	$ (40,046)	$ -	$ 393,084

Depreciation expenses for the Corporation for the fiscal year ended December 31, 2022, was $40,046.

NOTE 8 LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2022, was as follows:

	Balance June 30, 2021 As Restated (1)	Additions	Deletions	Balance June 30, 2022	Due within One Year	Due in more than One Year
Governmental Activities:						
Direct Borrowings:						
Financed Purchase Obligation:						
2003 Parking Structure	$ 1,981,703	$ -	$ 61,126	$ 1,920,577	$ 65,415	$ 1,855,162
Loan Obligation:						
2005 Douglas Street Gap Closure Project	6,178,064	-	335,351	5,842,713	344,975	5,497,738
Other Long-Term Debt:						
Pension Obligation Bonds	140,095,398	-	-	140,095,398	6,352,020	133,743,378
Leases Payable	178,664	-	61,576	117,088	66,346	50,742
Claims Payable	16,187,000	3,899,160	2,656,160	17,430,000	3,321,068	14,108,932
Compensated Absences	5,036,020	430,769	481,603	4,985,186	4,641,539	343,647
Total	$ 169,656,849	$ 4,329,929	$ 3,595,816	$ 170,390,962	$ 14,791,363	$ 155,599,599

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due within One Year	Due in more than One Year
Business-Type Activities:						
Compensated Absences	$ 176,146	$ 89,428	$ 127,398	$ 138,176	$ 122,360	$ 15,816
Pension Obligation Bonds	4,039,602	-	-	4,039,602	182,980	3,856,622
Leases Payable	-	202,186	-	202,186	118,495	83,691
Total	$ 4,215,748	$ 291,614	$ 127,398	$ 4,379,964	$ 423,835	$ 3,956,129

Typically, the General Fund has been used to liquidate the liability for governmental activities compensated absences, the loan obligation, and leases payable. The Liability Insurance and Workers' Compensation Internal Service Funds has been used to liquidate claims payable. The Nonmajor Facility Lease Debt Service Fund has been used to liquidate the loan obligation. The Nonmajor Pension Obligation Bonds Debt Service Fund has been used to liquidate the Pension Obligation Bonds.

The Water and Sewer Enterprise Funds typically liquidated the liability for business-type compensated absences.

Financed Purchase Obligation

2003 Parking Structure

On June 18, 2002, the City entered into a finance purchase agreement with 612 Twin Holdings, LLC to acquire a two story, three level parking structure and certain retail space. The terms of the agreement include an initial payment of $1,100,000, monthly payments of $16,167 with an imputed interest rate of 6.80% for 408 months, and a purchase option for $200,000 due on January 1, 2039.

The amount outstanding at June 30, 2022 totaled $1,920,577. The annual debt service requirements on the capital lease are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 65,415	$ 128,585	$ 194,000
2024	70,004	123,996	194,000
2025	74,916	119,084	194,000
2026	80,172	113,828	194,000
2027	85,797	108,204	194,001
2028-2032	528,178	441,822	970,000
2033-2037	741,351	228,649	970,000
2038	274,744	8,090	282,834
Total	$ 1,920,577	$ 1,272,258	$ 3,192,835

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Loan Obligation

2005 Douglas Street Gap Closure Project

On September 1, 2005, the City entered into a loan agreement with the California Infrastructure and Economic Development Bank (CIEDB) whereby CIEDB issued bonds in the amount of $10,000,000 to finance the Douglas Street Gap Closure Project. The City will make payments over a 30-year period starting on February 1, 2006, at an interest rate of 2.87% per annum. Interest payments on the lease obligation are due on February 1 and August 1 of each year.

The amount outstanding at June 30, 2022, totaled $5,842,713. The annual debt service requirements on the loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 344,975	$ 162,735	$ 507,710
2024	354,876	152,693	507,569
2025	365,061	142,361	507,422
2026	375,538	131,734	507,272
2027	386,316	120,801	507,117
2028-2032	2,104,394	428,715	2,533,109
2033-2036	1,911,553	139,094	2,050,647
Total	$ 5,842,713	$ 1,278,133	$ 7,120,846

Pension Obligation Bonds

On May 26, 2021, the City issued $144,135,000 of Taxable Pension Obligation Bonds, Series 2021 (POB), to fund a portion of the City's obligations to CalPERS for the unfunded actuarial accrued liability with respect to the City's miscellaneous and safety defined benefit pension plans. The City allocated the POB between governmental activities and business-type activities as follows:

Governmental Activities	$ 140,095,398
Business-Type Activities	4,039,602
Total	$ 144,135,000

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Pension Obligation Bonds (Continued)

The POB is due from 2022 through 2040 in annual principal installments of $6,535,000 to $9,265,000. Interest rates range from 0.191% to 2.897% and interest is payable semi-annually on January 1 and July 1. The total outstanding principal as of June 30, 2022, is $144,135,000. The total annual debt service requirements on the POB are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 6,535,000	$ 3,042,531	$ 9,577,531
2024	6,735,000	3,023,796	9,758,796
2025	6,760,000	2,990,144	9,750,144
2026	6,805,000	2,937,614	9,742,614
2027	6,865,000	2,863,955	9,728,955
2028-2032	35,970,000	12,536,226	48,506,226
2033-2037	40,225,000	8,092,916	48,317,916
2038-2041	34,240,000	2,034,904	36,274,904
Total	$ 144,135,000	$ 37,522,086	$ 181,657,086

The annual debt service requirements will be allocated 97% to governmental activities and 3% to business-type activities.

Leases Payable

The City leases land, vehicles, and equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2026 and provide for renewal options ranging up to one year.

Total future minimum lease payments under lease agreements are as follows:

	Governmental Activities		Business-Type Activities		
Year Ending June 30,	Principal	Interest	Principal	Interest	Total
2023	$ 66,346	$ 1,047	$ 118,495	$ 4,217	$ 190,105
2024	44,744	302	42,363	1,019	88,428
2025	3,698	61	41,328	539	45,626
2026	2,300	28	-	-	2,328
Total	$ 117,088	$ 1,438	$ 202,186	$ 5,775	$ 326,487

NOTE 9 RETIREMENT PLANS

Summary

The following is the summary of the net pension (asset) liability and related deferred outflows of resources and deferred inflows of resources at June 30, 2022, and pension (credit) expense for the year then ended.

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources:			
Miscellaneous	$ 1,967,710	$ 209,121	$ 2,176,831
Safety	104,253,521	-	104,253,521
PARS	391,040	-	391,040
Total Deferred Outflows of Resources	$ 106,612,271	$ 209,121	$ 106,821,392
Aggregate Net Pension (Assets) Liabilities:			
Miscellaneous	$ (10,170,344)	$ (1,080,865)	$ (11,251,209)
Safety	(43,727,085)	-	(43,727,085)
PARS	1,222,886	-	1,222,886
Total Aggregate Net Pension Liabilities	$ (52,674,543)	$ (1,080,865)	$ (53,755,408)
Deferred Inflows of Resources:			
Miscellaneous	$ 8,608,837	$ 914,915	$ 9,523,752
Safety	71,523,221	-	71,523,221
PARS	124,333	-	124,333
Total Deferred Inflows of Resources	$ 80,256,391	$ 914,915	$ 81,171,306
Pension (Credit) Expense:			
Miscellaneous	$ 64,524	$ 6,860	$ 71,384
Safety	(60,331,338)	-	(60,331,338)
PARS	174,542	-	174,542
Total Pension Expense	$ (60,092,272)	$ 6,860	$ (60,085,412)

The City elected to join PARS as a means to provide additional funding for the CalPERS Miscellaneous and Safety defined benefit pension plans. The General Fund contains the Section 115 Trust balance restricted cash balance of $4,543,265 as of June 30, 2022.

NOTE 9 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS)

General Information about the Pension Plan

Plan Descriptions

The City contribution to the California Public Employees Retirement System (CalPERS), an agent multiple-employer defined benefit pension plan for miscellaneous employees and a cost-sharing multiple-employer defined benefit plan for safety employees. CalPERS acts as a common investment and administrative agent for participating public entities within the state of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2021 Annual Actuarial Valuation Report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member or PEPRA Safety member becomes eligible for service retirement upon attainment of age 50 with at least five years of credited service. During the year ended June 30, 2013, the California's Public Employees' Pension Reform Act (PEPRA) went into effect. Employees hired after January 1, 2013 who are new to the CalPERS system are part of the PEPRA plan. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay. Retirement benefits for classic miscellaneous employees are calculated as 2% of average final 12 months compensation. Retirement benefit for PEPRA miscellaneous employees are calculated as 2% of the average final 36 months compensation. Retirement benefits for classic safety employees are calculated as 3% of the average final 12 months compensation. Retirement benefits for PEPRA safety employees are calculated as 2.7% of average final 36 months.

NOTE 9 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

The following are the benefit provisions for each plan:

	Miscellaneous		
	Miscellaneous Rate Plan	Miscellaneous Second Tier Rate Plan	PEPRA Miscellaneous Rate Plan
Hire Date	Prior to January 1, 2013	Prior to January 1, 2013	On or After January 1, 2013
		Classic Member	New Member
Benefit Formula	2% @ 55	2% @ 60	2% @ 62
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	Minimum 50 Years	Minimum 50 Years	Minimum 52 Years

	Safety - Police/Fire		
	Safety Rate Plan	Safety Second Tier Rate Plan	PEPRA Safety Rate Plan
Hire Date	Prior to October 6, 2012	Between October 6, 2012 to December 31, 2012	On or After January 1, 2013
		Classic Member	New Member
Benefit Formula	Police - 3% @ 50 Fire - 3% @ 55	Police - 3% @ 55	2.7% @ 57
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	Minimum 50 Years	Minimum 50 Years	Minimum 50 Years

Participants are eligible for nonindustrial disability retirement if the participant becomes disabled and has at least five years of credited service. There is no special age requirement. The standard nonindustrial disability retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by service.

Industrial disability benefits are not offered to miscellaneous employees. The City provides industrial disability retirement benefit to safety employees. The industrial disability retirement benefit is a monthly allowance equal to 50% of final compensation.

NOTE 9 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

An employee's beneficiary may receive the basic death benefit if the employee becomes deceased while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump-sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5% per year, plus a lump-sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death. Upon the death of a retiree, a one-time lump-sum payment of $500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%.

Employee Covered by Benefit Terms

At June 30, 2021, the measurement date, the following employees were covered by the benefit terms under the miscellaneous plans:

	Miscellaneous Plans
Active Employees	171
Transferred and Terminated Employees	325
Retired Employees and Beneficiaries	367
Total	863

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified in the pension plan terms as plan member contribution requirements are classified as plan member contributions.

NOTE 9 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

General Information about the Pension Plan (Continued)

Contributions (Continued)

The required contribution rates are as follows:

	Year Ended June 30, 2022	
	Miscellaneous Plans	
	Classic	PEPRA
Employer Contribution Rate	9.030%	6.970%
Employee Contribution Rate	7.000%	6.750%

	Year Ended June 30, 2022				
	Safety Plans				
	Police - Tier 1	Police - Tier 2	Police PEPRA	Fire - Tier 1	Fire - PEPRA
Employer Contribution Rate	25.780%	23.620%	13.980%	22.420%	13.980%
Employee Contribution Rate	9.000%	9.000%	13.75%	9.000%	13.75%

Employer contributions for the miscellaneous and safety plans for the year ended June 30, 2022, was $1,420,434 and $3,186,142, respectively.

Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plans' fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures.

Actuarial Methods and Assumption Used to Determine Total Pension Liability

A summary of principal assumptions and methods used to determine the net pension liability of the miscellaneous and safety plans are as follows:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	(1)
Post Retirement Benefit Increase	(2)

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

(2) The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

NOTE 9 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

Net Pension Liability (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Asset Class [1]	New Strategic Allocation	Real Return Years 1 -10 [2]	Real Return Years 11+ [2]
Global Equity	50.00 %	4.80 %	5.98 %
Fixed Income	28.00	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Assets	13.00	3.75	4.92
Liquidity	1.00	-	(0.92)
	100.00 %		

[1] In the System's CAFR, Fixed Income is included in Global Debt Securities: Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

[2] An expected inflation of 2.0% and 2.92% used for years 1-10 and years 11+, respectively.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 9 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-2021. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Changes in the Net Pension Liability

The following table shows the changes in net pension liability for the City's Miscellaneous Plan recognized over the measurement period.

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance - June 30, 2020 (Measurement Date)	$ 124,142,190	$ 89,887,559	$ 34,254,631
Changes Recognized for the Measurement Period:			
Service Cost	2,167,601	-	2,167,601
Interest on the Total Pension Liability	8,786,372	-	8,786,372
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	1,386,728	-	1,386,728
Plan to Plan Resource Movement	-	-	-
Contributions from the Employer	-	36,323,729	(36,323,729)
Contributions from Employee	-	996,706	(996,706)
Net Investment Income	-	20,615,898	(20,615,898)
Benefit Payments, Including Refunds of Employee Contributions	(7,452,811)	(7,452,811)	-
Administrative Expense	-	(89,792)	89,792
Net Changes	4,887,890	50,393,730	(45,505,840)
Balance - June 30, 2021 (Measurement Date)	$ 129,030,080	$ 140,281,289	$ (11,251,209)

NOTE 9 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

Changes in the Net Pension Liability (Continued)

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the City's safety plan's proportionate share of the risk pool collective net pension liability over the measure period.

	Safety Plan Proportionate Share of Net Pension (Asset) Liability
Balance at June 30, 2021 (Measurement Date)	$ (43,727,085)

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

(1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2020). The risk pool's fiduciary net position (FNP) subtracted from its total pension liability (TPL) determines the net pension liability (NPL) at the valuation date.

(2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2021). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2021 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2020-2021).

(3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan's share of the actuarial accrued liability. FNP is allocated based on the rate plan's share of market value assets.

(4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.

(5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

(6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

NOTE 9 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

Changes in the Net Pension Liability (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

Deferred outflows of resources, deferred inflows of resources, and pension expense are allocated based on the City's NPL as a percentage of the total plan's NPL.

The City's proportionate share of the net pension liability was as follows:

	Safety Plan
June 30, 2020 Measurement Date	1.7727
June 30, 2021 Measurement date	(1.2460)
Change - Increase (Decrease)	(3.0187)%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the plans as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.15%) or one percentage-point higher (8.15%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous Plan	$ 4,742,123	$ (11,251,209)	$ (24,501,982)
Safety Plan	$ (821,032)	$ (43,727,085)	$ (78,969,106)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report. See CalPERS website for additional information.

NOTE 9 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the City recognized pension expense in the amounts of $71,384 and pension credit of $60,331,338 for the miscellaneous plans and safety plans, respectively.

As of year ended June 30, 2022, the City has deferred outflows and deferred inflows of resources related to the pension plans as follows:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contribution Made After Measurement Date	$ 1,420,434	$ -
Difference Between Expected and Actual Experience	756,397	(28,850)
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	(9,494,902)
Total	$ 2,176,831	$ (9,523,752)

	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contribution Made After Measurement Date	$ 3,186,142	$ -
Difference Between Expected and Actual Experience	-	(7,470,735)
Difference Between Projected and Actual Earnings on Pension Plan Investments	26,026,021	-
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	75,041,358	(64,052,486)
Total	$ 104,253,521	$ (71,523,221)

$1,420,434 and $3,186,142 reported as deferred outflows of resources related to pensions for miscellaneous plan and safety plan, respectively, resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

NOTE 9 RETIREMENT PLANS (CONTINUED)

California Public Employees' Retirement System (CalPERS) (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

Measurement Period Ending June 30,	Deferred Outflows/ (Inflows) of Resources Measurement Plan	Deferred Outflows/ (Inflows) of Resources Safety Plan
2023	$ (1,815,904)	$ 6,427,213
2024	(2,055,411)	7,723,393
2025	(2,268,785)	8,231,556
2026	(2,627,255)	7,161,996
Thereafter	-	-
Total	$ (8,767,355)	$ 29,544,158

Payable to the Pension Plan

At June 30, 2022, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

Public Agency Retirement System (PARS)

General Information about the Pension Plan

Plan Description

On September 1, 2008, the City approved the establishment of a Retirement Enhancement Plan (the Plan) for eligible employees of the Supervisory and Professional Employees' Association of the City, effective October 1, 2008. Effective November 3, 2015 (Freeze Date), both benefits service and final pay are frozen. The Plan provides a supplemental retirement benefit in addition to the employees' current CalPERS retirement plan. The Plan is an agent multiple-employer defined benefit plan. The Plan will provide for 0.5% at age 55 for employees who retire from the City under CalPERS on or after September 30, 2008 and have 15 years of continuous City service.

The City's Finance Director is the Plan Administrator and is responsible for taking the necessary actions to implement and administer the Plan in compliance with the Plan Document and applicable legal requirements. Public Agency Retirement Services (PARS) is the Trust Administrator and is responsible for Plan accounting, coordinating benefit distributions with the Trustee, and communicating Plan provisions. Union Bank of California is the Trustee and is responsible for receiving and investing Plan contributions, safeguarding Plan assets, and distributing benefits to eligible Plan participants or beneficiaries at the direction of the Plan Administrator and pursuant to the Plan Document.

NOTE 9 RETIREMENT PLANS (CONTINUED)

Public Agency Retirement System (PARS) (Continued)

General Information about the Pension Plan (Continued)

Plan Description (Continued)

The amounts of the benefit payments are calculated by the Trust Administrator and all accounting and reporting functions are performed by the Trust Administrator. Plan assets are considered to be held by the third-party administrator on behalf of the employees and are, therefore, excluded from the accompanying financial statements. The City's responsibilities for this Plan are not sufficient administrative involvement to constitute a "holding of assets" by the City in a pension trust fund. The year ended September 30, 2009, was the first year of the Plan.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting the Trust Administrator at the following address or telephone number:

Public Agency Retirement Services,
PARS Trust Administrator
PO Box 12919
Newport Beach, CA 92658-2919
(800) 540-6369

Benefits Provided

Below is the benefits summary provided by the Plan.

Eligibility	Supervisory and Professional employees Full-time employees in the group between August 5, 2008 and October 1, 2012 Before Plan Freeze: ● Retire from City under CalPERS on or after September 30, 2008 ● Age 55 with 15 years continuous City service After Plan Freeze: ● Retire from CalPERS ● Age 55 ● Does not need to retire directly from the City
Retirement Benefit	Target of 2.5% @ 55 less CalPERS 2%@55 City service from hire date through Freeze Date
Final Pay	Highest consecutive 12-month pay as of Freeze Date PERSable pay including EPMC
COLA	2% after retirement
Normal Form of Benefit	Single life annuity
Termination/Disability/	100% vesting as of Freeze Date
Pre-Retirement Death Benefit	Greater of the following: ● Refund of employee contributions with 4.25% interest ● Deferred retirement benefit

NOTE 9 RETIREMENT PLANS (CONTINUED)

Public Agency Retirement System (PARS) (Continued)

General Information about the Pension Plan (Continued)

Employees Covered by Benefit Terms

At September 30, 2021, the measurement date, the following employees were covered by the benefit terms:

Active Employees	5
Terminated Employees	7
Retired Employees and Beneficiaries	15
Total	27

Contributions and Funding Policy

The City's funding policy is to make the contribution as determined by the Plan's actuary. There was no employee contribution after Freeze Date. Members may elect to receive lump-sum refund of employee contributions with 4.25% interest in lieu of annuity upon termination, retirement, disability, or death. Employer contributions are determined by actuarial study performed at least every two years. The Plan's annual pension contribution for the measurement date ended September 30, 2021, was based on an actuarial valuation as of June 30, 2020. For the year ended June 30, 2022, the City's contributions totaled $189,000.

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of September 30, 2021, using an actuarial valuation as of June 30, 2020. A summary of principal assumptions and methods used to determine the net pension liability is as follows:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	5.25%
Investment Return	5.25%
Inflation	2.50%
Mortality, Disability, and Termination	CalPERS 1997-2015 experience study
Mortality Improvement	Projected fully generational with Scale MP-2020
Salary Increases	2.50%

NOTE 9 RETIREMENT PLANS (CONTINUED)

Public Agency Retirement System (PARS) (Continued)

Net Pension Liability (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.25%. The projection of cash flows utilized to determine the discount rate assumed that contributions from the City would be made at the actuarially determined contribution amount. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The table below reflects target allocation and expected real rate of return by asset classes for the moderate portfolio selected by the City:

Asset Class	Target Allocation	Expected Real Rate of Return
Global Equity	58.00 %	4.56 %
Fixed Income	35.00	0.78
REITs	2.00	4.06
Cash	5.00	(0.5)
Total	100.00 %	
Assumed Long-Term Rate of Inflation		2.50 %
Expected Long-Term Net Rate of Return, Rounded		5.25 %

Changes in Assumptions

Discount rate was updated based on newer capital market assumptions and decreased from 5.75% to 5.25%. Inflation rate decreased from 2.75% to 2.50%.

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

NOTE 9 RETIREMENT PLANS (CONTINUED)

Public Agency Retirement System (PARS) (Continued)

Changes in Net Pension Liability

The table on the following page shows the changes in net pension liability recognized over the measurement period:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance - September 30, 2020	$ 2,276,463	$ 1,317,471	$ 958,992
Changes Recognized for the Measurement Period:			
Interest on the Total Pension Liability	126,814	-	126,814
Changes of Assumptions	353,856	-	353,856
Net Investment Income	-	222,960	(222,960)
Benefit Payments, Including Refunds of Employee Contributions	(142,018)	(142,018)	-
Administrative Expense	-	(6,184)	6,184
Net Changes	338,652	74,758	263,894
Balance - September 30, 2021 (Measurement Date)	$ 2,615,115	$ 1,392,229	$ 1,222,886

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 5.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (4.25%) or one percentage- point higher (6.25%) than the current rate:

	Discount Rate -1% (4.25%)	Current Discount Rate (5.25%)	Discount Rate 1% (6.25%)
Plan's Net Pension Liability	$ 1,544,410	$ 1,222,886	$ 956,058

Pension Plan Fiduciary Net Position

Detailed information about the PARS California defined benefit pension program's fiduciary net position as of June 30, 2021, the most recent available audited information, is as follows: total assets: $513,870,207 (cash and cash equivalents of $4,949,190, contributions receivable of $2,265,206, investments of $506,550,294, and investment income receivable of $105,517); total accrued liabilities: $45,013; and fiduciary net position: $513,825,194. This audited information is on an accrual basis of accounting and investments are reported at fair value.

NOTE 9 RETIREMENT PLANS (CONTINUED)

Public Agency Retirement System (PARS) (Continued)

Pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the City incurred pension expense of $174,542 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contribution Made After Measurement Date	$ 189,000	$ -
Difference Between Expected and Actual Experience	2,034	-
Changes of Assumptions	200,006	(3,043)
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	(121,290)
Total	$ 391,040	$ (124,333)

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ending September 30,	Deferred Outflows/ (Inflows) of Resources
2022	$ 122,470
2023	17,328
2024	(31,783)
2025	(30,308)
Thereafter	-
Total	$ 77,707

Payable to the Pension Plan

At June 30, 2022, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

NOTE 10 OTHER POSTEMPLOYMENT HEALTH BENEFITS

At June 30, 2022, net OPEB liability and related deferred outflows of resources and deferred inflows of resources are as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources	$ 4,148,523	$ 214,704	$ 4,363,227
Net Other Postemployment Benefit Liability	$ 30,942,940	$ 1,601,435	$ 32,544,375
Deferred Inflows of Resources	$ 4,044,171	$ 209,304	$ 4,253,475
OPEB Expense	$ 3,785,189	$ 195,900	$ 3,981,089

General Information About the OPEB Plan

Plan Description

The City provides postretirement medical benefits under an agent multiple-employer defined benefit plan to employees who retire directly from the City under CalPERS with age and service requirements that vary by bargaining unit. For eligible retirees, the City contributes a portion of the premium for the medical plan selected by the retiree.

Benefit provisions for CalPERS are established and amended through negotiations between the city and the respective unions. The plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained from CalPERS on their website www.calpers.ca.gov or by writing or calling the plans at the following address or telephone number:

CalPERS Member Services Division
P.O. Box 942704 Sacramento, CA 94229-2704
1-888-225-7377

The City has entered into an agreement with California Employers' Retiree Benefit Trust (CERBT) to prefund the City's net OPEB liability.

Funding Policy and Contributions

The contribution requirements of plan members and the City are established and may be amended by City Council. The annual contribution is based on the actuarially determined contribution. For the year ended June 30, 2022, the City's contributions totaled $3,842,008.

NOTE 10 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

General Information About the OPEB Plan (Continued)

Employees Covered

At June 30, 2022, the measurement date, membership in the Plan consisted of the following:

Inactive Plan Member Currently Receiving Benefits	349
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	3
Active Plan Members	216
Total	568

Net OPEB Liability

The City's total OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Methods and Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Method
Actuarial Assumption:	
Discount Rate	6.25% - Pre-funded through CalPERS CERBT Asset Strategy #1
Inflation	2.50%
Salary Increases	2.75% per year
Mortality Improvement	Projected fully generational with Scale MP-2021
Medical Trend	Non-Medicare 6.5% for 2023, Medicare (Non-Kaiser): 5.65% for 2023, Medicare (Kaiser) 4.6% for 2023, all decreasing to an ultimate rate of 3.75% in 2076.

The actuarial assumptions used in the June 30, 2021 valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

NOTE 10 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

Net OPEB Liability (Continued)

Actuarial Methods and Assumptions (Continued)

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The asset class percentages are taken from the current composition of CERBT, and the expected yields are taken form a recent CalPERS publication for the pension fund:

Asset Class	Allocation	Expected Real Rate of Return
CERBT Strategy 1:		
Global Equity	49.00 %	4.56 %
Long U.S. Treasuries	5.00	0.29
Mortgage-Backed Securities	5.00	0.49
Investment Grade Corporates	4.00	1.56
High Yield	4.00	3.00
Sovereigns	5.00	2.76
TIPS	5.00	(0.08)
Commodities	3.00	1.22
REITs	20.00	4.06
Total	100.00 %	

Assumed Long-Term Rate of Inflation	2.50%
Expected Long-Term Net Rate of Return, Rounded	6.25%

Discount Rate

The discount rate used to measure the total OPEB liability is 6.25%. This is the expected long-term rate of return on City assets using investment strategy 1 within the California Employers' Retiree Benefit Trust (CERBT). The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

NOTE 10 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance - June 30, 2021 (Measurement Date)	$ 59,032,214	$ 33,218,783	$ 25,813,431
Changes Recognized for the Measurement Period:			
Service Cost	1,443,178	-	1,443,178
Interest on the Net OPEB Liability	3,659,929	-	3,659,929
Change in Benefit Terms	1,674,619		1,674,619
Differences Between Expected and Actual Experience	564,371	-	564,371
Changes of Assumptions	(1,238,582)	-	(1,238,582)
Contributions from the Employer	-	3,842,008	(3,842,008)
Net Investment Income	-	(4,444,351)	4,444,351
Benefit Payments, Including Refunds of Employee Contributions	(3,833,064)	(3,833,064)	-
Administrative Expense	-	(25,086)	25,086
Net Changes	2,270,451	(4,460,493)	6,730,944
Balance - June 30, 2022 (Measurement Date)	$ 61,302,665	$ 28,758,290	$ 32,544,375

Change in Assumptions

Implied subsidy was removed for Medicare Advantage plans, medical plan at retirement assumption and active and waived retiree participation was updated, demographic assumptions was updated to CalPERS 2000-2019 Experience Study, medical trend rate for Kaiser Senior Advantage was decreased, and mortality improvement scale was updated to Scale MP-2021.

Change of Benefit Terms

Management and confidential monthly maximum increased from $585 to $735 for all retirees and increased to $1,650 for retirements after June 30, 2022. Executive monthly maximum increased from $782 to $932 for all retirees and increased to $1,650 for retirement after June 30, 2022. Police and fire monthly maximum decreased from $1,800 to $1,750.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

NOTE 10 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

Changes in Net OPEB Liability

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (5.25%) or one-percentage-point higher (7.25%) than the current discount rate:

	Discount Rate -1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate +1% (7.25%)
Net OPEB Liability (Assets)	$ 39,840,089	$ 32,544,375	$ 26,465,634

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one-percentage point lower (5.5% Non-Medicare, 4.65% Medicare Non-Kaiser, 3.6% Medicare Kaiser, decreasing to an ultimate rate of 2.75% in 2076) or one-percentage point higher (7.5% Non-Medicare, 6.65% Medicare Non-Kaiser, 5.6% Medicare Kaiser, decreasing to an ultimate rate of 4.75% in 2076) than the current healthcare cost trend rates:

	Healthcare Cost Trend Rate -1%	Current Rate	Healthcare Cost Trend +1%
Net OPEB Liability (Assets)	$ 28,196,540	$ 32,544,375	$ 36,568,083

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City' recognized OPEB expense of $3,981,089. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 459,858	$ 2,684,508
Change of Assumptions	1,590,469	1,568,967
Net Difference Between Projected and Actual Earning on Pension Plan Investments	2,312,900	-
Total	$ 4,363,227	$ 4,253,475

NOTE 10 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Measurement Period Ending June 30,	Deferred Outflows/ (Inflows) of Resources OPEB Plan
2023	$ (697,560)
2024	(719,949)
2025	298,648
2026	1,278,554
2025	(49,941)
Total	$ 109,752

Payable to the OPEB Plan

At June 30, 2022, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2022.

NOTE 11 DEFERRED COMPENSATION PLAN

For the benefit of its employees, the City has established deferred compensation plans in accordance with the Internal Revenue Code (IRC) Section 457 and 401(a). Generally, the amount of compensation subject to deferral by a participant may not exceed the legal limits set by the IRC. Funds may be withdrawn by participants upon termination of employment, retirement, death, or an unforeseeable emergency. The City's contributions to these plans for the year ended June 30, 2022, was $16,269. The deferred compensation plan assets are held in a trust account for the sole benefit of the employees and their beneficiaries and have been excluded from the City's reported assets accordingly.

NOTE 12 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains self-insurance programs for workers' compensation and general liability up to a maximum of $500,000 and $750,000 per occurrence, respectively. General liability claims, which exceed the self-insurance retention, are insured through Independent Cities Risk Management Authority (ICRMA) up to $35,000,000. Workers compensation claims that exceed the limit are insured by ICRMA up to the California statutory limits for workers' compensation.

The City is a member of the ICRMA, a public entity risk pool currently operating as a common risk management and insurance program for 15 California cities. The City pays an annual premium to the pool for its excess general liability insurance coverage. The agreement for information of the ICRMA provides that the pool will be self-sustaining through member premiums. The City continues to carry commercial companies for all other risks of loss, which include property insurance, and cyber liability insurance.

Estimates for all liabilities, up to the self-insured levels, have been accrued in the Workers' Compensation and the General Liability Self-Insurance Internal Service Funds including an estimate for incurred but not reported claims. Estimates are based on recommended reserves established by the City's third-party administrators who administer the City's claims and insurance programs. There have been no significant changes in insurance coverage as compared to last year and settlements have not exceeded coverage in each of the past three fiscal years.

The ICRMA has published its own financial report for the year ended June 30, 2022, which can be obtained from Independent Cities Risk Management Authority, 14156 Magnolia Park, Sherman Oaks, California.

Changes in the balances of claims liabilities for the current and the last two fiscal years follow:

	Claims Payable				
Fiscal Year Ending	Annual Claims Payable Beginning	Current Year Claims and Changes in Estimates	Current Year Claims Payments	Balance Ending	Due within One Year
September 30, 2020	$ 11,300,000	$ 4,437,986	$ (2,811,986)	$ 12,926,000	$ 2,502,181
June 30, 2021	12,926,000	5,191,595	(1,930,595)	16,187,000	2,909,007
June 30, 2022	16,187,000	3,899,160	(2,656,160)	17,430,000	3,321,068

NOTE 13 JOINT POWERS AGREEMENT

Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force

The City is a member of the Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force (L.A. IMPACT), a joint powers authority of the police departments of cities and other institutions in Los Angeles County. L.A. Impact was formed July 1, 1991, with the mission to promote coordinated law enforcement efforts and to address emerging criminal justice issues, mainly in the areas of drug trafficking and money laundering. The Executive Council consists of 14 police chiefs and other various police officers. All financial decisions were made by the Executive Council. The members received monetary distributions from asset seizures based on their respective resource contribution to the effort. The City does not have a measurable equity interest in L.A. IMPACT. The net position of L.A. IMPACT represents a temporary holding of funds to be distributed to various law enforcement jurisdictions. The distribution of these funds is not determinable until action has been taken by the courts or the L.A. IMPACT board of directors with respect to the use of these funds.

Complete financial statements for L.A. IMPACT may be obtained at its administrative office at 5700 South Eastern Avenue Commerce, California 90040-2924.

NOTE 14 COMMITMENTS AND CONTINGENCIES

Litigation

The City is currently a party to various claims and legal proceedings. In management's opinion, the ultimate liabilities, if any, resulting from such claims and proceedings, will not materially affect the City's financial position.

Federal and State Grants

The City participates in a number of federal and state assisted grant programs, which are subject to program compliance audits by the grantors or their representatives. Final closeout audits of these programs have not yet been completed. Accordingly, the City's ultimate compliance with applicable grant requirements will be established at some future date. Expenditures, if any, which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE 15 CLASSIFICATION OF FUND BALANCES

At June 30, 2022, fund balances are classified in the governmental funds as follows:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Notes and Loans Receivable	$ 256	$ -	$ 256
Inventories	182,280	-	182,280
Prepaids	127,512	20,442	147,954
Total Nonspendable	310,048	20,442	330,490
Restricted:			
Police	-	1,812,632	1,812,632
Fire	-	317,914	317,914
Public Works	-	3,766,730	3,766,730
Economic Development	-	101,049	101,049
Community and Cultural	-	12,290,986	12,290,986
Debt Service	-	9,093,316	9,093,316
Pension	4,543,265	-	4,543,265
Total Restricted	4,543,265	27,382,627	31,925,892
Assigned:			
Police	248,650	-	248,650
Fire	295,421	-	295,421
Public Works	180,285	-	180,285
Tobacco License	33,573		33,573
Parks and Recreation	302,313	-	302,313
Library	93,067	-	93,067
Computer Refresh	244,185	-	244,185
Capital Outlay	-	3,587,359	3,587,359
Total Assigned	1,397,494	3,587,359	4,984,853
Unassigned	34,799,542	(201,767)	34,597,775
Total Fund Balance	$ 41,050,349	$ 30,788,661	$ 71,839,010

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

CITY OF EL SEGUNDO
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 49,113,761	$ 51,970,216	$ 58,484,432	$ 6,514,216
Licenses and Permits	13,575,000	13,430,000	13,605,327	175,327
Charges for Services	4,815,084	4,612,096	5,605,586	993,490
Use of Money and Property	700,800	950,800	(651,380)	(1,602,180)
Fines and Forfeitures	294,000	391,500	373,424	(18,076)
Developer Fees	-	-	331,326	331,326
Miscellaneous	2,291,620	1,841,620	1,993,477	151,857
Total Revenues	70,790,265	73,196,232	79,742,192	6,545,960
EXPENDITURES				
Current:				
General Government				
City Council	356,596	356,596	335,424	21,172
City Treasurer	187,317	257,317	264,630	(7,313)
City Clerk	530,749	540,749	453,885	86,864
City Manager	2,453,282	2,408,282	2,326,659	81,623
City Attorney	561,950	561,950	752,603	(190,653)
Planning	3,038,539	2,174,301	1,087,081	1,087,220
Building and Safety	1,570,375	1,509,117	1,376,594	132,523
Administrative Services	5,786,973	6,166,784	5,685,068	481,716
Nondepartmental	6,647,302	6,923,287	7,013,147	(89,860)
Public Safety:				
Police	17,398,846	17,433,781	16,339,482	1,094,299
Fire	13,782,667	13,831,667	13,501,654	330,013
Animal Control	30,250	30,250	29,365	885
Communications Center	2,007,079	2,007,079	1,459,445	547,634
Public Works:				
Administration	216,248	220,248	137,891	82,357
Government Buildings	1,822,249	1,777,649	1,800,904	(23,255)
Engineering	770,474	948,400	769,037	179,363
Streets	4,110,035	4,177,190	4,124,631	52,559
Solid Waste	722,411	717,411	636,016	81,395
Storm Drain	236,788	236,788	212,675	24,113
Equipment Maintenance	1,187,199	1,373,799	1,212,261	161,538
Community and Cultural:				
Recreation and Parks	3,719,965	3,489,884	2,728,089	761,795
Library	2,245,351	2,263,088	2,252,552	10,536
Capital Outlay	-	850,000	837,950	12,050
Debt Service:				
Principal Retirement	-	-	122,702	(122,702)
Interest	-	-	134,491	(134,491)
Total Expenditures	69,382,645	70,255,617	65,594,236	4,661,381
EXCESS (DEFICIENY) OF REVENUES OVER EXPENDITURES	1,407,620	2,940,615	14,147,956	11,207,341
OTHER FINANCING USES				
Debt Proceeds	-	-	-	-
Transfers In	4,013,235	2,011,733	25,000	1,986,733
Transfers Out	(9,715,200)	(10,015,200)	(10,101,878)	86,678
Total Other Financing Uses	(5,701,965)	(8,003,467)	(10,076,878)	2,073,411
NET CHANGE IN FUND BALANCES	$ (4,294,345)	$ (5,062,852)	4,071,078	$ 13,280,752
Fund Balance - Beginning of Year			36,979,271	
FUND BALANCE - END OF YEAR			$ 41,050,349	

See Note to Budgetary Comparison Schedule.

CITY OF EL SEGUNDO
NOTE TO BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2022

NOTE 1 BUDGETARY CONTROL AND ACCOUNTING POLICY

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are used as a management control device. Annual budgets are adopted for the General Fund, Special Revenue Funds, Debt Service Funds, and the Capital Projects Funds except for the Pension Obligation Bonds Debt Service Fund.

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the City Council. Budgets and adopted supplemental appropriations, where required during the period, are also approved by the City Council. Intradepartmental budget changes are approved by the City Manager. The legal level of control, that is defined as the level at which City Council approval is required for changes, is at the department level for the General Fund, and functional level for all other funds. During the year, several supplementary appropriations were necessary. All operating budget appropriations lapse at year-end.

CITY OF EL SEGUNDO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – CALPERS MISCELLANEOUS RATE PLAN
LAST TEN MEASUREMENT PERIODS[1]

California Public Employees' Retirement System (CalPERS) – Miscellaneous Rate Plan

Measurement Period	2020-21	2019-20	2018-19	2017-18
Total Pension Liability:				
Service Cost	$ 2,167,601	$ 2,088,245	$ 2,026,099	$ 2,002,276
Interest on Total Pension Liability	8,786,372	8,447,044	8,219,352	7,976,930
Changes of Benefit Terms	-	-	-	-
Changes of Assumptions	-	-	-	(464,769)
Differences Between Expected and Actual Experience	1,386,728	(221,184)	(38,811)	8,203
Benefit Payments, Including Refunds of Employee Contributions	(7,452,811)	(6,978,924)	(6,762,739)	(6,360,824)
Net Change in Total Pension Liability	4,887,890	3,335,181	3,443,901	3,161,816
Total Pension Liability - Beginning	124,142,190	120,807,009	117,363,108	114,201,292
Total Pension Liability - Ending (a)	$ 129,030,080	$ 124,142,190	$ 120,807,009	$ 117,363,108
Pension Fiduciary Net Position:				
Contributions - Employer	$ 36,323,729	$ 3,584,857	$ 3,597,197	$ 3,291,215
Contributions - Employee	996,706	946,546	878,016	905,313
Net Investment Income	20,615,898	4,398,867	5,537,029	6,839,662
Benefit Payments, Including Refunds of Employee Contributions	(7,452,811)	(6,978,924)	(6,762,739)	(6,360,824)
Net Plan to Plan Resource Movement	-	3,966	(127,504)	(198)
Administrative Expense	(89,792)	(124,138)	(60,654)	(125,728)
Other Miscellaneous Expense	-	-	198	(238,760)
Net Change in Plan Fiduciary Net Position	50,393,730	1,831,174	3,061,543	4,310,680
Plan Fiduciary Net Position - Beginning	89,887,559	88,056,385	84,994,842	80,684,162
Plan Fiduciary Net Position - Ending (b)	$ 140,281,289	$ 89,887,559	$ 88,056,385	$ 84,994,842
Plan Net Pension (Asset) Liability - Ending (a) - (b)	$ (11,251,209)	$ 34,254,631	$ 32,750,624	$ 32,368,266
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	108.72%	72.41%	72.89%	72.42%
Covered Payroll	$ 10,498,129	$ 14,212,445	$ 12,851,508	$ 12,875,891
Plan Net Pension Liability as a Percentage of Covered Payroll	-107.17%	241.02%	254.84%	251.39%

[1] Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: There were no significant changes in assumptions in 2019 to 2022. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5% discount rate.

CITY OF EL SEGUNDO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – CALPERS MISCELLANEOUS RATE PLAN (CONTINUED)
LAST TEN MEASUREMENT PERIODS [1]

California Public Employees' Retirement System (CalPERS) – Miscellaneous Rate Plan

Measurement Period	2016-17	2015-16	2014-15	2013-14
Total Pension Liability:				
Service Cost	$ 2,022,687	$ 1,836,590	$ 1,892,820	$ 1,992,358
Interest on Total Pension Liability	7,747,566	7,584,214	7,355,288	7,137,756
Changes of Benefit Terms	-	-	-	-
Changes of Assumptions	6,199,889	-	(1,728,307)	-
Differences Between Expected and Actual Experience	(813,832)	(899,552)	(1,400,892)	-
Benefit Payments, Including Refunds of Employee Contributions	(5,830,361)	(5,534,415)	(5,121,477)	(4,825,880)
Net Change in Total Pension Liability	9,325,949	2,986,837	997,432	4,304,234
Total Pension Liability - Beginning	104,875,343	101,888,506	100,891,074	96,586,840
Total Pension Liability - Ending (a)	$ 114,201,292	$ 104,875,343	$ 101,888,506	$ 100,891,074
Pension Fiduciary Net Position:				
Contributions - Employer	$ 2,381,409	$ 2,189,606	$ 1,990,762	$ 2,229,759
Contributions - Employee	975,818	850,845	883,340	1,271,008
Net Investment Income	8,294,674	375,088	1,743,059	11,605,717
Benefit Payments, Including Refunds of Employee Contributions	(5,830,361)	(5,534,415)	(5,121,477)	(4,825,880)
Net Plan to Plan Resource Movement	(31,271)	(256)	161,952	-
Administrative Expense	(110,739)	(47,032)	(86,704)	-
Other Miscellaneous Expense	-	-	-	-
Net Change in Plan Fiduciary Net Position	5,679,530	(2,166,164)	(429,068)	10,280,604
Plan Fiduciary Net Position - Beginning	75,004,632	77,170,796	77,599,864	67,319,260
Plan Fiduciary Net Position - Ending (b)	$ 80,684,162	$ 75,004,632	$ 77,170,796	$ 77,599,864
Plan Net Pension Liability - Ending (a) - (b)	$ 33,517,130	$ 29,870,711	$ 24,717,710	$ 23,291,210
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.65%	71.52%	75.74%	76.91%
Covered Payroll	$ 13,007,635	$ 12,983,105	$ 13,129,083	$ 13,163,041
Plan Net Pension Liability as a Percentage of Covered Payroll	257.67%	230.07%	188.27%	176.94%

[1] Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: There were no significant changes in assumptions in 2019 to 2022. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5% discount rate.

CITY OF EL SEGUNDO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – CALPERS SAFETY RATE PLAN
LAST TEN MEASUREMENT PERIODS[1]

California Public Employees' Retirement System (CalPERS) – Safety Rate Plan

Measurement Period	2015-16	2014-15	2013-14
Total Pension Liability:			
Service Cost	$ 3,906,152	$ 4,017,009	$ 4,084,900
Interest	18,561,546	18,050,364	17,643,395
Changes of Benefit Terms	-	-	-
Changes of Assumptions	-	(4,336,187)	-
Differences Between Expected and Actual Experience	(2,593,008)	(4,610,542)	-
Benefit Payments, Including Refunds of Employee Contributions	(13,146,807)	(12,326,846)	(11,753,968)
Net Change in Total Pension Liability	6,727,883	793,798	9,974,327
Total Pension Liability - Beginning	249,847,921	249,054,123	239,079,796
Total Pension Liability - Ending (a)	$ 256,575,804	$ 249,847,921	$ 249,054,123
Pension Fiduciary Net Position:			
Contributions - Employer	$ 6,497,421	$ 6,155,214	$ 5,466,181
Contributions - Employee	1,288,776	1,697,612	1,556,189
Net Investment Income	792,070	3,716,152	25,110,451
Benefit Payments, Including Refunds of Employee Contributions	(13,146,807)	(12,326,846)	(11,753,968)
Net Plan to Plan Resource Movement	256	568	-
Administrative Expense	(101,008)	(186,524)	-
Net Change in Plan Fiduciary Net Position	(4,669,292)	(943,824)	20,378,853
Plan Fiduciary Net Position - Beginning	165,737,083	166,680,907	146,302,054
Plan Fiduciary Net Position - Ending (b)	$ 161,067,791	$ 165,737,083	$ 166,680,907
Plan Net Pension Liability - Ending (a) - (b)	$ 95,508,013	$ 84,110,838	$ 82,373,216
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.78%	66.34%	66.93%
Covered Payroll	$ 14,438,355	$ 14,977,101	$ 14,757,054
Plan Net Pension Liability as a Percentage of Covered Payroll	661.49%	561.60%	558.20%

[1] The City's Safety Plan was converted from an Agent Multiple Employer Defined Plan to a Cost Sharing Multiple Employer Defined Benefit Plan starting from the measurement period June 30, 2017. Information is only displayed for years GASB 68 were in effect and prior to the conversion of the plan.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative (expense). In 2014, amounts reported were based on the 7.5% discount rate.

CITY OF EL SEGUNDO
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS – CALPERS SAFETY RATE PLAN
LAST TEN MEASUREMENT PERIODS [1]

California Public Employees' Retirement System (CalPERS) – Safety Rate Plan

Measurement Period	2020-21	2019-20	2018-19	2017-18	2016-17
City Proportion of the Net Pension Liability	-1.2460%	1.7727%	1.7839%	1.1081%	1.0764%
City's Proportionate Share of the Net Pension (Asset) Liability	$ (43,727,085)	$ 118,102,353	$ 111,360,318	$ 106,775,573	$ 106,751,685
City's Covered Payroll	$ 10,018,467	$ 13,583,547	$ 12,490,385	$ 12,742,792	$ 12,697,818
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	-436.46%	869.45%	891.57%	837.93%	840.71%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	88.29%	75.10%	75.26%	75.26%	73.31%

[1] The City's Safety Plan was converted from an Agent Multiple Employer Defined Plan to a Cost-Sharing Multiple-Employer Defined Benefit Plan starting from the measurement period June 30, 2017. Information is only displayed for years the plan was converted to a cost-sharing plan.

Changes in Assumptions:

From Measurement Period 2016-17 to 2017-18:	The discount rate was reduced from 7.65% to 7.15%.
From Measurement Period 2017-18 to 2020-21:	There were no significant changes in assumptions.

CITY OF EL SEGUNDO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – PUBLIC AGENCY RETIREMENT SYSTEM DEFINED BENEFIT PLAN LAST TEN MEASUREMENT PERIODS [1]

Public Agency Retirement System Defined Benefit Plan

Fiscal Year	2021-22	2020-21	2019-20	2018-19
Measurement Period	2020-21	2019-20	2018-19	2017-18
Total Pension Liability:				
Service Cost	$ -	$ -	$ -	$ -
Interest	126,814	127,254	126,122	115,441
Changes of Benefit Terms	-	-	-	-
Changes of Assumptions	353,856	(18,261)	-	(62,152)
Differences Between Expected and Actual Experience	-	12,206	-	187,849
Benefit Payments, Including Refunds of Employee Contributions	(142,018)	(115,700)	(97,156)	(196,140)
Net Change in Total Pension Liability	338,652	5,499	28,966	44,998
Total Pension Liability - Beginning	2,276,463	2,270,964	2,241,998	2,197,000
Total Pension Liability - Ending (a)	$ 2,615,115	$ 2,276,463	$ 2,270,964	$ 2,241,998
Pension Fiduciary Net Position:				
Contributions - Employer	$ -	$ 158,000	$ 158,000	$ 158,000
Contributions - Employee		-	-	-
Net Investment Income	222,960	84,790	53,443	69,282
Benefit Payments, Including Refunds of Employee Contributions	(142,018)	(115,700)	(97,156)	(196,140)
Net Plan to Plan Resource Movement		-	-	-
Administrative Expense	(6,184)	(6,076)	(5,517)	(5,455)
Other Miscellaneous Expense[1]	-	-	-	-
Net Change in Plan Fiduciary Net Position	74,758	121,014	108,770	25,687
Plan Fiduciary Net Position - Beginning[2]	1,317,471	1,196,457	1,087,687	1,062,000
Plan Fiduciary Net Position - Ending (b)	$ 1,392,229	$ 1,317,471	$ 1,196,457	$ 1,087,687
Plan Net Pension Liability - Ending (a) - (b)	$ 1,222,886	$ 958,992	$ 1,074,507	$ 1,154,311
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.24%	57.87%	52.68%	48.51%
Covered Payroll	N/A	N/A	N/A	N/A
Plan Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

[1] Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

Changes in Assumptions:

Actuarial Valuation Date	June 30, 2020
Fiscal Year	2021-22
Measurement Period	October 1, 2020, to September 30, 2021
Discount Rate	5.25%
Rate of Return on Assets	5.75%
Inflation Rate	2.50%
Mortality, Retirement, Disability, and Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement Scale	Scale MP-2020

CITY OF EL SEGUNDO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – PUBLIC AGENCY RETIREMENT SYSTEM DEFINED BENEFIT PLAN (CONTINUED)
LAST TEN MEASUREMENT PERIODS [1]

Public Agency Retirement System Defined Benefit Plan

Fiscal Year	2017-18	2016-17	2015-16	2014-15
Measurement Period	2016-17	2015-16	2014-15	2013-14
Total Pension Liability:				
Service Cost	$ -	$ -	$ -	$ 54,000
Interest	119,000	121,000	113,000	110,000
Changes of Benefit Terms	-	-	-	-
Changes of Assumptions	-	-	140,000	-
Differences Between Expected and Actual Experience	-	-	93,000	-
Benefit Payments, Including Refunds of Employee Contributions	(174,000)	(141,000)	(81,000)	(37,000)
Net Change in Total Pension Liability	(55,000)	(20,000)	265,000	127,000
Total Pension Liability - Beginning	2,252,000	2,272,000	2,007,000	1,880,000
Total Pension Liability - Ending (a)	$ 2,197,000	$ 2,252,000	$ 2,272,000	$ 2,007,000
Pension Fiduciary Net Position:				
Contributions - Employer	$ 236,000	$ -	$ -	$ -
Contributions - Employee	-	16,000	167,000	193,000
Net Investment Income	91,000	72,000	(11,000)	52,000
Benefit Payments, Including Refunds of Employee Contributions	(174,000)	(141,000)	(81,000)	(37,000)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative Expense	(5,000)	(5,000)	(5,000)	(5,000)
Other Miscellaneous Expense[1]	-	-	-	-
Net Change in Plan Fiduciary Net Position	148,000	(58,000)	70,000	203,000
Plan Fiduciary Net Position - Beginning[2]	914,000	972,000	902,000	699,000
Plan Fiduciary Net Position - Ending (b)	$ 1,062,000	$ 914,000	$ 972,000	$ 902,000
Plan Net Pension Liability - Ending (a) - (b)	$ 1,135,000	$ 1,338,000	$ 1,300,000	$ 1,105,000
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.34%	40.59%	42.78%	44.94%
Covered Payroll	N/A	N/A	N/A	N/A
Plan Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

1 Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

CITY OF EL SEGUNDO
SCHEDULE OF CONTRIBUTIONS – CALPERS MISCELLANEOUS RATE PLAN
LAST TEN FISCAL YEARS[1]

California Public Employees' Retirement System (CalPERS) – Miscellaneous Rate Plan

Fiscal Year	2021-22	2020-21[2]	2019-20	2018-19
Actuarially Determined Contribution	$ 1,420,434	$ 965,277	$ 3,695,146	$ 3,421,223
Contributions in Relation to the Actuarially Determined Dontribution	(1,420,434)	(33,525,869)	(3,695,146)	(3,728,014)
Contribution Deficiency (Excess)	$ -	$ (32,560,592)	$ -	$ (306,791)
Covered Payroll	$ 14,246,696	$ 10,498,129	$ 14,446,483	$ 13,136,731
Contributions as a Percentage of Covered Payroll	9.97%	319.35%	25.58%	28.38%

[1] Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

[2] Determined for the nine month period ended on June 30 (fiscal year-end).

Notes to Schedule:				
Valuation Date	6/30/2019	6/30/2018	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.50%	2.50%	2.50%	2.625%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed
(2) Depending on age, service, and type of employment
(3) Net of pension plan investment expense, including inflation
(4) 2% @ 55, 2% @ 60, and 2% @ 62
(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

CITY OF EL SEGUNDO
SCHEDULE OF CONTRIBUTIONS – CALPERS MISCELLANEOUS RATE PLAN (CONTINUED)
LAST TEN FISCAL YEARS[1]

California Public Employees' Retirement System (CalPERS) – Miscellaneous Rate Plan

Fiscal Year	2017-18	2016-17	2015-16	2014-15	2013-14
Actuarially Determined Contribution	$ 2,712,223	$ 2,360,497	$ 2,267,956	$ 2,047,988	$ 2,631,370
Contributions in Relation to the Actuarially Determined Dontribution	(3,291,215)	(2,360,497)	(2,267,956)	(2,047,988)	(2,631,370)
Contribution Deficiency (Excess)	$ (578,992)	$ -	$ -	$ -	$ -
Covered Payroll	$ 12,842,526	$ 11,980,872	$ 12,484,558	$ 12,279,995	$ 12,782,090
Contributions as a Percentage of Covered Payroll	25.63%	19.70%	18.17%	16.68%	20.59%

[1] Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

Notes to Schedule:					
Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Market Value
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed
(2) Depending on age, service, and type of employment
(3) Net of pension plan investment expense, including inflation
(4) 2% @ 55, 2% @ 60, and 2% @ 62
(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

CITY OF EL SEGUNDO
SCHEDULE OF CONTRIBUTIONS – CALPERS SAFETY RATE PLAN
LAST TEN FISCAL YEARS[1]

California Public Employees' Retirement System (CalPERS) – Safety Rate Plan

Fiscal Year	2021-22	2020-21[2]	2019-20	2018-19
Actuarially Determined Contribution	$ 3,186,142	$ 1,955,086	$ 10,830,665	$ 9,186,753
Contributions in Relation to the Actuarially Determined Contribution	(3,186,142)	(112,915,194)	(10,830,665)	(10,424,853)
Contribution Deficiency (Excess)	$ -	$ (110,960,108)	$ -	$ (1,238,100)
Covered Payroll	$ 13,463,828	$ 10,018,467	$ 13,606,528	$ 12,668,674
Contributions as a Percentage of Covered Payroll	23.66%	1127.07%	79.60%	82.29%

[1] Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

[2] Determined for the nine month period ended on June 30 (fiscal year-end).

Notes to Schedule:				
Valuation Date	6/30/2019	6/30/2018	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.50%	2.50%	2.50%	2.625%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed
(2) Depending on age, service, and type of employment
(3) Net of pension plan investment expense, including inflation
(4) 3% @ 50, 3% @ 55, and 2.7% @ 57
(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

CITY OF EL SEGUNDO
SCHEDULE OF CONTRIBUTIONS – CALPERS SAFETY RATE PLAN (CONTINUED)
LAST TEN FISCAL YEARS[1]

California Public Employees' Retirement System (CalPERS) – Safety Rate Plan

Fiscal Year	2017-18	2016-17	2015-16	2014-15	2013-14
Actuarially Determined Contribution	$ 8,480,050	$ 5,282,029	$ 6,581,713	$ 6,355,099	$ 6,316,752
Contributions in Relation to the Actuarially Determined Contribution	(8,500,586)	(5,282,029)	(6,581,713)	(6,355,099)	(6,316,752)
Contribution Deficiency (Excess)	$ (20,536)	$ -	$ -	$ -	$ -
Covered Payroll	$ 12,614,944	$ 12,410,252	$ 13,711,733	$ 13,863,160	$ 14,420,062
Contributions as a Percentage of Covered Payroll	67.39%	42.56%	48.00%	45.84%	43.81%

[1] Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

Notes to Schedule:					
Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Market Value
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed
(2) Depending on age, service, and type of employment
(3) Net of pension plan investment expense, including inflation
(4) 3% @ 50, 3% @ 55, and 2.7% @ 57
(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

CITY OF EL SEGUNDO
SCHEDULE OF CONTRIBUTIONS – PUBLIC AGENCY
RETIREMENT SYSTEM DEFINED BENEFIT PLAN
LAST TEN FISCAL YEARS[1]

Public Agency Retirement System Defined Benefit Plan

Fiscal Year	2021-22	2020-21[2]	2019-20
Actuarially Determined Contribution	$ 189,000	$ 118,500	$ 158,000
Contributions in Relation to the Actuarially Determined Contribution	(189,000)	-	(158,000)
Contribution Deficiency (Excess)	$ -	$ 118,500	$ -
Covered-Employee Payroll	$ 495,251	$ 592,104	N/A
Contributions as a Percentage of Covered-Employee Payroll	38.16%	0.00%	N/A

[1] Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

[2] Determined for the nine month period ended on June 30 (fiscal year-end).

Notes to Schedule:

Valuation Date	6/30/2020	6/30/2018	6/30/2018
Methods and Assumptions Used to Determine Contribution Rates:			
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level Dollar	Level Dollar	Level Dollar
Asset Valuation Method	Fair Value	Fair Value	Fair Value
Inflation	2.75%	2.75%	2.75%
Investment Rate of Return	5.75%	5.75%	5.75%
Mortality, Retirement, Disability, and Termination	(2)	(2)	(2)
Mortality Improvement Scale	(5)	(4)	(4)

(1) CalPERS 1997-2011 Experience Study
(2) CalPERS 1997-2015 Experience Study
(3) Scale MP-2014
(4) Scale MP-2018
(5) Scale MP-2020

CITY OF EL SEGUNDO
SCHEDULE OF CONTRIBUTIONS – PUBLIC AGENCY RETIREMENT SYSTEM DEFINED BENEFIT PLAN (CONTINUED)
LAST TEN FISCAL YEARS[1]

Public Agency Retirement System Defined Benefit Plan

Fiscal Year	2018-19	2017-18	2016-17	2015-16	2014-15
Actuarially Determined Contribution	$ 158,000	$ 158,000	$ 118,000	$ 118,000	$ -
Contributions in Relation to the Actuarially Determined Contribution	(158,000)	(158,000)	(236,000)	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ (118,000)	$ 118,000	$ -
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A

[1] Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

CITY OF EL SEGUNDO
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN MEASUREMENT PERIODS[1]

Other Postemployment Benefits (OPEB) Plan

Measurement Period and Fiscal Year	2021-22	2020-21	2019-20	2018-19	2017-18
Total OPEB Liability:					
Service Cost	$ 1,443,178	$ 1,313,607	$ 1,325,398	$ 1,428,884	$ 1,387,266
Interest	3,659,929	3,687,577	4,096,818	4,265,776	4,137,853
Changes of Benefit Terms	1,674,619	-	-	(4,289,232)	-
Changes of Assumptions	(1,238,582)	2,584,513	(1,323,051)	-	-
Differences Between Expected and Actual Experience	564,371	-	(6,345,201)	-	-
Benefit Payments, Including Refunds	(3,833,064)	(3,741,312)	(3,868,684)	(3,741,351)	(3,601,811)
Net Change in Total OPEB Liability	2,270,451	3,844,385	(6,114,720)	(2,335,923)	1,923,308
Total OPEB Liability - Beginning	59,032,214	55,187,829	61,302,549	63,638,472	61,715,164
Total OPEB Liability - Ending (a)	$ 61,302,665	$ 59,032,214	$ 55,187,829	$ 61,302,549	$ 63,638,472
OPEB Fiduciary Net Position:					
Contributions - Employer	$ 3,842,008	$ 3,749,757	$ 4,425,712	$ 4,399,351	$ 4,026,811
Net Investment Income	(4,444,351)	7,171,637	884,584	1,431,779	1,634,752
Benefit Payments, Including Refunds of Employee Contributions	(3,833,064)	(3,741,312)	(3,868,684)	(3,741,351)	(3,601,811)
Administrative Expense	(25,086)	(23,113)	(21,262)	(4,901)	(38,164)
Net Change in Plan Fiduciary Net Position	(4,460,493)	7,156,969	1,420,350	2,084,878	2,021,588
Plan Fiduciary Net Position - Beginning	33,218,783	26,061,814	24,641,464	22,556,586	20,534,998
Plan Fiduciary Net Position - Ending (b)	$ 28,758,290	$ 33,218,783	$ 26,061,814	$ 24,641,464	$ 22,556,586
Plan Net OPEB Liability - Ending (a) - (b)	$ 32,544,375	$ 25,813,431	$ 29,126,015	$ 36,661,085	$ 41,081,886
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.91%	56.27%	47.22%	40.20%	35.44%
Covered-Employee Payroll[2]	$ 36,644,532	$ 36,507,956	$ 32,938,247	$ 25,506,339	$ 25,512,342
Plan Net OPEB Liability as a Percentage of Covered-Employee Payroll	88.81%	70.71%	88.43%	143.73%	161.03%

[1] Historical information is presented for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes available.

[2] For the twelve month period ended on June 30 (Measurement Date).

CITY OF EL SEGUNDO
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN MEASUREMENT PERIODS[1]

Other Postemployment Benefits (OPEB) Plan

Notes to Schedule:

Changes in Benefit Terms:

From measurement period ended June 30, 2018 to June 30 ,2019:

- Management and Conf: Monthly cap and maximum cap changed from $1,200/$1,600 to $782/$585.
- Executive: Monthly cap and maximum cap changed from $1,200/$1,600 to $782/$782.
- PMA: Monthly Cap changed from $1,200 to average HMO family premium but no more than active cap ($1,575 for 2020, $1,650 for 2021). Maximum cap increased from $1,200 to $1,650.
- PSSEA: Monthly Cap changed from $1,200 to average HMO family premium but no more than active cap ($1,450 2019, $1,500 for 2020, $1,600 for 2021, $1,650 for 2022). Maximum cap increased from $1,200 to $1,650.
- SPEA: Monthly Cap changed from $1,200 to average HMO family premium but no more than active cap ($1,500 for 2019, $1,550 for 2020, $1,600 for 2021, $1,650 for 2022). Maximum cap increased from $1,200 to $1,650.
- CEA: Monthly Cap changed from $1,115.67 to average HMO family premium but no more than active cap ($1,500 for 2020, $1,550 for 2022, $1,600 for 2023).
- Police & Fire: Monthly Cap (Average HMO family) but no more than active cap ($1,500 for 2019, $1,575 for 2020, $1,650 for 2021); Fire Maximum Cap increased from $1,600 to $1,800.

From measurement period ended June 30, 2021 to June 30 ,2022:

- Management and Conf: Monthly maximum increased from $585 to $735 for all retirees and increased to $,650 for retirements after June 30, 2022
- Executive: Monthly maximum increased from $782 to $932 for all retirees, and increased to $1,650 for retirements after June 30, 2022
- Police and Fire: Monthly maximum decreased from $1,800 to $1,750

Changes in Assumptions

From measurement period ended June 30, 2019 to June 30 ,2020:

The mortality improvement scale was updated to Scale MP-2019 from MP-2017. The healthcare trend changed from 7.50% non-medicare and 6.50% medicare to 7.25% non-medicare and 6.3% medicare.

From measurement period ended June 30, 2020 to June 30 ,2021:

The discount rate changed from 6.75% to 6.25%, inflation changed from 2.75% to 2.50%, salary increase changed from 3.00% to 2.75%, and the trend rate decreased by 0.25%.

From measurement period ended June 30, 2021 to June 30 ,2022:

Implied subsidy removed for medicare advantage plans, Demographic assumptions updated to CalPERS 2000-2019 experience study, decreased medical trend for Kaiser Senior Advantage and mortality improvement scale was updated to MP-2021

CITY OF EL SEGUNDO
SCHEDULE OF CONTRIBUTIONS – OPEB PLAN
LAST TEN FISCAL YEARS[1]

Other Postemployment Benefits (OPEB) Plan

Fiscal Years	2021-22	2020-21[3]	2019-20[2]	2018-19[2]	2017-18[2]
Actuarially Determined Contribution	$ 3,494,000	$ 2,551,000	$ 4,436,000	$ 4,306,000	$ 3,876,000
Contributions in Relation to the Actuarially Determined Contribution	(3,842,008)	(2,819,754)	(4,455,502)	(4,435,351)	(4,044,912)
Contribution Deficiency (Excess)	$ (348,008)	$ (268,754)	$ (19,502)	$ (129,351)	$ (168,912)
Covered Employee Payroll	$ 36,644,532	$ 37,380,967	$ 34,151,544	$ 26,049,352	$ 25,382,610
Contributions as a Percentage of Covered-Employee Payroll	10.48%	7.54%	13.05%	17.03%	15.94%

[1] Historical information is presented for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes available.
[2] Determined for the twelve month period ended on September 30 (fiscal year-end).
[3] Determined for the nine month period ended on June 30 (fiscal year-end).

Notes to Schedule:

Valuation Date	6/30/2019	6/30/2019	6/30/2017	6/30/2017	6/30/2015
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age				
Amortization Method	Level Percentage of Payroll				
Amortization Period	20 Years	21 Years	22 Years	23 Years	25 Years
Asset Valuation Method	Investment Gains and Losses Spread Over 5-Year Rolling Period				
Discount Rate	6.75%	6.75%	6.75%	6.75%	7.50%
General Inflation	2.75%	2.75%	2.75%	2.75%	3.00%
Medical Trend	(3)	(3)	(2)	(2)	(1)
Mortality, Withdrawal, Disability	(6)	(6)	(5)	(5)	(4)

(1) 6.5% (Non-Medicare) and 6.7% (Medicare) for 2018, decreasing to an ultimate rate of 5.0% in 2021.
(2) 7.5% (Non-Medicare) and 6.5% (Medicare) for 2019, decreasing to an ultimate rate of 4.0% in 2076.
(3) 7.25% (Non-Medicare) and 6.3% (Medicare) for 2021, decreasing to an ultimate rate of 4.0% in 2076.
(4) CalPERS 1997-2011 experience study. Mortality Improvement Scale MP-2014.
(5) CalPERS 1997-2015 experience study. Mortality Improvement Scale MP-2017.
(6) CalPERS 1997-2015 experience study. Mortality Improvement Scale MP-2019.

SUPPLEMENTARY INFORMATION

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF BALANCE SHEET
GENERAL FUND COMPONENTS
JUNE 30, 2022

	General	Economic Uncertainty Fund	Hyperion Mitigation Fund
ASSETS			
Cash and Investments	$ 28,495,331	$ 1,900,004	$ 95,310
Restricted Cash and Investments	4,543,265	-	-
Receivables:			
Taxes	6,861,487	-	-
Accounts	664,314	-	-
Interest	466,577	-	-
Notes and Loans	256	-	-
Leases	64,465,001	-	-
Due from Other Funds	509,824	-	-
Due from Other Governments	88,182	-	-
Inventories	182,280	-	-
Prepaids	127,512	-	-
Total Assets	$ 106,404,029	$ 1,900,004	$ 95,310
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 1,653,651	$ -	$ 68
Accrued Liabilities	1,816,669	-	-
Retentions Payable	2,336	-	-
Due to Other Funds	-	-	-
Unearned Revenue	-	-	-
Deposits Payable	166,187	-	-
Total Liabilities	3,638,843	-	68
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	74,996	-	-
Related to Leases	64,465,001	-	-
Total Deferred Inflows of Resources	64,539,997	-	-
FUND BALANCES			
Nonspendable	310,048	-	-
Restricted	4,543,265	-	-
Assigned	1,397,494	-	
Unassigned	31,974,382	1,900,004	95,242
Total Fund Balances	38,225,189	1,900,004	95,242
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 106,404,029	$ 1,900,004	$ 95,310

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF BALANCE SHEET
GENERAL FUND COMPONENTS (CONTINUED)
JUNE 30, 2022

	Project Deposits Fund	Solid Waste Fund	Intrafund Eliminations	Total
ASSETS				
Cash and Investments	$ 1,738,659	$ -	$ -	$ 32,229,304
Restricted Cash and Investments	-	-	-	4,543,265
Receivables:				
Taxes	-	-	-	6,861,487
Accounts	28,482	-	-	692,796
Interest	-	-	-	466,577
Notes and Loans	-	-	-	256
Leases	-	-	-	64,465,001
Due from Other Funds	-	-	(208,339)	301,485
Due from Other Governments	-	-	-	88,182
Inventories	-	-	-	182,280
Prepaids	-	-	-	127,512
Total Assets	$ 1,767,141	$ -	$ (208,339)	$ 109,958,145
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 323,820	$ 58,046	$ -	$ 2,035,585
Accrued Liabilities	-	-	-	1,816,669
Retentions Payable	39,597	-	-	41,933
Due to Other Funds	-	208,339	(208,339)	-
Unearned Revenue	-	-	-	-
Deposits Payable	307,425	-	-	473,612
Total Liabilities	670,842	266,385	(208,339)	4,367,799
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	74,996
Related to Leases		-	-	64,465,001
Total Deferred Inflows of Resources	-	-	-	64,539,997
FUND BALANCES				
Nonspendable	-	-	-	310,048
Restricted	-	-	-	4,543,265
Assigned	-	-	-	1,397,494
Unassigned	1,096,299	(266,385)	-	34,799,542
Total Fund Balances	1,096,299	(266,385)	-	41,050,349
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,767,141	$ -	$ (208,339)	$ 109,958,145

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND COMPONENTS
YEAR ENDED JUNE 30, 2022

	General	Economic Uncertainty Fund	Hyperion Mitigation Fund
REVENUES			
Taxes	$ 58,484,432	$ -	$ -
Licenses and Permits	13,605,327	-	-
Charges for Services	5,345,175	-	-
Use of Money and Property	(652,413)	-	1,033
Fines and Forfeitures	373,424	-	-
Developer Fees	331,326	-	-
Miscellaneous	1,928,107	-	-
Total Revenues	79,415,378	-	1,033
EXPENDITURES			
Current:			
General Government	18,998,800	-	-
Public Safety	31,329,946	-	-
Public Works	8,615,546	-	7,869
Community and Cultural	4,980,641	-	-
Capital Outlay	5,390	-	-
Debt Service:			
Principal Retirement	122,702	-	-
Interest and Fiscal Charges	134,491	-	-
Total Expenditures	64,187,516	-	7,869
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	15,227,862	-	(6,836)
OTHER FINANCING USES			
Transfers In	25,000	823,708	-
Transfers Out	(11,345,586)	-	-
Total Other Financing Uses	(11,320,586)	823,708	-
NET CHANGE IN FUND BALANCES	3,907,276	823,708	(6,836)
Fund Balance - Beginning of Year	34,317,913	1,076,296	102,078
FUND BALANCE - END OF YEAR	$ 38,225,189	$ 1,900,004	$ 95,242

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND COMPONENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Project Deposits Fund	Solid Waste Fund	Intrafund Eliminations	Total
REVENUES				
Taxes	$ -	$ -	$ -	$ 58,484,432
Licenses and Permits	-	-	-	13,605,327
Charges for Services	260,411	-	-	5,605,586
Use of Money and Property	-	-	-	(651,380)
Fines and Forfeitures	-	-	-	373,424
Developer Fees	-	-	-	331,326
Miscellaneous	65,370	-	-	1,993,477
Total Revenues	325,781	-	-	79,742,192
EXPENDITURES				
Current:				
General Government	296,291	-	-	19,295,091
Public Safety	-	-	-	31,329,946
Public Works	-	270,000	-	8,893,415
Community and Cultural	-	-	-	4,980,641
Capital Outlay	832,560	-	-	837,950
Debt Service:				
Principal Retirement	-	-	-	122,702
Interest and Fiscal Charges	-	-	-	134,491
Total Expenditures	1,128,851	270,000	-	65,594,236
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(803,070)	(270,000)	-	14,147,956
OTHER FINANCING USES				
Transfers In	-	420,000	(1,243,708)	25,000
Transfers Out	-	-	1,243,708	(10,101,878)
Total Other Financing Uses	-	420,000	-	(10,076,878)
NET CHANGE IN FUND BALANCES	(803,070)	150,000	-	4,071,078
Fund Balance - Beginning of Year	1,899,369	(416,385)	-	36,979,271
FUND BALANCE - END OF YEAR	$ 1,096,299	$ (266,385)	$ -	$ 41,050,349

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

State Gas Tax Fund - Accounts for a share of revenues derived from the State Highway Users' Tax under Sections 2105, 2106, 2107, and 2107.5. The revenue is derived from a share of the gasoline taxes and is used for the construction and maintenance of the road network system of the City.

Residential Sound Insulation Program Fund - Accounts for the grants received from the Federal Aviation Administration (FAA) and the Los Angeles World Airports (LAWA). The fund is used to provide acoustical treatment of homes in El Segundo that are within the extreme airport noise impact zone, in order to create a better sound environment inside the home.

Certified Unified Program Agency - Accounts for revenues and expenditures for the Endorsement and Emergency Response Program (EERP), a consolidation of six environmental programs at the local level.

Community Development Block Grant (CDBG) - Accounts for revenues received from the Department of Housing & Urban Development (HUD). These revenues must be expended to accomplish one of the following objectives: elimination of slum or blight to low- and moderate-income persons; or, to meet certain urgent community development needs.

Asset Forfeiture Fund - Accounts for receipt and disbursement of narcotic forfeitures received from the county, state, and federal agencies pursuant to Section 11470 of State Health & Safety Code and Federal Statute 21 USC Section 881.

Prop "A" Transportation Fund - Accounts for the one-half (1/2) cent sales tax approved by the voters of Los Angeles County to be used for local transportation purposes. These revenues are collected by the state and a portion is funneled to the City through the Los Angeles County Transportation Commission. The City of El Segundo uses this fund to participate in CTIP/MAX, a regional commuter service and to provide Dial-a-Ride; beach shuttles; and various transportation services.

Prop "C" Transportation Fund - Accounts for the one-half (1/2) cent sales tax approved by the voters of Los Angeles County in November 1990. Collection of the tax began in April 1991. Proceeds are to be used to improve transit services and operations; reduce traffic congestion; improve air quality; operate and improve the condition of the streets and freeways utilized by public transit; and reduce foreign oil dependence.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued):

Traffic Safety Fund - Accounts for a portion of the Vehicle Code violation fines and penalties collected by the Los Angeles County Municipal Court. By state law, this money must be used for traffic safety related expenditures including traffic enforcement and capital projects.

Air Pollution Reduction Fund - Accounts for the City's share of funds received under the Health & Safety Code Section 44223 (AB 2766) to finance mobile source air pollution reduction programs consistent with the California Clean Air Act of 1988. The fund, derived from additional vehicle registration fee, is used to support the South Coast Air Quality Management District's (SCAQMD) program to reduce air pollution from motor vehicles.

TDA Article 3/SB 821 Bikeway Fund - Accounts for the monies the City receives from the Transportation Development Act Article 3 which are to be specifically used for construction or repair of bikeways, sidewalks, or handicapped accesses.

COPS Fund - Accounts for receipt and disbursement of funds received under the State Citizens' Option for Public Safety (COPS) program allocated pursuant to Government Code Section 30061 enacted by AB 3229, Chapter 134 of the 1996 Statues. This fund, also known as the Supplemental Law Enforcement Services Fund (SLESF), is allocated based on population and can only be spent for "front line municipal police services" such as local crime prevention and community-oriented policing, per Government Code Section 30061 (c)(2).

MTA Grant Fund - Accounts for receipt and disbursement of funds received from the exchange of Federal Surface Transportation Program - Local Funds for Local Transportation Funds from Los Angeles County Metropolitan Transportation Authority.

Measure R Fund - Accounts for the one-half (1/2) cent sales tax approved by the voters of Los Angeles County to be used for local transportation needs. These revenues are received by the state and a portion is funneled to the City through the Los Angeles County Metropolitan Transportation Authority. The City of El Segundo uses these funds for street improvements.

Federal Grants Fund - Accounts for revenues and expenditures for each federal grant awarded to the City.

State & County Grants Fund - Accounts for revenues and expenditures for each state or county grant awarded to the City.

PSAF Property Tax Public Safety Fund - Accounts for the one-half (1/2) cent sales tax approved by the voters in November 1993 under Prop 172. These revenues must be spent for public safety (police and fire services) purposes only.

Senior Housing Fund - Accounts for the revenues and expenditures from the El Segundo Senior Citizen Housing Corporation.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued):

Measure M Fund - Accounts for the one-half (1/2) cent sales tax approved by the voters of Los Angeles County in November 2016. These revenues are received by the state and a portion is funneled to the City. These revenues must be spent to ease traffic congestion.

SB 1 Fund - Accounts for the revenues and expenditures from the Road Repair and Accountability Act of 2017. These revenues must be spent for local streets and roads.

Certified Access Specialist Program (CASP) - Accounts for the fees collected to increase disability access and compliance with construction related accessibility requirements.

Affordable Housing - Accounts for the revenue and expenditures related to the construction and purchase of affordable housing.

Cultural Development - Accounts for the 1% in-lieu fee imposed on new developments over $2 million to meet the public art requirement. These revenues must be spent on design, acquisition, commission, installation, improvement, maintenance, and insurance of artwork or sponsoring and supporting artistic and cultural services in the City.

Special Revenue/Donations Special Revenue Fund - To account for donations received from private individuals or entities that are to be spent on specific activities or programs not funded by the City.

County Storm Water Program - Accounts for the revenues and expenditures related to Measure W, the Los Angeles County Safe, Clean Water Program.

Debt Service Fund:

Facility Lease Fund - Accounts for the lease agreement with the California Infrastructure and Economic Development Bank (CIEDB) whereby CIEDB issued bonds in the amount of $10 million to finance the Douglas Street Gap Closure Project. The City will make rental lease payments over a 30-year period starting February 1, 2006, at an interest rate of 2.87% per annum. Interest payments on the lease obligation are due on February 1 and August 1 of each year. Base rental payments will be mailed to the City reflecting the actual amount owed prior to each base rental payment due date.

Pension Obligation Bonds - Accounts for the payments of interest and principal of the pension obligation bond.

Capital Projects Fund:

Capital Improvement Fund - Accounts for construction of capital facilities typically financed by the City's General Fund and any grant not accounted for in a special revenue fund.

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds				
	State Gas Tax	Residential Sound Insulation	Certified Union Program Agencies	Community Development Block Grant	Asset Forfeiture
ASSETS					
Cash and Investments	$ 142,827	$ 462,283	$ 140,276	$ -	$ 1,207,419
Restricted Cash and Investments	-	-	-	-	-
Receivables:					
Accounts	-	-	-	-	-
Interest	-	119	-	-	-
Notes and Loans	-	-	-	49,405	-
Due from Other Governments	74,130	-	-	20,757	-
Prepaids	-	-	7,242	-	-
Total Assets	$ 216,957	$ 462,402	$ 147,518	$ 70,162	$ 1,207,419
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 11,954	$ -	$ 30,910	$ 25,175	$ 2,148
Accrued Liabilities	3,068	-	11,468	-	-
Retentions Payable	-	-	-	2,475	7,800
Due to Other Funds	-	-	-	33,606	-
Unearned Revenue	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Total Liabilities	15,022	-	42,378	61,256	9,948
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	7,242	-	-
Restricted	201,935	462,402	97,898	8,906	1,197,471
Assigned	-	-	-	-	-
Unassigned (Deficit)		-	-	-	-
Total Fund Balances	201,935	462,402	105,140	8,906	1,197,471
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 216,957	$ 462,402	$ 147,518	$ 70,162	$ 1,207,419

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	Special Revenue Funds				
	Prop A	Prop C	Traffic Safety	Air Pollution Reduction	SB 821 Bikeway
ASSETS					
Cash and Investments	$ 1,451,421	$ 829,179	$ 67,366	$ 136,987	$ 2,007
Restricted Cash and Investments	-	-	-	-	-
Receivables:					
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	-	351,970	5,770	-	12,300
Prepaids	-	-	-	-	-
Total Assets	$ 1,451,421	$ 1,181,149	$ 73,136	$ 136,987	$ 14,307
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 19,577	$ 82,128	$ -	$ -	$ -
Accrued Liabilities	-	-	-	-	-
Retentions Payable	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Total Liabilities	19,577	82,128	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	1,431,844	1,099,021	73,136	136,987	14,307
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances	1,431,844	1,099,021	73,136	136,987	14,307
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,451,421	$ 1,181,149	$ 73,136	$ 136,987	$ 14,307

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	Special Revenue Funds				
	C.O.P.S.	MTA Grant	Measure R	Federal Grants	State Grants
ASSETS					
Cash and Investments	$ 492,564	$ 17,413	$ 1,302,899	$ -	$ -
Restricted Cash and Investments	-	-	-	-	-
Receivables:					
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	-	-	-	67,867	40,219
Prepaids	-	-	-	-	-
Total Assets	$ 492,564	$ 17,413	$ 1,302,899	$ 67,867	$ 40,219
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ -	$ -	$ -	$ 18,320	$ 22,289
Accrued Liabilities	-	-	-	-	1,365
Retentions Payable	-	-	-	-	-
Due to Other Funds	-	-	-	189,449	78,430
Unearned Revenue	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Total Liabilities	-	-	-	207,769	102,084
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	492,564	17,413	1,302,899	-	-
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	(139,902)	(61,865)
Total Fund Balances	492,564	17,413	1,302,899	(139,902)	(61,865)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 492,564	$ 17,413	$ 1,302,899	$ 67,867	$ 40,219

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	Special Revenue Funds				
	PSAF Property Tax Public Safety	Senior Housing	Measure M	SB 1	Certified Access Specialist Program
ASSETS					
Cash and Investments	$ 197,978	$ 844,785	$ 943,345	$ 350,414	$ 117,979
Restricted Cash and Investments	-	-	-	-	-
Receivables:					
Accounts	-	3,607	-	-	-
Interest	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	7,189	-	-	60,197	-
Prepaids	-	-	-	-	-
Total Assets	$ 205,167	$ 848,392	$ 943,345	$ 410,611	$ 117,979
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ -	$ 1,187	$ 12,780	$ -	$ -
Accrued Liabilities	-	736	-	-	3,673
Retentions Payable	-	-	13,119	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits Payable	-	2,814	-	-	-
Total Liabilities	-	4,737	25,899	-	3,673
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	205,167	843,655	917,446	410,611	114,306
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances	205,167	843,655	917,446	410,611	114,306
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 205,167	$ 848,392	$ 943,345	$ 410,611	$ 117,979

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	Special Revenue Funds				Debt Service Fund
	Affordable Housing	Cultural Development	Special Revenues / Donations	County Storm Water Program	Facility Lease
ASSETS					
Cash and Investments	$ 5,383,531	$ 1,017,068	$ 2,165,002	$ 838,049	$ 1,259,592
Restricted Cash and Investments	-	-	-	-	-
Receivables:					
Accounts	-	-	1,892	-	-
Interest	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Prepaids	-	-	-	-	-
Total Assets	$ 5,383,531	$ 1,017,068	$ 2,166,894	$ 838,049	$ 1,259,592
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ -	$ 379	$ 105,210	$ 35,926	$ -
Accrued Liabilities	-	2,684	-	-	-
Retentions Payable	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Total Liabilities	-	3,063	105,210	35,926	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	5,383,531	1,014,005	2,061,684	802,123	1,259,592
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances	5,383,531	1,014,005	2,061,684	802,123	1,259,592
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 5,383,531	$ 1,017,068	$ 2,166,894	$ 838,049	$ 1,259,592

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	Debt Service Fund	Capital Projects Fund	
	Pension Obligation Bonds	Capital Improvement	Total
ASSETS			
Cash and Investments	$ -	$ 3,824,501	$ 23,194,885
Restricted Cash and Investments	7,833,724	-	7,833,724
Receivables:			
Accounts	-	-	5,499
Interest	-	-	119
Notes and Loans	-	-	49,405
Due from Other Governments	-	-	640,399
Prepaids	-	13,200	20,442
Total Assets	$ 7,833,724	$ 3,837,701	$ 31,744,473
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ -	$ 230,913	$ 598,896
Accrued Liabilities	-	-	22,994
Retentions Payable	-	6,229	29,623
Due to Other Funds	-	-	301,485
Unearned Revenue	-	-	-
Deposits Payable	-	-	2,814
Total Liabilities	-	237,142	955,812
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	-
Total Deferred Inflows of Resources	-	-	-
FUND BALANCES			
Nonspendable	-	13,200	20,442
Restricted	7,833,724	-	27,382,627
Assigned	-	3,587,359	3,587,359
Unassigned (Deficit)	-	-	(201,767)
Total Fund Balances	7,833,724	3,600,559	30,788,661
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 7,833,724	$ 3,837,701	$ 31,744,473

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				
	State Gas Tax	Residential Sound Insulation	Certified Union Program Agencies Fund	Community Development Block Grant	Asset Forfeiture
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	28,331	-	-
Intergovernmental	395,122	-	16,850	20,757	323,075
Charges for Services	-	-	265,731	-	-
Use of Money and Property	2,050	5,081	1,247	-	13,333
Fines and Forfeitures	-	-	8,400	-	-
Developer Fees	-	-	-	-	-
Miscellaneous	-	15	-	-	-
Total Revenues	397,172	5,096	320,559	20,757	336,408
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	270,361
Public Works	382,453	-	-	-	-
Community and Cultural	-	847	531,597	-	-
Capital Outlay	49,489	-	-	50,592	39,201
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	431,942	847	531,597	50,592	309,562
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(34,770)	4,249	(211,038)	(29,835)	26,846
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(34,770)	4,249	(211,038)	(29,835)	26,846
Fund Balances - Beginning of Year	236,705	458,153	316,178	38,741	1,170,625
FUND BALANCES - END OF YEAR	$ 201,935	$ 462,402	$ 105,140	$ 8,906	$ 1,197,471

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				
	Prop A	Prop C	Traffic Safety	Air Pollution Reduction	SB 821 Bikeway
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	423,670	703,396	-	15,752	12,300
Charges for Services	5	-	-	-	-
Use of Money and Property	13,913	9,970	-	1,338	153
Fines and Forfeitures	-	-	45,780	-	-
Developer Fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	437,588	713,366	45,780	17,090	12,453
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Community and Cultural	112,689	1,675	-	-	-
Capital Outlay	-	499,438	-	-	57,466
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	112,689	501,113	-	-	57,466
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	324,899	212,253	45,780	17,090	(45,013)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(25,000)	-	-
Total Other Financing Sources (Uses)	-	-	(25,000)	-	-
NET CHANGE IN FUND BALANCES	324,899	212,253	20,780	17,090	(45,013)
Fund Balances - Beginning of Year	1,106,945	886,768	52,356	119,897	59,320
FUND BALANCES - END OF YEAR	$ 1,431,844	$ 1,099,021	$ 73,136	$ 136,987	$ 14,307

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				
	C.O.P.S.	MTA Grant	Measure R	Federal Grants	State Grants
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	161,285	-	263,527	2,685,965	112,584
Charges for Services	-	-	-	-	-
Use of Money and Property	4,899	216	12,597	-	-
Fines and Forfeitures	-	-	-	-	-
Developer Fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	166,184	216	276,124	2,685,965	112,584
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	1,986,734	44,172
Public Works	-	-	-	-	-
Community and Cultural	-	-	-	632,707	32,073
Capital Outlay	53,490	-	598	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	53,490	-	598	2,619,441	76,245
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	112,694	216	275,526	66,524	36,339
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	112,694	216	275,526	66,524	36,339
Fund Balances - Beginning of Year	379,870	17,197	1,027,373	(206,426)	(98,204)
FUND BALANCES - END OF YEAR	$ 492,564	$ 17,413	$ 1,302,899	$ (139,902)	$ (61,865)

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				
	PSAF Property Tax Public Safety	Senior Housing	Measure M	SB 1	Certified Access Specialist Program
REVENUES					
Taxes	$ 35,883	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	-	298,209	338,910	-
Charges for Services	-	-	-	-	19,660
Use of Money and Property	1,920	3,312	10,855	2,449	1,140
Fines and Forfeitures	-	-	-	-	-
Developer Fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	37,803	3,312	309,064	341,359	20,800
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Community and Cultural	-	36,150	-	-	-
Capital Outlay	-	10,000	323,993	146,733	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	-	46,150	323,993	146,733	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	37,803	(42,838)	(14,929)	194,626	20,800
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	37,803	(42,838)	(14,929)	194,626	20,800
Fund Balances - Beginning of Year	167,364	886,493	932,375	215,985	93,506
FUND BALANCES - END OF YEAR	$ 205,167	$ 843,655	$ 917,446	$ 410,611	$ 114,306

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				Debt Service Fund
	Affordable Housing	Cultural Development	Special Revenues / Donations	County Storm Water Program	Facility Loan
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	-	-	569,408	-
Charges for Services	-	-	1,500	-	-
Use of Money and Property	60,222	-	-	7,408	-
Fines and Forfeitures	-	-	-	-	-
Developer Fees	-	945,199	-	-	165,725
Miscellaneous	-	-	1,176,952	-	-
Total Revenues	60,222	945,199	1,178,452	576,816	165,725
EXPENDITURES					
Current:					
General Government	-	-	-	-	18,535
Public Safety	-	-	4,649	-	-
Public Works	-	-	-	264,513	-
Community and Cultural	-	142,802	215,782	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	335,351
Interest	-	-	-	-	172,498
Total Expenditures	-	142,802	220,431	264,513	526,384
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	60,222	802,397	958,021	312,303	(360,659)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	60,222	802,397	958,021	312,303	(360,659)
Fund Balances - Beginning of Year	5,323,309	211,608	1,103,663	489,820	1,620,251
FUND BALANCES - END OF YEAR	$ 5,383,531	$ 1,014,005	$ 2,061,684	$ 802,123	$ 1,259,592

CITY OF EL SEGUNDO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Debt Service Fund	Capital Projects Fund	
	Pension Obligation Bonds	Capital Improvement	Total
REVENUES			
Taxes	$ -	$ -	$ 35,883
Licenses and Permits	-	-	28,331
Intergovernmental	-	-	6,340,810
Charges for Services	-	-	286,896
Use of Money and Property	9	-	152,112
Fines and Forfeitures	-	-	54,180
Developer Fees	-	-	1,110,924
Miscellaneous	-	-	1,176,967
Total Revenues	9	-	9,186,103
EXPENDITURES			
Current:			
General Government	-	-	18,535
Public Safety	-	-	2,305,916
Public Works	-	-	646,966
Community and Cultural	-	-	1,706,322
Capital Outlay	-	1,324,350	2,555,350
Debt Service:			
Principal Retirement	-	-	335,351
Interest	1,662,800	-	1,835,298
Total Expenditures	1,662,800	1,324,350	9,403,738
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,662,791)	(1,324,350)	(217,635)
OTHER FINANCING SOURCES (USES)			
Transfers In	9,491,878	610,000	10,101,878
Transfers Out	-	-	(25,000)
Total Other Financing Sources (Uses)	9,491,878	610,000	10,076,878
NET CHANGE IN FUND BALANCES	7,829,087	(714,350)	9,859,243
Fund Balances - Beginning of Year	4,637	4,314,909	20,929,418
FUND BALANCES - END OF YEAR	$ 7,833,724	$ 3,600,559	$ 30,788,661

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
STATE GAS TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 340,000	$ 340,000	$ 395,122	$ 55,122
Use of Money and Property	10,000	10,000	2,050	(7,950)
Total Revenues	350,000	350,000	397,172	47,172
EXPENDITURES				
Current:				
Public Works	752,966	1,127,966	382,453	745,513
Capital Outlay	-	55,100	49,489	5,611
Total Expenditures	752,966	1,183,066	431,942	751,124
NET CHANGE IN FUND BALANCES	$ (402,966)	$ (833,066)	(34,770)	$ 798,296
Fund Balance - Beginning of Year			236,705	
FUND BALANCE - END OF YEAR			$ 201,935	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
RESIDENTIAL SOUND INSULATION SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$ 4,000	$ 4,000	$ 5,081	$ 1,081
Miscellaneous	-	-	15	15
Total Revenues	4,000	4,000	5,096	1,096
EXPENDITURES				
Current:				
Community and Cultural	800	800	847	(47)
Total Expenditures	800	800	847	(47)
NET CHANGE IN FUND BALANCES	$ 3,200	$ 3,200	4,249	$ 1,049
Fund Balance - Beginning of Year			458,153	
FUND BALANCE - END OF YEAR			$ 462,402	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CERTIFIED UNION PROGRAM AGENCIES SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Licenses and Permits	$ 2,606	$ 2,606	$ 28,331	$ 25,725
Intergovernmental	-	-	16,850	16,850
Charges for Services	471,507	471,507	265,731	(205,776)
Use of Money and Property	-	-	1,247	1,247
Fines and Forfeitures	-	-	8,400	8,400
Total Revenues	474,113	474,113	320,559	(153,554)
EXPENDITURES				
Current:				
Community and Cultural	577,948	577,948	531,597	46,351
Total Expenditures	577,948	577,948	531,597	46,351
NET CHANGE IN FUND BALANCES	$ (103,835)	$ (103,835)	(211,038)	$ (107,203)
Fund Balance - Beginning of Year			316,178	
FUND BALANCE - END OF YEAR			$ 105,140	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Integovernmental	$ 78,000	$ 78,000	$ 20,757	$ (57,243)
Total Revenues	78,000	78,000	20,757	(57,243)
EXPENDITURES				
Capital Outlay	125,000	125,000	50,592	74,408
Total Expenditures	125,000	125,000	50,592	74,408
NET CHANGE IN FUND BALANCES	$ (47,000)	$ (47,000)	(29,835)	$ 17,165
Fund Balance - Beginning of Year			38,741	
FUND BALANCE - END OF YEAR			$ 8,906	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
ASSET FORFEITURE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ -	$ -	$ 323,075	$ 323,075
Use of Money and Property	-	-	13,333	13,333
Total Revenues	-	-	336,408	336,408
EXPENDITURES				
Current:				
Public Safety	225,000	475,000	270,361	204,639
Capital Outlay	500,000	250,000	39,201	210,799
Total Expenditures	725,000	725,000	309,562	415,438
NET CHANGE IN FUND BALANCES	$ (725,000)	$ (725,000)	26,846	$ 751,846
Fund Balance - Beginning of Year			1,170,625	
FUND BALNCE - END OF YEAR			$ 1,197,471	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
PROP A SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 300,000	$ 300,000	$ 423,670	$ 123,670
Charges for Services	1,500	1,500	5	(1,495)
Use of Money and Property	6,000	6,000	13,913	7,913
Total Revenues	307,500	307,500	437,588	130,088
EXPENDITURES				
Current:				
Community and Cultural	434,043	434,043	112,689	321,354
Total Expenditures	434,043	434,043	112,689	321,354
NET CHANGE IN FUND BALANCES	$ (126,543)	$ (126,543)	324,899	$ 451,442
Fund Balance - Beginning of Year			1,106,945	
FUND BALANCE - END OF YEAR			$ 1,431,844	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
PROP C SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 250,000	$ 250,000	$ 703,396	$ 453,396
Use of Money and Property	5,000	5,000	9,970	4,970
Total Revenues	255,000	255,000	713,366	458,366
EXPENDITURES				
Current:				
Community and Cultural	130,127	130,127	1,675	128,452
Capital Outlay	1,420,000	1,620,000	499,438	1,120,562
Total Expenditures	1,550,127	1,750,127	501,113	1,249,014
NET CHANGE IN FUND BALANCES	$ (1,295,127)	$ (1,495,127)	212,253	$ 1,707,380
Fund Balance - Beginning of Year			886,768	
FUND BALNCE - END OF YEAR			$ 1,099,021	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
TRAFFIC SAFETY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$ 1,000	$ 1,000	$ -	$ (1,000)
Fines and Forfeitures	30,000	30,000	45,780	15,780
Total Revenues	31,000	31,000	45,780	14,780
OTHER FINANCING SOURCES				
Transfer Out	(25,000)	(25,000)	(25,000)	-
NET CHANGE IN FUND BALANCES	$ 6,000	$ 6,000	20,780	$ 14,780
Fund Balance - Beginning of Year			52,356	
FUND BALANCE - END OF YEAR			$ 73,136	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
AIR POLLUTION REDUCTION SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 20,000	$ 20,000	$ 15,752	$ (4,248)
Use of Money and Property	500	500	1,338	838
Total Revenues	20,500	20,500	17,090	(3,410)
EXPENDITURES				
Capital Outlay	100,000	100,000	-	100,000
Total Expenditures	100,000	100,000	-	100,000
NET CHANGE IN FUND BALANCES	$ (79,500)	$ (79,500)	17,090	$ 96,590
Fund Balance - Beginning of Year			119,897	
FUND BALANCE - END OF YEAR			$ 136,987	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SB 821 SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 10,000	$ 10,000	$ 12,300	$ 2,300
Use of Money and Property	400	400	153	(247)
Total Revenues	10,400	10,400	12,453	2,053
EXPENDITURES				
Capital Outlay	55,000	55,000	57,466	(2,466)
Total Expenditures	55,000	55,000	57,466	(2,466)
NET CHANGE IN FUND BALANCES	$ (44,600)	$ (44,600)	(45,013)	$ (413)
Fund Balance - Beginning of Year			59,320	
FUND BALANCE - END OF YEAR			$ 14,307	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
C.O.P.S. SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 145,000	$ 145,000	$ 161,285	$ 16,285
Use of Money and Property	1,500	1,500	4,899	3,399
Total Revenues	146,500	146,500	166,184	19,684
EXPENDITURES				
Current:				
Public Safety	175,000	175,000	-	175,000
Capital Outlay	175,000	175,000	53,490	121,510
Total Expenditures	350,000	350,000	53,490	296,510
NET CHANGE IN FUND BALANCES	$ (203,500)	$ (203,500)	112,694	$ 316,194
Fund Balance - Beginning of Year			379,870	
FUND BALANCE - END OF YEAR			$ 492,564	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
MTA GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ -	$ -	$ -	$ -
Use of Money and Property	-	-	216	216
Total Revenues	-	-	216	216
EXPENDITURES				
Capital Outlay	300,000	300,000	-	300,000
Total Expenditures	300,000	300,000	-	300,000
NET CHANGE IN FUND BALANCES	$ (300,000)	$ (300,000)	216	$ 300,216
Fund Balance - Beginning of Year			17,197	
FUND BALANCE - END OF YEAR			$ 17,413	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
MEASURE R SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 207,500	$ 207,500	$ 263,527	$ 56,027
Use of Money and Property	5,500	5,500	12,597	7,097
Total Revenues	213,000	213,000	276,124	63,124
EXPENDITURES				
Capital Outlay	6,000,000	6,000,000	598	5,999,402
Total Expenditures	6,000,000	6,000,000	598	5,999,402
NET CHANGE IN FUND BALANCES	$ (5,787,000)	$ (5,787,000)	275,526	$ 6,062,526
Fund Balance - Beginning of Year			1,027,373	
FUND BALANCE - END OF YEAR			$ 1,302,899	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FEDERAL GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 115,600	$ 115,600	$ 2,685,965	$ 2,570,365
Total Revenues	115,600	115,600	2,685,965	2,570,365
EXPENDITURES				
Current:				
Public Safety	-	-	1,986,734	(1,986,734)
Community and Cultural	270,000	270,000	632,707	(362,707)
Total Expenditures	270,000	270,000	2,619,441	(2,349,441)
NET CHANGE IN FUND BALANCES	$ (154,400)	$ (154,400)	66,524	$ 220,924
Fund Balance (Deficit) - Beginning of Year			(206,426)	
FUND BALANCE (DEFICIT) - END OF YEAR			$ (139,902)	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
STATE GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 238,437	$ 238,437	$ 112,584	$ (125,853)
Total Revenues	238,437	238,437	112,584	(125,853)
EXPENDITURES				
Current:				
Public Safety	-	-	44,172	(44,172)
Community and Cultural	200,000	200,000	32,073	167,927
Total Expenditures	200,000	200,000	76,245	123,755
NET CHANGE IN FUND BALANCE	$ 38,437	$ 38,437	36,339	$ (2,098)
Fund Balance (Deficit) - Beginning of Year			(98,204)	
FUND BALANCE (DEFICIT) - END OF YEAR			$ (61,865)	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
PSAF PROPERTY TAX PUBLIC SAFETY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 30,000	$ 30,000	$ 35,883	$ 5,883
Use of Money and Property	1,000	1,000	1,920	920
Total Revenues	31,000	31,000	37,803	6,803
EXPENDITURES				
Current:				
Public Safety	150,000	150,000	-	150,000
Total Expenditures	150,000	150,000	-	150,000
NET CHANGE IN FUND BALANCES	$ (119,000)	$ (119,000)	37,803	$ 156,803
Fund Balance - Beginning of Year			167,364	
FUND BALANCE - END OF YEAR			$ 205,167	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SENIOR HOUSING SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$ 20,000	$ 20,000	$ 3,312	$ (16,688)
Total Revenues	20,000	20,000	3,312	(16,688)
EXPENDITURES				
Current:				
Community and Cultural	45,313	15,313	36,150	(20,837)
Capital Outlay	60,000	60,000	10,000	50,000
Total Expenditures	105,313	75,313	46,150	29,163
NET CHANGE IN FUND BALANCES	$ (85,313)	$ (55,313)	(42,838)	$ 12,475
Fund Balance - Beginning of Year			886,493	
FUND BALANCE - END OF YEAR			$ 843,655	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
MEASURE M SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 200,000	$ 200,000	$ 298,209	$ 98,209
Use of Money and Property	5,000	5,000	10,855	5,855
Total Revenues	205,000	205,000	309,064	104,064
EXPENDITURES				
Capital Outlay	800,000	800,000	323,993	476,007
Total Expenditures	800,000	800,000	323,993	476,007
NET CHANGE IN FUND BALANCES	$ (595,000)	$ (595,000)	(14,929)	$ 580,071
Fund Balance - Beginning of year			932,375	
FUND BALANCE - END OF YEAR			$ 917,446	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SB 1 SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 250,000	$ 250,000	$ 338,910	$ 88,910
Use of Money and Property	5,000	5,000	2,449	(2,551)
Total Revenues	255,000	255,000	341,359	86,359
EXPENDITURES				
Capital Outlay	350,000	995,000	146,733	848,267
Total Expenditures	350,000	995,000	146,733	848,267
NET CHANGE IN FUND BALANCES	$ (95,000)	$ (740,000)	194,626	$ 934,626
Fund Balance - Beginning of Year			215,985	
FUND BALANCE - END OF YEAR			$ 410,611	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CERTIFIED ACCESS SPECIALIST PROGRAM SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Charges for Services	$ 20,000	$ 20,000	$ 19,660	$ (340)
Use of Money and Property	1,000	1,000	1,140	140
Total Revenues	21,000	21,000	20,800	(200)
EXPENDITURES				
Current:				
Community and Cultural	80,000	80,000	-	80,000
Total Expenditures	80,000	80,000	-	80,000
NET CHANGE IN FUND BALANCES	$ (59,000)	$ (59,000)	20,800	$ 79,800
Fund Balance - Beginning of Year			93,506	
FUND BALANCE - END OF YEAR			$ 114,306	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
AFFORDABLE HOUSING SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$ 50,000	$ 50,000	$ 60,222	$ 10,222
Total Revenues	50,000	50,000	60,222	10,222
EXPENDITURES				
Current:				
Community and Cultural	200,000	200,000	-	200,000
Total Expenditures	200,000	200,000	-	200,000
NET CHANGE IN FUND BALANCES	$ (150,000)	$ (150,000)	60,222	$ 210,222
Fund Balance - Beginning of Year			5,323,309	
FUND BALANCE - END OF YEAR			$ 5,383,531	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CULTURAL DEVELOPMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Developer Fees	$ -	$ -	$ 945,199	$ 945,199
Total Revenues	-	-	945,199	945,199
EXPENDITURES				
Current:				
Community and Cultural	605,346	625,346	142,802	482,544
Total Expenditures	605,346	625,346	142,802	482,544
NET CHANGE IN FUND BALANCES	$ (605,346)	$ (625,346)	802,397	$ 1,427,743
Fund Balance - Beginning of Year			211,608	
FUND BALANCE - END OF YEAR			$ 1,014,005	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUES AND DONATIONS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Charges for Services	$ -	$ -	$ 1,500	$ 1,500
Miscellaneous	-	-	1,176,952	1,176,952
Total Revenues	-	-	1,178,452	1,178,452
EXPENDITURES				
Current:				
Public Safety	60,000	60,000	4,649	55,351
Community and Cultural	940,000	940,000	215,782	724,218
Total Expenditures	1,000,000	1,000,000	220,431	779,569
NET CHANGE IN FUND BALANCE	$ (1,000,000)	$ (1,000,000)	958,021	$ 1,958,021
Fund Balance - Beginning of Year			1,103,663	
FUND BALANCE - END OF YEAR			$ 2,061,684	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
COUNTY STORM WATER PROGRAM SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 850,000	$ 850,000	$ 569,408	$ (280,592)
Use of Money and Property	-	-	7,408	7,408
Total Revenues	850,000	850,000	576,816	(273,184)
EXPENDITURES				
Current:				
Public Works	550,000	550,000	264,513	285,487
Capital Outlay	-	176,700	-	176,700
Total Expenditures	550,000	726,700	264,513	462,187
NET CHANGE IN FUND BALANCES	$ 300,000	$ 123,300	312,303	$ 189,003
Fund Balance - Beginning of Year			489,820	
FUND BALANCE - END OF YEAR			$ 802,123	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FACILITY LEASE DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Developer Fees	$ 360,000	$ 360,000	$ 165,725	$ (194,275)
Total Revenues	360,000	360,000	165,725	(194,275)
EXPENDITURES				
Current:				
General Government	-	-	18,535	(18,535)
Debt Service:				
Principal Retirement	358,000	358,000	335,351	22,649
Interest	187,000	187,000	172,498	14,502
Total Expenditures	545,000	545,000	526,384	18,616
NET CHANGE IN FUND BALANCES	$ (185,000)	$ (185,000)	(360,659)	$ (175,659)
Fund Balance - Beginning of Year			1,620,251	
FUND BALANCE - END OF YEAR			$ 1,259,592	

CITY OF EL SEGUNDO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Capital Outlay	5,055,900	5,017,631	1,324,350	3,693,281
Total Expenditures	5,055,900	5,017,631	1,324,350	3,693,281
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(5,055,900)	(5,017,631)	(1,324,350)	3,693,281
OTHER FINANCING SOURCES:				
Transfers In	225,500	225,500	610,000	384,500
Total Other Financing Sources	225,500	225,500	610,000	384,500
NET CHANGE IN FUND BALANCES	$ (4,830,400)	$ (4,792,131)	(714,350)	$ 4,077,781
Fund Balance - Beginning of Year			4,314,909	
FUND BALANCE - END OF YEAR			$ 3,600,559	

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INTERNAL SERVICE FUNDS

Internal Service Funds:

Equipment Replacement Fund - Accounts for in-house charges to City departments to accumulate funding for future replacement of equipment used by the departments. The Fund also accounts for the proceeds from sale of surplus equipment.

Liability Insurance Fund - Accounts for charges to departments for their share of general liability claims and the administration cost of the self-insurance program.

Workers' Compensation Insurance Fund - Accounts for charges to the departments for their share of workers' compensation claims and administrative costs of the self-insurance program.

CITY OF EL SEGUNDO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2022

	Equipment Replacement Fund	Liability Insurance Fund	Workers' Compensation Fund	Total
ASSETS				
Current Assets:				
Cash and Investments	$ 7,402,702	$ 731,719	$ 8,622,434	$ 16,756,855
Accounts Receivable	-	152,567	-	152,567
Total Current Assets	7,402,702	884,286	8,622,434	16,909,422
Noncurrent Assets:				
Advance to Other Funds	5,577,910	-	-	5,577,910
Net Pension Asset	-	57,782	136,026	193,808
Capital Assets, not Being Depreciated	-	-	-	-
Capital Assets, Being Depreciated	3,090,348	-	-	3,090,348
Total Noncurrent Assets	8,668,258	57,782	136,026	8,862,066
Total Assets	16,070,960	942,068	8,758,460	25,771,488
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pension	-	11,179	26,318	37,497
Deferred Outflows of Resources Related to OPEB	-	10,550	9,709	20,259
Total Deferred Outflows of Resources	-	21,729	36,027	57,756
LIABILITIES				
Current Liabilities:				
Accounts Payable	-	4,379	750	5,129
Accrued Liabilities	-	-	42,631	42,631
Claims and Judgments, Current Portion	-	1,102,279	2,218,789	3,321,068
Total Current Liabilities	-	1,106,658	2,262,170	3,368,828
Noncurrent Liabilities:				
Claims and Judgments, Net of Current	-	3,661,721	10,447,211	14,108,932
Net Other Postemployment Benefit Liability	-	78,688	72,417	151,105
Total Noncurrent Liabilities	-	3,740,409	10,519,628	14,260,037
Total Liabilities	-	4,847,067	12,781,798	17,628,865
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to Pensions	-	48,910	115,141	164,051
Deferred Inflows of Resources Related to OPEB	-	10,284	9,465	19,749
Total Deferred Inflows of Resources	-	59,194	124,606	183,800
NET POSITION (DEFICIT)				
Investment in Capital Assets	3,090,348	-	-	3,090,348
Pension	-	57,782	136,026	193,808
Unrestricted (Deficit)	12,980,612	(4,000,246)	(4,247,943)	4,732,423
Total Net Position (Deficit)	$ 16,070,960	$ (3,942,464)	$ (4,111,917)	$ 8,016,579

CITY OF EL SEGUNDO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Equipment Replacement Fund	Liability Insurance Fund	Workers' Compensation Fund	Total
OPERATING REVENUES				
Interdepartmental Charges	$ 1,076,927	$ 2,822,000	$ 3,180,742	$ 7,079,669
Miscellaneous	262,639	416,747	524,320	1,203,706
Total Operating Revenues	1,339,566	3,238,747	3,705,062	8,283,375
OPERATING EXPENSES				
Personnel Services	-	(210,250)	(267,355)	(477,605)
Materials and Supplies	110,734	-	120,715	231,449
Insurance and Claims	-	4,103,887	2,057,096	6,160,983
Depreciation	780,210	-	-	780,210
Total Operating Expenses	890,944	3,893,637	1,910,456	6,695,037
OPERATING INCOME (LOSS)	448,622	(654,890)	1,794,606	1,588,338
NONOPERATING INCOME				
Investment Income	-	36,919	-	36,919
Total Nonoperating Income	-	36,919	-	36,919
CHANGES IN NET POSITION	448,622	(617,971)	1,794,606	1,625,257
Net Position - Beginning of the Year	15,622,338	(3,324,493)	(5,906,523)	6,391,322
NET POSITION - END OF YEAR	$ 16,070,960	$ (3,942,464)	$ (4,111,917)	$ 8,016,579

CITY OF EL SEGUNDO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Equipment Replacement Fund	Liability Insurance Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Users	$ 1,339,566	$ 3,138,805	$ 3,705,062	$ 8,183,433
Payments for Insurance and Claims	-	(3,054,168)	(2,535,280)	(5,589,448)
Payments to Suppliers	(122,983)	-	(120,715)	(243,698)
Payments to Employees	-	(91,667)	(196,924)	(288,591)
Net Cash Provided (Used) by Operating Activities	1,216,583	(7,030)	852,143	2,061,696
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(10,126)	-	-	(10,126)
Net Cash Used by Capital and Related Financing Activities	(10,126)	-	-	(10,126)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	-	36,919	-	36,919
Net Cash Provided by Investing Activities	-	36,919	-	36,919
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,206,457	29,889	852,143	2,088,489
Cash and Cash Equivalents - Beginning of Year	6,196,245	701,830	7,770,291	14,668,366
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 7,402,702	$ 731,719	$ 8,622,434	$ 16,756,855
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITES:				
Operating Income (Loss)	$ 448,622	$ (654,890)	$ 1,794,606	$ 1,588,338
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	780,210	-	-	780,210
(Increase) Decrease in:				
Accounts Receivable	-	(99,942)	-	(99,942)
Prepaid Items	-	-		-
Deferred Outflows of Resources - Pension	-	47,687	(9,604)	38,083
Deferred Outflows of Resources - OPEB	-	(10,436)	113,332	102,896
Increase (Decrease) in:				
Accounts Payable	(12,249)	(643,219)	472	(654,996)
Accrued Liabilities	-	(62)	(28,656)	(28,718)
Claims and Judgments	-	1,693,000	(450,000)	1,243,000
Net Pension Liability	-	(379,938)	(612,507)	(992,445)
Net Other Postemployment Liability	-	16,274	14,978	31,252
Deferred Inflows of Resources - Pension	-	29,999	34,586	64,585
Deferred Inflows of Resources - OPEB	-	(5,503)	(5,064)	(10,567)
Total Adjustments	767,961	647,860	(942,463)	473,358
Net Cash Provided (Used) by Operating Activities	$ 1,216,583	$ (7,030)	$ 852,143	$ 2,061,696

STATISTICAL SECTION

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CITY OF EL SEGUNDO
DESCRIPTION OF STATISTICAL SECTION CONTENTS

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	**Page**
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	174
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	182
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	187
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	194
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	196

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF EL SEGUNDO
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017
Governmental activities:					
Net investment in capital assets	94,098,755	93,534,776	90,783,595	90,014,262	92,615,618
Restricted	6,276,645	8,054,083	8,922,448	8,562,915	7,372,369
Unrestricted	15,050,409	22,170,866	(89,732,982)	(86,756,004)	(91,119,511)
Total governmental activities net position	115,425,809	123,759,725	9,973,061	11,821,173	8,868,476
Business-type activities:					
Net investment in capital assets	20,675,297	21,771,266	22,657,797	25,387,562	27,679,609
Restricted	-	-	-	-	-
Unrestricted	7,484,917	11,652,989	12,247,482	12,855,184	15,808,634
Total business-type activities net position	28,160,214	33,424,255	34,905,279	38,242,746	43,488,243
Primary government:					
Net investment in capital assets	114,774,052	115,306,042	113,441,392	115,401,824	120,295,227
Restricted	6,276,645	8,054,083	8,922,448	8,562,915	7,372,369
Unrestricted	22,535,326	33,823,855	(77,485,500)	(73,900,820)	(75,310,877)
Total primary government net position	143,586,023	157,183,980	44,878,340	50,063,919	52,356,719

CITY OF EL SEGUNDO
NET POSITION BY COMPONENT (CONTINUED)
LAST TEN FISCAL YEARS

	2018	2019	2020	2021	2022
Governmental activities:					
Net investment in capital assets	93,775,527	93,823,843	91,747,670	93,360,733	91,541,308
Restricted	7,882,394	11,082,956	21,263,102	21,618,456	85,598,580
Unrestricted	(129,410,242)	(125,853,873)	(134,494,651)	(125,165,656)	(109,457,284)
Total governmental activities net position	(27,752,321)	(20,947,074)	(21,483,879)	(10,186,467)	67,682,604
Business-type activities:					
Net investment in capital assets	30,800,645	31,244,813	30,667,983	27,259,225	26,842,980
Restricted	-	-	-	-	1,080,865
Unrestricted	10,485,483	22,534,785	23,941,178	31,964,172	36,475,623
Total business-type activities net position	41,286,128	53,779,598	54,609,161	59,223,397	64,399,468
Primary government:					
Net investment in capital assets	124,576,172	125,068,656	122,415,653	120,619,958	118,384,288
Restricted	7,882,394	11,082,956	21,263,102	21,618,456	86,679,445
Unrestricted	(118,924,759)	(103,319,088)	(110,553,473)	(93,201,484)	(72,981,661)
Total primary government net position	13,533,807	32,832,524	33,125,282	49,036,930	132,082,072

CITY OF EL SEGUNDO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017
Expenses:					
Governmental activities:					
General government	12,048,465	11,813,797	14,984,299	14,165,449	14,869,930
Public safety	32,790,373	31,891,478	41,422,188	35,612,565	42,891,455
Public works	9,123,850	8,459,550	9,150,452	7,440,438	7,474,391
Community development	15,681,868	12,065,582	21,038,253	9,298,275	11,407,811
Interest on long-term debt	(15,914)	457,655	457,994	441,712	361,470
Total governmental activities expenses	69,628,642	64,688,062	87,053,186	66,958,439	77,005,057
Business-type activities:					
Water	21,988,089	23,946,676	25,035,801	25,454,732	26,508,256
Wastewater	2,908,241	2,980,026	3,484,104	3,517,640	4,048,104
Golf Course	2,017,716	2,091,413	2,190,195	2,136,456	2,017,104
El Segundo Senior Citizen Housing Corp.	-	-	-	-	-
Total business-type activities expenses	26,914,046	29,018,115	30,710,100	31,108,828	32,573,464
Total primary government expenses	96,542,688	93,706,177	117,763,286	98,067,267	109,578,521
Program revenues:					
Governmental activities:					
Charges for services:					
General government	419,008	421,649	635,350	631,274	445,394
Public safety	1,663,384	1,522,081	1,948,464	1,637,884	1,523,519
Public works	14,262	50,489	267,748	11,199	16,643
Community development	5,030,006	5,796,983	6,733,395	5,708,772	6,516,792
Operating grants and contributions	2,699,324	2,629,490	2,052,527	1,808,463	1,189,900
Capital grants and contributions	7,646,118	7,469,236	14,487,783	2,174,898	1,737,376
Total governmental activities program revenues	17,472,102	17,889,928	26,125,267	11,972,490	11,429,624
Business-type activities:					
Charges for services:					
Water	25,048,713	28,032,902	29,304,012	28,281,456	31,626,637
Wastewater	3,574,272	3,389,450	3,568,042	4,090,187	4,275,264
Golf Course	2,111,937	2,045,652	1,939,165	1,828,549	1,604,258
El Segundo Senior Citizen Housing Corp.	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	30,734,922	33,468,004	34,811,219	34,200,192	37,506,159
Total primary government program revenues	48,207,024	51,357,932	60,936,486	46,172,682	48,935,783
Net revenues (expenses):					
Governmental activities	(52,156,540)	(46,798,134)	(60,927,919)	(54,985,949)	(65,575,433)
Business-type activities	3,820,876	4,449,889	4,101,119	3,091,364	4,932,695
Total net revenues (expenses)	(48,335,664)	(42,348,245)	(56,826,800)	(51,894,585)	(60,642,738)
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	7,910,980	8,452,120	8,380,084	8,884,423	9,093,795
Sales tax	9,099,745	10,297,709	11,442,632	12,089,552	12,201,208
Transient occupancy taxes	5,156,080	5,964,403	5,423,972	7,597,007	12,876,631
Other taxes	25,314,387	28,809,018	27,765,133	26,730,933	27,021,575
Motor vehicle in lieu, unrestricted	7,245	6,998	-	6,859	7,461
Investment income	113,173	324,825	331,238	646,338	532,728
Other general revenues	1,487,988	1,277,597	813,211	1,396,608	889,337
Transfers	-	-	-	-	-
Total governmental activities	49,089,598	55,132,670	54,156,270	57,351,720	62,622,735
Business-type activities:					
Investment income	21,378	152,874	254,662	222,348	170,178
Other	35,600	42,379	19,730	23,755	142,624
Transfers	-	-	-	-	-
Total business-type activities	56,978	195,253	274,392	246,103	312,802
Total primary government	49,146,576	55,327,923	54,430,662	57,597,823	62,935,537
Changes in net position:					
Governmental activities	(3,066,942)	8,334,536	(6,771,649)	2,365,771	(2,952,698)
Business-type activities	3,877,854	4,645,142	4,375,511	3,337,467	5,245,497
Total primary government	810,912	12,979,678	(2,396,138)	5,703,238	2,292,799

CITY OF EL SEGUNDO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

	2018	2019	2020	2021	2022
Expenses:					
Governmental activities:					
General government	16,215,039	17,788,600	18,698,011	15,339,955	18,434,149
Public safety	44,847,122	40,878,258	43,330,009	21,813,534	(30,085,922)
Public works	9,413,340	9,534,893	11,961,463	8,868,760	12,320,674
Community development	10,442,877	11,321,339	10,058,912	7,026,812	7,277,725
Interest on long-term debt	242,750	337,350	324,830	500,659	2,924,779
Total governmental activities expenses	81,161,128	79,860,440	84,373,225	53,549,720	10,871,405
Business-type activities:					
Water	27,907,911	26,525,468	25,014,972	18,520,750	30,211,365
Wastewater	4,164,437	3,336,645	4,978,350	3,430,966	4,441,887
Golf Course	1,990,092	1,674,851	1,553,159	4,678,672	239,326
El Segundo Senior Citizen Housing Corp.	-	-	-	597,152	778,977
Total business-type activities expenses	34,062,440	31,536,964	31,546,481	27,227,540	35,671,555
Total primary government expenses	115,223,568	111,397,404	115,919,706	80,777,260	46,542,960
Program revenues:					
Governmental activities:					
Charges for services:					
General government	371,345	364,486	258,538	266,496	286,451
Public safety	2,058,888	1,624,718	1,545,947	980,145	1,636,988
Public works	1,201	-	26,524	54,669	54,457
Community development	6,477,503	7,473,096	5,390,803	5,639,664	6,474,161
Operating grants and contributions	1,858,256	4,148,187	2,932,318	2,120,276	6,408,261
Capital grants and contributions	1,197,981	2,580,996	7,691,323	2,421,429	2,328,528
Total governmental activities program revenues	11,965,174	16,191,483	17,845,453	11,482,679	17,188,846
Business-type activities:					
Charges for services:					
Water	27,779,828	33,824,119	26,404,788	24,626,599	35,830,853
Wastewater	4,348,849	4,475,896	4,194,630	3,266,685	4,829,814
Golf Course	1,650,376	1,643,682	1,484,846	1,098,917	118,929
El Segundo Senior Citizen Housing Corp.	-	-	-	772,819	815,024
Capital grants and contributions	-	375,000	-	-	-
Total business-type activities program revenues	33,779,053	40,318,697	32,084,264	29,765,020	41,594,620
Total primary government program revenues	45,744,227	56,510,180	49,929,717	41,247,699	58,783,466
Net revenues (expenses):					
Governmental activities	(69,195,954)	(63,668,957)	(66,527,772)	(42,067,041)	6,317,441
Business-type activities	(283,387)	8,781,733	537,783	2,537,480	5,923,065
Total net revenues (expenses)	(69,479,341)	(54,887,224)	(65,989,989)	(39,529,561)	12,240,506
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	10,444,931	11,138,625	11,816,366	12,348,994	12,551,435
Sales tax	10,636,769	13,023,091	12,006,731	8,339,284	13,374,232
Transient occupancy taxes	13,885,312	14,598,200	8,760,763	4,416,020	12,267,534
Other taxes	29,498,067	28,391,959	28,059,801	26,397,089	32,011,867
Motor vehicle in lieu, unrestricted	-	-	-	-	-
Investment income	760,598	2,440,102	3,420,790	457,980	(465,662)
Other general revenues	1,954,399	1,682,211	1,926,516	1,405,086	1,812,224
Transfers	-	-	-	-	-
Total governmental activities	67,180,076	71,274,188	65,990,967	53,364,453	71,551,630
Business-type activities:					
Investment income	176,212	1,139,315	291,780	427,834	(746,994)
Other	16,929	23,926	-	-	-
Transfers	-	-	-	-	-
Total business-type activities	193,141	1,163,241	291,780	427,834	(746,994)
Total primary government	67,373,217	72,437,429	66,282,747	53,792,287	70,804,636
Changes in net position:					
Governmental activities	(2,015,878)	7,605,231	(536,805)	11,297,412	77,869,071
Business-type activities	(90,246)	9,944,974	829,563	2,965,314	5,176,071
Total primary government	(2,106,124)	17,550,205	292,758	14,262,726	83,045,142

CITY OF EL SEGUNDO
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017
General fund:					
Nonspendable	1,873,812	3,380,264	2,575,497	2,017,346	7,373,109
Restricted	-	-	-	-	-
Assigned	2,049,483	2,876,450	3,129,606	2,939,325	3,608,509
Unassigned	12,664,755	14,075,307	14,587,023	17,987,731	17,660,917
Total general fund	16,588,050	20,332,021	20,292,126	22,944,402	28,642,535
All other governmental funds:					
Nonspendable	80	5,772	-	-	-
Restricted	4,196,184	7,373,435	5,005,452	6,963,441	6,312,687
Assigned	1,548,572	1,416,473	5,031,396	3,301,813	3,159,860
Unassigned	(3,779,255)	(1,577,594)	(78,071)	(1,326,041)	(971,152)
Total all other governmental funds	1,965,581	7,218,086	9,958,777	8,939,213	8,501,395

CITY OF EL SEGUNDO
FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS

	2018	2019	2020	2021	2022
General fund:					
Nonspendable	6,256,640	7,004,769	7,937,643	163,037	310,048
Restricted	1,000,000	2,643,380	4,482,363	5,144,456	4,543,265
Assigned	2,210,602	2,663,037	2,534,891	2,561,037	1,397,494
Unassigned	24,432,049	26,625,368	20,559,971	29,110,741	34,799,542
Total general fund	33,899,291	38,936,554	35,514,868	36,979,271	41,050,349
All other governmental funds:					
Nonspendable	-	115,844	85,049	-	20,442
Restricted	6,882,394	8,404,718	15,473,650	16,919,139	27,382,627
Assigned	3,231,083	5,289,298	4,161,175	4,314,909	3,587,359
Unassigned	(333,731)	(177,229)	(46,117)	(304,630)	(201,767)
Total all other governmental funds	9,779,746	13,632,631	19,673,757	20,929,418	30,788,661

CITY OF EL SEGUNDO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017
Revenues:					
Taxes	37,452,888	42,638,899	42,132,274	43,410,318	49,986,183
Licenses and permits	11,624,026	12,725,503	12,973,204	13,989,221	13,131,485
Intergovernmental	9,811,864	11,931,067	8,919,841	7,751,363	2,805,424
Charges for services	4,958,310	5,172,579	6,197,552	5,214,048	5,811,835
Use of money and property	133,291	590,605	615,862	682,140	552,662
Fines and forfeitures	791,650	914,036	903,172	1,249,820	444,188
Developers Fees	-	-	432,810	296,427	329,474
Other	2,074,386	1,877,562	2,960,332	1,729,917	2,785,946
Total revenues	66,846,415	75,850,251	75,135,047	74,323,254	75,847,197
Expenditures					
Current:					
General government	11,724,215	12,677,731	14,523,141	14,200,855	14,905,246
Public safety	31,145,703	33,576,082	33,694,064	33,166,579	34,682,695
Public works	6,300,670	5,676,244	5,574,118	6,325,541	6,296,743
Community and cultural	14,451,893	12,277,418	19,523,563	8,951,898	10,259,037
Capital outlay	2,015,459	2,133,639	1,021,033	3,389,585	3,930,500
Debt service:					
Principal retirement	-	275,092.000	282,987	291,109	299,464
Interest and fiscal charges	-	237,569.000	229,674	221,552	213,197
Total expenditures	65,637,940	66,853,775	74,848,580	66,547,119	70,586,882
Excess (deficiency) of revenues over (under) expenditures	1,208,475	8,996,476	286,467	7,776,135	5,260,315
Other financing sources (uses):					
Transfers in	8,455,512	3,048,087	10,138,836	2,687,843	2,668,046
Transfers out	(8,015,512)	(3,048,087)	(10,338,840)	(2,887,847)	(2,668,046)
Debt proceeds	-	-	-	-	-
Total other financing sources (uses)	440,000	-	(200,004)	(200,004)	-
Net change in fund balances	1,648,475	8,996,476	86,463	7,576,131	5,260,315
Debt service as a percentage of noncapital expenditures	0.00%	0.79%	0.69%	0.81%	0.77%

CITY OF EL SEGUNDO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS

	2018	2019	2020	2021	2022
Revenues:					
Taxes	53,125,853	55,018,471	47,767,783	40,216,556	58,520,315
Licenses and permits	13,695,476	14,559,036	14,237,723	13,568,547	13,633,658
Intergovernmental	2,400,010	3,635,668	2,391,795	3,165,467	6,340,815
Charges for services	6,053,614	6,179,231	4,817,551	4,836,554	5,892,477
Use of money and property	781,402	2,465,235	3,472,256	457,983	(499,268)
Fines and forfeitures	831,067	659,653	367,045	297,702	427,604
Developers Fees	262,346	824,075	6,293,956	977,823	1,442,250
Other	2,541,114	4,031,022	3,359,551	2,248,806	3,170,444
Total revenues	79,690,882	87,372,391	82,707,660	65,769,438	88,928,295
Expenditures					
Current:					
General government	15,738,556	18,177,843	18,964,880	32,183,298	19,313,626
Public safety	37,595,758	38,014,581	40,124,678	142,081,284	33,635,862
Public works	6,533,963	7,331,278	7,630,503	13,005,985	9,540,381
Community and cultural	9,274,383	10,923,487	9,499,235	12,616,931	6,686,963
Capital outlay	3,426,202	3,328,392	3,162,263	3,008,119	3,393,300
Debt service:					
Principal retirement	355,461	367,627	380,281	43,200	458,053
Interest and fiscal charges	244,223	339,035	326,380	190,955	1,969,789
Total expenditures	73,168,546	78,482,243	80,088,220	203,129,772	74,997,974
Excess (deficiency) of revenues over (under) expenditures	6,522,336	8,890,148	2,619,440	(137,360,334)	13,930,321
Other financing sources (uses):					
Transfers in	3,556,821	4,490,751	1,389,000	1,805,956	10,126,878
Transfers out	(3,556,821)	(4,490,751)	(1,389,000)	(1,820,956)	(10,126,878)
Debt proceeds	-	-	-	140,095,398	-
Total other financing sources (uses)	-	-	-	140,080,398	-
Net change in fund balances	6,522,336	8,890,148	2,619,440	2,720,064	13,930,321
Debt service as a percentage of noncapital expenditures	0.86%	0.94%	0.92%	0.12%	3.39%

CITY OF EL SEGUNDO
PRINCIPAL SALES TAX PRODUCERS
CURRENT YEAR AND NINE YEARS AGO

2021-22	
Taxpayer	**Business Type**
Aerospace Corporation	Biotechnology
Calportland Company	Bldg.Matls-Whsle
Chevron Service Stations	Service Stations
Chick-Fil-A	Restaurants
Circle K Food Stores	Food Markets
Concord Collective Partners	Restaurants
Dick's Sporting Goods	Recreation Products
Eddie V's	Restaurants
Fleming's Prime Steakhouse	Restaurants
Homegoods	Furniture/Appliance
Insight Direct Usa	I.T. Infrastructure
Insight Public Sector	Office Equipment
Jim and Jacks	Auto Parts/Repair
Karl Storz Endoscopy	Office Equipment
Kite Pharma	Biotechnology
Los Angeles Times Communications	Light Industry
Luna Cycles	Recreation Products
Nordstrom Department Store	Department Stores
North Italia	Restaurants
Patterson Dental Supply	Light Industry
Raising Cane's Chicken Fingers	Restaurants
Raytheon Company	Office Equipment
The Boeing Company	Auto Parts/Repair
The Container Store	Furniture/Appliance
Whole Foods Market	Food Markets

2012-13	
Taxpayer	**Business Type**
Accuvant	Office Equipment
Best Buy Stores	Furniture/Appliance
Bobs Union	Service Stations
BT Americas	Business Services
Chevron Service Stations	Service Stations
Circle K Food Stores	Food Markets
Dermstore	Miscellaneous Retail
Dick's Sporting Goods	Recreation Products
Direc TV	Leasing
Fleming's Prime Steakhouse	Restaurants
Homegoods	Furniture/Appliance
Just Fabulous	Apparel Stores
Karl Storz Endoscopy	Office Equipment
Lululemon	Apparel Stores
Murad Skin Research Laboratories	Miscellaneous Retail
P.F. Chang's China Bistro	Restaurants
Patterson Dental Supply	Light Industry
Petsmart	Miscellaneous Retail
Primary Color Systems	Light Industry
Ralph's Grocery Company	Food Markets
Sensa Products	Miscellaneous Retail
The Boeing Company	Auto Parts/Repair
The Container Store	Furniture/Appliance
Trace 3	Light Industry
Whole Foods Market	Food Markets

Source: Avenu Insights & Analytics

CITY OF EL SEGUNDO
PRINCIPAL SALES TAX PRODUCERS
CURRENT YEAR AND NINE YEARS AGO

	2021-22		2012-13	
Taxpayer	Taxable Value ($)	Percent of Total City Taxable Value (%)	Taxable Value ($)	Percent of Total City Taxable Value (%)
Chevron Usa Inc	2,069,691,498	13.58%	1,947,235,970	20.25%
SOF XI Pct Two Tower Owner LLC	636,759,033	4.18%		
Raytheon Company	519,811,633	3.41%	289,416,781	3.01%
Boeing Co	430,809,904	2.83%	323,354,960	3.36%
Aerospace Corporation	336,079,819	2.20%	284,865,525	2.96%
300 CG Owner LLC	178,825,082	1.17%		
SFII Flyte LLC	176,105,524	1.16%		
PES Partners LLC	175,825,521	1.15%	151,853,343	1.58%
LVA5 El Segundo 777 Aviation LP	175,196,422	1.15%		
2121 Park Place Fee Owner Ca LLC	157,649,088	1.03%		
TA 101 Continental LLC	142,733,556	0.94%		
Northrop Grumman Systems Corp	130,433,532	0.86%	256,639,310	2.67%
Gateway El Segundo Fee Owner LLC	128,664,247	0.84%		
Kilroy Realty Finance Ptnshp	126,393,480	0.83%	162,448,749	1.69%
RAR2 Campus 2100 LLC	123,148,007	0.81%		
800 Apollo Fee Owner Ca LLC	122,969,572	0.81%		
Street Retail Inc	116,170,104	0.76%		
1960 Grand Office Owner 1 LP	104,363,454	0.68%		
555 S Aviation Property LP	101,752,792	0.67%		
TREA Pacific Coast Highway LLC	96,358,033	0.63%		
Hughes Aircraft Co	90,113,536	0.59%	312,460,806	3.25%
HC Hornet Way LLC	87,384,472	0.57%		
LA4 LLC	85,511,172	0.56%	105,923,390	1.10%
Ocotillo La Mariposa LLC	84,870,240	0.56%		
Plaza CP LLC	83,138,257	0.55%	71,646,020	0.75%
Continental Dev Corp			376,961,750	3.92%
Pacific Corp Towers LLC			165,234,959	1.72%
Hines Reit El Segundo LP			125,489,981	1.31%
Mattel Inc			109,582,688	1.14%
Air Liquide			77,132,738	0.80%
Realty Assoc Fund IX LP			76,015,500	0.79%
Digital 2260 East El Segundo LLC			73,820,538	0.77%
300 N Sepulveda Owner LLC			72,420,000	0.75%
101 Continental Partners LLC			53,969,207	0.56%
Gll 2160 East Grand LLC			52,224,000	0.54%
TRT NOIP Maple El Segundo LP			51,300,000	0.53%
Agnl Toys LP			45,000,000	0.47%
LAX Granada Assoc			42,630,380	0.44%
Time Warner NY Cable LLC			38,205,016	0.40%
Intl Rectifier Corp			37,847,947	0.39%
Total Top 25 Taxpayers	6,480,757,978	42.51%	5,303,679,558	55.17%
Total Taxable Value	15,243,933,714	100.00%	9,613,927,404	100.00%

Source: County Assessor data, Avanu Insights & Analytics
Unitary value is included in the total taxable value.

CITY OF EL SEGUNDO
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY[1]
LAST TEN FISCAL YEARS

Fiscal Year End	Residential Property	Commercial Property	Industrial Property	Other Property (1)	Unsecured Property	Less Tax-Exempt Property	Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Factor of Taxable Assessed Value (3)	Assessed Value as a Percentage of Actual Value
2012-13	-	-	-	8,278,135	1,423,110	-	9,701,245	1.115200	-	-	-
2013-14	-	-	-	8,446,568	1,862,068	-	10,308,636	1.115200	-	-	-
2014-15	-	-	-	8,433,859	1,604,574	-	10,038,433	1.115200	-	-	-
2015-16	-	-	-	8,919,245	1,736,530	-	10,655,775	1.115200	-	-	-
2016-17	-	-	-	9,408,029	1,565,767	-	10,973,796	1.115200	-	-	-
2017-18	2,695,443,946	4,056,923,408	1,526,293,700	2,501,109,520	1,480,982,133	34,490,981	12,226,261,726	1.202225	17,863,020,753	1.461037	68.44%
2018-19	2,901,889,931	4,452,614,029	1,785,769,246	2,418,895,212	1,556,962,904	48,412,749	13,067,718,573	1.205652	22,816,281,059	1.746003	57.27%
2019-20	3,059,827,370	5,145,402,602	2,011,925,385	2,466,641,048	1,552,123,561	50,366,079	14,185,553,887	1.202446	22,800,486,298	1.607303	62.22%
2020-21	3,272,541,827	5,624,003,706	1,806,225,832	3,050,851,815	1,682,078,566	32,055,686	15,403,646,060	1.178940	20,376,825,371	1.322857	75.59%
2021-22	3,493,519,690	5,936,659,391	2,046,612,970	2,174,990,747	1,624,771,162	32,620,246	15,243,933,714	1.174948	25,164,151,780	1.650765	60.58%

Source: County Assessor data, Avenu Insights & Analytics

Source: 2017 and Prior Published ACFR Reports.

State unitary property of $15,610,208 is included in other property.

1.) Other property for 2016-17 and prior represent the Secured Values.

2.) Total direct tax rate is represented by TRA 09-849.

3.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

(-) No data available.

CITY OF EL SEGUNDO
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER $100 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS

General	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
COUNTY OF LOS ANGELES										
CITY OF EL SEGUNDO	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812
TOTAL	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188
	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments										
Metropolitan Water District										
County Flood Control	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500
El Segundo Unified School District	0.111700	0.111700	0.111700	0.111700	0.111700	0.177526	0.179923	0.177391	0.151816	0.148809
Community College	-	-	-	-	-	0.021199	0.022229	0.021555	0.023624	0.022639
TOTAL	0.115200	0.115200	0.115200	0.115200	0.115200	0.202225	0.205652	0.202446	0.178940	0.174948
TOTAL TAX RATE	1.115200	1.115200	1.115200	1.115200	1.115200	1.202225	1.205652	1.202446	1.178940	1.174948

Source: County Auditor/Controller data, Avenu Insights & Analytics
Source: 2016-17 and prior, previous published ACFR
Tax Rate as represented by TRA 09-849

CITY OF EL SEGUNDO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Amount	Percent of Levy	Collections in Subsequent Years	Amount	Percent of Levy
2012	6,006,864	5,990,455	99.73%	-	5,990,455	99.73%
2013	6,277,523	6,144,309	97.88%	-	6,144,309	97.88%
2014	6,680,795	6,558,427	98.17%	-	6,558,427	98.17%
2015	6,538,375	6,438,118	98.47%	55,500	6,493,618	99.32%
2016	6,728,811	6,637,510	98.64%	59,028	6,696,538	99.52%
2017	6,853,422	6,773,927	98.84%	39,950	6,813,877	99.42%
2018	7,672,612	7,659,388	99.83%	(4,958)	7,654,430	99.76%
2019	8,185,486	8,169,815	99.81%	610,801	8,780,616	107.27%
2020	8,929,004	8,183,987	91.66%	1,237,541	9,421,528	105.52%
2021	9,684,760	8,520,268	87.98%	64,417	8,584,685	88.64%
2022	9,578,660	9,584,651	100.06%	-	9,584,651	100.06%

Source: Los Angeles County Auditor Controller's Office

CITY OF EL SEGUNDO
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(IN THOUSANDS, EXCEPT PER CAPITA)

	Outstanding General Bonded Debt						
Fiscal Year Ended [1] September 30	General Obligation Bonds	Tax Allocation Bonds	Certificates of Participation	Pension Obligation	Total	Percent of Assessed Value [2]	Per Capita
2013	-	-	-	-	-	0.000%	-
2014	-	-	-	-	-	0.000%	-
2015	-	-	-	-	-	0.000%	-
2016	-	-	-	-	-	0.000%	-
2017	-	-	-	-	-	0.000%	-
2018	-	-	-	-	-	0.000%	-
2019	-	-	-	-	-	0.000%	-
2020	-	-	-	-	-	0.000%	-
2021	-	-	-	140,095,398	140,095,398	909.500%	-
2022	-	-	-	140,095,398	140,095,398	919.020%	-

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

[1] Fiscal Years 2000-2020 are 12 month reporting periods ending on September 30; Fiscal Year 2020-2021 is a 9 month reporting period ending on June 30; Fiscal Years 2022-current are 12 month reporting periods ending on June 30.

[2] Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

CITY OF EL SEGUNDO
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(IN THOUSANDS, EXCEPT PER CAPITA)

	Governmental Activities					
Fiscal Year Ended [1] September 30	General Obligation Bonds	Tax Allocation Bonds	Certificates of Participation	Pension Obligation	Leases/ Loans	Total Governmental Activities
2013	-	-	-	-	10,615,488	10,615,488
2014	-	-	-	-	10,303,635	10,303,635
2015	-	-	-	-	9,982,592	9,982,592
2016	-	-	-	-	9,650,093	9,650,093
2017	-	-	-	-	9,306,335	9,306,335
2018	-	-	-	-	8,950,875	8,950,875
2019	-	-	-	-	8,583,247	8,583,247
2020	-	-	-	-	8,202,967	8,202,967
2021	-	-	-	140,095,398	8,159,767	148,255,165
2022	-	-	-	140,095,398	7,880,377	147,975,775

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1]Office of Economic Development (data shown is for Los Angeles County)

CITY OF EL SEGUNDO
RATIO OF OUTSTANDING DEBT BY TYPE (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS, EXCEPT PER CAPITA)

Fiscal Year Ended September 30	Business-type Activities				Total Primary Government	Percentage of Personal Income[1]	Debt Per Capita[1]
	Leases/ Loans	Certificates of Participation	Pension Obligation	Total Business-type Activities			
2013	-	-	-	-	10,615,488	1.4%	239
2014	-	-	-	-	10,303,635	1.4%	227
2015	-	-	-	-	9,982,592	1.3%	214
2016	-	-	-	-	9,650,093	1.2%	203
2017	-	-	-	-	9,306,335	1.1%	187
2018	-	-	-	-	8,950,875	1.0%	169
2019	-	-	-	-	8,583,247	0.9%	154
2020	-	-	-	-	8,202,967	0.8%	141
2021	-	-	4,039,602	4,039,602	152,294,767	14.6%	2,430
2022	-	-	4,039,602	4,039,602	152,015,377	12.4%	2,111

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1]Office of Economic Development (data shown is for Los Angeles County)

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CITY OF EL SEGUNDO
DIRECT AND OVERLAPPING BONDED DEBT
LAST TEN FISCAL YEARS

2021-22 Assessed Valuation: $15,263,033,028

OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2022	% Applicable (1)	City's Share of Debt 6/30/22
Metropolitan Water District	$20,175,000	0.45%	$90,788
El Camino Community College District	482,552,928	11.639	56,164,335
El Segundo Unified School District	79,767,243	100	79,767,243
Manhattan Beach Unified School District	177,719,452	0.002	3,554
Wiseburn Unified School District	110,186,819	71.652	78,951,060
Centinela Valley Union High School District	221,718,495	34.617	76,752,291
Centinela Valley Union High School District School Facilities Improvement District No. 2016	227,405,000	39.029	88,753,897
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$380,483,168
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Los Angeles County General Fund Obligations	$2,698,357,105	0.86%	$23,232,855
Los Angeles County Superintendent of Schools Certificates of Participation	3,972,227	0.861	34,201
Los Angeles County Sanitation District No. 5 Authority	2,481,534	6.345	157,453
Los Angeles County Sanitation District South Bay Cities Authority	422,802	0.04	169
City of El Segundo General Fund Obligations	**7,763,286**	**100**	**7,763,286**
City of El Segundo Pension Obligation Bonds	**140,095,398**	**100**	**140,095,398**
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			$171,283,362
SUBTOTALS:			
TOTAL DIRECT DEBT			**$147,858,684**
TOTAL OVERLAPPING DEBT			$403,907,846
TOTALS:			
COMBINED TOTAL DIRECT AND OVERLAPPING DEBT			$551,766,530

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estir determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Also excludes acc value of capital appreciation bonds.

Ratios to 2021-22 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.50%
Total Direct Debt ($147,858,684)	**0.97%**
Combined Total Debt	3.62%

Source: Avenu Insights & Analytics, California Municipal Statistics, Inc.

CITY OF EL SEGUNDO
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2012-13	2013-14	2014-15	2015-16	2016-17
Assessed valuation	$ 9,701,244,855	$ 10,308,636,196	$ 10,038,433,763	$ 10,655,775,000	$ 10,973,796,359
Conversion percentage	25%	25%	25%	25%	25%
Assessed valuation	2,425,311,214	2,577,159,049	2,509,608,441	2,663,943,750	2,743,449,090
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	363,796,682	386,573,857	376,441,266.11	399,591,563	411,517,363
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	$ 363,796,682	$ 386,573,857	$ 376,441,266	$ 399,591,563	$ 411,517,363
Total debt applicable to the limit					
as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). Although the statutory debt limit has not been amended by the State since this change, the percentages presented in the above computations have been proportionately modified to 3.75% (25% of 15%) for the purpose of this calculation in order to be consistent with the computational effect of the debt limit at the time of the state's establishment of the limit.

Source: California Municipal Statistics, Inc.
Los Angeles County Tax Assessor's Office

CITY OF EL SEGUNDO
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS

	2017-18	2018-19	2019-20	2020-21	2021-22
Assessed valuation	$ 12,226,261,726	$ 13,067,718,573	$ 14,185,553,887	$ 15,403,646,060	$ 15,243,933,714
Conversion percentage	25%	25%	25%	25%	25%
Assessed valuation	3,056,565,432	3,266,929,643	3,546,388,472	3,850,911,515	3,810,983,429
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	458,484,815	490,039,446	531,958,271	577,636,727	571,647,514
Total net debt applicable to limit:					
General obligation bonds	-	-	-	140,095,398	140,095,398
Legal debt margin	$ 458,484,815	$ 490,039,446	$ 531,958,271	$ 577,636,727	$ 571,647,514
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	24.3%	24.5%

CITY OF EL SEGUNDO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	City Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Median Age (3)	City Unemployment Rate (%) (4)
2012-13	16,720	743,605	44,474	-	11.0%
2013-14	16,815	761,888	45,310	-	9.9%
2014-15	16,897	787,958	46,633	-	8.2%
2015-16	16,646	790,452	47,486	38.9	3.7%
2016-17	16,717	832,029	49,771	38.9	2.9%
2017-18	16,784	888,503	52,938	39.0	3.3%
2018-19	17,066	952,927	55,838	38.7	3.2%
2019-20	16,777	974,307	58,074	38.7	23.5%
2020-21	16,660	1,044,326	62,685	37.3	13.8%
2021-22	17,084	1,230,071	72,001	36.9	4.5%

Source: Avenu Insights & Analytics

Source: 2014-15 and prior, previously published ACFR Report

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

1.) Population Projections are provided by the California Department of Finance Projections.

2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.

3.) Median Age is provided by US Census data.

4.) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.

CITY OF EL SEGUNDO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2021-22		2017-18	
Business Name	**Number of Employees**	**Percent of Total Employment (%)**	**Number of Employees**	**Percent of Total Employment (%)**
Boeing Satellite Systems*	12,440	130.95%	2,959	5.20%
Raytheon Space & Airborne Syst	6,000	63.16%	5,189	9.12%
Northrop Grumman Corporation	2,833	29.82%	2,960	5.20%
Aerospace Corporation	2,783	29.29%	2,711	4.76%
Mattel Inc	1,660	17.47%	1,674	2.94%
Chevron Products Company/USA inc	1,143	12.03%	1,103	1.94%
Internet Brands Inc	653	6.87%	588	1.03%
Infineon Technologies Americas Corp (formerly International Rectifier)	429	4.52%		
Karl Storz Endoscopy America Inc	403	4.24%		
Big 5 Sporting Goods Corp**	289	3.04%		
Accenture			1,685	2.96%
HealthCare Partners LLC			705	1.24%
Time Warner Cable Information Services (CA)			700	1.23%
Total Top 10 Employers	28,633	301.40%	20,274	33.15%
Total City Labor Force (1)	9,500			

Source: Avenu Insights & Analytics

Source:2017-18 based on previously published ACFR. 2012-13 unavailable on City's website

Results based on direct correspondence with city's local businesses.

*Employee Count is statewide, employment levels are not available by site.

** Includes Corporate office and retail store.

(1) Total City Labor Force provided by EDD Labor Force Data.

CITY OF EL SEGUNDO
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017
Police:					
Arrests	795	1,468	1,057	721	592
Parking Citations Issued	10,900	11,764	9,404	7,200	8,955
Fire:					
Number of Emergency Calls	2,208	2,485	2,568	2,632	2,807
Inspections	2,411	2,326	2,203	1,531	1,209
Medical Responses	1,441	1,564	1,644	1,661	1,847
Public works:					
Street resurfacing (miles)	2	-	-	0	1
Reconstruction (miles)	-	-	-	-	-
New Street (miles)	-	-	-	-	-
Electronic Recycling (pounds)	N/A	N/A	N/A	N/A	N/A
Paper Shred Recycling (pounds)	17,950	9,220	10,080	23,000	23,000
Parks, Recreation, and Library:					
(previously named Community Services)					
Number of recreation classes	1,191	1,365	1,389	1,056	833
Class registrations	7,950	7,905	8,021	6,657	6,615
Recreation Trips participants	1,480	1,560	1,535	89	20
Number of facility rentals	411	496	-	-	-
Number of Reservations	9,041	9,238	9,342	4,779	5,624
Shuttles transported (riders)	27,472	29,789	30,052	7,320	4,781
Dial-A-Ride residents	11,258	11,090	11,206	6,841	5,108
Homebound Meals	5,007	4,957	4,926	5,061	5,497
Finance:					
Business Licenses processed	6,686	6,758	5,812	7,172	7,236
Purchase Orders processed	428	447	427	476	547
Purchase Change Orders processed	139	129	118	103	136
Invoices processed	10,008	10,367	10,189	10,230	9,566
Checks processed	5,262	5,529	5,326	5,849	5,248
Cash Receipts processed (excluding Water)	34,120	35,461	35,143	33,075	31,559

Source: City of El Segundo

CITY OF EL SEGUNDO
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

	2018	2019	2020	2021[1]	2022
Police:					
Arrests	568	953	1,009		1,084
Parking Citations Issued	10,227	12,247	9,537		10,591
Fire:					
Number of Emergency Calls	2,895	893	2,558		2,951
Inspections	1,919	905	512		654
Medical Responses	1,930	502	1,621		1,827
Public works:					
Street resurfacing (miles)	2	6	1		2.4
Reconstruction (miles)	-	-	-		-
New Street (miles)	-	-	-		-
Electronic Recycling (pounds)	-	1,480	1,480		4,071
Paper Shred Recycling (pounds)	20,000	15,400	17,340		32,100
Parks, Recreation, and Library:					
(previously named Community Services)					
Number of recreation classes	997	1,019	980		1,517
Class registrations	7,574	4,098	5,387		18,233
Recreation Trips participants	926	1,784	762		*
Number of facility rentals	-	-	-		1,619
Number of Reservations	5,397	5,563	23,841		29,968
Shuttles transported (riders)	6,252	5,532	1,968		1,782
Dial-A-Ride residents	5,189	4,474	2,194		**
Homebound Meals	6,080	6,840	7,285		5,922
Finance:					
Business Licenses processed	6,610	6,992	6,391		6,191
Purchase Orders processed	464	416	411		407
Purchase Change Orders processed	174	141	167		89
Invoices processed	9,762	6,805	10,501		9,818
Checks processed	5,258	3,790	5,611		5,368
Cash Receipts processed (excluding Water)	27,722	54,264	37,273		118,314

Source: City of El Segundo

[1]Information not collected from fiscal year 2020-2021 due to pandemic and staff shortages

*Due to COVID-19, this program was not run during 2021/2022 FY

**Dial-A-Ride ended when the pandemic impacted all Recreation & Parks department services;
LYFT and Beach Shuttle (SWOOP) have replaced programs for Dial A Ride

CITY OF EL SEGUNDO
FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017
Function					
General Government	52	60	69	51	57
Public Safety	153	138	137	123	126
Public Works	18	27	30	31	30
Community & Cultural	77	81	80	76	74
Water	9	11	11	10	10
Sewer	5	6	6	6	10
Total	314	323	333	297	307

Source: City of El Segundo Payroll Division

CITY OF EL SEGUNDO
FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

	2018	2019	2020	2021	2022
Function					
General Government	53	71	73	59	58
Public Safety	130	143	144	142	131
Public Works	29	26	40	27	24
Community & Cultural	115	106	93	149	152
Water	9	18	15	10	11
Sewer	6	6	7	6	5
Total	342	370	372	393	381

Source: City of El Segundo Payroll Division

CITY OF EL SEGUNDO
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	2	2	2	2	2
Public works:					
Streets (miles)	55	55	55	55	55
Streetlights	1,718	1,718	1,718	1,718	1,718
Traffic signals	55	55	55	55	55
Parks and recreation:					
Parks	22	22	22	22	22
Recreation Facilities	13	13	13	13	13
Number of Acres	91	91	91	91	91

Source: City of El Segundo

CITY OF EL SEGUNDO
CAPITAL ASSET STATISTICS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

	2018	2019	2020	2021	2022
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	2	2	2	2	2
Public works:					
Streets (miles)	55	55	55	55	55
Streetlights	1,718	1,718	1,718	1,718	1718
Traffic signals	55	55	55	55	55
Parks and recreation:					
Parks	22	22	22	22	22
Recreation Facilities	14	14	14	14	14
Number of Acres	91	91	91	91	91

Source: City of El Segundo

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Communication with Those Charged with Governance

2022 Audit Results

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Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

Scope of Work

- Audits for the year ended June 30, 2022
  - City of El Segundo
  - Single Audit
- Agreed Upon Procedures on GANN Appropriations Limit
- Compilation of the State Controller's Report

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Auditors' Report

- Opinions
- Basis for Opinions
- Change in Accounting Principle
- Responsibilities of Management for the Financial Statements
- Auditors' Responsibilities for the Audit of the Financial Statements
- Required Supplementary Information
- Supplementary Information
- Other Information
- Other Reporting Required by Government Auditing Standards

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Communication with Those Charged with Governance

- The planned scope and timing of the June 30, 2022, audit was communicated through our engagement letter.
- Management is responsible for the selection and use of appropriate accounting policies, which are described in note 1 to the financial statements
- Significant estimates and the most sensitive disclosures reported in the financial statements include the following:
  - CalPERS defined benefit pension plan and OPEB plan
  - Claims payable

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Communication with Those Charged with Governance

- We encountered no significant difficulties during our audit.
- Corrected and Uncorrected Misstatements.
- No disagreements arose during the course of our audit.
- To our knowledge, the District did not consult with other accountants regarding auditing or accounting matters.

Tiffany Fung, CPA

Tiffany.Fung@claconnect.com



CLAconnect.com



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City Council Agenda Statement

Meeting Date: February 21, 2023
Agenda Heading: Staff Presentations
Item Number: D.16

TITLE:

Two Acre Land Dedication Offer by CDC Mar East Campus 1 LLC to City

RECOMMENDATION:

1. Direct staff to:
    a. Reject two acre land dedication; or

    b. Conduct further due diligence including Phase I and/or Phase II environmental study, analysis of full title report, and potential operation and maintenance costs.

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

FISCAL IMPACT:

If the City rejects the two acre dedication of land, there is no fiscal impact.

Should City Council provide direction to conduct due diligence, including conduct of a Phase I environmental report and retention of title reports, the initial round of due diligence would cost approximately $15,000. Additional studies, including a Phase II environmental report, would require an additional funding allocation.

The fiscal impact of accepting the two acre land dedication requires further study. Potential unknown costs include potential environmental remediation efforts, absorbing the property into the City's capital asset management, future development and site improvements, and ongoing property maintenance and servicing.

BACKGROUND:

On December 21, 2021, City Council approved Ordinance No. 1631, Second Amendment to Development Agreement No. 11-02, approving a development agreement associated with modifications to El Segundo South Campus Specific Plan for the construction of a three-story building with partial basement totaling approximately

143,250 gross square feet, athletic practice fields, and parking in surface lots for a new sports facility on a 13.7 acre site in the southeast section of the Raytheon campus, located at 2000 East El Segundo Boulevard.

As part of the approved Second Amendment to Development Agreement No. 11-02, provision 10.4(g), within 12 months of the recording of the final Map for the Sports Complex Project, CDC Mar will offer for dedication to the City the approximate two acres of property identified in Exhibit H (attached). This offer of dedication is separate and distinct from the obligations set forth in Section 9 (Recreational Access) of the Agreement and does not offset or alter the requirements of Section 9.

On April 26, 2022, CDC Mar submitted to the City a draft offer to dedicate the subject two acres. City staff subsequently requested additional information regarding the environmental/soil condition of the property. In response, CDC Mar provided that a Phase I was completed when the property was acquired, but the study was not parcel specific, and since there were no development plans for the strip of land, no further investigative work was completed.

DISCUSSION:

The two acre land area is located immediately east of the Metro C Line (Green), running north to south. The northerly portion of the proposed dedication spans approximately 30 feet along El Segundo Boulevard, gradually widening to approximately 160 feet in the top third of the dedication, and narrowing back down to 95 feet wide in the southerly portion (map attached). The subject area's historical use has been Industrial: Heavy Manufacturing, located almost entirely and directly below the raised Metro C Line, with an approximate clearance height of 20-25 feet.

Figure 1



CDC Mar has not provided any environmental information, including a Phase 1 or Phase 2 environmental analysis. Any potential future use may be subject to appropriate remediation, which is currently unknown. Additional site use constraints may include use restrictions due to easements and location under the Metro C Line, limited functionality or usability of the site due to its irregular shape, access limitations, and proximity to existing heavy manufacturing uses.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 4: Develop and Maintain Quality Infrastructure and Technology

Objective 4A: El Segundo's physical infrastructure supports an inviting and safe community.

Goal 5: Champion Economic Development and Fiscal Sustainability

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

PREPARED BY:
Michael Allen, AICP, Development Services Director
REVIEWED BY:
Michael Allen, AICP, Development Services Director
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Raytheon Company - Development Agreement #4972
2. Proposed 2 Acre Land Dedication Map
3. Ordinance 1631 - Approving 2nd Amend to Development Agreement No. 11-02
4. Draft Offer to Dedicate Land

4972

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
CITY CLERK
CITY OF EL SEGUNDO
350 Main Street
El Segundo, California 90245

EXEMPT FROM RECORDER'S FEES
Pursuant to Government Code § 6103

DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF EL SEGUNDO
AND
RAYTHEON COMPANY

2000 El Segundo Boulevard
El Segundo, California 90245

THIS AGREEMENT MUST BE RECORDED WITHIN TEN DAYS OF EXECUTION BY ALL PARTIES HERETO PURSUANT TO THE REQUIREMENTS OF GOVERNMENT CODE § 65868.5

TABLE OF CONTENTS

Page

1. Definitions....1
2. Recitals....3
3. Binding Effect....4
   - 3.1 Constructive Notice and Acceptance....4
   - 3.2 Rights to Transfer....4
   - 3.3 Liabilities Upon Transfer....4
   - 3.4 Reassumption of Rights....5
4. Development of the Campus....5
   - 4.1 Entitlement to Develop....5
   - 4.2 Permitted Uses, Density, Height and Dedication of Land for Public Purposes....5
   - 4.3 Development Standards....5
   - 4.4 Building Regulations....5
   - 4.5 Subsequent Rules....5
   - 4.6 Fees, Exactions, Mitigation Measures, Conditions, Reservations and Dedications 5
   - 4.7 Use of Easements....6
   - 4.8 Timing of Development....6
   - 4.9 Moratorium....7
   - 4.10 Infrastructure....7
     - 4.10.1 Infrastructure Capacity....7
     - 4.10.2 Phasing Flexibility....7
     - 4.10.3 Infrastructure Completion....7

4.10 Prevailing Wages.....7

4.11 Term.....8

4.12 Term of Map(s) and Other Project Approvals.....8

4.13 Satisfaction of Mitigation Measures and Conditions.....8

4.14 In Lieu Credits.....8

5. Developer Agreements.....8

5.1 General.....8

5.2 Maintenance Obligations.....8

5.3 Sales and Use Tax.....8

5.4 Title 24 Energy Requirements.....9

6. City Agreements.....9

6.1 Expedited Processing.....9

6.2 Processing Cooperation and Assistance.....9

6.3 Processing During Third Party Litigation.....10

6.4 Reimbursement for City's Efforts on Behalf of Developer.....10

6.5 City's Efforts to Defend and/or Enforce Multi Agency Agreements.....10

7. Traffic Improvements.....10

7.1 Nash Street.....10

7.2 Continental Boulevard Access.....11

7.3 El Segundo Boulevard Improvements.....11

7.4 El Segundo Boulevard Bicycle Path.....12

7.5 Nash Street Extension Bicycle Lane.....13

7.6 Green Line Station.....13

7.7 Coral Street Connection.....14

7.8 Traffic In Lieu Credits.....14

8. Utilities....14

9. Recreational Access....14

9.1 Non-Raytheon User Access....14

9.2 Irrevocable Offer to Dedicate Land to City....15

10. Payments After Approval....15

10.1 Six Annual Payments....15

10.2 Year 10 Payment....15

10.3 Building Permit Fee....15

11. Uniform Codes and Standard Specification....15

12. Demonstration of Good Faith Compliance....156

12.1 Review of Compliance....16

12.2 Good Faith Compliance....16

12.3 Information to be Provided to Developer....16

12.4 Developer's Report....16

12.5 Notice Of Non-Compliance; Cure Rights....17

12.6 Public Notice of Finding....17

12.7 Failure of Periodic Review....17

13. Excusable Delays....17

14. Default Provisions....17

14.1 Default....17

14.2 Content of Notice of Violation....18

14.3 Remedies for Breach....18

14.4 Resolution of Disputes....18

14.5 Attorney Fees and Costs....18

15. Mortgagee Protection....18

11.1 Mortgage Not Rendered Invalid 19

11.2 Request for Notice to Mortgagee 19

11.3 Mortgagee's Time to Cure 19

11.4 Cure Rights 19

11.5 Bankruptcy 19

11.6 Disaffirmation 20

16. Estoppel Certificate 20

17. Administration of Agreement 20

17.1 Appeal of Determinations 20

17.2 Operating Memoranda 20

17.3 Certificate of Performance 21

18. Amendment or Termination by Mutual Consent 21

19. Indemnification/Defense 21

19.1 Indemnification 21

19.2 Defense of Agreement 21

20. Cooperation in the Event of Legal Challenge 21

20.1 Third Party Challenges 21

20.2 Third Party Challenges Related to the Applicability City Laws 22

21. Time of Essence 23

22. Effective Date 23

23. Notices 23

24. Entire Agreement 24

25. Waiver 24

26. Ambiguities or Uncertainties 25

27. Supersession of Subsequent Laws of Judicial Action 25

28. Severability 25

29. Relationship of the Parties.....25

30. No Third Party Beneficiaries.....25

31. Recordation and Agreement and Amendments.....25

32. Cooperation Between City and Developer.....25

33. Rules of Construction.....25

34. Governing Law and Venue.....26

35. Counterparts.....26

36. Weekend/Holiday Dates.....26

37. Not a Public Dedication.....26

38. Releases.....26

39. Consent.....27

DEVELOPMENT AGREEMENT

This Development Agreement is made and entered into by and between the CITY OF EL SEGUNDO ("City"), a general law city and municipal corporation, and RAYTHEON COMPANY ("Developer"), a Delaware corporation, as of this 24 day of MARCH, 2016. City and Developer are also individually referred to as "Party" and collectively as "Parties." In consideration of the mutual covenants and agreements contained in this Agreement, City and Developer agree as follows:

1. Definitions. Unless the contrary is stated or clearly appears from the context, the following definitions govern the construction of the words and phrases used in this Agreement. Words and phrases not defined in this Section will have the meaning set forth in this Agreement; the El Segundo Municipal Code; or in common usage.

"Agreement" means this Development Agreement between the City and Developer.

"Applicable Rules" means:

- The El Segundo General Plan, as it existed on the Application Date, as modified by the Project Approvals;
- The El Segundo Municipal Code, as it existed on the Effective Date, as modified by the Project Approvals;
- The El Segundo South Campus Specific Plan as adopted;
- Such other laws, ordinances, rules, regulations, and official policies governing permitted uses of the Campus, density, design, improvement, development fees, and construction standards and specifications applicable to the development of the Campus in force at the time of the Effective Date, which are not in conflict with this Agreement.

"Application Date" means December 8, 2011, the date on which the last of the Project Approval applications was deemed complete by the City.

"Approved Plans" means a plan for any aspect of the Project, including, without limitation, the Site Plan, signage plans, and landscaping and irrigation plans, which are approved by City in accordance with the Development Standards, Applicable Rules and Project Approvals.

"Building Regulations" means those regulations set forth in Title 13 of the El Segundo Municipal Code.

"Campus" means that 142.28 acre property located at 2000 El Segundo Boulevard in El Segundo, California more particularly described in attached Exhibit "A," which is incorporated by reference.

"CEQA" means the California Environmental Quality Act (Public Resources Code § 21000, *et seq.*) including the regulations promulgated thereunder (14 Cal. Code of Regulations §15000, *et seq.*, the "CEQA Guidelines").

"City Council" means the City Council of the City of El Segundo.

"Developer" means Raytheon Company and its transferees, assigns and successors in interest.

"Development Standards" means the design and development standards that are applicable to the Project.

"Director" means the Director of Planning and Building Safety, or designee.

"Effective Date" means the date on which the Enabling Ordinance becomes effective in accordance with Government Code § 36937.

"ESMC" means El Segundo Municipal Code.

"Existing Development" means that development which exists on the Campus on the Effective Date, as more specifically set forth in attached Exhibit "B," which is incorporated by reference.

"Enabling Ordinance" means Ordinance No. 1516, approving this Development Agreement.

"Future Approvals" means such subsequent discretionary and ministerial entitlements, including permits, which are required to develop the Project in addition to the Project Approvals, and which are applied for by Developer and approved by City.

"New Development" means any development constructed within the Specific Plan area after the Effective Date.

"Person" must mean a natural person or any entity.

"Project" means the development of the Campus in accordance with the Project Approvals.

"Project Approvals" means:

- Final Environmental Impact Report No. EA-905, as certified by Resolution No. 4958;
- Mitigation Monitoring Program for Final Environmental Impact Report No. EA-905, as adopted by Resolution No. 4958;
- General Plan Amendment No. 11-01, as approved by Resolution No. 4958 including a change in the Land Use Map;

- El Segundo South Campus Specific Plan No. 11-01, as adopted by Ordinance No. 1516;
- Zone Change No. 11-02, as approved by Ordinance No. 1516, including a change in the Zoning Map;
- Zone Text Amendment No. 11-01, as approved by Ordinance No. 1516;
- Vesting Map No. 71551, as approved by Resolution No. 4958; and
- This Agreement.

"Specific Plan" or "ESSCSP" means the El Segundo South Campus Specific Plan.

"Subsequent Rules" means any changes to the Applicable Rules, including, without limitation, any change by means of an ordinance, initiative, resolution, policy, order or moratorium, initiated or instituted for any reason whatsoever and adopted by the City Council, the Planning Commission or any other board, agency, commission or department of the City, or any officer or employee thereof, or by the electorate, which would, absent this Agreement, otherwise be applicable to the Campus.

"Transferee" means a Person which assumes in whole or in part the rights and obligations under this Agreement with respect to all or a portion of the Campus.

"Uniform Codes" means those Uniform Codes adopted by reference in the ESMC in accordance with Government Code §§ 50022.2, et seq. as required by applicable law including, without limitation, Health and Safety Code § 18944.5 and Title 24 of the California Code of Regulations. The Uniform Codes govern building and construction standards including, without limitation, the building, plumbing, electrical, mechanical, grading, sign, and fire standards.

2. Recitals. This Agreement is made with respect to the following facts and for the following purposes, each of which is acknowledged as true and correct by the Parties:

2.1 Pursuant to Government Code § 65865, *et seq.*, City is authorized to enter into a binding contractual agreement with any person having a legal or equitable interest in real property for the development of such property.

2.2 Developer is the owner of the Campus.

2.3 Developer desires to develop the Campus in accordance with the El Segundo South Campus Specific Plan.

2.4 By this Agreement, City desires to obtain the binding agreement of Developer to develop the Campus in accordance with the Project Approvals and Applicable Rules. In consideration thereof, City agrees to limit the future exercise of certain of its governmental and proprietary powers to the extent specified in this Agreement.

2.5 By this Agreement, Developer desires to obtain the binding agreement of City to permit the development of the Campus in accordance with the Project Approvals and Applicable Rules. In consideration thereof, Developer agrees to waive its rights to challenge legally the restrictions and obligations set forth in this Agreement.

2.6 City and Developer have acknowledged and agreed that the consideration that is to be exchanged pursuant to this Agreement is fair, just and reasonable.

2.7 This Agreement is intended to provide flexible entitlements, within the parameters set forth herein and subject to the terms and conditions hereof, to meet the changing market demands that are likely to occur throughout the Term of this Agreement.

2.8 The Project uses are consistent with the General Plan, as amended through General Plan Amendment No. GPA 11-01.

2.9 Development of the Project will further the comprehensive planning objectives contained within the General Plan, and will result in public benefits including, among others, better circulation in the northeast quadrant of the City.

2.10 All of the Campus is subject to this Agreement.

3. Binding Effect. The burdens of this Agreement are binding upon, and the benefits of the Agreement inure to, each Party and each successive transferee, assign and successor in interest thereto and constitute covenants that run with the land.

3.1 Constructive Notice and Acceptance. Every Person who acquires any right, title or interest in or to any portion of the Campus in which Developer has a legal interest is, and must be, conclusively deemed to have consented and agreed to be bound by this Agreement, whether or not any reference to this Agreement is contained in the instrument by which such person acquired such right, title or interest.

3.2 Rights to Transfer. Developer may assign or transfer in whole or in part its rights and obligations under this Agreement with respect to the Campus, or any portion thereof, to any Transferee at any time during the Term of this Agreement without approval of City, including through provision of a long-term ground lease. For purposes of this Agreement, the Transferee must be considered the "owner" of that portion of the Campus which is covered by such transfer.

3.3 Liabilities Upon Transfer. Upon the delegation of the duties and obligations under this Agreement and the sale, transfer or assignment of all or any portion of the Campus, Developer will be released from its obligations under this Agreement with respect to the Campus, or portion thereof, so transferred arising subsequent to the effective date of such transfer, if (i) Developer has provided to City prior or subsequent written notice of such transfer and (ii) Transferee has agreed in writing to be subject to all of the provisions hereof applicable to the portion of the Campus so transferred by executing an Assignment and Assumption Agreement in the form of attached Exhibit "C," which is incorporated by reference. Upon any transfer of any portion of the Campus and the express assumption of Developer's obligations under this Agreement by such Transferee, City agrees to look solely to Transferee for compliance by such Transferee with the provisions of this Agreement as such provisions relate to the portion of the Campus acquired by such Transferee.

Any such Transferee must be entitled to the benefits of this Agreement as "Developer" hereunder and is subject to the obligations of this Agreement applicable to the parcel(s) transferred. A default by any Transferee only affects that portion of the Campus owned by such Transferee and does not cancel or diminish in any way Developer's rights hereunder with respect to any portion of the Campus not owned by such Transferee. The Transferee is responsible for satisfying the good faith compliance requirements set forth in Section 8 below relating to the portion of the Campus owned by such Transferee, and any amendment to this Agreement between the City and a Transferee must only affect the portion of the Campus owned by such Transferee.

3.4 Resumption of Rights. If Transferee defaults with respect to any provision of this Agreement, Developer may, but is not obligated to, resume Transferee's obligations upon written notification to City.

4. Development of the Campus. The following provisions, in addition to Applicable Rules, govern the development and use of the Campus. However, nothing affects any Existing Development on the Campus which is allowed to continue in its current location and under its current development standards.

4.1 Entitlement to Develop. The Developer is granted the vested right to develop the Project on the Campus subject to the Applicable Rules, the Project Approvals and any Future Approvals.

4.2 Permitted Uses, Density, Height and Dedication of Land for Public Purposes. The permitted and conditionally permitted uses of the Campus as well as the density or intensity of use, the maximum height and size of buildings and provisions for reservation or dedication of land for public purposes are set forth in the Project Approvals and Applicable Rules.

4.3 Development Standards. The Development Standards applicable to the Campus are set forth in the Project Approvals and Applicable Rules.

4.4 Building Regulations. Nothing in this Agreement precludes City from applying changes occurring from time to time in the Building Regulations, provided that such changes (a) are found by City to be necessary to the health or safety of the citizens of the City, (b) are generally applicable to all similar types of property in the City, and (c) do not prevent or unreasonably delay development of the Project in accordance with this Agreement.

4.5 Subsequent Rules. Subsequent Rules cannot be applied by City to any part of the Campus unless Developer gives City written notice of its election to have such Subsequent Rule applied to the Campus, in which case such Subsequent Rule is deemed to be an Applicable Rule.

4.6 Fees, Exactions, Mitigation Measures, Conditions, Reservations and Dedications.

4.6.1 All fees, exactions, mitigation measures, conditions, reservations and dedications of land for public purposes that are applicable to the Project are set forth in the Project Approvals, the Applicable Rules and this Agreement.

4.6.2 Except as otherwise provided in this Agreement, and specifically excluding fees set by entities not controlled by City that are collected by City, City can only charge and

impose those fees and exactions, including, without limitation, dedications and any other fee relating to development or the privilege of developing, which are in effect on a City-wide basis as of the Effective Date.

4.6.3 Developer must pay the impact fees pursuant to City Council Resolution Nos. 4443 and 4687.

4.6.4 This Section cannot be construed to limit the authority of City to charge normal and customary application, processing, and permit fees, including legal and environmental processing costs, for land use approvals, building permits and other similar permits, for Future Approvals, which fees are designed to reimburse City's actual expenses attributable to such application, processing and permitting and are in force and effect on a City-wide basis at such time as applications for such approvals are filed with City.

4.6.5 Nexus/Reasonable Relationship Challenges. Developer consents to, and waives any rights it may have now or in the future to challenge the legal validity of, the conditions, requirements, policies or programs required by this Agreement or Applicable Rules including, without limitation, any claim that they constitute an abuse of the police power, violate substantive due process, deny equal protection of the laws, effect a taking of property without payment of just compensation, or impose an unlawful tax.

4.7 Use of Easements. Notwithstanding the provisions of the Applicable Rules, easements dedicated for vehicular and pedestrian use are permitted to include easements for underground drainage, water, sewer, gas, electricity, telephone, cable, environmental remediation and other utilities and facilities so long as they do not unreasonably interfere with pedestrian and/or vehicular use.

4.8 Timing of Development. In Pardee Construction Co. v. City of Camarillo (Pardee), 37 Cal.3d 465 (1984), the California Supreme Court held that the failure of the parties therein to provide for the timing or rate of development resulted in a later-adopted initiative restricting the rate of development to prevail against the parties' agreement. City and Developer intend to avoid the result in Pardee by acknowledging and providing that Developer has the right, without obligation, to develop the Campus in such order and at such rate and times as Developer deems appropriate within the exercise of its subjective business judgment, subject to the Term of this Agreement.

In furtherance of the Parties' intent, as set forth in this Section, no future amendment of any existing City ordinance or resolution, or future adoption of any ordinance, resolution or other action, that purports to limit the rate or timing of development over time or alter the sequencing of development phases, whether adopted or imposed by the City Council or through the initiative or referendum process, applies to the Campus. However, nothing in this Section must be construed to limit City's right to enforce Developer's obligation pursuant to this Agreement to provide all infrastructure required by the Project Approvals and this Agreement.

Notwithstanding the above, Developer must be required to build the on-site and off-site infrastructure required for the Project in accordance with the Project Milestones and Thresholds that are listed in Exhibit D, attached hereto and incorporated herein by reference.

4.9 Moratorium. No City-imposed moratorium or other limitation (whether relating to the rate, timing or sequencing of the development or construction of all or any part of the Campus, whether imposed by ordinance, initiative, resolution, policy, order or otherwise, and whether enacted by the City Council, an agency of City, the electorate, or otherwise) affecting parcel or subdivision maps (whether tentative, vesting tentative or final), building permits, occupancy certificates or other entitlements to use or service (including, without limitation, water and sewer) approved, issued or granted within City, or portions of City, applies to the Campus to the extent such moratorium or other limitation is in conflict with this Agreement. However, the provisions of this Section do not affect City's compliance with moratoria or other limitations mandated by other governmental agencies or court-imposed moratoria or other limitations.

4.10 Infrastructure.

4.10.1 Infrastructure Capacity. Subject to Developer's installation of infrastructure in accordance with the requirements of the Project Approvals, this Agreement, and any Future Approvals, City acknowledges that it will have sufficient capacity in its infrastructure, services and utility systems, including, without limitation, traffic circulation, storm drainage, flood control, electric service, sewer collection, sewer treatment, sanitation service and, except for reasons beyond City's control, water supply, treatment, distribution and service, to accommodate the Project. To the extent that City renders such services or provides such utilities, City agrees that it will serve the Project and that there is no restriction on hookups or service for the Project except for reasons beyond City's control.

4.10.2 Infrastructure Phasing Flexibility. Notwithstanding the provisions of any phasing requirements in the Project Approvals or any Future Approvals, Developer and City recognize that economic and market conditions may necessitate changing the order in which the infrastructure is constructed. Therefore, City and Developer agree that should it become necessary or desirable to develop any portion of the Project's infrastructure in an order that differs from the order set forth in this Agreement, Developer and City will collaborate and City will permit any modification requested by Developer so long as the modification continues to ensure adequate infrastructure is available to serve that portion of the Project being developed and is in compliance with Section 4.12 of this Agreement.

4.10.3 Infrastructure Completion. No building permit, final inspection or certificate of occupancy will be unreasonably withheld, conditioned, or delayed by City if all infrastructure required to serve the portion of the Campus covered by the building permit, final inspection or certificate of occupancy is in place or is suitably guaranteed to be completed (by covenant, bond, letter of credit or otherwise) to the reasonable satisfaction of the City before completion of construction and all of the other relevant provisions of the Project Approvals and any Future Approvals are satisfied.

4.10.4 Prevailing Wages. In the event any infrastructure improvements are paid for in whole or in part out of public funds, as contemplated by Labor Code § 1720, Developer must pay prevailing wages for the construction of such improvements to the extent required by Applicable Law.

4.11 Term. The term of this Agreement is ten (10) years from the Effective Date (the "Term"). However, Developer or City is entitled to, by written notice to the other Party before the Agreement's expiration, one (1) five (5)-year extension, provided that the requesting Party is not in material default of this Agreement at such time beyond any applicable period to cure provided for by Section 12 below. Before the expiration of such five (5)-year extension, the Parties may mutually agree to further extensions. In the event of litigation challenging this Agreement, the Term is automatically suspended for the duration of such litigation and resumes upon final disposition of such challenge and any appeal thereof upholding the validity of this Agreement. In the event that a referendum petition concerning this Agreement is duly filed in such a manner that the ordinance approving this Agreement is suspended, then the Term is deemed to commence upon City Council certification of the results of the referendum election approving this Agreement.

4.12 Term of Map(s) and Other Project Approvals. Pursuant to California Government Code §§ 66452.6(a) and 65863.9, the term of any subdivision or parcel map that has been or in the future may be processed on all or any portion of the Campus and the term of each of the Project Approvals will be extended for a period of time through the scheduled termination date of this Agreement as set forth in Section 4.11 above, including any extensions thereto pursuant to Section 4.11 above.

4.13 Satisfaction of Mitigation Measures and Conditions. In the event that any of the mitigation measures or conditions required of Developer are implemented by others, Developer is conclusively deemed to have satisfied such mitigation measures or conditions, consistent with CEQA. If any such mitigation measures or conditions are rejected by a governmental agency with jurisdiction, Developer may implement reasonably equivalent substitute mitigation, consistent with CEQA, to the City's satisfaction, in lieu of the rejected mitigation measures or conditions. Such substitution is deemed to be a Minor Modification pursuant to the ESSCSP.

4.14 In Lieu Credits. The City must grant Developer in lieu credits, as appropriate, and as specified herein and for those matters set forth on attached Exhibit "E," which is incorporated by reference.

5. Developer Agreements.

5.1 General. Developer must comply, or cause compliance, with: (i) this Agreement; (ii) the Project Approvals including, without limitation, all mitigation measures required by the determination made pursuant to CEQA; and (iii) all Future Approvals for which it is the applicant.

5.2 Maintenance Obligations. Developer must maintain all portions of the Campus visible from a public street and in its possession or control, including improvements thereon, in a clean, neat and orderly manner. Developer's maintenance obligations survive any termination or expiration of this Agreement.

5.3 Sales and Use Tax.

5.3.1 In the event the contract price for any work on the Project is valued at ten million dollars ($10,000,000) or more, Developer agrees to report, on a State Board of Equalization Tax Return, any purchases of tangible personal property made in connection with the finishing of and/or installation of materials, or fixtures for the Project, when such purchases were made without

sales or use tax due. Developer must indicate the City as a registered job site location on the State Board of Equalization Tax Return. In such event, Developer must also obtain a permit or a sub-permit from the State Board of Equalization indicating the City as the registered job site location, in accordance with Revenue and Taxation Code § 7051.3 or State Board of Equalization Compliance Policy and Procedure Manual (Section 295.060).

5.3.2 Developer further agrees that if Developer retains contractors or subcontractors to perform a portion of work in the Project, and said contracts or subcontracts are valued at ten million dollars ($10,000,000) or more, said contracts or subcontracts must contain the provisions set forth in Section 5.3.1 above.

5.3.3 The Director of Finance of the City is authorized to relieve Developer, and Developer's contractors and subcontractors, from the requirements set forth in this Section 5.3 upon proof to the reasonable satisfaction of the Director of Finance that Developer and/or its contractors or subcontractors have made good faith efforts to obtain said permit or sub-permits, but were denied the same by the State Board of Equalization.

5.4 All new development must have buildings designed to be energy efficient, at least fifteen percent (15%) above the requirements set forth in California Code of Regulations Title 24 in effect at the time that building plans are submitted.

6. City Agreements.

6.1 Expedited Processing. The City must process in an expedited manner all plan checking, excavation, grading, building, encroachment and street improvement permits, Certificates of Occupancy, utility connection authorizations, and other ministerial permits or approvals necessary, convenient or appropriate for the grading, excavation, construction, development, improvement, use and occupancy of the Project in accordance with City's accelerated plan check process under the Applicable Rules. Without limiting the foregoing, if requested by Developer, City agrees to utilize private planners and plan checkers (upon Developer's request and at Developer's cost) and any other available means to expedite the processing of Project applications, including concurrent processing of such applications by various City departments.

6.2 Processing Cooperation and Assistance. To the extent permitted by law, City must reasonably cooperate with Developer in securing any and all entitlements, authorizations, permits or approvals which may be required by any other governmental or quasi-governmental entity in connection with the development of the Project or the Campus. Without limiting the foregoing, City must reasonably cooperate with the Developer in any dealings with federal, state and other local governmental and quasi-governmental entities concerning issues affecting the Campus. City must keep Developer fully informed with respect to its communications with such agencies which could impact the development of the Campus. City must not take any actions to encourage any other governmental or quasi-governmental entities from withholding any necessary approvals and any such contrary actions on the part of the City must be considered a breach of this Agreement by City.

6.3 Processing During Third Party Litigation. The filing of any third party lawsuit(s) against City or Developer relating to this Agreement, the Project Approvals, any Future Approvals or to other development issues affecting any portion of the Campus or the Project must not hinder, delay or stop the development, processing or construction of the Project, approval of applications for any Future Approvals, or issuance of ministerial permits or approvals, unless the third party obtains a court order preventing the activity. City must not stipulate to or cooperate in the issuance of any such order.

6.4 Reimbursement for City's Efforts on Behalf of Developer. To the extent that City, on behalf of Developer, attempts to enter into binding agreements with other entities in order to ensure the availability of certain permits and approvals or services necessary for development of the Project as described in this Agreement, Developer must reimburse City for all costs and expenses incurred in connection with seeking and entering into any such agreement. Any fees, assessments or other amounts payable by City pursuant to any such agreement must be borne by Developer except where Developer notified City in writing, before City entering into such agreement, that it does not desire for City to execute such agreement.

6.5 City's Efforts to Defend and/or Enforce Multi Agency Agreements. Except as limited by Section 19.1, Developer must defend and indemnify – the to the extent set forth in this Agreement – City in any challenge by any person to any such agreement, and must reimburse City for any costs and expenses incurred by City in enforcing any such agreement.

7. Traffic Improvements.

7.1 Nash Street.

7.1.1 At such time that the Nash Street connection is required under the terms of the Agreement, Developer must build the Nash Street extension consistent with the General Plan Secondary Arterial roadway classification and as shown on Vesting Map No. 71551.

7.1.2 The Nash Street extension must be completed before Phase II of Vesting Map No. 71551 is recorded or a certificate of occupancy being issued for any new development which would cause the Phase 1 Development trip cap of 89 a.m. peak hour, 225 p.m. peak hour trips, or 3,775 daily trips to be exceeded.

7.1.3 Developer will receive in lieu credit against City's traffic impact fees for the actual cost of construction of the Nash Street extension. Developer must submit appropriate documentation to City to verify the construction costs.

7.1.4 When the Nash Street extension is complete, Developer must offer for dedication the street and public improvements associated with the street to City (collectively, "Nash Street Improvements"). The City will accept the dedication of the Nash Street improvements if it is constructed in accordance with City standards.

7.1.5 When City accepts the Nash Street extension and improvements, Developer will not be responsible for maintenance of the public street improvements including, without limitation, sidewalks, signs, roadways, street lights, and lighting fixtures. Public use of the Nash Street extension is not permitted until City accepts such dedication.

7.1.6 Developer agrees to cooperate with City in creating a landscaping and lighting assessment district to cover only the maintenance costs of the landscape and lighting portion of the Nash Street improvements and will not protest the formation of any such district. The costs of the assessment engineer and other direct set-up costs of the assessment district will be included in the assessment costs to be levied against the affected properties.

7.2 Continental Boulevard Public Access.

7.2.1 Developer must build the extension of the Continental Boulevard roadway located on Parcel 25 consistent with the General Plan Secondary Arterial roadway classification (as shown on Vesting Map No. 71551) before Phase II of Vesting Map No. 71551 is recorded. The Developer must build the extension of the Continental Boulevard roadway located on Parcel 21 consistent with the General Plan Collector roadway classification (as shown on Vesting Map No. 71551) before Phase III of Vesting Map No. 71551 is recorded.

7.2.2 Continental Boulevard, and the extension thereof, must remain a private roadway, except as specified in Sections 7.2.3 and 7.2.4 below. The private roadway may be fenced, and/or guarded and/or gated.

7.2.3 If at any time buildings along Continental Boulevard are sold, leased, or used by any third party (i) that is not an affiliate of Raytheon; or (ii) does not use or operate the buildings in furtherance of Raytheon's business operations, Developer must provide a public access easement to City for this street. For purposes of this section, an affiliate includes a subsidiary or partner of Raytheon.

7.2.4 Notwithstanding Section 7.2.3, Developer may offer Continental Boulevard to City for dedication. The City will accept the dedication of the Continental Boulevard improvements if it is constructed in accordance with City standards. If City accepts Continental Boulevard and its improvements, Developer will not be responsible for maintenance of the public street improvements including, without limitation, sidewalks, signs, roadways, street lights, and lighting fixtures.

7.2.5 Developer agrees to cooperate with City in creating a landscaping and lighting assessment district to cover only the maintenance costs of the landscape and lighting portion of the Continental Boulevard improvements and will not protest the formation of any such district. The costs of the assessment engineer and other direct set-up costs of the assessment district will be included in the assessment costs to be levied against the affected properties.

7.2.6 Developer agrees to a 20-year irrevocable offer of dedication to the City of Parcel 26 of Vesting Map No. 71551. This dedication may be accepted by the City at such time the City permits circulation through the adjacent golf course and that portion of Continental Boulevard connecting Parcel 26 and El Segundo Boulevard is made accessible to the public.

7.3 El Segundo Boulevard Improvements.

7.3.1 Developer must complete the El Segundo Boulevard roadway improvements consistent with the General Plan Major Arterial classification and as shown on Vesting Map No. 71551, based on the following phasing criteria:

7.3.1.1 If either Parcel 15 or 16 of Vesting Map No. 71551 is developed, the required roadway improvements must be completed on the El Segundo Boulevard frontage of both Parcels 15 and 16 before City issues a certificate of occupancy for any new building in that area.

7.3.1.2 If Parcel 14 of Vesting Map No. 71551 is developed, the required roadway improvements must be completed on the El Segundo Boulevard frontage of Parcel 14 before City issues a certificate of occupancy for any new building in that area.

7.3.1.3 If Parcels 1, 2, 3, or 4 of Vesting Map No. 71551 are developed, then the required roadway improvements must be completed on the El Segundo Boulevard frontage for all parcels within the Specific Plan area with El Segundo Boulevard frontage before City issues a certificate of occupancy for any new building in such areas.

7.3.2 Developer is responsible for all construction costs relating to the El Segundo Boulevard roadway improvements, including the cost of roadway construction, retaining walls, pole relocation and Class 1 bicycle path (see Section 7.4), except as specified below.

7.3.2.1 Notwithstanding the above, Developer is not responsible for relocation of any infrastructure that is not directly on the El Segundo Boulevard frontage and located within the Campus. The SCE towers at the corner of El Segundo and Sepulveda Boulevards are specifically excluded from Developer's responsibility under this Section 7.3.2.

7.3.2.2 Developer is entitled to receive in lieu credit against City's traffic impact fees for the actual cost of construction of the El Segundo Boulevard improvements. Developer must submit documentation acceptable to City to verify the construction costs. No credit will be given for the value of the land area required for the El Segundo Boulevard widening.

7.3.2.3. Developer's costs will be offset by any grants provided to City for such improvements by any outside agency. City must use its best efforts to seek any and all available grants.

7.3.3 As an alternative to construction, Developer may pay a portion of the required traffic mitigation fees as a lump sum. This lump sum would cover the costs of El Segundo Boulevard improvements located in the plan area within 275 feet east of the Sepulveda Boulevard intersection. This area includes three (3) utility poles Developer has identified as having significant relocation costs. This lump sum would be required before the first building permit for new development in the Campus is issued. The amount of the lump sum will be based on a revised estimate of the costs associated with improvements within the El Segundo Boulevard right-of-way where Developer would like City to proceed with improvements instead of the Developer.

7.4 El Segundo Boulevard Bicycle Path.

7.4.1 Developer must construct a Class 1 bicycle path on El Segundo Boulevard during the same period in which the El Segundo Boulevard Improvements discussed in Section 7.3 above are installed, subject to the following:

7.4.1.1 For lots with frontage on that portion of El Segundo Boulevard located east of the future extension of Continental Boulevard and west of the future extension of Nash Street, the bicycle path may be located within the required building setback areas as long as a five foot distance is maintained between the bicycle path and any building or structure.

7.4.1.2 In order to facilitate the 4th travel lane under the Green-Line light rail overpass, the El Segundo Boulevard bike path must be routed south of the overpass supports and through the Metro Station area. An easement must be provided over Parcel 14 of Vesting Map No. 71551 to allow this routing. No building setback modifications are required due to such rerouting as long as a five foot distance between the bicycle path and any building is maintained.

7.4.1.3 Developer is not responsible for the cost of relocation any infrastructure that is not directly on the El Segundo Boulevard frontage of the Campus, including without limitation, the SCE tower at the corner of El Segundo and Sepulveda Boulevards.

7.4.2 Developer is entitled to receive in lieu credit against City's traffic impact fees for the actual cost of construction of the El Segundo Boulevard bicycle path. Developer must submit documentation acceptable to City to verify the construction costs. No credit will be given for the value of the land area under the El Segundo Boulevard bike path.

7.4.3 Developer's costs will be offset by any grants provided to the City of El Segundo by any outside agency relating to the construction of the bicycle path along El Segundo Boulevard.

7.5 Nash Street Extension Bicycle Lane.

7.5.1 At such time as the Nash Street Extension must be completed pursuant to Section 7.1.2 above, Developer must construct a Class II bicycle lane in each direction of the Nash Street extension.

7.5.2 The Class II bicycle lane will be integrated into the Nash Street roadway.

7.5.3 Construction costs for the bicycle lane are considered to be part of the overall Nash Street roadway extension and are Developer's responsibility.

7.5.4 The width of the Class II bicycle lanes are included within the overall Right of Way width of the Nash Street Extension. This is illustrated in the Vesting Map No. 71551 exhibit entitled "Typical Section: Secondary Arterial Street." No additional public right-of-way will be required for the bicycle lane.

7.6 Green Line Station.

7.6.1 Developer must pay $75,000 towards the construction of bicycle parking facilities at or adjacent to the Metro Green Line El Segundo Station. The $75,000 payment must be made before City issues a certificate of occupancy for any building included in Phase II. Developer is entitled to receive in lieu credit against City's traffic impact fees for this payment.

7.6.2 Developer must allow a pedestrian easement across one or a combination of Parcels 13, 14 and/or 24 of Vesting Map No. 71551 to allow direct pedestrian access to the Green Line station. The walkway must be completed before a certificate of occupancy is issued for any building on Parcel 13 or 14. The walkway must be paved and compliant with ADA requirements with a minimum width of five feet.

7.7 Coral Circle Connection. Developer agrees to provide City with a 20-year irrevocable offer of dedication of Parcels 20 and 22 of Vesting Map No. 71551. This dedication may be accepted by City at such time City enters agreements with adjacent landowners located at 363-365 Coral Circle and 401 Coral Circle to obtain public street access across their property for a roadway to connect Nash Street to Coral Circle. The offer of dedication will allow for fee simple ownership of Parcels 20 and 22 to be transferred to the owners of 363-365 Coral Circle and 401 Coral Circle, and a public street dedication for a portion of the two parcels to the City for a roadway consistent with the "Local Commercial Street" General Plan Circulation Element Street Classification.

7.8 Traffic Fee In Lieu Credits. Except as otherwise specified herein, Developer will be entitled to in lieu credits against the City's traffic impact fees for all required traffic mitigation measures within the City of El Segundo's jurisdiction that are constructed or paid by Developer. Developer is not entitled to any in lieu credits for mitigation measures outside of the City's jurisdiction.

8. Utilities

8.1 City must maintain all City-owned public utilities located in public or private streets within the Campus. Any utilities located on private property must be the responsibility of Developer, or its successor in interest.

8.2 City is contemplating a capacity upgrade in the El Segundo sewer line.

8.2.1 Up to 2,142,457 gross square feet of development, the total amount of new development allowed by the Specific Plan, must be able to access sewer service in the El Segundo Boulevard sewer trunk line after completion of the sewer line upgrade provided that Developer contributes twenty-five percent (25%) up to a maximum amount of $375,000.00 toward completion of the sewer upgrade.

8.2.2 Developer must make its contribution at the time the City awards the sewer improvement project, but no later than December 31, 2018, for Developer to obtain access to the El Segundo Boulevard sewer trunk line.

8.2.3 Upon payment, City must reserve a portion of the available capacity in the existing fifteen inch (15") line up to a net increase of 30,212 gallons per day for Developer and Developer is entitled to connect to the existing line through a temporary sewer connection. Developer is entitled to make a permanent connection to the upgraded line once the sewer capacity upgrade project is completed.

9. Recreational Access.

9.1 The Specific Plan provides for 7.54 acres of land to be used for Open Space and Recreational purposes. This land must remain private and only available to Raytheon employees. However, should Developer sell more than twenty percent (20%) of ESSCSP Campus Area (i.e., at least 28.44 acres), to a user other than Raytheon or a Raytheon affiliate, Developer must provide non-Raytheon or Raytheon affiliated employees within the ESSCSP area with permanent access to the 7.54-acre recreational area within the Campus. The access must be formalized through agreements between Raytheon and the purchaser(s) of the property.

9.2 Within 30 days of approval of a land transfer of the recreational/open space area to an alternative parcel and before a building permit may be issued on Parcel 11, the Developer must record a 20-year irrevocable offer of dedication of a 7.54 acre recreational/open space area to the City of El Segundo, in a form approved by the City Attorney, for future potential park purposes if located on any of the lots (Parcels 1, 2, 3, 4, 7, 8, 13 or 14 of Vesting Map No. 71551) and outside the Raytheon security fenced perimeter.

10. Payments after Approval.

10.1 Six Annual Payments. The Developer must make one annual payment of $500,000 and five subsequent annual payments of $700,000 each to the City. Payments will start on March 31, 2016 and occur annually on March 31st, with the final payment due on March 31, 2021. These payments will be deposited to the City's General Fund and may be used for any general purpose identified by the City Council in its sole discretion. The total amount of the six payments is $4,000,000.

10.2 Payment in Year 10. If the Nash Street extension, identified in Section 7.1, is not completed within 10 years of the Effective Date, then the Developer is required to make a $5,000,000 payment not later than the anniversary date that the Ordinance became effective (e.g., if the Ordinance became effective December 1, 2015, then payment would be due not later than December 2, 2025). This payment will be deposited to the City's General Fund and may be used for any general purpose identified by the City Council in its sole discretion.

10.3 Building Permit Fee. Before building permits are issued for any new development (not existing at time of project approval) in the project area, the Developer must pay a $0.50 per gross square-foot fee. All revenue from this fee will be deposited to the City's General Fund and may be used for any general purpose identified by the City Council in its sole discretion.

11. Uniform Codes and Standard Specifications

11.1 Nothing in this Agreement prevents City from applying Uniform Codes to the Project provided that the provisions of any such Uniform Code:

11.1.1 apply to the Project only to the extent that such code is in effect on a City wide basis;

11.1.2 with respect to those portions of any such Uniform Code that have been adopted by City without amendment, be interpreted and applied in a manner consistent with the interpretation and application of such code pursuant to California Law.

11.2 Nothing in this Agreement prevents City from applying to the Project "standard specifications" for public improvements (e.g., streets, storm drainage, parking lot standards, driveway widths) as the same may be adopted or amended from time to time by City, provided that the provisions of any such standards and specifications apply only to the extent they are in effect on a Citywide basis and do not conflict with standards contained in the Specific Plan. As they concern the Project or the Project Site, to the extent any City Law or other City ordinance, regulation, standard, or specification conflicts with the Specific Plan, the Specific Plan controls unless otherwise provided herein.

11.3 State and Federal Law. As provided in Government Code § 65869.5, in the event that state or federal laws or regulations, enacted after the Vesting Date ("Changes in the Law") prevent or preclude compliance with one or more provisions of this Agreement, such provisions of the Agreement will be, by operation of law, modified or suspended, or performance thereof delayed, as and to the extent necessary to comply with such Changes in the Law. In the event any state or federal resources agency (i.e., California Department of Fish and Game, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, Regional Water Quality Control Board/State Water Resources Control Board), in connection with its final issuance of a permit or certification for all or a portion of the Project, imposes requirements ("Permitting Requirements") that require modifications to the Project, then the parties will work together in good faith to incorporate such changes into the Project; provided, however, that if Developer appeals or challenges any such Permit Requirements, then the parties may defer such changes until the completion of such appeal or challenge.

12. Demonstration of Good Faith Compliance

12.1 Review of Compliance. In accordance with Government Code § 65865.1, this Section 12 and the Applicable Rules, once each year, on or before each anniversary of the Effective Date ("Periodic Review"), the Director will review the extent of Developer's good faith substantial compliance with the terms and provisions of this Agreement as well as the performance by the City of its obligations under this Agreement.

12.2 Good Faith Compliance. During each Periodic Review, Developer must demonstrate that, during the preceding twelve (12) month period, that it has been in good faith compliance with this Agreement. For purposes of this Agreement, the phrase "good faith compliance" means that Developer has demonstrated that it acted in a commercially reasonable manner (taking into account the circumstances which then exist) and in good faith in and has substantially complied with Developer's material obligations under this Agreement.

12.3 City Report - Information to be Provided to Developer. At least fourteen (14) days before the annual anniversary of the Effective Date the City must deliver to Developer a copy of all staff reports prepared in connection with a Periodic Review, any prior staff reports generated during the review period, written comments from the public and, to the extent practical, all related exhibits concerning such Periodic Review ("City Report").

12.4 Developer's Report. No later than the annual anniversary of the Effective Date, Developer must submit a written status report to the Director addressing the good faith compliance

issue and any issues raised by the City Report provided to Developer in accordance with Section 12.3 above.

12.5 Notice Of Non-Compliance; Cure Rights. If, after reviewing the Developer's Report, the Director reasonably concludes on the basis of substantial evidence that as to any parcel or parcels comprising the Campus, Developer has not demonstrated that it is in good faith compliance with this Agreement the Director may issue and deliver to Developer a written Notice of Violation as set forth in Section 14 below.

12.6 Public Notice of Finding. Any appeal of the Director's determination (including any appeal by Developer) must be filed within twenty (20) days following such decision. Filing such an appeal tolls the cure period specified in the Notice of Violation. Notwithstanding Section 17, an appeal regarding the Notice of Violation must be heard directly by the City Council at a duly-noticed public hearing and the City Council must issue a final decision. Not in limitation of the forgoing, Developer retains the right to challenge City's issuance of any final decision pursuant to Code of Civil Procedure § 1094.5 without complying with the procedures set forth in Section 13.4 below.

12.7 Failure of Periodic Review. The City's failure to review, at least annually, compliance by Developer with the terms and conditions of this Agreement does not constitute nor can it be asserted by any Party as a breach by any other Party of this Agreement. If the City fails to provide the City Report by the Effective Date, Developer will be deemed to be in good faith compliance with this Agreement.

13. Excusable Delays. Performance by any Party of its obligations in this Agreement is excused during any period of "Excusable Delay," as defined, provided that the Party claiming the delay gives notice of the delay to the other Party as soon as reasonably possible after the same has been ascertained. For purposes hereof, Excusable Delay means delay that directly affects, and is beyond the reasonable control of, the Party claiming the delay, including without limitation: (a) civil commotion; (b) riot; (c) strike, picketing or other labor dispute; (d) shortage of materials or supplies; (e) damage to work in progress or delays by reason of fire, flood, including flood due to rains, earthquake, windstorm, or other casualty; (f) reasonably unforeseeable delay caused by a reasonably unforeseeable restriction imposed or mandated by a governmental entity other than City; (g) litigation brought by a third party attacking the validity of a Project Approval, a Future Approval or any other action necessary for development of the Campus; (h) delays caused by any default by the other Party; or (i) delays due to the presence or remediation of hazardous materials. The Term of this Agreement, including any extensions, will automatically be extended by any period of Excusable Delay.

14. Default Provisions.

14.1 Default. Either Party to this Agreement will have breached this Agreement if it materially breaches any of the provisions of this Agreement and the same is not cured within the time set forth in a written notice of violation (the "Notice of Violation") from the non-breaching Party to the breaching Party, which period of time is not less than ten (10) days following receipt of written notice from the non-breaching Party for monetary defaults, and not less than sixty (60) days following receipt of written notice from the non-breaching Party for non-monetary defaults

from the date that the notice is deemed received, provided if the breaching Party cannot reasonably cure a non-monetary default within the time set forth in the notice, then the breaching Party will not be in default if it commences to cure the default within such time limit and diligently effects such cure thereafter. If City determines that a default may have occurred, City may choose to terminate this Agreement in which case it must give written notice to Developer of its intention to terminate and comply with the notice and public hearing requirements of Government Code §§ 65867 and 65868. At the time and place set for the hearing on termination, Developer will be given an opportunity to be heard. If the City Council finds based upon the evidence that Developer is in breach of this Agreement, the City Council may modify or terminate this Agreement; provided, however, if Developer initiates a resolution of dispute in accordance with the provisions of Section 14.4 below within sixty (60) days following the City Council's determination that Developer is in breach of this Agreement, the City Council's decision to modify or terminate this Agreement is stayed until the issue has been resolved through informal procedures, mediation, or court proceedings.

14.2 Content of Notice of Violation. Every Notice of Violation must state with specificity that it is given pursuant to this Section of the Agreement, the nature of the alleged breach, (including references to the pertinent provisions of this Agreement), the portion of the Campus involved, and the manner in which the breach may be satisfactorily cured. Notice must be given in accordance with Section 23 hereof.

14.3 Remedies for Breach. The Parties agree that the remedies for breach of this Agreement are limited to the remedies expressly set forth in this subsection. The remedies for breach of this Agreement by City or Developer are limited to injunctive relief and/or specific performance.

14.4 Resolution of Disputes. City and Developer agree to attempt to settle any claim, dispute or controversy arising from this Agreement through consultation and negotiation in good faith and in a spirit of mutual cooperation. If those attempts fail, the dispute may be mediated by a mediator chosen jointly by City and Developer within thirty (30) days after notice by one of the parties demanding non-binding mediation. Neither party may unreasonably withhold consent to the selection of a mediator, and City and Developer will share the cost of the mediation equally. The parties may agree to engage in some other form of non-binding alternate dispute resolution ("ADR") procedure in lieu of mediation. Any dispute that cannot be resolved between the parties through negotiation or mediation within two months after the date of the initial demand for non-binding mediation may then be submitted to a court of competent jurisdiction in the County of Los Angeles, California.

14.5 Attorneys Fees and Costs. Each party to this Agreement agrees to waive any entitlement of attorneys' fees and costs incurred with respect to any dispute arising from this Agreement. The parties will each bear their own attorneys' fees and costs in the event of any dispute.

15. Mortgagee Protection. This Agreement does not prevent or limit the Developer, in any manner, at Developer's sole discretion, from encumbering the Campus or any portion thereof or any improvements thereon by any mortgage, deed of trust or other security device. City acknowledges that the lender(s) providing such financing ("Mortgagee") may require certain

Agreement interpretations and agrees, upon request, from time to time, to meet with Developer and representatives of such lender(s) to provide within a reasonable time period City's response to such requested interpretations. City will not unreasonably withhold its consent to any such requested interpretation, provided that such interpretation is consistent with the intent and purposes of this Agreement. Any Mortgagee of a mortgage or a beneficiary of a deed of trust or any successor or assign thereof, including without limitation the purchaser at a judicial or non-judicial foreclosure sale or a person or entity who obtains title by deed-in-lieu of foreclosure on the Campus must be entitled to the following rights and privileges:

15.1 Mortgage Not Rendered Invalid. Neither entering into this Agreement nor a breach of this Agreement will defeat, render invalid, diminish, or impair the priority of the lien of any mortgage or deed of trust on the Campus made in good faith and for value. No Mortgagee has an obligation or duty under this Agreement to perform Developer's obligations, or to guarantee such performance, before taking title to all or a portion of the Campus.

15.2 Request for Notice to Mortgagee. The Mortgagee of any mortgage or deed of trust encumbering the Campus, or any part thereof, who has submitted a request in writing to the City in the manner specified herein for giving notices, is entitled to receive a copy of any Notice of Violation delivered to the Developer.

15.3 Mortgagee's Time to Cure. City must provide a copy of any Notice of Violation to the Mortgagee within ten (10) days of sending the Notice of Violation to Developer. The Mortgagee has the right, but not the obligation, to cure the default for a period of sixty (60) days after receipt of such Notice of Violation or such longer period of time as may be specified in the Notice. Notwithstanding the foregoing, if such default is a default which can only be remedied by such Mortgagee obtaining possession of a Campus, or any portion thereof, and such Mortgagee seeks to obtain possession, such Mortgagee has until sixty (60) days after the date of obtaining such possession to cure or, if such default cannot reasonably be cured within such period, to commence to cure such default, provided that such default is cured no later than one (1) year after Mortgagee obtains such possession.

15.4 Cure Rights. Any Mortgagee who takes title to all of the Campus, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or a deed in lieu of foreclosure, will succeed to the rights and obligations of Developer under this Agreement as to the Campus or portion thereof so acquired; provided, however, in no event is such Mortgagee liable for any defaults or monetary obligations of Developer arising before acquisition of title to the Campus by such Mortgagee, except that any such Mortgagee is not entitled to a building permit or occupancy certificate until all delinquent and current fees and other monetary or non-monetary obligations due under this Agreement for the Campus, or portion thereof acquired by such Mortgagee, have been satisfied.

15.5 Bankruptcy. If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature of foreclosure by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceedings involving Developer, the times specified in Section 14.3 above will be extended for the period of the prohibition, except that any such extension cannot extend the Term of this Agreement.

15.6 Disaffirmation. If this Agreement is terminated as to any portion of the Campus by reason of (i) any default or (ii) as a result of a bankruptcy proceeding, this Agreement is disaffirmed by a receiver, liquidator, or trustee for Developer or its property, City, if requested by any Mortgagee, will negotiate in good faith with such Mortgagee for a new development agreement for the Project as to such portion of the Campus with the most senior Mortgagee requesting such new agreement. This Agreement does not require any Mortgagee or the City to enter into a new development agreement pursuant to this Section.

16. Estoppel Certificate. At any time and from time to time, Developer may deliver written notice to City and City may deliver written notice to Developer requesting that such Party certify in writing that, to the knowledge of the certifying Party: (i) this Agreement is in full force and effect and a binding obligation of the Parties; (ii) this Agreement has not been amended, or if amended, the identity of each amendment; and (iii) the requesting Party is not in breach of this Agreement, or if in breach, a description of each such breach. The Party receiving such a request must execute and return the certificate within thirty (30) days following receipt of the notice. The failure of City to deliver such a written notice within such time constitutes a conclusive presumption against City that, except as may be represented by Developer, this Agreement is in full force and effect without modification, and that there are no uncured defaults in the performance of the Developer. The Director is authorized to execute, on behalf of City, any Estoppel Certificate requested by Developer. City acknowledges that a certificate may be relied upon by successors in interest to Developer who requested the certificate and by holders of record of deeds of trust on the portion of the Campus in which that Developer has a legal interest.

17. Administration of Agreement.

17.1 Appeal of Determinations. Any decision by City staff concerning the interpretation or administration of this Agreement or development of the Campus in accordance herewith may be appealed by Developer to the Planning Commission, and thereafter, if necessary, to the City Council pursuant to the El Segundo Municipal Code. Developer cannot seek judicial review of any staff decision without first having exhausted its remedies pursuant to this Agreement. Final determinations by the City Council are subject to judicial review subject to the restrictions and limitations of California law.

17.2 Operating Memoranda. The provisions of this Agreement require a close degree of cooperation between City and Developer. During the Term of this Agreement, clarifications to this Agreement and the Applicable Rules may be appropriate with respect to the details of performance of City and Developer. If and when, from time to time, during the Term of this Agreement, City and Developer agree that such clarifications are necessary or appropriate, they will effectuate such clarification through a memoranda approved in writing by City and Developer (the "Operating Memoranda"), which, after execution, will be attached hereto and become part of this Agreement and the same may be further clarified from time to time as necessary with future written approval by City and Developer. Operating Memoranda are not intended to and do not constitute an amendment to this Agreement but are mere ministerial clarifications, therefore public notices and hearings are not required. The City Attorney is authorized, upon consultation with, and approval of, the Developer, to determine whether a requested clarification may be effectuated pursuant to this Section or whether the requested clarification is of such character to constitute an amendment hereof which requires compliance with the provisions of Section 18 below. The authority to enter

into such Operating Memoranda is hereby delegated to the Director, and the Director is hereby authorized to execute any Operating Memoranda hereunder without further City Council action.

17.3 Certificate of Performance. Upon the completion of the Project, or the completion of development of any parcel within the Project, or upon completion of performance of this Agreement or its earlier revocation and termination, City must provide Developer, upon Developer's request, with a statement ("Certificate of Performance") evidencing said completion or revocation and the release of Developer from further obligations hereunder, except for any ongoing obligations hereunder. The Certificate of Performance must be signed by the appropriate agents of Developer and City and be recorded in the official records of Los Angeles County, California. Such Certificate of Performance is not a notice of completion as referred to in Civil Code § 3093.

18. Amendment or Termination by Mutual Consent. Except as otherwise set forth herein, this Agreement may only be amended or terminated, in whole or in part, by mutual consent of City and Developer, and upon compliance with the provisions of Government Code §§ 65867 and 65867.5.

19. Indemnification/Defense.

19.1 Indemnification. Developer agrees to indemnify and hold the City harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, arising from the City's approval of Project, this Agreement, Developer's performance of this Agreement, and all procedures with approving this Agreement (collectively, "Discretionary Approvals"), except to the extent such is a result of the City's sole negligence or intentional misconduct. Should the City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of the Discretionary Approvals, Developer agrees to defend the City (at the City's request and with counsel satisfactory to the City) and will indemnify the City for any judgment rendered against it or any sums paid out in settlement or otherwise, except to the extent such action is a result of the City's sole negligence or intentional misconduct. For purposes of this Section "the City" includes the City of El Segundo's elected officials, appointed officials, officers, and employees.

19.2 Defense of Agreement. If City accepts Developer's indemnification and defense as provided in Section 19.1 above, City agrees to and must timely take all actions which are necessary or required to uphold the validity and enforceability of this Agreement, the Discretionary Approvals, Project Approvals, Development Standards and the Applicable Rules. This Section 19 will survive the termination of this Agreement.

20. Cooperation in the Event of Legal Challenge.

20.1 Third Party Challenges. In the event of any administrative, legal or equitable action or other proceeding instituted by any person or entity not a party to the Agreement challenging the validity of any provision of this Agreement, challenging any Approval, or challenging the sufficiency of any environmental review of either this Agreement or any Approval under CEQA (each a "Third Party Challenge"), each party must cooperate in the defense of such Third Party Challenge, in accordance with this Section. Developer agrees to pay City's costs of defending a Third Party Challenge, including all court costs and reasonable attorney's fees expended by City

(including the time and cost of the City Attorney) in defense of any Third Party Challenge, as well as the time of City's staff spent in connection with such defense. Developer may select its own legal counsel to represent Developer's interests in any Third Party Challenge at Developer's sole cost and expense. City agrees that it will not enter into a settlement agreement to any Third Party Challenge without Developer's written consent. Developer's obligation to pay City's costs in the defense of a Third Party Challenge does not extend to those costs incurred on appeal unless otherwise authorized by Developer in writing.

20.2 Third Party Challenges Related to the Applicability City Laws. The provisions of this Section will apply only in the event of a legal or equitable action or other proceeding, before a court of competent jurisdiction, instituted by any person or entity not a party to the Agreement challenging the applicability to the Project or Project Site of a conflicting City Law (a "Third Party Enforcement Action"):

20.2.1 In the event of a Third Party Enforcement Action, City must (i) promptly notify Developer of such action or proceeding, and (ii) stipulate to Developer's intervention as a party to such action or proceeding unless Developer has already been named as a respondent or real party in interest to such action or proceeding. In no event will City take any action that would frustrate, hinder, or otherwise complicate Developer's efforts to intervene, join or otherwise participate as a party to any Third Party Enforcement Action. As requested by Developer, City must use its best efforts to ensure that Developer is permitted to intervene, join or otherwise participate as a party to any Third Party Enforcement Action. If, for any reason, Developer is not permitted to intervene, join or otherwise participate as a party to any Third Party Enforcement Action, the parties to this Agreement agree to cooperate, to the maximum extent permitted by law, in the defense of such action or proceeding. For purposes of this Section, the required cooperation between the parties includes, without limitation, developing litigation strategies, preparing litigation briefs and other related documents, conferring on all aspects of the litigation, developing settlement strategies, and, to the extent permitted by law, jointly making significant decisions related to the relevant litigation, throughout the course thereof.

20.2.2 City's costs of defending any Third Party Enforcement Action, including all court costs, and reasonable attorney's fees expended by City (including the time and cost of the City Attorney) in defense of any Third Party Enforcement Action, as well as the time of City's staff spent in connection with such defense (the "Enforcement Action Defense Costs), will be paid in accordance with this Agreement. Notwithstanding the forgoing, in no event will the Enforcement Action Defense Costs extend to, nor will Developer or the Project be obligated to pay, any costs incurred on appeal unless otherwise authorized by Developer in writing;

20.2.3 City must not enter into a settlement agreement or take any other action to resolve any Third Party Enforcement Action without Developer's written consent. City cannot, without Developer's written consent, take any action that would frustrate, hinder or otherwise prevent Developer's efforts to settle or otherwise resolve any Third Party Enforcement Action.

20.2.4 Provided that City complies with this Section and provided that Developer is a party to the relevant Third Party Enforcement Action, Developer agrees to be bound by any final judgment (i.e., following all available appeals) arising out of a Third Party Enforcement Action and further agrees that no default under this Agreement will arise if such final judgment

requires City to apply to the Project or Project Site a City Law that conflicts with Applicable Rules or this Agreement.

21. Time of Essence. Time is of the essence for each provision of this Agreement of which time is an element.

22. Effective Date. This Agreement becomes operative on the Effective Date.

23. Notices. Any notice that a party is required or may desire to give the other must be in writing and may be sent by: i) personal delivery; or ii) by deposit in the United States mail, postage paid, registered or certified mail, return receipt requested; or iii) by overnight delivery using a nationally recognized overnight courier, providing proof of delivery; or iv) by facsimile or electronic delivery, evidenced by confirmed receipt, addressed as follows (subject to the right of a party to designate a different address for itself by notice similarly given):

If to City:
City of El Segundo
350 Main Street
El Segundo, California 90245
Attention: City Manager
Phone: 310 524-2301
Fax: 310 322-7137
E-Mail: gcarpenter@elsegundo.org

With a Copy to:
City of El Segundo
350 Main Street
El Segundo, California 90245
Attention: Director of Planning and Building Safety
Phone: 310 524-2346
Fax: 310 322-4167
E-mail: slee@elsegundo.org

With a Copy to:
City of El Segundo
350 Main Street
El Segundo, California 90245
Attention: Planning Manager
Phone: 310 524-2340
Fax: 310 322-4167

With a Copy to:
Hensley Law Group
2600 W. Olive Avenue, Suite 500
Burbank, California 91505
Attention: Mark D. Hensley, Esq.
Phone: 818/333-5120
Fax: 818/333-5121

E-Mail: mhensley@hensleylawgroup.com

If to Developer:

Raytheon Company
2000 El Segundo Boulevard
Mail Station S158
El Segundo, California 90245
Attention: Director of Facilities and Real Estate
Phone: 310/647-8880
Fax: 310/647-9348
E-Mail: scott_pozza@raytheon.com

With a Copy to:

Raytheon Company
2000 El Segundo Boulevard
Mail Station S175
El Segundo, California 90245
Attention: Senior Manager of Real Estate
Phone: 310/647-2567
Fax: 310/647-9348
E-Mail: aadams1@raytheon.com

With a Copy to:

Raytheon Company
870 Winter Street
Waltham, MA 02451
Attention: Real Estate Department
Phone: 781/522-3062
Fax: 781/522-6465
Email: jerry_a_cellucci@raytheon.com

Any notice given by mail is deemed to have been given as of the date of delivery (whether accepted or refused) established by United States Post Office, return receipt, or the overnight carrier's proof of delivery, as the case may be. Notices given in any other manner are effective only if and when received by the party to be notified between the hours of 8:00 a.m. and 5:00 p.m., local time of the recipient, of any business day with delivery made after such hours deemed received the following business day. A party's address may be changed by written notice to the other party effective upon actual receipt of such notice. After a transfer of all or a portion of the Campus pursuant to Sections 3.2 and 3.3, Developer must be copied on all correspondence whether by City or Transferee relating to such transferred property.

24. Entire Agreement. This Agreement contains the entire agreement between the Parties regarding the subject matter hereof, and supersedes in its entirety all prior agreements or understandings, oral or written. This Agreement cannot be amended, except as expressly provided herein

25. Waiver. No waiver of any provision of this Agreement constitutes a waiver of any other provision, whether or not similar; nor must any such waiver constitute a continuing or subsequent

waiver of the same provision. No waiver is binding, unless it is executed in writing by a duly authorized representative of the Party against whom enforcement of the waiver is sought.

26. Ambiguities or Uncertainties. The parties hereto have mutually negotiated the terms and conditions of this Development Agreement and this has resulted in a product of the joint drafting efforts of both parties. Neither party is solely or independently responsible for the preparation or form of this Agreement. Therefore, any ambiguities or uncertainties are not to be construed against or in favor of either party.

27. Supersession of Subsequent Laws of Judicial Action. The provisions of this Agreement must, to the extent feasible, be modified or suspended as may be necessary to comply with any new law or decision issued by a court of competent jurisdiction, enacted or made after the effective date which prevents or precludes compliance with one or more provisions of this Agreement. Immediately after enactment of any such new law, or issuance of such decision, the parties must meet and confer in good faith to determine the feasibility of any such modification or suspension based on the effect such modification or suspension would have on the purposes and intent of this Agreement.

28. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement is effective to the extent the remaining provisions are not rendered impractical to perform, taking into consideration the purposes of this Agreement.

29. Relationship of the Parties. Each Party acknowledges that, in entering into and performing under this Agreement, it is acting as an independent entity and not as an agent of any other Party in any respect. Nothing contained herein or in any document executed in connection herewith must be construed as creating the relationship of partners, joint ventures or any other association of any kind or nature between City and Developer, jointly or severally.

30. No Third Party Beneficiaries. This Agreement is made and entered into for the sole benefit of the Parties and their successors in interest. No other person or party must have any right of action based upon any provision of this Agreement.

31. Recordation of Agreement and Amendments. This Agreement and any amendment thereof must be recorded with the County Recorder of the County of Los Angeles by the City Clerk of City.

32. Cooperation Between City and Developer. City and Developer will execute and deliver to the other all such other and further instruments and documents as may be reasonably necessary to carry out the purposes of this Agreement. Upon satisfactory performance by Developer, and subject to the continuing cooperation of the Developer, City will commence and in a timely manner proceed to complete all steps necessary for the implementation of this Agreement and development of the Project or Campus in accordance with the terms of this Agreement.

33. Rules of Construction. The captions and headings of the various sections and subsections of this Agreement are for convenience of reference only, and they do not constitute a part of this Agreement for any other purpose or affect interpretation of the Agreement. Should any provision

of this Agreement be found to be in conflict with any provision of the Applicable Rules or the Project Approvals or any Future Approvals, the provisions of this Agreement control.

34. Governing Law and Venue. This Agreement is made, entered into, and executed in the County of Los Angeles, California, and the laws of the State of California govern its interpretation and enforcement. Any action, suit or proceeding related to, or arising from, this Agreement must be filed in the appropriate court having jurisdiction in the County of Los Angeles.

35. Counterparts. This Agreement may be executed in multiple counterparts, each of which must be deemed an original, but all of which constitute one and the same instrument.

36. Weekend/Holiday Dates. Whenever any determination is to be made or action to be taken on a date specified in this Agreement, if such date falls upon a Saturday, Sunday or other holiday specified in Government Code § 6700, including the entire day on Good Friday, the date for such determination or action must be extended to the first business day immediately thereafter.

37. Not a Public Dedication. Except as otherwise expressly provided herein, nothing herein contained is a gift or dedication of the Campus, or of the Project, or any portion thereof, to the general public, for the general public, or for any public use or purpose whatsoever, it being the intention and understanding of the Parties that this Agreement be strictly limited to and for the purposes herein expressed for the development of the Project as private property. Developer has the right to prevent or prohibit the use of the Campus, or the Project, or any portion thereof, including common areas and buildings and improvements located thereon, by any person for any purpose which is not consistent with the development of the Project. Any portion of the Campus conveyed to the City by the Developer as provided herein can be held and used by the City only for the purposes contemplated herein or otherwise provided in such conveyance, and the City will not take or permit to be taken (if within the power or authority of the City) any action or activity with respect to such portion of the Campus that would deprive the Developer of the material benefits of this Agreement, or would in any manner interfere with the development of the Project as contemplated by this Agreement.

38. Releases. City agrees that upon written request of Developer and payment of all fees and performance of the requirements and conditions required by Developer by this Agreement, the City must execute and deliver to Developer appropriate release(s) of further obligations imposed by this Agreement in form and substance acceptable to the Los Angeles County Recorder's Office or as otherwise may be necessary to effect the release.

39. Consent. Where the consent or approval of City or Developer is required or necessary under this Agreement, the consent or approval will not be unreasonably withheld, delayed or conditioned.

IN WITNESS WHEREOF, Developer and City of El Segundo have executed this Development Agreement on the date first above written.

CITY:

CITY OF EL SEGUNDO, a municipal corporation

By: _____
Suzanne Fuentes, Mayor

ATTEST:

_____
Tracy Weaver,
City Clerk

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

By: _____ For
Karl H. Berger, Assistant City Attorney

DEVELOPER:

RAYTHEON COMPANY

By: _____
Robert J. Moore
Its: Vice President-Business Services

EXHIBIT A

CAMPUS DESCRIPTION

THAT PORTION OF SECTION 18, TOWNSHIP 3 SOUTH, RANGE 14 WEST, IN THE RANCHO SAUSAL REDONDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON THE MAP FILED IN CASE NO. 11629, SUPERIOR COURT OF SAID COUNTY ON JUNE 21, 1890, IN THE OFFICE OF THE COUNTY CLERK OF SAID COUNTY, A COPY OF SAID MAP APPEARING IN THE FILES OF THE COUNTY SURVEYOR OF SAID COUNTY AS CLERK'S FILED MAP NO. 218, BOUNDED AS FOLLOWS:

BOUNDED ON THE NORTH BY THE NORTH LINE OF SAID SECTION 18; BOUNDED ON THE EAST BY THE WESTERLY LINE AND THE NORTHERLY PROLONGATION THEREOF OF TRACT NO. 26556, AS SHOWN ON MAP RECORDED IN BOOK 675 PAGES 93 TO 94 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; BOUNDED ON THE SOUTHEAST BY THE NORTHWESTERLY LINE OF THE 80 FOOT STRIP OF LAND DESCRIBED IN THE DEED TO PACIFIC ELECTRIC RAILWAY CO., RECORDED MAY 27, 1913 AS INSTRUMENT NO. 210 IN BOOK 5750 PAGE 43 OF DEEDS, RECORDS OF SAID COUNTY AND BOUNDED ON THE SOUTHWEST BY THE NORTHEASTERLY LINE OF THE LAND DESCRIBED AS PARCEL 2 IN THE DEED TO SOUTHERN CALIFORNIA EDISON COMPANY, RECORDED MARCH 6, 1930 AS INSTRUMENT NO. 535 IN BOOK 9840 PAGE 33, OFFICIAL RECORDS OF SAID COUNTY.

EXCEPT THEREFROM, ALL OIL, GAS AND OTHER HYDROCARBONS, GEOTHERMAL RESOURCES AS DEFINED IN SECTION 6903 OF THE CALIFORNIA PUBLIC RESOURCES CODE AND ALL OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR THAT MAY BE PRODUCED FROM THE PROPERTY BELOW A DEPTH OF FIVE HUNDRED (500) FEET, AS RESERVED BY DEED EXECUTED BY CHEVRON U.S.A. INC., A CORPORATION, RECORDED ON NOVEMBER 28, 1978 AS INSTRUMENT NO. 78-1317577, WHICH ALSO RECITES, "PROVIDED, HOWEVER, THAT ALL RIGHTS AND INTEREST IN THE SURFACE OF THE PROPERTY AND THE LAND MASS OF THE PROPERTY TO A DEPTH OF FIVE HUNDRED (500) FEET ARE HEREBY CONVEYED TO GRANTEE, NO RIGHT OR INTEREST OF ANY KIND THEREIN, EXPRESS OR IMPLIED, BEING EXCEPTED OR RESERVED TO GRANTOR EXCEPT AS HEREINAFTER EXPRESSLY SET FORTH."

ASSESSOR'S PARCEL NOs. 4138-014-047 AND 4138-014-013

EXHIBIT B

EXISTING DEVELOPMENT

Building	Use	Net Square Footage
E-1	Office, Lab/R&D, Warehouse	1,055,479
E-2	Office, Lab/R&D, Warehouse	41,518
E-3	Office, Lab/R&D, Warehouse	35,137
E-4	Office, Lab/R&D, Warehouse	642,871
E-5	Office, Lab/R&D, Warehouse	24,865
E-6	Office	2,261
E-7	Office, Lab/R&D, Warehouse	54,924
E-20	Storage	7,076
E-21	Office, Warehouse	4,500
E-23	Restrooms	2,330
E-24	Recreation	1,530
Rain Shelter	Rain Shelter	2,100
		1,874,591

EXHIBIT C

Recording Requested By and
When Recorded Mail To:
Raytheon Company
[address and attention]

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT ("Agreement") is made and entered into by and between Raytheon Company, ("Assignor"), and _____, a _____ ("Assignee").

RECITALS

A. The City of El Segundo ("City") and Assignor entered into that certain Development Agreement dated _____, 2016 (the "Development Agreement"), with respect to the real property located in the City of El Segundo, State of California more particularly described in Exhibit "A" attached hereto (the "Project Site"), and

B. Assignor has obtained from the City certain development approvals and permits with respect to the development of the Project Site, including without limitation, approval of _____ for the Project Site (collectively, the "Project Approvals").

C. Assignor intends to sell, and Assignee intends to purchase that portion, of the Project Site more particularly described in Exhibit "B" attached hereto (the "Transferred Property").

D. In connection with such purchase and sale, Assignor desires to transfer all of the Assignor's right, title, and interest in and to the Development Agreement and the Project Approvals with respect to the Transferred Property. Assignee desires to accept such assignment from Assignor and assume the obligations of Assignor under the Development Agreement and the Project Approvals with respect to the Transferred Property.

THEREFORE, the parties agree as follows:

1. Assignment. Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, and interest in and to the Development Agreement and the Project Approvals with respect to the Transferred Property. Assignee hereby accepts such assignment from Assignor.

2. Assumption. Assignee expressly assumes and agrees to keep, perform, and fulfill all the terms, conditions, covenants, and obligations required to be kept, performed, and fulfilled by Assignor under the Development Agreement and the Project Approvals with respect to the Transferred Property, including without limitation those obligations specifically allocated to the Transferred Parcel as set forth on Exhibit "C" attached hereto.

3. Effective Date. The execution by City of the attached receipt for this Agreement must be considered as conclusive proof of delivery of this Agreement and of the assignment and assumption contained herein. This Agreement must be effective upon its recordation in the Official Records of Los Angeles County, California, provided that Assignee has closed the purchase and sale transaction and acquired legal title to the Transferred Property.

4. Remainder of Project. Any and all rights or obligations pertaining to such portion of the Project Site other than the Transferred Property are expressly excluded from the assignment and assumption provided in Sections 1 and 2 above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth next to their signatures below.

"ASSIGNOR"
RAYTHEON COMPANY

Date: _____, ____

By: _____
Its: _____

By: _____
Its: _____

"ASSIGNEE"

_____,
a _____

Date: _____, ____

By: _____
Its: _____

RECEIPT BY CITY

The attached ASSIGNMENT AND ASSUMPTION AGREEMENT is received by the City of El Segundo on this ___ day of _____, _____.

CITY OF EL SEGUNDO

By: _____
Director of Planning and Building Safety

STATE OF CALIFORNIA)
) SS:
COUNTY OF _____)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
(Seal)

STATE OF CALIFORNIA)
) SS:
COUNTY OF _____)

On _____, 20___, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
(Seal)

EXHIBIT D

PROJECT MILESTONES AND THRESHOLDS

Project Item	Threshold or Milestone	Required Action
6 annual payments. First payment of $500,000 and five subsequent payments of $700,000 each. All payments to the City's General Fund.	First annual payment is due on March 31, 2016. The final payment is due on March 31, 2021.	Total payment of $4,000,000 over six years payable in six annual payments.
Payment of $5,000,000 to the City's General Fund ten years after project approval.	If the Nash Street Roadway Extension is not completed within 10 years of the Effective Date, then a $5,000,000 payment is due 10 years after project approval.	Total payment of $5,000,000 payable in its entirety 10 years after project approval.
$0.50 per gross square foot fee for all new development (floor area not existing on the site on the project approval date) is required.	The $0.50 per gross square-foot fee is required before issuance of City building permits for any new floor area on the project site.	Payment of 0.50 per gross square foot fee to the City's General Fund before issuance of building permits.
Intersection Improvements-Mitigation Measures TRA-1 through TRA-9	Before Certificate of Occupancy is issued for any building in ESSCP Phase II (buildings in project area adding trips in excess of Phase I Peak Period Trip cap of 225 trips)	Proof of Payment of all applicable fair share mitigation fees must be provided to the Director of Planning and Building Safety and Director of Public Works.
Nash Street Roadway Extension, including Class II bicycle lane	Before Certificate of Occupancy is issued for any building in ESSCP Phase II (buildings in project area adding trips in excess of Phase I Peak Period Trip cap of 225 trips)	Completion of street and all associated public improvements. Dedication of the Nash Street Improvements to the City.

Continental Boulevard Extension	Before any building located along Continental Boulevard is sold, leased, or used by any third party not an affiliate of Raytheon.	Developer must provide a dedication or public access easement to City for Continental Boulevard.
Parcel 26	Within 30 days of the effective date of the City Council ordinance approving the ESSCSP.	20-year irrevocable offer to Dedicate
Parcels 20 and 22	Within 30 days of the effective date of the City Council ordinance approving the ESSCSP.	20-year irrevocable offer to dedicate
El Segundo Boulevard Improvements, including Class I bicycle path	Before a certificate of occupancy is issued for any building on Parcel 15 or 16 of Vesting Map No. 71551.	Required roadway improvements must be completed on the El Segundo Boulevard frontage of Parcels 15 and 16
El Segundo Boulevard Improvements, including Class I bicycle path	Before a certificate of occupancy is issued for any building on Parcel 14 of Vesting Map No. 71551.	Required roadway improvements must be completed on the El Segundo Boulevard frontage of Parcel 14
El Segundo Boulevard Improvements, including Class I bicycle path	Before a certificate of occupancy is issued for any building on Parcels 1, 2, 3 or 4 of Vesting Map No. 71551.	Required roadway improvements must be completed on the El Segundo Boulevard frontage for all parcels within the Specific Plan area with El Segundo Boulevard frontage.
Green Line Station Bicycle Parking Facilities contribution	Before Certificate of Occupancy is issued for any building in ESSCP Phase II (buildings in project area adding trips in excess of Phase I Peak Period Trip cap of 89 a.m or 225 pm trips or 3775 daily trips).	Confirmation that the $75,000 contribution has been transferred to either the City or LACMTA.

Green Line Station Pedestrian Easement	Before Certificate of Occupancy is issued for any building on Parcel 13 or 14 of Vesting Map No. 71551.	Complete construction of a paved walkway at least five feet in width and compliant with ADA requirements.
To obtain access to the El Segundo Boulevard City sewer trunk line for new development in the ESSCSP area.	Developer must make its contribution at the time the City awards the sewer improvement project, but no later than December 31, 2018.	Contribute 25% of the cost of the El Segundo sewer trunk line up-grade up to a maximum of $375,000.
Non-Raytheon employee access to 7.54 acre Recreational Area.	If 28.44 acres of the Specific Plan area is sold to user that is not Raytheon or a Raytheon affiliated company.	Access must be provided to the recreational area for all persons employed within the Specific Plan area. Access must be formalized through agreements between Raytheon and owners of land within the Specific Plan area.
Transfer of 7.54 recreational area to the City for use as a public park.	If the 7.54 acre recreational area is located outside of the Raytheon facility's secured perimeter (south or east of the Nash Street Extension or west of Continental Boulevard).	Raytheon Company must record a 20 year offer of dedication for future potential park purposes if the recreation area is located on Parcels 1, 2, 3, 4, 7, 8, 13, or 14 of Vesting Map No. 71551, or other parcels as indicated in the Conditions of Approval.

EXHIBIT E

FEE/IN-LIEU CREDITS

Project Item	Credit
Construction Cost of the Nash Street Extension and Associated Improvements	Traffic Impact Mitigation Fee credit for the actual cost of construction. Appropriate documentation verifying costs must be provided and accepted by the City.
El Segundo Boulevard Improvements, including Class I bicycle path	Traffic Impact Mitigation Fee credit for the actual cost of construction. Appropriate documentation verifying costs must be provided and accepted by the City.
Intersection Improvements within the City of El Segundo Environmental Impact Report Mitigation Measures TRA-1 to TRA-5	Traffic Impact Mitigation Fee credit for the required fair share fee paid to the City of El Segundo.
Bicycle Parking Facilities for the Metro Green Line El Segundo Station	$ 75,000 payment may be credited against Traffic Impact Mitigation Fee.


El Segundo Blvd
approximately 2 acres
30ft
160ft
1760ft
95ft

ORDINANCE NO. 1631

AN UNCODIFIED ORDINANCE APPROVING A SECOND AMENDMENT TO DEVELOPMENT AGREEMENT NO. 11-02

THE CITY COUNCIL DOES ORDAIN AS FOLLOWS:

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL SEGUNDO, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1.*Recitals*. The City Council declares as follows:

A. On January 19, 2016, the City Council approved and adopted Development Agreement No. 11-02, El Segundo South Campus Specific Plan ("ESSCSP"), and the associated environmental impact report.

B. On September 3, 2019, the City Council adopted Ordinance No. 1589 amending Development Agreement No. 11-02 to modify the development's phasing, implementation of certain improvements, and mitigation measures.

C. On October 4, 2021, CDC Mar Campus I, LLC filed an application for Minor Modifications to the ESSCSP No. 11-01 Revision "A"; second amendment to Development Agreement No. 11-02 ("Development Agreement Amendment"); Site Plan Review No. 21-01; Vesting Tentative Tract Map No. 83501; and Environmental Assessment No. 1305 to adopt an addendum ("Addendum") to the Final Environmental Impact Report (EA-905) ("FEIR") for the ESSCSP (State Clearinghouse No. 2012101081) for the for construction of a three-story building with partial basement totaling approximately 143,250 gross square feet and 122,080 square feet of net floor area; athletic practice fields; and parking in surface lots for a new sports facility on a 13.7 acre site in the southeast section of the Raytheon campus, located at 2000 East El Segundo Boulevard (Parcels 7 and 8) (the "Campus"). The development proposal identified in the preceding sentence is subsequently referred to as the "Project."

D. The City Development Services Department ("Department") reviewed the Project applications for, among other things, consistency with the City's General Plan, El Segundo Municipal Code ("ESMC"), and the ESSCSP.

E. The Department also reviewed the Project in accordance with the California Environmental Quality Act ("CEQA") and its associated promulgated regulations ("CEQA Regulations").

F. The Applicant and parties to Development Agreement No. 11-02—the Raytheon Company and City–seek to approve the Amended Development Agreement to delay the implementation of the Continental Boulevard extension, postpone the Nash Street extension, as relates to the relocation of the storage facility, and obligate the Applicant to construct the Nash Street extension if its sports facility project proceeds. The Applicant also proposes to pay $3 million toward the Plunge

Saari Swim Stadium Pool Rehabilitation capital improvement project to delay park and open space requirements triggered by the Project. Additional description of the proposed modifications to the Amended Development Agreement are set forth in the staff report accompanying this Ordinance, which was presented to the City Council on December 7, 2021 and incorporated into this Ordinance by reference.

G. On November 18, 2021, the Planning Commission conducted a duly noticed public hearing in accordance with Government Code § 65864 et seq. ("State Development Agreement Law"), to receive oral and written testimony and evidence regarding proposed entitlements associated with the Project, including the proposed Amended Development Agreement and Addendum

H. On November 18, 2021, the Planning Commission adopted its Resolutions Nos. 2902, 2903, and 2904 recommending City Council approval of the Project approvals set forth in paragraphs A and B, above.

I. In accordance with the Development Agreement Law, the City Council conducted a duly notice public hearing at its December 7, 2021 regular meeting to consider the Amended Development Agreement in light of all testimony and evidence. Notice of such public hearing was published in the El Segundo Herald on November 25, 2021, in accordance with Government Code § 65867.

J. After the conclusion of the public hearing, the City Council approved this Ordinance for first reading, and, at its regular meeting of December 7, adopted this Ordinance via second reading in accordance with the findings set forth below.

SECTION 2. *Findings in Support of Development Agreement Amendment*. The City Council finds as follows, in accordance with Government Code Section 65867.5:

A. General Plan Consistency: The Development Agreement Amendment is consistent with the goals, policies, and objectives of the General Plan and will not obstruct their attainment as the Project is consistent with the following:

Economic Development Element:

The City's Economic Development Element of the General Plan specifies the following:

Obj. ED1-2: Center diversification efforts on targeted industries that meet the City's criteria for job creation, growth potential, fiscal impact, and fit with local resources.

Policy ED1-2.1: Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential communities are met.

The Project promotes economic development and improves the City's tax base through inclusion of a broader range of office and land uses that contribute to the

balance and sustainability of local economy and patronage of commercial uses in the area of the project site.

Land Use Element:

The City's Economic Development Element of the General Plan specifies the following:

Goal LU7: Provide the highest quality public facilities, services, and public infrastructure possible to the community.

Policy LU7-1.2: No new development shall be allowed unless adequate public facilities are in place or provided for.

Policy LU7-2.3: All new development shall place utilities underground.

The Project is required to pay development impact fees, including for facilities, vehicles, and equipment for law enforcement, fire suppression, and general services, as well as road projects. Further, the Project site is located in an urbanized area with adequate infrastructure in place to accommodate the Project.

Open Space Element:

Goal OS1: Provide and maintain high quality open space and recreational facilities that meet the needs of the existing and future residents and employees within the City.

The Project will pay impact fees, including those for general services, which will be used to fund public pools. Further, the DA Amendment contains provisions to provide an alternative by allowing public use of Raytheon's existing employee park .

B. ESSCSP Consistency: The Development Agreement Amendment is consistent with the ESSCSP because it will allow the creation of job opportunities and balance growth, local resources and infrastructure capacity and need. Further, the Development Agreement Amendment will provide a basis for a positive contribution to the maintenance and expansion the City's facilities.

SECTION 3. *Approval of Development Agreement Amendment*. Pursuant to the findings set forth above, the City Council approves the Development Agreement Amendment subject to such necessary minor, conforming, and clarifying changes consistent with the terms thereof as may be approved by the City Manager, in consultation with the City Attorney, prior to the execution thereof. The full text of the Development Agreement, as hereby amended, is attached hereto as Exhibit A.

SECTION 4. *Environmental Review*. On December 7, 2021, the City Council adopted Resolution No. 5289 approving an Addendum to the FEIR for the ESSCSP (State Clearinghouse No. 2012101081) for the Project which, among other things, duly assesses the environmental impact of this Ordinance, the Development Agreement Amendment,

and the Project, in accordance with CEQA. This Ordinance incorporates the environmental findings and analysis set forth in Resolution No. 5289 by reference.

SECTION 5. *Construction*. This Ordinance must be broadly construed to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 6. *Inconsistent Provisions*. Any provision of the El Segundo Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to the extent necessary to implement the provisions of this Ordinance.

SECTION 7. *Severability*. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the city council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 8. *Publication and Effective Date*. The Mayor will sign and the City Clerk will attest to the passage of this Ordinance. The City Clerk will cause the same to be published once in a newspaper of general circulation within fifteen (15) days after its adoption. This Ordinance will take effect on the 30th day following its final passage and adoption.

SECTION 9. *Execution of Ordinance and Development Agreement Amendment*. The Mayor or presiding officer is hereby authorized to affix his signature to this Ordinance signifying its adoption by the City Council of the City of El Segundo, and the City Clerk, or duly appointed deputy, is directed to attest thereto. The City Manager is delegated to execute the Development Agreement Amendment and all other associated documents to effectuate its terms.

SECTION 10. *Electronic Signatures*. This Ordinance may be executed with electronic signatures in accordance with Government Code § 16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 11. *Recordation*. In accordance with Government Code § 65868.5, within 10 days of full execution of the Development Agreement Amendment, the City Clerk will cause a copy of the Development Agreement Amendment to be recorded in the office of the Los Angeles County Registrar-Recorder/County Clerk.

ORDINANCE NO. ___ HAD ITS FIRST READING ON _____, ITS SECOND READING ON _____, AND WAS DULY PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF EL SEGUNDO AT ITS REGULAR MEETING OF _____.

Drew Boyles, Mayor

ATTEST:

Tracy Weaver, City Clerk

APPROVED AS TO FORM:

Mark Hensley, City Attorney

EXHIBIT "A"
SECOND AMENDMENT TO
DEVELOPMENT AGREEMENT NO. 11-02

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: CITY CLERK CITY OF EL SEGUNDO 350 Main Street El Segundo, California 90245	EXEMPT FROM RECORDER'S FEES Pursuant to Government Code § 6103

SECOND AMENDMENT TO DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF EL SEGUNDO, CDC MAR EAST CAMPUS 1 LLC, AND RAYTHEON COMPANY

THIS AGREEMENT MUST BE RECORDED WITHIN TEN DAYS OF EXECUTION BY ALL PARTIES HERETO PURSUANT TO THE REQUIREMENTS OF GOVERNMENT CODE § 65868.5

SECOND AMENDMENT TO DEVELOPMENT AGREEMENT

This Second Amendment to Development Agreement ("Second Amendment") is made and entered into by and between the CITY OF EL SEGUNDO ("City"), a general law city and municipal corporation, RAYTHEON COMPANY ("Developer" or "RAYTHEON"), a Delaware corporation, and CDC MAR EAST CAMPUS 1 LLC ("CDC MAR"), a California limited liability company, as of this _____, 2021, City, CDC MAR and Developer are also individually referred to as "Party" and collectively as "Parties."

RECITALS

WHEREAS, the City and Developer entered into a Development Agreement ("Agreement") on or about the 24th day of March, 2016 with respect to the real property identified on Exhibit A thereto; and

WHEREAS, the City and Developer entered into that certain First Amendment to the Agreement ("First Amendment") on or about November 5, 2019; and

WHEREAS, Developer and CDC MAR executed that certain Assignment and Assumption Agreement recorded April 4, 2021 as County of Los Angeles Recorder's Office document No. 20210545516, by which CDC MAR became a part of the Agreement and First Amendment; and

WHEREAS, the Parties now desire to amend the Agreement with this Second Amendment to further specify phasing of the Project and the timing of certain Project improvements and/or conditions;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, City, CDC MAR and Developer agree as follows:

1. Section 1 of the Agreement ("Definitions") shall be amended as following:

"Effective Date" shall be amended to include the following definition:

As to the Second Amendment, the Effective Date shall be the date of the Enabling Ordinance as to the Second Amendment.

"Enabling Ordinance" shall be amended to include the following definition:

As to the Second Amendment, the enabling ordinance is Ordinance No. 1631

"Project Approvals" shall be amended to include the following items:

- First Amendment to the Development Agreement between City and Developer dated November 5, 2019;

- Minor Modifications to Specific Plan 11-01 Revision A ("Modified Specific Plan");

- This Second Amendment (DA 11-02);

- Addendum to the Raytheon El Segundo South Campus Specific Plan Project Final EIR (SCH# 2012101081);

- Environmental Assessment No. EA-1305

- Vesting Subdivision Map No. 83507 (21-02) as approved by Resolution No. 5291.

- Site Plan Review 21-01 and Planning Commission Resolution 2903 (Sports Facility)

- Site Plan Review 21-02 and Planning Commission Resolution 2904 (Storage Facility)

"Sports Complex Project" means the building of no more than 150,000 square feet of building area and sports practice and workout facilities on approximately 14 acres of land for use by the Los Angeles Chargers Headquarters and practice facilities which is more specifically described in the Project Approvals.

2. Revised Exhibit F and Exhibit G (referenced below) and new Exhibit H are attached hereto and incorporated herein by this reference.

3. Section 7.10 is hereby added to read as follows:

"7.10 Relocation Project.

If and only if the Recreation Facilities Use Agreement ("RFUA") in the form attached hereto and incorporated herein by this reference as Revised Exhibit D is executed by RAYTHEON and the City and is in full force and effect, the relocation of the existing uses within Buildings E-20 and E-21 to one or more new buildings that will be constructed on Parcel 18 of the Modified Specific Plan ("Relocation Project"), shall be deemed to not trigger the requirements of Section 7.1.2 or 7.2.1 above, provided said new building or buildings have a total net square footage less than or equal to the combined net square footage of Buildings E-20 and E-21 as described in Exhibit B.

4. The Agreement and First Amendment are amended such that all references to Parcels 1 through 26 in the Agreement shall refer to those Parcels as they are depicted in Exhibit 5 to the Modified Specific Plan rather than in Vesting Map No. 71551 or Vesting Map No. 83507.

5. Section 9.4 is hereby added to read as follows:

"9.4 The Sports Complex Project and the Relocation Project shall not trigger the requirements of Sections 9 of this Agreement, including sections 9.1, 9.2, or 9.3 of this Agreement which are alternative options for Raytheon or CDC Mar to meet the requirements of Section 9 of this Agreement. If the City receives the first $1 million payment pursuant to Section, and it is not subsequently required to return it to CDC Mar, then the 7.54 acre requirement set forth in Section 9, shall be reduced to 7.34 acres.

6. Section 10.4 is hereby added to read as follows:

10.4 CDC/MAR Payment and Land Dedication to the City

a. Upon City's final approval of the items listed under "Project Approvals" above, CDC MAR shall deposit with the City $1,000,000. The $1,000,000 once deposited with the City shall be non-refundable to CDC MAR and shall only be used by the City for Approved Expenditures for the Urho Saari Swim Stadium ("The Plunge") as defined below in subsection (b).

b. The use of the Deposit shall be limited to capital projects for The Plunge, specifically hard and soft costs of the City Council-approved project (the "Approved Expenditures").

c. In addition to subsection (a) above, CDC MAR shall deposit into an escrow account $2,000,000 ("the "Deposit") upon CDC MAR purchase of the land required for the Sports Complex Project which shall take place within 10 days of the date that all of the entitlements required for the Sports Complex Project are approved and past all applicable challenge periods (the "Close of Escrow") and in no event later than six months after the Effective Date unless a legal challenge is filed challenging said entitlements. If a legal challenge is filed, the time period for depositing the $2,000,000 into escrow shall be the later of the (i) Close of Escrow, or (ii) six months after the date that the litigation is fully adjudicated by a court of competent jurisdiction or is settled by the parties thereto.

d. The Deposit shall be released from the escrow account to the City in phases as follows: (1) $1,000,000 upon the City's issuance of a building permit for construction of the Sports Complex Project; and (2) $1,000,000 upon City's issuance of the permanent certificate of occupancy for the entire Sports Complex Project (the "Permanent C of O").

e. Except as set forth in Section 10.4.g., once an amount has been released from escrow to the City, the City shall be entitled to keep and use such amount; however the amounts received by the City shall only be used for Approved Expenditures

f. If no building permit is issued for the Sports Complex Project within twelve (12) months of the Effective Date, the Deposit shall be released to CDC MAR.

g. Within 12 months of the recording of the final Map for the Sports Complex Project, CDC Mar will offer for dedication to the City the approximate two acres of property identified in Exhibit H. This offer of dedication is separate and distinct from the obligations set forth in Section 9 of this Agreement and does not offset or alter the requirements of Section 9.

h. If the approximate three (3) acres of land that is being transferred by Raytheon to CDC Mar for purposes of constructing the Sports Complex Project (Described in Exhibit G), which acreage was part of Phase IV is not developed for purposes of the Sports Complex Project within the time periods set forth above, then the right to develop the three acres for the Sports Complex Project shall terminate and either CDC Mar may (i) transfer the three acres back to Raytheon (subject to Raytheon's sole discretion) and the parcels will be reconfigured to the substantially conform to their legal descriptions and the three acres will be returned to Phase IV, and the City will return any payments it has received pursuant to this Section 10.4 to CDC MAR, or (ii) the City Council has the right in its sole discretion to approve another development or structure(s) to be built on the three acres. Additionally, if the Sports Complex Projects does not proceed then the suspension of the transfer of development rights will apply to the three acres described on Exhibit G unless and until the City has approved a project or building pursuant to this Section 10.4.g.

i. The City and CDC MAR designate First American as the escrow company and shall provide written instructions to same consistent with the terms of this Second Amendment.

7. Section 4.14 is hereby added to read as follows:

Section 4.14: Transfer of Development Rights: Any right to transfer development rights as provided for in the Project Approvals is hereby suspended with regard to properties located within Phase III and Phase IV in Exhibit F unless and until the requirements of Section 9 of this Agreement are satisfied and either 9.1, 9.2, or 9.3 have been implemented. This Section shall not apply to Phases I and II in Exhibit F.

8. Section 23 ("Notices") is hereby amendment to include the following:

To CDC MAR:
CDC MAR East Campus 1 LLC
c/o Continental Development Corporation
2041 Rosecrans Avenue, Suite 200
El Segundo, CA 90245
Attn: Richard C. Lundquist
Email: rlundquist@continentaldevelopment.com

With a copy to:
Continental Development Corporation
2041 Rosecrans Avenue, Suite 200
El Segundo, CA 90245
Attn: Alex J. Rose.
Email: arose@continentaldevelopment.com

and

Mar Ventures, Inc.

721 N. Douglas Street
El Segundo, CA 90245
Attn: Allan W. Mackenzie
Email: allan.mackenzie@marventures.com

and

Best Best & Krieger
300 S. Grand Ave, Suite 2500
Los Angeles, CA 90071
Attn: Seth Merewitz, Esq.
Email: seth.merewitz@bbklaw.com

8. Except with respect to the specific changes made in this Second Amendment, the entire Agreement and First Amendment shall remain in full force and effect and not be amended or superseded by this Second Amendment. Furthermore, each party represents and warrants that to its knowledge that the other party has fulfilled those obligations that have matured as of the date of this Second Amendment. The individuals and parties executing the Agreement below, respectively warrant and represent that they have the authority to execute this Agreement.

IN WITNESS WHEREOF, Developer, CDC MAR and City of El Segundo have executed this Second Amendment on the date first above written.

CITY

CITY OF EL SEGUNDO,
a municipal corporation

Drew Boyles, Mayor

ATTEST:

Tracy Weaver,
City Clerk

APPROVED AS TO FORM:

Mark Hensley,
City Attorney

DEVELOPER

RAYTHEON COMPANY,
a Delaware corporation

By: [TBD]
Its:

CDC MAR

CDC MAR EAST CAMPUS 1 LLC,
a California limited liability company

By: CDC East Campus 1 LLC,
a California limited liability company
Its Managing Member

By: Continental Development Corporation,
a California corporation
Its Managing Member

By:_____
Name: _____
Title: _____

EXHIBIT D

[INSERT PARK RFUA]

RECREATION FACILITY USE AGREEMENT
BETWEEN THE CITY OF EL SEGUNDO AND RAYTHEON COMPANY
REGARDING USE OF RECREATIONAL FIELDS

This Recreation Facility Use Agreement ("Agreement") is entered into by and between the City of El Segundo ("City") and Raytheon Company, a Delaware corporation ("RTX") as of January 1, 2022.

RECITALS:

A. The City has a lack of recreational fields available for its residents and RTX owns improved recreational fields and parking lots on the RTX Campus.

B. The City and RTX have had an informal arrangement for many years concerning the use of the improved recreational fields and parking lots on the RTX Campus.

C. The City and RTX are now interested in entering into this Agreement for the City's use of the RTX property for recreational purposes for local employees, residents and local user groups (collectively, "City Participants") as defined herein.

NOW, THEREFORE, IT IS AGREED:

1. City's Use of RTX Recreational Fields. RTX shall grant the City, subject to the conditions herein, a non-exclusive license to allow City Participants to use RTX's improved recreational fields located on the RTX Campus, as set forth herein as Exhibit A and includes the various types of recreation facilities included in Exhibit A, without limitation the tennis courts ("Recreational Fields"). The City shall further have a non-exclusive right to limited parking by City Participants in connection with the Recreational Field use, as reasonably designated by RTX and as may be adjusted from time to time. All use by City Participants shall be scheduled in advance and set forth herein as the Recreation Facilities shall not be open for "drop-by" or unscheduled use by the City Participants. The City shall be allowed to schedule use of the Recreational Fields for City Participants from 5:00 p.m. to 9:00 p.m. Monday through Friday and from 8:00 a.m. to 9:00 p.m. on the weekends. Also, the City shall be allowed to schedule use of the Recreation Fields on a case-by-case basis subject to the reasonable discretion of RTX. The Recreational Fields are used by employees of RTX and for RTX events and RTX will have first priority in use. Based upon security and other operational concerns, the joint use by RTX and City Participants may be allowed at RTX's reasonable discretion for the purpose of limiting the total number of individuals using the Recreational Fields at the same time or not permitting incompatible uses on the Recreation Fields at the same times. City Participants shall be limited to using the Recreational Fields for practice purposes and competitive games between two or more teams shall not be allowed. Notwithstanding the preceding provisions, the City shall have the right to schedule play on a minimum of two Rcreational Fields at all times identified above and RTX employees will have priority use of one softball field. City participants shall be limited to Recreational Fields for practice purposes

from Monday through Friday and for practice and competitive play purposes on the weekend, however, RTX retains the right to approve of adult competitive play in its reasonable discretion. All or portions of the Recreational Fields may be shut down by RTX in its reasonable discretion for repair purposes to allow for the grass playing field areas to be reseeded/rejuvenated or repaired and for maintenance or repair purposes of other facilities.

2. Closure of Fields. RTX has the right in its sole discretion to shut down the Recreation Fields due to national emergencies, pandemics or other similar situations or due to local, state or federal mandates or recommendations, or arising from the reasonable security issues of RTX or its government customers, and the City shall not be able to utilize the Recreation Fields during such time period.

3. RTX and City Scheduling. On at least a quarterly basis RTX and the City shall meet for purposes of allowing the City to schedule use of the Recreation Fields by City Participants in accordance with the above rights and restrictions. These meetings will be used to coordinate the scheduling of RTX and the City's use of the fields for purposes of allowing the City to provide use of the Recreation Fields for City Participants that have ongoing or seasonal needs for recreation fields. Case-by-case uses that are known in advance shall also be discussed at these meetings but can also be communicated about at any time.

4. City's Use Policy. All use of the Recreational Fields, once approved by RTX as set forth above, shall be administered by and through City. The City has an approved "Athletic Field/Facility Use and Allocation Policy," as set forth herein as Exhibit B ("City Policy"). City shall utilize the City Policy (e.g. Process for Obtaining Permits, Liability Insurance Requirements, Miscellaneous Rules, Trash/Field Clean, Athletic Field/Facility Use Rules and Regulations, Application and Agreement Request) and require all users of the Recreational Fields to comply with the relevant provisions and requirements of the City Policy. Any changes to the City Policy are subject to review by RTX for use of the Recreational Fields.

5. Compliance with RTX Rules and Regulations. The use by the City and City Participants of the Recreational Fields and associated parking shall comply with RTX rules and regulations, including but not limited to the requirement that City Participants sign a Use Agreement and Agreement to Release and Indemnify RTX. Failure by any user to comply with the RTX Park Rules shall result in suspension of the such user's use of the Recreational Fields. The current TRX rules and regulations and use agreement, and release and indemnity agreement are attached hereto as Exhibit C and RTX retains the right to amend these rules, regulations and agreements from time to time in its reasonable discretion.

6. Maintenance Obligations; Accessibility. RTX shall be solely responsible for all maintenance obligations of the Recreational Fields. Unless otherwise expressly agreed in writing, City shall have no financial liability for the use of the Recreational Fields. RTX will study the Americans with Disabilities Act ("ADA") to determine potential

ADA access to the Recreational Fields and implement such appropriate access measures in its discretion.

7. Liability Insurance; Indemnity.

a. RTX shall require liability insurance from City and all users in the amounts set for in the Liability Insurance Requirements section of the City Policy. City shall provide, upon request by RTX, evidence of such coverages, which shall name RTX as an additional insured.

b. The City hereby agree to indemnify and hold RTX harmless from and against all claims, losses, liabilities, obligations, costs, expenses and damages, whether incidental, consequential or special, including legal fees and expenses, arising out of (i) City Participants' use and occupancy on the Recreational Fields pursuant to this Agreement, (ii) any breach or default on their part in the performance of any of their obligations under this Agreement, or (iii) any act or negligence of the City or of any of their agents, contractors, servants, employees or licensees with respect to the Recreational Fields. The City's indemnity shall not extend to claims, losses, liabilities, obligations, costs, expenses and damages, whether incidental, consequential or special, including legal fees and expenses, arising out of the gross negligence or intentional misconduct of RTX. This indemnity shall survive termination of this Agreement.

8. Term; Termination. This Agreement shall be effective as of January 1, 2022, and shall continue in effect at least until the earlier of (i) January 1, 2036, (ii) expiration of the Development Agreement between the City and RTX dated March 24, 2016, and any amendments thereto, or (iii) the satisfaction by RTX of the requirements set forth in Section 9 of such Development Agreement. Thereafter, this Agreement shall be automatically renewed from year to year, unless either party gives notice to the other party, on or before May 1 of each year, of its intent to seek amendment or not to renew this Agreement.

9. Security. The Recreational Fields are located within a secure campus and all users will be subject to the security requirements of RTX and will be required to be pre-approved for entry and provide required identification. No one will be admitted that is not pre-approved by RTX in their sole discretion.

10. Notice. Notices under this Agreement shall be given in writing, by personal delivery, or first class mail, addressed to:

City of El Segundo
Attn: City Manager
350 Main Street
El Segundo, CA 90245

City of El Segundo
Attn: City Clerk
350 Main Street

El Segundo, CA 90245

Raytheon Company
Attn:_____
[address]

Either party may change the person or address to which notices shall be given by providing written notice to the other party.

11. Complete and Final Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter contained herein, and represents the complete and final expression of the parties and supersedes any prior written or oral discussions, negotiations, understandings or agreements between the parties.

12. Successors and Assigns; Transfer or Sale. No interest in this Agreement shall be sold, assigned, pledged or alienated in any manner without the written consent of the other party. This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

13. No Third Party Beneficiary Rights. This Agreement is not intended to and shall not be construed to give any person or entity other than the parties signatory hereto, or their respective successors, assigns, heirs and legal representatives any interest or rights (including without limitation any third party beneficiary rights) with respect to or in connection with any Agreement or provision contained herein or contemplated hereby.

14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same document.

IN WITNESS WHEREOF, the parties have approved the execution of this Agreement by their duly authorized representatives, this ____ day of _____, 2021.

CITY OF EL SEGUNDO

_____
Mayor, City of El Segundo
Dated: _____, 2021

Attest:

_____
Tracy Weaver, City Clerk

Approved as to Form:

_____
Mark Hensley, City Attorney

RAYTHEON COMPANY

_____
By:
Dated: _____, 2021

RFUA EXHIBIT "A"

RECREATIONAL FIELDS

[Insert Map of Recreational Fields]



2 sporting events per day
1 softball field
1 soccer field
Picnic area – considered special event
Tennis courts- special event

RFUA EXHIBIT "B"

CITY POLICY

[Insert 2015 Athletic Field/Facility Use and Allocation Policy]

Raytheon Employee Park Rules
Hours: Sunrise to 9:00 p.m.
Prior approval/authorization required to use the park

- The park is for company use only and is not open to the public- Only employees and their guest (s) are allowed. Public or special event use must be coordinated through the City of El Segundo contact Shawn Green 310 227-5937.
- Park guest(s) - Must adhere to all state and local public health guidance and regulations
- Park guest must be accompanied by an employee at all times, unless authorized as an approved event through the City of El Segundo
- Park guest must clean up after themselves
- Park guest must bring their own equipment and remove the equipment when they leave
- No animals or pets permitted (except for service animals)
- No alcoholic beverages allowed without prior written approval
- The following items and activities are prohibited: golf, baseball, skateboards, skates, bicycles, boomerangs, kites, model rockets, and powered or remote controlled models or toys
- No vehicles are allowed on the park grounds
- Raytheon assumes no liability for lost or stolen items – use the park at your own risk

To report an emergency, call 310.607.7777
For questions contact Shawn Green 310 227-5937

RFUA EXHIBIT “C"

Raytheon El Segundo Baseball Field
Use Agreement
And Agreement To Release And Indemnify

On _____, 2021 (“Effective Date”), Raytheon Company (“Raytheon”) hereby grants “**(COMPANY NAME)**” permission to enter onto the Raytheon property located at 2000 E. El Segundo Blvd., El Segundo, CA, for the sole purpose of using Raytheon’s baseball field (the “Facility”) by **(COMPANY NAME)**’s participants (hereinafter referred to as the “Activity”). Raytheon and **(COMPANY NAME)** understand and agree to the following:

1. Facility Use License: Raytheon hereby authorizes **(COMPANY NAME)** and its participants, including players, families, spectators, umpires and **(COMPANY NAME)** officials to enter Raytheon’s property to use the Facility, including the adjacent parking lot and bathrooms.

2. Term: The time periods for this agreement is from _____,and may be extended only if the parties mutually agree in writing.

3. Entry on and Use of Raytheon Property: The Facility is located on a restricted access property, so **(COMPANY NAME)** participants must do the following to gain entry:
    a. Enter the property through the gate at the intersection of El Segundo and Intercontinental Boulevards;
    b. Inform the security guard the purpose of the entry;
    c. Show photo identification and, if requested, have their vehicle visually searched (as all cars entering the property are required to do);
    d. Park in the lot nearest to the baseball field;
    e. Comply with all traffic control signs;
    f. Comply with Raytheon Security guidance and instructions to ensure safety at all times on the property;
    g. Comply with all applicable federal, state and local laws and regulations;
    h. Depart the property immediately when instructed by Raytheon Security, and refusal to do so will be treated as trespassing subject to legal enforcement; and
    i. Remove all equipment and trash from the Facility at the end of each day’s use.

4. Facility Schedule Coordination: To ensure the Facility is available for use on **(COMPANY NAME)**’s requested dates and times, **(COMPANY NAME)** must coordinate with **Chanea Banks (cmbanks@raytheon.com); 310-505-9677)** at least 30 days in advance of the first use. Raytheon reserves the right to deny any request for use of the Facility and/or limit access to the Facility with or without advance notice. However, Raytheon will use reasonable efforts to provide advance notice to

(COMPANY NAME) of all scheduling changes and to ensure Security is informed of **(COMPANY NAME)**'s scheduled use.

5. Termination: Raytheon may terminate this agreement at any time with a 30-days advance written notice. In its sole discretion, Raytheon may terminate this agreement immediately if **(COMPANY NAME)** participants:

    a. Violate Raytheon rules and regulations pertaining to access to the property or use of the Facility; or
    b. Cause damage to the Facility or any other facilities or appurtenances on the Raytheon property.

6. Disputes & Remedies:
    a. Except as otherwise provided herein, each party's rights and remedies under this agreement are in addition to its rights and remedies at law or in equity. A party's failure to enforce any of its rights shall not constitute a waiver of such rights or of any other rights and shall not be construed as a waiver or relinquishment of any such provisions, rights or remedies; rather, the same shall remain in full force and effect.

7. Publicity: A party may only use the other party's name, logo, trademark, service mark, or trade dress for the purpose of advertising, making a news release, creating a business reference, creating website content or endorsement, with that party's prior written consent.

8. Warranty:

9. Raytheon does not warrant the condition of the Facility for **(COMPANY NAME)**'s use. **(COMPANY NAME)** agrees to use the Facility as-is and accepts responsibility for putting the Facility in the condition needed for its use.

10. **(COMPANY NAME)** shall be liable for all damage to the Facility and its appurtenances caused by **(COMPANY NAME)** participants, and shall reimburse Raytheon for reasonable repair or replacement costs, including Raytheon's reasonable management. costs.

11. Assignment: Neither party may assign this agreement without the other party's prior written consent.

12. Relationship: This agreement does not constitute or create a joint venture, pooling arrangement, partnership, or formal business organization of any kind, and the parties' rights and obligations are only those expressly set forth herein. Neither party has the authority to bind the other except to the extent expressly authorized herein. Neither party shall act as an agent for the other.

13. Limitation of Liability

    a. Indemnity: In consideration of the permission hereby extended to **(COMPANY NAME)** by Raytheon under this agreement, **(COMPANY NAME)** hereby agrees to release, indemnify and hold harmless Raytheon (including, but not limited to its officers, directors, employees, agents, successors and assigns), from any and all liabilities, losses, damages, costs or expenses, including reasonable attorneys' fees and costs, for personal injury, property damage or other claims, known or unknown and whether or not well founded in fact or law, which third parties or **(COMPANY NAME)** (including, but not limited to its officers, directors, employees, agents, successors and assigns) has or may have arising as a result of the permission extended to **(COMPANY NAME)** pursuant to this agreement.

14. Insurance:
    a. **(COMPANY NAME)** shall maintain Commercial General Liability coverage (including bodily injury and property damage, products / completed operations coverage and contractual liability coverage) with a limit of $1,000,000 per occurrence.
    b. Upon Raytheon's request, **(COMPANY NAME)** shall (i) provide Raytheon with certificates of insurance evidencing required insurance, (ii) arrange for a waiver of subrogation in favor of Raytheon, and (iii) in the case of the Commercial General Liability policies direct that Raytheon be added as an additional insured.

15. Notices: All notices under this agreement shall be in writing and shall be deemed properly delivered when sent to the other party by (a) certified mail or express mail at the following address (or such address as a Party designates in writing), or (b) by email to the following address when the other party confirms receipt of the email.

Raytheon Company	Company Name
2000 E. El Segundo Blvd.	Street Address
M/S EO/E04/P120	
El Segundo, CA 90254	City, Zip Code
Supply Chain Management	Contact Name.
ATTN: Kelly Bennett	Phone:
Email: kelly.j.bennett@raytheon.com	Email:

16. COVID Regulation Compliance: **(COMPANY NAME)** shall be solely responsible for compliance with all state and local public health guidance and regulations.

By signing below, **(COMPANY NAME)** acknowledges that it has read and understands this agreement. This agreement shall be governed by the laws of the State of California, which shall be the forum for any actions filed under or incident to this agreement or to the Activity. If

any portion of this agreement is held invalid, the rest of the document shall continue in full force and effect.

IN WITNESS WHEREOF, the parties executed this agreement in duplicate originals by their duly authorized representatives effective as of the day and year last below written.

Raytheon Company	**COMPANY NAME**
_____	_____
Signature	Signature
Name:	Name:
Title: Supply Chain Management	Title:
Date: _____, 2021	Date: _____, 2021

EXHIBIT F

[INSERT REVISED]

EXHIBIT F

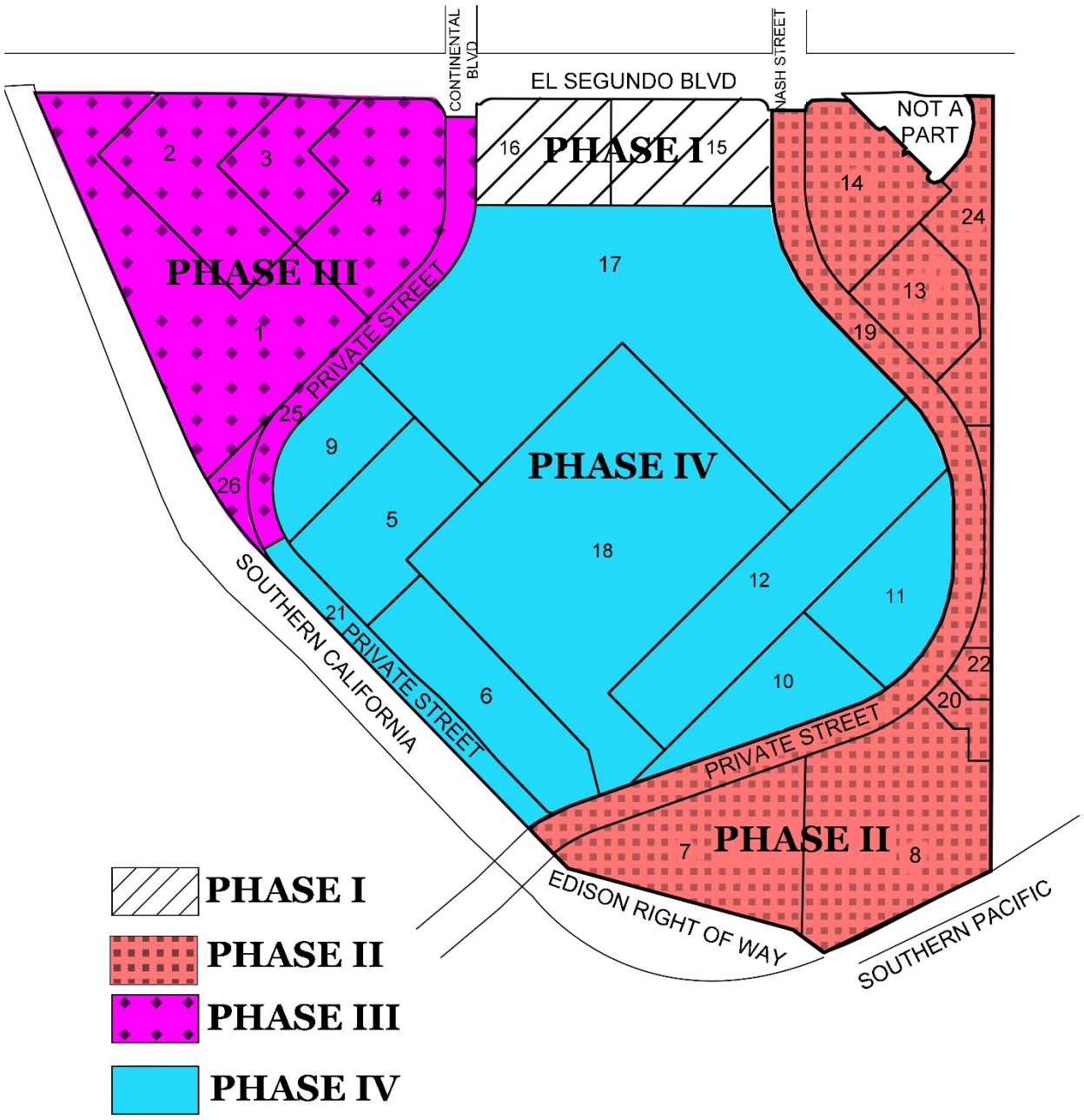

CONTINENTAL BLVD
EL SEGUNDO BLVD
NASH STREET
NOT A PART
PHASE I
PHASE II
PHASE III
PHASE IV
PRIVATE STREET
PRIVATE STREET
PRIVATE STREET
SOUTHERN CALIFORNIA
EDISON RIGHT OF WAY
SOUTHERN PACIFIC
1
2
3
4
5
6
7
8
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11
12
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14
15
16
17
18
19
20
21
22
24
25
26

Exhibit Parcel #	Tract Map 71551	Tract Map 83507
1	1	-
2	2	-
3	3	-
4	4	-
5	-	5
6	-	6
7	-	7
8	-	8
9	-	9
10	-	10
11	-	11
12	12	-
13	13	-
14	14	-
15	15	-
16	16	-
17	17	-
18	-	1
19	-	2
20	-	3
21	-	4
22	-	12
23	-	13
24	24	-
25	25	-
26	26	-

EXHIBIT G

[INSERT 3 ACRES PARCEL]

19

4138-013-003

23

OWNER: CDC MAR

3 ACRES

22

OWNER: CDC MAR

20

OWNER: CDC MAR

19

7

OWNER: CDC MAR

8

OWNER: CDC MAR

N

0 30' 60'

SCALE: 1"=60'

EXHIBIT H

[INSERT LAND FOR OFFER OF DEDICATION]


El Segundo Blvd
approximately 2 acres
30ft
160ft
1760ft
95ft

Recording requested by:
City of El Segundo
350 Main Street
El Segundo, CA 90245
When recorded, mail to:

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

No fee per Government Code § 6103

IRREVOCABLE OFFER TO DEDICATE

(To the City of El Segundo)

No Documentary Transfer Tax per Revenue Taxation Code § 11922

This Irrevocable Offer to Dedicate ("Offer") is made by CDC MAR East Campus 2 LLC, a California limited liability company ("Grantor") to the City of El Segundo, a general law city and municipal corporation ("City").

1. **Recitals**. This Offer is made with the following understandings and objectives:

A. Pursuant to that certain Assignment and Assumption Agreement, dated March 8, 2022 (Recorded as Doc. No. 2022-0285160), CDC MAR East Campus 1 LLC, a California limited liability company (the "assignor"), has assigned all of its rights, title and interest to the Development Agreement and the Project Approvals with respect to the Transferred Property to CDC MAR East Campus 2 LLC, a California limited liability company (the "Assignee" and "Grantor" herein) who has assumed all of the term. Conditions, covenants and obligations under the Development Agreement and the Project Approvals allocated to the Transferred Property.

B. Grantor is the owner of certain real property situated in the City of El Segundo, County of Los Angeles, State of California, described and depicted in attached Exhibit "A", which is incorporated by reference ("Grantor's Property");

C. Grantor's Property will be redeveloped in accordance with the entitlements approved by the City Council on December 21, 2021, as memorialized by the Project Approvals set forth in the Second Amendment to the Development Agreement, which is incorporated by reference ("Development Agreement");

D. Grantor is the owner of certain real property to be irrevocably offered to the City

as depicted in attached Exhibit "B"

2. **Irrevocable Offer to Dedicate.** Grantor irrevocably offers to dedicate to City up to an approximately 2 acre site (as identified by meets and bounds) on Grantor's Property, as described and depicted in Exhibits "A" and "B" for City open space or recreation only (the "Offered Property").

3. **Limitations**. City shall accept the Offered Property subject to all non-monetary encumbrances, in its "as is", "where is" and "with all faults" condition, and City acknowledges and agrees that there are no representations and/or warranties, express or implied, made by Grantor in connection with the Offered Property or the dedication contemplated in this Offer. After acceptance, City agrees that it shall grant Grantor any easements, licenses or other related instruments reasonably required in order to implement the Project Approvals and any future approvals given to Grantor by the City.

4. **Duration and Acceptance**. This irrevocable offer of dedication is binding upon the owner and the heirs, assigns or successor in interest to the Offered Property described above for a period of twenty (20) years. This Offer may be accepted by City. Such acceptance must be effectuated by recordation of City of an acceptance of this Offer in the form attached as Exhibit "C". Upon such recordation of acceptance, this Offer and terms, conditions and restrictions have the effect of a grant of property in gross and perpetuity that runs with the land and is binding on the heirs, assigns, and successors of Grantor.

5. **Remedies**. Any act, conveyance, contract, or authorization by Grantor, whether written or oral, which uses or would cause to be used, or would permit use of the Offered Property contrary to the terms of this Offer, is a violation and a breach of this Offer. Grantor and City may pursue any and all available legal and/or equitable remedies to enforce the terms and conditions of the Offer and their respective interest in the Offered Property. In the event of a breach, any forbearance on the part of any such party to enforce the terms and provisions this Offer cannot be deemed a waiver of enforcement rights regarding any subsequent breach.

6. **Taxes and Assessments**. Grantor agrees to pay or cause to be paid all real property taxes and assessments levied or assessed against the Offered Property until accepted by City. It is intended that this irrevocable Offer constitutes enforceable restrictions within the meaning of (a) Article XIII, § 8, of the California Constitution; and (b) Revenue and Taxation Code § 402.1, or successor statute. Furthermore, this Offer constitutes a servitude upon the burden to the Offered Property within the meaning of Revenue and Taxation Code § 3712(d), or successor statute, which survives a sale or tax-deeded property.

7. **Service of Notice.** All notices to be served by one party to the other pursuant to this agreement are deemed to have been served when made in writing and deposited in the U.S. mail, registered and postage prepaid, addressed as follows:

a. To Grantor: CDC MAR East Campus 2 LLC
c/o Continental Development Corporation
2041 Rosecrans Avenue, Suite 200
El Segundo, CA 90245

Attention: Alex Rose

b. To Grantee: City Manager
City of El Segundo
350 Main Street
El Segundo, CA 90245

8. **Binding upon Successors**. All terms and conditions in this Easement will be binding upon the parties, their successors, and assigns. The benefits and burdens herein are intended to and will run with the land. This is the entire agreement between the parties and will not be modified except by written instrument signed by all the parties.

9. **Authority**. Grantor expressly warrant and represent that it has the power to grant this Offered Property in accordance with its terms.

10. **Governing Law.** This document 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 document will be in Los Angeles County.

11. **Severability**. If any provision of this Offer is held to be invalid, or for any reason becomes unenforceable, no other provision will be affected or impaired.

12. **Counterparts.** This document may be executed in any number or counterparts, each of which will be an original, but all of which together will constitute one instrument executed on the same date.

Executed this ___th day of _____, 2022.

GRANTOR:

CDC MAR EAST CAMPUS 2 LLC,
a California limited liability company

By: CDC East Campus 2 LLC,
a California limited liability company
Its: Managing Member

By: Continental Development Corporation,
a California corporation
Its: Managing Member

By: _____
Name: Alex J. Rose
Title: Executive Vice President, Development

EXHIBIT A
LEGAL DESCRIPTION OF PROPOSED DEDICATION

[to be inserted]

EXHIBIT B
DEPICTION OF PROPOSED DEDICATION

[to be inserted]

EXHIBIT C

ACCEPTANCE OF IRREVOCABLE OFFER TO DEDICATE
By
CITY OF EL SEGUNDO

This is to certify that the interest in real property offered in the Irrevocable Offer to Dedicate dated _____, from CDC MAR East Campus 2 LLC to the City of El Segundo, a general law city and municipal corporation, is accepted by the undersigned officer on behalf of the City pursuant to authority conferred by City Council Resolution No. _____adopted on _____, and the City consents to recordation thereof by its duly authorized officer for City open space for passive and active recreation only.

_____ _____
Darrel George Date
Interim City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

_____
Mark D. Hensley
City Attorney

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On_____, before me, _____, Notary Public_____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is~~/are~~ subscribed to the within instrument and acknowledged to me that he~~/she/they~~ executed the same in his~~/her/their~~ authorized capacity~~(ies)~~, and that by his~~/her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
(Signature)

City Council Agenda Statement

Meeting Date: February 21, 2023
Agenda Heading: Committees, Commissions and Boards Presentations
Item Number: E.17

TITLE:

Amended Committees, Commissions and Boards Bylaws and Possibly Broadcasting and/or Recording Committee, Commission and Board Meetings

RECOMMENDATION:

1. Approve the amended bylaws for the following Committees, Commissions and Boards: Arts and Culture Advisory Committee, Capital Improvement Program Advisory Committee, Diversity, Equity and Inclusion Committee, Environmental Committee, Library Board of Trustees, Planning Commission, Recreation and Parks Commission and Senior Citizen Housing Corporation Board.

2. Discuss recording and/or broadcasting live Committee, Commission and Board meetings and provide direction to staff.

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

FISCAL IMPACT:

None.

BACKGROUND:

At its August 16, 2022 meeting, City Council directed staff to update bylaws for each of the City's nine Commissions, Committees and Boards (CCBs) to create uniformity and consistency in operations across all CCBs. The following summarizes the provisions added to the bylaws:

Selection of Members
After the application period has closed, the chair and vice-chair shall review the applications and recommend candidates to City Council for interview.

Qualifications
Members of the CCB shall be representatives of the community who live or work within the City of El Segundo, with the following exceptions:

- The Planning Commission, Recreation and Parks Commission and Senior Housing Corporation Board shall be comprised of El Segundo residents.
- The Diversity, Equity and Inclusion Committee may include high school students in addition to residents and business representatives.
- The Environmental Committee shall include a voting member appointed by El Segundo Unified School District.

Interviews
City Council may hold interviews twice a year.

Term of Office
The term for CCB members is three (3) years without term limits (except for the Planning Commission and Recreation and Parks Commission with four (4) year terms).

Removing a Member
Members of the CCB shall serve at the pleasure of the City Council and may be removed at any time, without cause, by a majority vote of the City Council.

Removing a Member Due to Absences
When any member has three (3) or more absences within a 12-month period, the CCB may recommend removal of the subject member, and the member's seat would be deemed vacant by a majority vote of the City Council.

Removing a Member Due to Conduct
The CCB may make a recommendation to City Council to remove a member based on conduct, and that member may be removed by a majority vote of City Council.

El Segundo City Employee Eligibility
City employees are not eligible for CCB membership. The Recreation and Parks Commission requested that City employees who are not part of the Recreation, Parks and Library Department be allowed to serve on the Commission.

Regular Meetings
The fixed meeting dates and times shall be made known before members join the CCB. Selected meeting dates and times for each CCB are listed below.

Joint Meeting with City Council
The CCB will participate in an annual joint meeting with the City Council and representatives from each of the City's commissions, committees, and boards.

Workplan Update at a City Council Meeting
A member of the CCB will present an update at a City Council Meeting on the committee's work plan and progress.

Assistance of Staff
The Department Director shall provide the CCB with such information and staff assistance as the CCB may reasonably request from time to time, subject to the limitations imposed by City Council. The staff member designated by the Department Director shall confer with the Director to determine if a request for research by the CCB requires extra dedication and staff time that may not be available.

CCB Recess
The CCB may be placed on a short or extended recess by a majority vote of the City Council. City Council may determine if a recess is necessary based on the CCB's workload and progress towards accomplishing assigned City Council objectives, with the exception of the Library Board of Trustees and the Planning Commission, which are required by State of California law, and the Senior Housing Board due to its corporate status.

Dissolution
The CCB may be dissolved by a majority vote of City Council, with the exception of the Library Board of Trustees, which is a state mandated CCB, the Recreation and Parks Commission and the Planning Commission, which are established by City Ordinance, and the Senior Housing Board due to its corporate status.

DISCUSSION:

Amended Bylaws for the City's Commissions, Committees and Boards

Amended bylaws were approved by eight of the City's nine CCBs on the dates listed below to reflect the changes approved by City Council at its August 16, 2022 meeting. New members are scheduled to be appointed to the Investment Advisory Committee on February 21,2023 and the bylaws will be considered for approval at the Committee's first meeting. Also listed below are the regular meeting dates and times for each of the CCBs. The bylaws approved by each CCB are attached.

	CCB	Date Approved by CCB	Regular Meeting Date and Time
1.	Art & Culture Advisory Committee	December 20, 2022	4th Tuesday of the month at 5:30 p.m.
2.	Capital Improvement Program	December 19, 2022	Monthly at 6:00 p.m.

	Advisory Committee		- January through April
3.	Diversity, Equity, & Inclusion Committee	December 6, 2022	2nd Wednesday of the month at 6:00 p.m.
4.	Environmental Committee	January 6, 2023	1st Friday of the month at 12:00 p.m.
5.	Investment Advisory Committee' Appointment of new members - February 21, 2023	Bylaws will be considered for approval at the Committee's first meeting.	TBD
6.	Library Board of Trustees	January 24, 2023	2nd Tuesday of the month at 6:00 p.m.
7.	Planning Commission	December 8, 2022	2nd and 4th Thursday of the month at 5:30 p.m.
8.	Recreation and Parks Commission	February 15, 2023	3rd Wednesday of the month at 6:00 p.m.
9.	Senior Citizen Housing Corporation Board	Accepted (not approved) on January 25, 2023	4th Wednesday of the month at 3:30 p.m.

Broadcasting and/or Recording CCB Meetings

Members of the public have made multiple requests to record and/or broadcast live the Diversity, Equity and Inclusion Committee meetings. For consistency across all CCBs, staff is requesting guidance and feedback from City Council. Options include:

- Allocate budget to have ESMedia record all CCB meetings and post the recordings on the City's website (the preliminary cost estimate is $117,000 annually).
- Allow meetings to be available to the public on Zoom (CCB members will be required to be in person) which would require the assistance of a 2nd staff member at the meeting to manage Zoom.
- Record (video and audio) meetings via Zoom and post the recording on the City's website, which would require ESMedia's assistance in posting the recordings to the website.
- Explore the possibility of broadcasting meetings live in the Executive Conference

Room (this option will also include ESMedia staff time).

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Diversity, Equity, Inclusion and Communication

Objective 1A: El Segundo provides unparalleled service to all customers.
Objective 1 B: El Segundo's engagement with the community ensures excellence.

PREPARED BY:
Barbara Voss, Deputy City Manager
REVIEWED BY:
Barbara Voss, Deputy City Manager
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Arts and Culture Advisory Committee Bylaws
2. Capital Improvement Advisory Committee Bylaws
3. Diversity Equity and Inclusion Committee Bylaws
4. Environmental Committee Bylaws
5. Library Board of Trustees Bylaws
6. Planning Commission Bylaws
7. Recreation and Parks Commission Bylaws
8. Senior Citizen Housing Board Corporation Bylaws

BYLAWS OF THE
ARTS AND CULTURE ADVISORY COMMITTEE

Amended January 15, 2023

ARTICLE I – NAME

The name of this organization shall be the Arts and Culture Advisory Committee otherwise known as the ACC.

ARTICLE II – PURPOSE

The purpose of the ACC is to advise the City Council on matters related to art and culture in the El Segundo community as well as the planning and installation of public art and cultural programming. The ACC shall serve as a forum for effective collaboration leading to the growth of art and culture in the City of El Segundo. The committee is a standing advisory committee that serves at the behest of the City Council.

ARTICLE III - QUALIFICATIONS

Members of the ACC shall be of representatives of the community who live or work within the City of El Segundo.

ARTICLE IV - MEMBERSHIP

The ACC shall be composed of eleven (11) voting members who live or work in the City of El Segundo. ACC members shall represent a variety of backgrounds representative of the arts including but not limited to creative art, technology, and science.

Section I - Selection of Members
The City of El Segundo shall advertise and solicit applications to fill any vacant positions that may occur. After the application period has closed, the chair and vice-chair shall review the applications and recommend candidates to the City Council for interview. The City Council may interview candidates and will make all appointments pursuant to Government Code §40605. A candidate may not serve on the committee without City Council final approval.

Section II- Interviews
The City of El Segundo City Council may hold interviews twice a year.

Section III- Term of Office
The term for ACC members is three (3) years without term limits.

Section IV - Compensation
ACC members are not compensated.

Section V – Removing a Member
Members of the ACC shall serve at the pleasure of the City Council and may be removed at any time, without cause, by a majority vote of the City Council.

Section VI– Removing a Member Due to Absences
When any member has three (3) or more absences within a 12-month period, the Committee may recommend removal of the subject member, and the member's seat would be deemed vacant by a majority vote of the City Council.

Section VII – Removing a Member Due to Conduct
The ACC Chair may make a recommendation to City Council to remove a member based on conduct, and that member may be removed by a majority vote of City Council.

Section VIII – El Segundo City Employee Eligibility
City Employees are not eligible for ACC membership.

ARTICLE V - MEETINGS

All meetings shall be open and public pursuant to the Government Code of the State of California.

Section I - Regular Meetings
Regular Meetings of the ACC shall be monthly on the 4th Tuesday of the month at 5:30 p.m.

Section II - Special Meetings
Special meetings of the committee may be held at any time upon the call of the chair or a majority of the voting members. The chair or a majority of the ACC shall determine the time and place of the special meeting. Special meetings must be noticed 24 hours in advance of the meeting.

Section III- General Meeting
At its regular meeting in January of each year, ACC members will elect chair and vice-chair as well as discuss any other long-term initiatives for the year.

Section IV- Joint Meeting with City Council
The ACC will participate in an annual joint meeting with the City Council and representatives from each of the City's commissions, committees and boards.

Section V- Workplan Update at a City Council Meeting
A member of the ACC will present an update at a City Council Meeting on the committee's work plan and progress.

Section VI - Quorum
A majority of the ACC (six members) shall constitute a quorum. A quorum is necessary for action by the ACC.

Section VI - Voting
Each member shall have one vote.

Section VII - Meeting Procedures
Except as otherwise provided by these bylaws or City Council Resolutions the ACC will follow the latest edition of Robert's Rules of Order for the orderly conduct of meetings.

ARTICLE VI - OFFICERS

Officers of the ACC shall be a chair and a vice-chair. Term of chair and vice-chair shall be for one (1) year. Duties of the officers shall conform to the regular parliamentary duties as set for by Robert's Rules of Order or similar rules of parliamentary procedure, e.g. Rosenburg's Rules of Order. These bylaws' terms will supersede any conflicting parliamentary procedural rule. Failure to strictly follow parliamentary guidelines will not itself invalidate any committee action.

Section I - Chair
The chairperson shall preside over the meetings of the ACC.

Section II – Vice-Chair
During the absence, disability or disqualification of the chair, the vice-chair shall perform all the duties and be subject to all the responsibilities of the chair. The vice-chair shall succeed the chair if he/she/they vacates the office before the term expires. A new vice-chair shall be elected at the next regular meeting.

Section III - Duties of the ACC
It is intended that the ACC shall be an advisory body to the City Council. Nothing herein contained should be construed as a limitation on the power of the City Council or the administrative staff of the City in their supervision or authority over property or personnel under their jurisdictions.

ARTICLE VII - OFFICIAL DOCUMENTS

Section I- Minutes
Minutes of all meetings should be prepared and maintained with the ACC records. Copies shall be distributed to the ACC, City Council and City Clerk. Minutes shall be posted on the City's website following ACC approval.

Section II- Distribution of Documents
Preparation and distribution of ACC documents to the City Council, City Clerk, ACC members and via email to members of the public who requested to receive ACC meeting notifications shall be the responsibility of the designated employee as identified by the City Manager.

ARTICLE VIII – CONDUCT OF MEMBERS

Section I - Representing the ACC
ACC members shall make no personal commitment to speak on behalf of the ACC, nor make any statements or take actions representing the ACC, without majority approval.

Section II - Conflict of Interest
Members of ACC shall abstain from participating in any matter to come before the ACC in which he, she, or they has any direct or indirect economic interest. Should conflict of interest exist, the ACC member shall remove himself/herself/themself from discussions and abstain from voting. A yearly Conflict of Interest Statement (Form 700) shall be filed with the City Clerk.

Section III – Conduct at Meetings

Meetings will be conducted based upon the latest edition of Robert's Rules of Order (or similar rules of parliamentary procedure, e.g. Rosenburg's Rules of Order). Where there is a conflict between the parliamentary guidelines and these bylaws, the bylaws should have precedence. Failure to strictly follow parliamentary guidelines shall not invalidate an action of the committee.

ARTICLE IX – ASSISTANCE OF STAFF

The Recreation, Parks and Library Director shall provide the ACC with such information and staff assistance as the ACC may reasonably request from time to time; subject to the limitations imposed by City Council. The staff member designated by the Recreation, Parks and Library Director shall confer with the department head to determine if a request for research by the committee requires extra dedication and staff time that may not be available.

ARTICLE X – BYLAW AMENDMENTS

These bylaws may be amended by simple majority of those voting at any legal meeting of the ACC. Such amendments must be approved by the City Council.

ARTICLE XI – CCB RECESS

The ACC may be placed on a short or extended recess by a majority vote of the City Council. City Council may determine if a recess is necessary based on the ACC's workload and progress towards accomplishing assigned City Council objectives.

ARTICLE XII – DISSOLUTION

The ACC may be dissolved by a majority vote of the City Council.

BYLAWS OF THE
CAPITAL IMPROVEMENT ADVISORY COMMITTEE

Amended December 19, 2022

ARTICLE I - NAME

The name of this organization shall be the Capital Improvement Program Advisory Committee otherwise known as CIPAC.

ARTICLE II – PURPOSE

The purpose of the Capital Improvement Program Advisory Committee (CIPAC) assists in the development of a five-year Capital Improvement Program. The committee reviews projects and makes recommendations to the City Council for funding. CIPAC also holds a yearly community workshop to garner feedback for project request and issues from the public.

ARTICLE III - QUALIFICATIONS

Members of the CIPAC shall be representatives of the community who live and/or work within the City of El Segundo.

ARTICLE IV - MEMBERSHIP

The CIPAC shall be composed of five (5) voting members, including three (3) residents and two (2) local business representatives. Candidates for the membership are reviewed and recommended by the chair and vice-chair of the CIPAC and then approved and appointed by the City Council.

Section I- Selection of Members
The City of El Segundo shall advertise and solicit applications to fill any vacant positions that may occur. After the application period has closed, the chair and vice-chair of the CIPAC shall review the applications and recommend candidates to the City Council for interview. The City Council may interview candidates and will make all appointments pursuant to Government Code § 40605. A candidate may not serve on the committee without City Council's final approval.

Section II- Interviews
The City of El Segundo City Council may hold interviews twice a year.

Section III- Term of Office
The term for CIPAC members is three (3) years without term limits.

Section IV - Compensation
CIPAC members are not compensated.

Section V - Removing a Member
Members of the CIPAC shall serve at the pleasure of the City Council and may be removed at any time, without cause, by a majority vote of the City Council.

Section VI – Removing a Member Due to Absences
When any member has three (3) or more absences within a 12-month period, the Committee may recommend removal of the subject member, and the member's seat would be deemed vacant by a majority vote of the City Council.

Section VII – Removing a Member Due to Conduct
Members of the CIPAC serve at the pleasure of the City Council, the CIPAC Chair and council liaison may make a recommendation to City Council to remove a member based on conduct, and that member can be removed by a majority vote of City Council.

Section VIII – El Segundo City Employee Eligibility
City Employees are not eligible for CIPAC membership.

ARTICLE V – MEETINGS

All meetings shall be open and public pursuant to the Government Code of the State of California.

Section I - Regular Meetings
The fixed meeting dates and times are to be made known before members join the CIPAC, and with specific details on dates and times to be finalized and brought back to a future City Council meeting. Regular CIPAC meetings meet at 6:00 p.m., monthly in January, February, March, April, and May at City Hall, 350 Main Street with the goal of finalizing its recommendation to the City Council in June.

Section II - Special Meetings
Special meetings of the committee may be held at any time upon the call of the chair or a majority of the voting members. The chair or a majority of the CIPAC shall determine the time and place of the special meeting. Special meetings must be noticed 24 hours in advance of the meeting.

Section III – General Meeting
At its regular meeting in January of each year, CIPAC members will elect a chair andvice-chair as well as discuss any other long-term initiatives for the year.

Section IV- Joint Meeting with City Council
The CIPAC will participate in an annual joint meeting with the City Council and representatives from each of the City's commissions, committees, and boards.

Section V- Workplan Update at a City Council Meeting
A member of the CIPAC will present an update at a City Council Meeting on the committee's work plan and progress.

Section VI – Quorum
A majority of the CIPAC (three members) shall constitute a quorum. A quorum is necessary for action by the CIPAC.

Section VI - Voting
Each member shall have one vote.

Section VII - Meeting Procedures
Except as otherwise provided by these bylaws or City Council Resolutions the CIPAC will follow the latest edition of Robert's Rules of Order for the orderly conduct of meetings.

ARTICLE VI - OFFICERS

Officers of the CIPAC shall be a chair and a vice-chair. Term of the chair and vice-chair shall be for one (1) year. Duties of the officers shall conform to the regular parliamentary duties as set for by Robert's Rules of Order or similar rules of parliamentary procedure, e.g. Rosenburg's Rules of Order. These bylaws' terms will supersede any conflicting parliamentary procedural rule. Failure to strictly follow parliamentary guidelines will not itself invalidate any commission action.

Section I - Chair
The chairperson shall preside over the meetings of the CIPAC.

Section II - Vice Chair
During the absence, disability or disqualification of the chair, the vice-chair shall perform all of the duties and be subject to all of the responsibilities of the chair. The vice-chair shall succeed the chair if he/she vacates the office before the term expires. A new vice-chair shall be elected at the next regular meeting.

Section III - Duties of the CIPAC
It is intended that the CIPAC shall be an advisory body to the City Council. Nothing herein contained should be construed as a limitation on the power of the City Council or the administrative staff of the City in their supervision or authority over property or personnel under their jurisdictions.

ARTICLE VII - OFFICIAL DOCUMENTS

Section I- Minutes
Minutes of all meetings shall be prepared and maintained with the CIPAC records. Copies shall be distributed to each CIPAC member, City Council Member and City Clerk.

Section II- Distribution of Documents
Preparation and distribution of CIPAC documents to the City Council, City Clerk, the CIPAC members and via email to members of the public who requested to receive CIPAC meeting notifications shall be the responsibility of the designated employee as identified by the Public Works Director.

ARTICLE VIII – CONDUCT OF MEMBERS

Section I- Representing the CIPAC
CIPAC members shall make no personal commitment to speak on behalf of the CIPAC, nor make any statements or take actions representing the CIPAC, without majority approval.

Section II- Conflict of Interest
Members of the CIPAC shall abstain from participating in any matter to come before the CIPAC in which he or she has any direct or indirect economic interest. Should conflict of interest exist, the CIPAC member shall remove himself/herself from discussions and abstain from voting. A yearly

Conflict of Interest Statement Form (700) shall be filed with the City Clerk.

Section III – Conduct at Meetings
Meetings will be conducted based upon the latest edition of Robert's Rules of Order (or similar rules of parliamentary procedure, e.g., Rosenburg's Rules of Order). Where there is a conflict between the parliamentary guidelines and these bylaws, the bylaws should have precedence. Failure to strictly follow parliamentary guidelines shall not invalidate an action of the commission.

ARTICLE IX – ASSISTANCE OF STAFF

The Public Works Director shall provide the CIPAC with such information and staff assistance as the CIPAC may reasonably request from time to time; subject to the limitations imposed by City Council. The staff member designated by the Public Works Director shall confer with the director to determine if a request for research by the commission requires extra dedication and staff time that may not be available.

ARTICLE X – BYLAW AMENDMENTS

These Bylaws may be amended by simple majority of those voting at any legal meeting of the CIPAC. Such amendments must be approved by the City Council.

ARTICLE XI – CIPAC RECESS

The CIPAC may be placed on a short or extended recess by a majority vote of the City Council. City Council may determine if a recess is necessary based on the CIPAC's workload and progress towards accomplishing assigned City Council objectives.

ARTICLE XII – DISSOLUTION

The CIPAC may be dissolved by a majority vote of the City Council.

BYLAWS OF THE
DIVERSITY, EQUITY, AND INCLUSION COMMITTEE

Amended December 6, 2022

ARTICLE I – NAME

The name of this organization shall be the Diversity, Equity, and Inclusion Committee otherwise known as the DEI Committee.

ARTICLE II – PURPOSE

The DEI Committee advises the City Council on issues of diversity, equity, and inclusion. This work includes examination of four key City areas to produce a clear picture of the current practices, as well as the El Segundo community's sentiments towards these practices. Upon finding areas for improvement, the DEI Committee shall make recommendations to City Council intended to address any marginalized or underrepresented segments of our community. The Committee is a standing advisory committee that serves at the behest of the City Council.

The four initial study topics are as follows:

1) Public Safety (including a review of Police Department policies, practices, training, and futuredirection)
2) Citywide Organization (including a review of City government policies, practices, training, etc.)
3) Community At-large (including a review of City demographic data, history, trends, etc.)
4) Local Economy (including a review of private sector diversity policies practices, training, etc.)

ARTICLE III - QUALIFICATIONS

Members of the DEI Committee shall be of representatives of the community who live, work or attend high school within the City of El Segundo.

ARTICLE IV - MEMBERSHIP

The DEI Committee shall be composed of nine (9) voting members who live, work or attend high school in the City of El Segundo.

Section I - Selection of Members
The City of El Segundo shall advertise and solicit applications to fill any vacant positions that may occur. After the application period has closed, the chair and vice-chair shall review the applications shall review the applications and recommend candidates to the City Council for interview. The City Council may interview candidates and will make all appointments pursuant to Government Code § 40605. A candidate may not serve on the committee without City Council final approval.

Section II- Interviews
The City of El Segundo City Council may hold interviews twice a year.

Section III- Term of Office
The term for DEI Committee members is three (3) years without term limits.

Section IV - Compensation
DEI Committee members are not compensated.

Section V – Removing a Member
Members of the DEI Committee shall serve at the pleasure of the City Council and may be removed at any time, without cause, by a majority vote of the City Council.

Section VI– Removing a Member Due to Absences
When any member has three (3) or more absences within a 12-month period, the Committee may recommend removal of the subject member, and the member's seat would be deemed vacant by a majority vote of the City Council.

Section VII – Removing a Member Due to Conduct
The DEI Committee Chair may make a recommendation to City Council to remove a member based on conduct, and that member may be removed by a majority vote of City Council.

Section VIII – El Segundo City Employee Eligibility
City Employees are not eligible for CCB membership.

ARTICLE V - MEETINGS

All meetings shall be open and public pursuant to the Government Code of the State of California.

Section I - Regular Meetings
Regular Meetings of the DEI Committee shall be monthly on the 2nd Wednesday of the month at 6:00 p.m.

Section II - Special Meetings
Special meetings of the committee may be held at any time upon the call of the chair or a majority of the voting members. The chair or a majority of the DEI Committee shall determine the time and place of the special meeting. Special meetings must be noticed 24 hours in advance of the meeting.

Section III- General Meeting
At its regular meeting in November of each year, DEI Committee members will elect chair and vice-chair as well as discuss any other long-term initiatives for the year.

Section IV- Joint Meeting with City Council
The DEI Committee will participate in an annual joint meeting with the City Council and representatives from each of the City's commissions, committees and boards.

Section V- Workplan Update at a City Council Meeting
A member of the DEI Committee will present an update at a City Council Meeting on the committee's work plan and progress.

Section VI - Quorum
A majority of the DEI Committee (five members) shall constitute a quorum. A quorum is necessary for actionby the DEI Committee.

Section VI - Voting
Each member shall have one vote.

Section VII - Meeting Procedures
Except as otherwise provided by these bylaws or City Council Resolutions the DEI Committee will follow the latest edition of Robert's Rules of Order for the orderly conduct of meetings.

ARTICLE VI - OFFICERS

Officers of the DEI Committee shall be a chair and a vice-chair. Term of chair and vice-chair shall be for one (1) year. Duties of the officers shall conform to the regular parliamentary duties as set for by Robert's Rules of Order or similar rules of parliamentary procedure, e.g. Rosenburg's Rules of Order. These bylaws' terms will supersede any conflicting parliamentary procedural rule. Failure to strictly follow parliamentary guidelines will not itself invalidate any committee action.

Section I - Chair
The chairperson shall preside over the meetings of the DEI Committee.

Section II - Vice Chair
During the absence, disability or disqualification of the chair, the vice-chair shall perform all the duties and be subject to all the responsibilities of the chair. The vice-chair shall succeed the chair if he/she vacates the office before the term expires. A new vice-chair shall be elected at the next regular meeting.

Section III - Duties of the DEI Committee
It is intended that the DEI Committee shall be an advisory body to the City Council. Nothing herein contained should be construed as a limitation on the power of the City Council or the administrative staff of the City in their supervision or authority over property or personnel under their jurisdictions.

ARTICLE VII - OFFICIAL DOCUMENTS

Section I- Minutes
Minutes of all meetings should be prepared and maintained with the DEI Committee records. Copies shall be distributed to the DEI Committee, City Council and City Clerk. Minutes shall be posted on the City's website following DEI Committee approval.

Section II- Distribution of Documents
Preparation and distribution of DEI Committee documents to the City Council, City Clerk, DEI Committee members and via email to members of the public who requested to receive DEI Committee meeting notifications shall be the responsibility of the designated employee as identified by the City Manager.

ARTICLE VIII – CONDUCT OF MEMBERS

Section I - Representing the DEI Committee
DEI Committee members shall make no personal commitment to speak on behalf of the DEI Committee, nor make any statements or take actions representing the DEI Committee, without majority approval.

Section II - Conflict of Interest
Members of DEI Committee shall abstain from participating in any matter to come before the DEI Committee in which he or she has any direct or indirect economic interest. Should conflict of interest exist, the DEI Committee member shall remove himself/herself from discussions and abstain from voting. A yearly Conflict of Interest Statement (Form 700) shall be filed with the City Clerk.

Section III – Conduct at Meetings
Meetings will be conducted based upon the latest edition of Robert's Rules of Order (or similar rules of parliamentary procedure, e.g. Rosenburg's Rules of Order). Where there is a conflict between the parliamentary guidelines and these bylaws, the bylaws should have precedence. Failure to strictly follow parliamentary guidelines shall not invalidate an action of the committee.

ARTICLE IX – ASSISTANCE OF STAFF

The City Manager of the City of El Segundo shall provide the DEI Committee with such information and staff assistance as the DEI Committee may reasonably request from time to time; subject to the limitations imposed by City Council. The staff member designated by the City Manager shall confer with the department head to determine if a request for research by the Committee requires extra dedication and staff time that may not be available.

ARTICLE X – BYLAW AMENDMENTS

These bylaws may be amended by simple majority of those voting at any legal meeting of the DEI Committee. Such amendments must be approved by the City Council.

ARTICLE XI – CCB RECESS

The DEI Committee may be placed on a short or extended recess by a majority vote of the City Council. City Council may determine if a recess is necessary based on the DEI Committee's workload and progress towards accomplishing assigned City Council objectives.

ARTICLE XII – DISSOLUTION

The DEI Committee may be dissolved by a majority vote of the City Council.

BYLAWS OF THE
ENVIRONMENTAL COMMITTEE

Amended January 6, 2022

ARTICLE I - NAME

The name of this organization shall be the Environmental Committee.

ARTICLE II – PURPOSE

The purpose of the Environmental Committee is to research and advise the City Council on Public Works related issues that affect health, safety, utility services and the environment including but not limited to air quality, energy usage, water distribution systems, public parking, solid waste, wastewater collection systems, city facility/park maintenance, construction and maintenance of roadways/alleys, graffiti within public ROW, hazardous waste within public ROW, transportation, drainage, signage, and traffic signals/ Each of these issues to be addressed by the Public Works Committee shall involve particular focus and emphasis on environmental and sustainability considerations, in furtherance of achieving the strategies set forth in the City's adopted Climate Action Plan. The Committee shall collaborate with City staff and the local community to help formulate responsible Public Works strategies that are consistent with governmental standards and to provide suggestions for implementing best management practices. The Public Works Committee is a standing advisory committee that serves at the pleasure of the City Council, which may also assign Committee Members to serve as ad hoc representatives on other committees within and beyond the El Segundo community.

ARTICLE III - QUALIFICATIONS

Members of the Environmental Committee shall represent a cross-section of the community, including both residents and business representatives who have applicable knowledge and notable interest in Public Works issues and practices.

ARTICLE IV - MEMBERSHIP

The Environmental Committee shall be composed of six (6) voting members appointed by the City Council, three (3) to represent the residential perspective and three (3) to represent the business perspective, plus one (1) voting member appointed by ESUSD. A Public Works staff person shall support the Committee in a de facto status.

The City Council shall appoint at least one (1) member of the City Council to serve as a non-voting liaison for the Committee.

Section I- Selection of Members
The City of El Segundo shall advertise and solicit applications to fill any vacant positions that may occur. After the application period has closed, the chair and vice-chair of the Environmental Committee shall review the applications and recommend candidates to the City Council for interview. The City Council may interview candidates and will make all

appointments pursuant to Government Code § 40605. A candidate may not serve on the committee without City Council's final approval.

Section II- Interviews
The City of El Segundo City Council may hold interviews twice a year.

Section III- Term of Office
The term for Environmental Committee members is three (3) years without term limits.

Section IV - Compensation
Environmental Committee members are not compensated.

Section V - Removing a Member
Members of the Environmental Committee shall serve at the pleasure of the City Council and may be removed at any time, without cause, by a majority vote of the City Council.

Section VI – Removing a Member Due to Absences
When any member has three (3) or more absences within a 12-month period, the Committee may recommend removal of the subject member, and the member's seat would be deemed vacant by a majority vote of the City Council.

Section VII – Removing a Member Due to Conduct
Members of the Environmental Committee serve at the pleasure of the City Council, the Environmental Committee Chair and council liaison may make a recommendation to City Council to remove a member based on conduct, and that member can be removed by a majority vote of City Council.

Section VIII – El Segundo City Employee Eligibility
City Employees are not eligible for Environmental Committee membership.

ARTICLE V – MEETINGS

All meetings shall be open and public pursuant to the Government Code of the State of California.

Section I - Regular Meetings
The fixed meeting dates and times are to be made known before members join the Environmental Committee, and with specific details on dates and times to be finalized and brought back to a future City Council meeting. Regular Environmental Committee meetings shall be on the first Friday of each month that City Hall is open, commencing at 12:00 p.m. The location shall be a meeting room in City Hall.

Section II - Special Meetings
Special meetings of the committee may be held at any time upon the call of the chair or a majority of the voting members. The chair or a majority of the Environmental Committee shall determine the time and place of the special meeting. Special meetings must be noticed 24 hours in advance of the meeting.

Section III – General Meeting
At its regular meeting in January of each year, Environmental Committee members will elect a chair and vice-chair as well as discuss any other long-term initiatives for the year.

Section IV- Joint Meeting with City Council
The Environmental Committee will participate in an annual joint meeting with the City Council and representatives from each of the City's commissions, committees, and boards.

Section V- Workplan Update at a City Council Meeting
A member of the Environmental Committee will present an update at a City Council Meeting on the committee's work plan and progress.

Section VI – Quorum
A majority of the Environmental (four members) shall constitute a quorum. A quorum is necessary for action by the Environmental Committee.

Section VI - Voting
Each member shall have one vote.

Section VII - Meeting Procedures
Except as otherwise provided by these bylaws or City Council Resolutions the Environmental Committee will follow the latest edition of Robert's Rules of Order for the orderly conduct of meetings.

ARTICLE VI - OFFICERS

Officers of the Environmental Committee shall be a chair and a vice-chair. Term of the chair and vice-chair shall be for two (2) years. Duties of the officers shall conform to the regular parliamentary duties as set for by Robert's Rules of Order or similar rules of parliamentary procedure, e.g. Rosenburg's Rules of Order. These bylaws' terms will supersede any conflicting parliamentary procedural rule. Failure to strictly follow parliamentary guidelines will not itself invalidate any commission action.

Section I - Chair
The chairperson shall preside over the meetings of the Environmental Committee.

Section II - Vice Chair
During the absence, disability or disqualification of the chair, the vice-chair shall perform all of the duties and be subject to all of the responsibilities of the chair. The vice-chair shall succeed the chair if he/she vacates the office before the term expires. A new vice-chair shall be elected at the next regular meeting.

Section III - Duties of the Environmental Committee
It is intended that the Environmental Committee shall be an advisory body to the City Council. Nothing herein contained should be construed as a limitation on the power of the City Council or the administrative staff of the City in their supervision or authority over property or personnel under their jurisdictions.

ARTICLE VII - OFFICIAL DOCUMENTS

Section I- Minutes
Minutes of all meetings shall be prepared and maintained with the Environmental Committee records. Copies shall be distributed to each Environmental Committee member, City Council Member and City Clerk.

Section II- Distribution of Documents
Preparation and distribution of Environmental Committee documents to the City Council, City Clerk, the Environmental Committee members and via email to members of the public who requested to receive Environmental Committee meeting notifications shall be the responsibility of the designated employee as identified by the Public Works Director.

ARTICLE VIII – CONDUCT OF MEMBERS

Section I- Representing the Environmental Committee
Environmental Committee members shall make no personal commitment to speak on behalf of the Environmental Committee, nor make any statements or take actions representing the Environmental Committee, without majority approval.

Section II- Conflict of Interest
Members of the Environmental Committee shall abstain from participating in any matter to come before the Environmental Committee in which he or she has any direct or indirect economic interest. Should conflict of interest exist, the Environmental Committee member shall remove himself/herself from discussions and abstain from voting. A yearly Conflict of Interest Statement Form (700) shall be filed with the City Clerk.

Section III – Conduct at Meetings
Meetings will be conducted based upon the latest edition of Robert's Rules of Order (or similar rules of parliamentary procedure, e.g., Rosenburg's Rules of Order). Where there is a conflict between the parliamentary guidelines and these bylaws, the bylaws should have precedence. Failure to strictly follow parliamentary guidelines shall not invalidate an action of the commission.

ARTICLE IX – ASSISTANCE OF STAFF

The Public Works Director shall provide the Environmental Committee with such information and staff assistance as the Environmental Committee may reasonably request from time to time; subject to the limitations imposed by City Council. The staff member designated by the Public Works Director shall confer with the director to determine if a request for research by the commission requires extra dedication and staff time that may not be available.

ARTICLE X – BYLAW AMENDMENTS

These Bylaws may be amended by simple majority of those voting at any legal meeting of the Environmental Committee. Such amendments must be approved by the City Council.

ARTICLE XI – CIPAC RECESS

The Environmental Committee may be placed on a short or extended recess by a majority vote of the City Council. City Council may determine if a recess is necessary based on the Environmental Committee's workload and progress towards accomplishing assigned City Council objectives.

ARTICLE XII – DISSOLUTION

The Environmental Committee may be dissolved by a majority vote of the City Council.

BYLAWS OF THE LIBRARY BOARD OF TRUSTEES

Amended January 24, 2023

ARTICLE I – NAME

The name of this organization shall be the Board of Trustees of the El Segundo Public Library.

ARTICLE II – PURPOSE

The Library Board of Trustees acts in an advisory capacity to the City Council in all matters pertaining to the Library and cooperates with other governmental agencies and civic groups in the advancement of sound planning and programming.

The Library Board of Trustees considers, reviews, edits and issues policy recommendations on library service, recommends the adoption of standards pertaining to library services and programs and makes recommendations for the provision of adequate library services consistent with community needs.

The Library Board of Trustees may administer any trust declared or created for the Library and receive by gift, devise, or bequest and hold in trust or otherwise, property situated in this state or elsewhere, and where not otherwise provided, dispose of the property for the benefit of the Library.

ARTICLE III – QUALIFICATIONS

Members of the Library Board of Trustees shall be of representatives of the community who live or work within the City of El Segundo.

ARTICLE IV – MEMBERSHIP

The Library Board of Trustees shall be composed of five (5) voting members who live or work within the City of El Segundo.

Section I – Selection of members
The City of El Segundo shall advertise and solicit applications to fill any vacant positions that may occur. After the application period has closed, the president and vice president shall review the applications and recommend candidates to the City Council for interview. The City Council will interview and appoint candidates. A candidate may not serve on the committee without City Council final approval.

Section II – Interviews
The City of El Segundo City Council shall hold interviews twice a year.

Section III – Term of Office
The term for the Library Board of Trustees is three (3) years without term limits.

Section IV – Compensation
Library Board of Trustees members are not compensated.

Section V – Removing a Member
Members of the Library Board of Trustees shall serve at the pleasure of the City Council and may be removed at any time, without cause, by a majority vote of the City Council.

Section VI – Removing a Member Due to Absences
When any member has three (3) or more absences within a 12-month period, the Board may recommend removal of the subject member, and the member's seat would be deemed vacant by a majority vote of the City Council.

Section VII – Removing a Member Due to Conduct
The Library Board of Trustees President may make a recommendation to City Council to remove a member based on conduct, and that member may be removed by a majority vote of City Council.

ARTICLE V – MEETINGS

All meetings shall be open and public pursuant to the Government Code of the State of California.

Section I – Regular Meetings
Regular meetings of the Library Board of Trustees shall be bi-monthly on the 2nd Tuesday of the month 6:00 p.m.

Section II – Special Meetings
Special meetings of the board may be held at any time upon the call of the president or by a majority of the voting members. The president or a majority of the Library Board of Trustees shall determine a time and place of the special meeting. Special meetings must be noticed 24 hours in advance of the meeting.

Section III – General Meeting
At its regular meeting in November of each year, Library Board of Trustee members will elect a president, vice-president and secretary/treasurer as well as discuss any other long-term initiatives for the year.

Section IV – Joint Meeting with City Council
The Library Board of Trustees will participate in an annual joint meeting with the City Council and representatives from each of the City's commissions, committees and boards.

Section V – Workplan Update at a City Council Meeting
A member of the Library Board of Trustees will present an update at a City Council Meeting on the board's work plan progress.

Section VI – Quorum
A majority of the Library Board of Trustees (three members) shall constitute a quorum. A quorum is necessary for action by the Library Board of Trustees.

Section VII – Voting
Each member shall have one vote.

Section VIII – Meeting Procedures
Except as otherwise provided by these bylaws or City Council Resolutions the Library Board of Trustees will follow the latest edition of Robert's Rules of Order for the orderly conduct of meetings.

Section IX – Board Recess
The Library Board can be placed on a short or extended recess by a majority vote of the City Council. City Council could determine if a recess is necessary based on the Library Board's workload and progress (or lack thereof) towards accomplishing assigned Council objectives.

Section X – Sunset/Dissolution of the Library Board
The City of El Segundo Library Board of Trustees could either be dissolved or sunset in the same way it was established or authorized. The Library Board authorization source is the California Code.

Section XI – All Hands Meetings
A joint meeting will be held annually in February between the Commissions, Committees and Board members and City Council.

Section XII – Workplan Update
The Library Board President, Vice President, or designee will give City Council an update on the Library Board of Trustees workplan at a City Council meeting.

ARTICLE VI – OFFICERS

Officers of the Library Board of Trustees shall be a president, vice president and secretary/treasurer. Term of president and vice president shall be for one (1) year. Duties of the officers shall conform to the regular parliamentary duties as set for by Robert's Rules of Order.

Section I – President
The president shall preside over the meetings of the Library Board of Trustees.

Section II – Vice President
During the absence, disability or disqualification of the chair, the vice-president shall perform all the duties and be subject to all the responsibilities of the chair. The vice-president shall succeed the chair if he/she vacates the office before the term expires. A new vice-president shall be elected at the next regular meeting.

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Section III – Secretary/Treasurer
The Secretary/Treasurer shall be responsible for the minutes of all actions of the Board.

ARTICLE VII – OFFICIAL DOCUMENTS

Section I – Minutes
Minutes of all meetings should be prepared and maintained with the Library Board of Trustees records. Copies shall be distributed to the Library Board of Trustees, City Council and City Clerk. Minutes shall be posted on the City's website following Library Board of Trustees' approval.

Section II – Distribution of Documents
Preparation and distribution of Library Board of Trustees documents to the City Council, City Clerk, Library board of Trustees members and via email to members of the public who requested to receive Library Board of Trustees meeting notifications shall be the responsibility of the designated employee as identified by the City Manager.

ARTICLE VIII – CONDUCT OF MEMBERS

Section I – Representing the Library Board of Trustees
Library Board of Trustees members shall make no personal commitment to speak on behalf of the Library Board of Trustees, nor make any statements or take actions representing the Library Board of Trustees, without majority approval.

Section II – Conflict of Interest
Members of Library Board of Trustees shall abstain from participating in any matter to come before theLibrary Board of Trustees in which he or she has any direct or indirect economic interest. Should conflict of interest exist, the Library Board of Trustees member shall remove himself/herself from discussions and abstain from voting. A yearly Conflict of Interest Statement (Form 700) shall be filed with the City Clerk

Section III – Conduct at Meetings
Meetings will be conducted based upon the latest edition of Robert's Rules of Order (or similar rules of parliamentary procedure, e.g. Rosenburg's Rules of Order). Where there is a conflict between the parliamentary guidelines and these bylaws, the bylaws should have precedence. Failure to strictly follow parliamentary guidelines shall not invalidate an action of the committee.

ARTICLE IX – ASSISTANCE OF STAFF

The City Manager of the City of El Segundo shall provide the Library Board of Trustees with such information and staff assistance as the Library Board of Trustees may from time to time have requests; subject to the limitations imposed by City Council. The staff member designated by the City Manager shall confer with the department head to determine if a request for research by the Board requires extra dedication and staff time that may not be available.

ARTICLE X – BYLAW AMENDMENTS

These bylaws may be amended by simple majority of those voting at any legal meeting of the Library Board of Trustees. Such amendments must be approved by the City Council.

ARTICLE XI – CCB RECESS

The Library Board of Trustees may be placed on a short or extended recess by a majority vote of the City Council. City Council may determine if a recess is necessary based on the Library Board of Trustee's workload and progress towards accomplishing assigned City Council objectives.

ARTICLE XII – DISSOLUTION

The Library Board of Trustees may be dissolved by a majority vote of the City Council to repeal City Resolution No. 3665 only if the City Council repeals Ordinance No. 660 upon 51% majority vote of City electors to disestablish the Library pursuant to Education Code § 18964.

RESOLUTION NO. 2933

A RESOLUTION AMENDING THE EL SEGUNDO PLANNING COMMISSION BYLAWS IN ACCORDANCE WITH EL SEGUNDO MUNICIPAL CODE SECTION 2-1-8 AND APPLICABLE LAW.

BE IT RESOLVED by the El Segundo Planning Commission as follows:

SECTION 1: Pursuant to El Segundo Municipal Code ("ESMC") Section 2-1-8 and applicable law, the Planning Commission adopts the attached bylaws.

SECTION 2: This Resolution supersedes all previous resolutions or actions purporting to establish rules and procedures for conducting Planning Commission meetings including, without limitation, bylaws adopted on December 14, 2017. Accordingly, such resolutions or actions are accordingly repealed.

SECTION 3: This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 8th day of December, 2022.

_____
Ryan Baldino, Chairperson
City of El Segundo Planning Commission

ATTEST:

_____
Michael Allen, AICP, Secretary

Baldino	-
Hoeschler	-
Keldorf	-
Maggay	-
Newman	-

APPROVED AS TO FORM:

By: _____
Joaquin Vazquez, Deputy City Attorney

BYLAWS OF THE
El SEGUNDO PLANNING COMMISSION
Effective December 8, 2022

I AUTHORITY

1 Authority: Pursuant to El Segundo Municipal Code ("ESMC") Section 2-1-8 and applicable law, the Planning Commission establishes these by-laws. The following Rules become effect upon the Planning Commission's adoption and remain effective unless amended or superseded. These Rules are intended to comply with, the Ralph M. Brown Act (Government Code §§54950-54962). The Brown Act will supersede any conflicting provision of the Rules.

2 City Council Authority: Pursuant to Government Code § 61500 et seq., the City Council may require the Planning Commission's recess or dissolution.

3 Appointment: Pursuant to Government Code § 40605 and ESMC § 2-1-2, the Mayor, with the approval of the City Council, will appoint all Planning Commissioners, subject to the terms of office requirements set forth in ESMC § 2-1-4.

a) All Planning Commissioners must live and reside within the City of El Segundo during the term of their appointment. City employees are not eligible to serve as Planning Commissioners.

b) Planning Commissioner candidates will be reviewed and recommended by the Planning Commission Chair and Vice Chair, and the subsequent interviews and appointments will be made by the City Council. Notwithstanding the foregoing, the City Council may otherwise appoint Planning Commissioners.

4 Staff Support: The Planning Commission staff liaison will confer with the Community Development Director to determine if a request for research by the Commission requires extra dedication and staff time that may not be available

II MEMBERS

A Officers and Staff

1 Chairperson: The Chairperson is elected by a majority vote of the Commission for a one-year term in December for the following calendar year. The Chairperson must be a Member of the Planning Commission and retains all the powers of a Commissioner. The Chairperson will preside over meetings of the Commission and will sign documents of the Commission.

2 Vice Chairperson: The Vice Chairperson is elected by a majority vote of the Commission for a one-year term in December for the following calendar year. The Vice Chairperson must be a Member of the Planning Commission and retains all

the powers of a Commissioner. The Vice Chairperson will preside over meetings of the Commission in the absence of the Chairperson and may sign documents of the Commission in the Chairperson's absence.

3 Secretary: The Director or a Deputy Secretary appointed by the Community Development Director ("Director") serves as the Secretary. The Secretary will attend all meetings of the Commission unless excused and will record, prepare, and maintain the Commission's official record and perform other related duties as prescribed by the Commission. The Secretary may make recommendations and has the right to take part in all discussions of the Commission, but cannot vote.

4 City Attorney: The City Attorney or designee ("City Attorney") will attend all meetings of the Commission. The City Attorney, upon request, may give opinions, either written or oral, on questions of law and act as the Commission's parliamentarian.

B Selection of Officers

1 Time of Election: The election of the Chairperson and Vice Chairperson will take place at the first regular meeting of the Planning Commission in December of each year. The term as Chairperson and Vice Chairperson will be for the following calendar year.

2 Requirements to Serve as Chairperson and Vice-Chairperson: To be considered for the office of Chairperson and Vice-Chairperson, a Commissioner must be a member of the Commission for at least six calendar months. Previous service does not disqualify a Commissioner from service as the Chairperson or Vice-Chairperson.

3 Procedure for Chairperson and Vice Chairperson Election: Any member of the Planning Commission may nominate any qualified member of the Planning Commission as Chairperson, including him or herself. The motion of nomination requires a second and must receive a vote of a majority of the Planning Commission to pass. Once a chairperson is elected, the election of the Vice Chairperson will follow in the same manner.

4 Vacancy of Office: The Vice-Chairperson succeeds the Chairperson if the Chairperson vacates office before his or her term is completed. The Vice-Chairperson will then serve the unexpired term of the Chairperson. The new Vice-Chairperson shall be elected at the next regular meeting following such a vacancy. If the Vice-Chairperson vacates office before his or her term of office is completed, the new Vice-Chairperson will be elected at the next regular meeting following such a resignation.

C Planning Commissioner Removal

1 All Planning Commissioners serve at the City Council's pleasure and may be removed at any time without cause, by a majority vote of the City Council.

2 A Planning Commissioner can be removed after three or more absences in a 12-month period.

III MEETINGS

1 Open to Public: All meetings (except closed sessions as provided by State law) of the Commission are open to the public.

2 Meeting Dates/Times: Regular meetings will be held on the second and fourth Thursdays of each month. All regular meetings will convene at 5:30 p.m. unless noticed at a different time by publishing a notice and/or posting a notice in at least three conspicuous places. Adjourned regular or special meetings may be called by the Chairperson or a majority of the Commission.

3 Amendment/Suspension: The Commission may amend or suspend these rules at any time upon majority vote of the Commission.

4 Joint Meeting with City Council: A joint meeting will be held annually in February or as soon thereafter may be conducted, between the Planning Commission and City Council.

5 Workplan: The Planning Commission Chair, Vice Chair or designee will provide the City Council with an updated on the Commission's workplan at a meeting chosen by the City Council.

A Agendas

1 Agenda Preparation: The Agenda will be prepared in accordance with the procedure directed by the Director. The Agenda should be delivered to the Chairperson and Commissioners by 5:00 p.m. on the Friday before the Commission's regular meeting. In the event of a Special Meeting, Agendas should be delivered as promptly as is practicable.

2 Consent Calendar: Items listed under the Consent Calendar are those items the Director believes will not require Commission discussion and are routine in content. Items may be pulled for separate discussion or clarification at any Commissioner's request, or upon receipt of a written request for public comment on the item.

3 Document Preparation: Unless otherwise directed by the Commission or Director, all draft resolutions must be approved as to form and legality by the City Attorney prior to being placed on an agenda.

B Rules of Order

1 Conduct of Meetings: Planning Commission proceedings should be governed by common sense and good taste. Pursuant to applicable laws, including the El Segundo Municipal Code, any issue of procedure relating to the conduct of a

meeting or hearing not otherwise provided for in these bylaws may be determined by the Chairperson, subject to a vote of the entire Commission. Planning Commission meetings will be conducted based upon the latest edition of Robert's Rules of Order (or similar rules of parliamentary procedure, e.g. Rosenburg's Rules of Order). Where there is a conflict between the parliamentary guidelines and these Bylaws, the Bylaws should have precedence. Failure to strictly follow parliamentary guidelines will not invalidate an action of the Planning Commission. In addition, the Planning Commission may, upon majority vote, alter or modify any provision of this Policy when appropriate or desirable.

2 Presiding Officer: The Chairperson, if present, will preside at all meetings. In the Chairperson's absence, the Vice Chairperson will preside.

3 Call to Order: The Presiding Officer will bring the meeting to order at the time noticed in accordance with applicable law. In the absence of both, the meeting will be called to order by the Secretary and a Presiding Officer will be selected by the Commissioners present.

4 Quorum: Three members of the Commission constitute a quorum. Should less than a quorum be in attendance, the Secretary will list the attendees in the minutes, and they will adjourn the meeting to a later set time. In the event no members of the Commission are present the Secretary will adjourn the meeting to a later set time pursuant to Government Code Section 54955.

5 Right of Floor: Commissioners wishing to speak must first be recognized by the Presiding Officer and limit any remarks to the agenda matter being considered.

7 Point of Order: The Chairperson will determine all points of order, subject to the right of any Commissioner to appeal to a vote of a majority of the quorum.

8 Addressing the Commission: Any person may address the Commission under the following portions of the Agenda:

- Public Comments
- Public Hearings
- With the consent of a majority of the quorum of the Commission

C Public Participation

1 Subject Matter: Members of the public may address the Commission only on items within the subject-matter jurisdiction of the Commission. A determination of whether an item is appropriate for discussion will be made by the Chairperson with the Commission's consent and upon advice by the City Attorney.

2 Speaker Protocol: Each person addressing the Commission should step to the podium and give their name and address for the record. Each speaker is limited to five minutes on Public Comment and all remarks must be directed to Commission as a body and not to any particular Commissioner. No question may be asked of

Commissioners or City staff except through the Presiding Officer. No person, other than Commissioners and the person having the floor, are permitted to participate in the discussion except as otherwise requested by the Chairperson.

3 Large groups: When any identifiable group of persons, as distinguished from the general public, seeks to address the Commission on the same agenda item, the Presiding Officer has the discretion to ask that the group select a spokesperson to address the Commission. If additional issues are to be presented at the hearing by any other member of such group, the Presiding Officer may limit the number of persons to address the Commission to avoid unnecessary repetition of information presented to the Commission.

4 Disrupting legal meetings: Any member of the public making disruptive remarks or who becomes disruptive while attending the Commission meeting so as to impede the orderly conduct of the meeting will be removed and barred from further audience before the Commission at that meeting unless permission to continue is granted by a majority vote of the Commission.

D Public Hearings

1 Opening the Public Hearing: The Presiding Officer announces the subject of the Public Hearing, confirms with the Secretary that the hearing was correctly noticed, and declares the hearing open. Conflicts, if any, are declared and ex parte contacts, if any, are disclosed at this time.

2 Actions Limited to Posted Agenda: The Planning Commission cannot take action on any item not appearing on the posted agenda except under the conditions permitted by Government Code Section 54954.2. Any Commissioner may make a motion to place an item on a future agenda. The motion is non-debatable and requires a majority vote. The Director has discretion as to when the item will be placed on the agenda, unless otherwise directed by the Planning Commission.

3 Staff Presentation: Staff summary report and other written material included in the agenda packet is received and filed. Written comments (e.g. protest, etc.) are noted for the record and Staff responds to Commissioners' questions.

4 Public Testimony: The purpose of public testimony is to provide an opportunity to interested persons wishing to support or oppose the matter being considered. The applicant or the applicant's representative will normally speak first and will have an opportunity for rebuttal after all other speakers are finished. At the conclusion of the public testimony the Presiding Officer may close the public hearing.

5 Commission Deliberation: After the Presiding Officer closes the public hearing, the Planning Commission may deliberate and make motions. The Commission may ask questions of speakers for clarification without reopening the public hearing, however, the Presiding Officer may also reopen the public hearing at any time prior to the Commission taking a final vote on an item.

6 Motions: A motion may be debated by the Commission after it is made. If a second is not forthcoming, the motion dies for lack of a second. If the motion is seconded, the debate may continue.

7 Precedence of Motions: When a motion to approve, deny or continue an action is made by a Member, no other motion may be considered except:

- Motion to Amend—(debatable only as it relates to the amendment). Amendments are voted on first, the main motion vote is last. A motion may be amended more than once with each amendment being voted on separately. There shall only be one amending motion on the floor at any one time.
- Motion to Postpone—(a motion to postpone indefinitely is debatable). If such a motion is adopted, the principal question is lost.
- Motion to Table—(undebatable and not subject to amendment). The purpose of a motion to table is to temporarily bypass the item. If a motion to table is adopted, the item may be taken from the table at any time before the adjournment of the next regular meeting. If the item is not taken from the table in the time specified, the business of the item is lost.
- Motion for Previous Question—a motion for previous question closes debate on the main motion and is non-debatable. If motion fails, debate is reopened; if motion passes, then vote must be taken on the main motion.

8 Commission Action: The Commission may, at this time:

- Close the public hearing and vote on the motion at hand.
- If a motion to amend is made, additional public comment may be warranted. Significant amendments will require a new public hearing to be scheduled.
- Continue the open Public Hearing. This should be done if any additional information is requested. Continuing a Public Hearing to a specific date does not require additional notice. Anyone may request a continuance of an item and the Commission, by majority vote, may grant a continuance.
- Close the Public Hearing and continue the matter to a later date for a decision (note that no additional reports or testimony may be received if the Public Hearing is closed).

9 Silence: During a collective vote (Ayes and Nays), silence of any Commissioner denotes an affirmative vote.

10 Failure to Vote: Every Commissioner should vote unless disqualified by reason of a Conflict of Interest. Members who abstains because of a legal conflict of interest are not counted as part of the quorum and are not deemed to be voting. If members abstain for reasons other than a legal conflict of interest, they will be counted in establishing a quorum. Such an abstention will be counted with the majority vote of the quorum unless there is no majority, in which case it will not be counted as a vote.

11 Lost Motions: A lost motion is one that fails to receive the necessary number of votes to carry. To revive a lost motion at the same meeting, the proper action is a motion to reconsider.

12 Tie Votes: If a tie vote occurs when a Member of the Commission is absent, the item will be automatically continued once to the next regular meeting of the Commission. Except in the event of an appeal to the Commission, if a tie vote occurs as a result of the abstention of a Commissioner, the motion is lost. If a tie vote on an appeal occurs as a result of the abstention of a Commissioner, the appeal is deemed denied.

13 Changing the Vote: Commissioners may change their vote only if the change is made immediately following the announcement of the vote by the Presiding Officer and before the next agenda item is announced.

14 Abstention: Commissioners who publicly announce that they are abstaining from voting on a particular matter will not subsequently be allowed to withdraw the abstention.

15 Motion to Reconsider: A motion to reconsider any action taken by the Commission may be made in accordance with the following:

- The motion must be made by a Commissioner of the majority vote, or, in the case of a lost motion, by any Commissioner and may be seconded by any Commissioner.
- The motion must be made before the adjournment of the meeting at which the original action was taken.
- The motion is debatable and has precedence over a pending motion.
- Except as otherwise provided, if the action to be reconsidered is a Public Hearing item, it must be re-noticed in the event the motion to reconsider passes. Where it is clearly established that all interested members of the public are still present, the item may be reconsidered without further notice.

E Minutes

1 Minutes of Proceedings: The Secretary will record an account of all public proceedings of the Planning Commission into the Commission's official minutes. These minutes will become public record after Commission approval. Unless requested by a majority of the quorum, minutes may be approved without reading.

BYLAWS OF THE
RECREATION & PARKS COMMISSION

Amended February 15, 2022

ARTICLE I - NAME

The name of this organization shall be the Recreation & Parks Commission.

ARTICLE II – PURPOSE

The purpose of the Recreation & Parks Commission is to advise the City Council on all matters pertaining to recreation, parks, parkways, and street trees. The Commission is a standing advisory committee that serves at the behest of the City Council.

ARTICLE III - QUALIFICATIONS

Members of the Recreation & Parks Commission shall be representatives of the community and must be residents of the City of El Segundo.

ARTICLE IV - MEMBERSHIP

The Recreation & Parks Commission shall be composed of five (5) voting members.

The purpose of Recreation & Parks Commission is to make recommendations to the City Council regarding level of service and policies as well as assists in implementing Recreation & Parks capital improvements, programs, and services.

Section I- Selection of Members
The City of El Segundo shall advertise and solicit applications to fill any vacant positions that may occur. After the application period has closed, the chair and vice-chair of the Recreation & Parks Commission shall review the applications and recommend candidates to the City Council for interview. The City Council may interview candidates and will make all appointments pursuant to Government Code § 40605. A candidate may not serve on the Commission without City Council's final approval.

Section II- Interviews
The City of El Segundo City Council may hold interviews twice a year.

Section III- Term of Office
The term for Recreation & Parks Commission members is four (4) years without term limits.

Section IV - Compensation
Commissioners serve with minimal compensation of fifty (50) dollars per meeting.

Section V - Removing a Member
Members of the Recreation & Parks Commission shall serve at the pleasure of the City Council and may be removed at any time, without cause, by a majority vote of the City Council.

Section VI – Removing a Member Due to Absences
When any member has three (3) or more absences within a 12-month period, the Commission may recommend removal of the subject member, and the member's seat would be deemed vacant by a majority vote of the City Council.

Section VII – Removing a Member Due to Conduct
Members of the Recreation & Parks Commission shall serve at the pleasure of the City Council, the Recreation & Parks Commission Chair may make a recommendation to City Council to remove a member based on conduct, and that member can be removed by a majority vote of City Council.

Section VIII – El Segundo City Employee Eligibility
City Employees that are not employed in the Recreation, Parks and Library Department are eligible for Recreation & Parks Commission membership.

ARTICLE V – MEETINGS

All meetings shall be open and public pursuant to the Government Code of the State of California.

Section I - Regular Meetings
Regular Meetings of the Commission shall be monthly on the 3rd Wednesday of the month at 6:00 p.m.

Section II - Special Meetings
Special meetings of the commission may be held at any time upon the call of the chair or a majority of the voting members. The chair or a majority of the Recreation & Parks Commission shall determine the time and place of the special meeting. Special meetings must be noticed 24 hours in advance of the meeting.

Section III – General Meeting
At its regular meeting in January of each year, Recreation & Parks Commission members will elect chair and vice-chair as well as discuss any other long-term initiatives for the year.

Section IV- Joint Meeting with City Council
The Recreation & Parks Commission will participate in an annual joint meeting with the City Council and at least one representative from each of the City's commissions, committees, and boards.

Section V- Workplan Update at a City Council Meeting
A member of the Recreation & Parks Commission will present an update at a City Council Meeting on the commission's work plan and progress.

Section VI – Quorum
A majority of the Recreation & Parks Commission (three members) shall constitute a quorum. A quorum is necessary for action by the Recreation & Parks Commission.

Section VI - Voting
Each member shall have one vote.

Section VII - Meeting Procedures
Except as otherwise provided by these bylaws or City Council Resolutions the Recreation & Parks Commission will follow the latest edition of Robert's Rules of Order for the orderly conduct of meetings.

ARTICLE VI - OFFICERS

Officers of the Recreation & Parks Commission shall be a chair and a vice-chair. Term of the chair and vice-chair shall be for one (1) year. Duties of the officers shall conform to the regular parliamentary duties as set for by Robert's Rules of Order or similar rules of parliamentary procedure, e.g. Rosenburg's Rules of Order. These bylaws' terms will supersede any conflicting parliamentary procedural rule. Failure to strictly follow parliamentary guidelines will not itself invalidate any commission action.

Section I - Chair
The chairperson shall preside over the meetings of the Recreation & Parks Commission.

Section II - Vice Chair
During the absence, disability or disqualification of the chair, the vice-chair shall perform all of the duties and be subject to all of the responsibilities of the chair. The vice-chair shall succeed the chair if he/she vacates the office before the term expires. A new vice-chair shall be elected at the next regular meeting.

Section III - Duties of the Recreation & Parks Commission
It is intended that the Recreation & Parks Commission shall be an advisory body to the City Council. Nothing herein contained should be construed as a limitation on the power of the City Council or the administrative staff of the City in their supervision or authority over property or personnel under their jurisdictions.

ARTICLE VII - OFFICIAL DOCUMENTS

Section I- Minutes
Minutes of all meetings shall be prepared and maintained with the Recreation & Parks Commission records. Copies shall be distributed to each Recreation & Parks Commission member, City Council Member and City Clerk.

Section II- Distribution of Documents
Preparation and distribution of Recreation & Parks Commission documents to the City Council, City Clerk, Recreation & Parks Commission members and via email to members of the public who requested to receive Recreation & Parks Commission meeting notifications shall be the

responsibility of the designated employee as identified by the City Manager.

ARTICLE VIII – CONDUCT OF MEMBERS

Section I- Representing the Recreation & Parks Commission
Recreation & Parks Commission members shall make no personal commitment to speak on behalf of the Recreation & Parks Commission, nor make any statements or take actions representing the Recreation & Parks Commission, without majority approval.

Section II- Conflict of Interest
Members of the Recreation & Parks Commission shall abstain from participating in any matter to come before the Recreation & Parks Commission in which he or she has any direct or indirect economic interest. Should conflict of interest exist, the Recreation & Parks Commission member shall remove himself/herself from discussions and abstain from voting. A yearly Conflict of Interest Statement Form (700) shall be filed with the City Clerk.

Section III – Conduct at Meetings
Meetings will be conducted based upon the latest edition of Robert's Rules of Order (or similar rules of parliamentary procedure, e.g., Rosenburg's Rules of Order). Where there is a conflict between the parliamentary guidelines and these bylaws, the bylaws should have precedence. Failure to strictly follow parliamentary guidelines shall not invalidate an action of the commission.

ARTICLE IX – ASSISTANCE OF STAFF

The Recreation, Parks, and Library Director shall provide the Recreation & Parks Commission with such information and staff assistance as the Recreation & Parks Commission may reasonably request from time to time; subject to the limitations imposed by City Council. The staff member designated by the Recreation, Parks, and Library Director shall confer with the director to determine if a request for research by the commission requires extra dedication and staff time that may not be available.

ARTICLE X – BYLAW AMENDMENTS

These Bylaws may be amended by simple majority of those voting at any legal meeting of the Recreation & Parks Commission. Such amendments must be approved by the City Council.

ARTICLE XI – RECREATION & PARKS COMMISSION RECESS

The Recreation & Parks Commission may be placed on a short or extended recess by a majority vote of the City Council. City Council may determine if a recess is necessary based on the Recreation & Parks Commission's workload and progress towards accomplishing assigned City Council objectives.

ARTICLE XII – DISSOLUTION

The City of El Segundo Recreation and Parks Commission was established by City Resolution #1618, a resolution would have to be adopted to dissolve the commission.

Bylaws of the El Segundo Senior Citizen Housing Corporation

Amended: January 25, 2023

Section 1. Principal Office.

The principal office for the transaction of the activities and affairs of the El Segundo Senior Citizen Housing Corporation (hereinafter "Corporation") is located at the City Hall (350 Main Street) of the City of El Segundo, California, 90245. The Board of Directors (hereinafter "Board") may change the principal office from one location to another. Any change of location of the principal office shall be noted by the Secretary on these bylaws opposite this Section, or this Section may be amended to state the new location.

Section 2. Purposes and Limitations.

A. The purposes for which this Corporation is formed are:

(1) To establish policies for the operation of and to operate the City of El Segundo Senior Citizen Housing Project;

(2) To provide affordable housing opportunities for El Segundo senior Residents;

(3) To promote the common good and general welfare of the senior Residents of the City of El Segundo; and,

(4) Any other purposes beneficial to the public.

B. The limitations of the activities of this Corporation are as follows:

(1) No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, nor shall this Corporation participate or intervene directly or indirectly, in any political campaign (including publishing or distribution of statements) on behalf of or against any candidate for public office.

(2) This Corporation is organized and operated exclusively for social welfare purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Notwithstanding any other provision of these articles, the Corporation shall not, except to an insubstantial degree, carry on or engage in any other activities or exercise any powers not permitted to be carried on or exercised by a corporation exempt from federal income tax under Section 50l (c)(3) of the Internal Revenue Code.

Section 3. Members.

This corporation shall have no members.

Section 4. Directors.

A. Powers:

Subject to the provisions and limitations of the California Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles of Incorporation, the Operating Agreement between the City of El Segundo and the Corporation and these Bylaws, the Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

The Board staff liaison shall confer with the department head to determine if a request for research by the Board requires extra dedication and staff time that may not be available.

B. Specific Powers:

Without prejudice to the general powers set forth above, but subject to the same limitations, the Directors shall have the power to:

(1) Change the principal office or the principal business office in California from one location to another and designate any place for holding any meeting of the Board.

(2) Adopt and use a corporate seal and alter the form of the seal.

(3) Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes in the Corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

C. Number and Qualifications of Directors:

(1) Authorized Number. The authorized number of Directors shall be five.

(2) All directors must live in El Segundo. City employees are not eligible to serve as a Director.

(3) All Directors shall be designated by the City Council of El Segundo. Each Director shall hold office for three years, except

that the initial Directors shall hold office for staggered terms of one, two, three or four years, as designated by the City Council. Any Director may repeat consecutive terms if recommended by the remaining Directors and approved by City Council.

(4) Director candidates will be reviewed and recommended by the Board President and Vice President, and the subsequent interviews and appointments will be made by the City Council. Notwithstanding the foregoing, the City Council may otherwise appoint Directors.

D. Vacancies on Board:

(1) Events Causing Vacancy - A vacancy or vacancies on the Board shall exist on the occurrence of the following: (a) the death or resignation of any Director; (b) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law; (c) the declaration by resolution of the Board of a vacancy in the office of a Director who has three or more absences in a 12-month period. This provision shall be reviewed annually by the Board at its annual meeting and revised as necessary.

(2) Resignations - Except as provided below, any Director may resign by giving written notice to the President or the Secretary. The resignation shall be effective when the notice is given unless it specifies a later time (not to exceed sixty days) for the resignation to become effective. Except on notice to the Attorney General of California, no Director may resign if the Corporation would be left without a duly elected Director or Directors.

(3) Filling Vacancies - Within thirty (30) days of the occurrence of a vacancy or vacancies pursuant to Sections 4D(l) or (2) above, the Board shall identify the area(s) of expertise needed by a replacement Director or Directors and shall advise City Council, in writing, of the existence of a vacancy and the criteria to be evaluated in filling the vacancy. The City Council shall actively advertise any vacancy. Utilizing the criteria identified by the Board, City Council shall appoint a replacement Director or Directors to fill the unexpired term or terms within sixty (60) days after receiving notice of the existence of such vacancy or vacancies. City Council shall hold interviews twice a year.

(4) No Vacancy on Reduction of Number of Directors -- No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

E. Removing a Board Member

(1) All board and committee members shall serve at the pleasure of the City Council and may be removed at any time without cause, by a majority vote of the City Council.

(2) Notwithstanding Section 4D(1) above, a member can be removed after three or more absences in a 12-month period.

F. Directors' Meetings:

(1) Place of Meetings - Meetings of the Board shall be held at any place that has been designated by resolution of the Board or in the notice of the meeting or, if not so designated, at the principal office of the Corporation.

(2) Annual Meeting - Immediately after each annual meeting, the Board shall hold a regular meeting for purposes of organization, election of officers, and transaction of other business. The annual meeting is designated as the July meeting.

(3) Other Regular Meetings - Other regular meetings of the Board may be held at such time and place as the Board may fix. Meeting dates and times are posted three days in advance of each meeting.

(4) Special Meetings - Authority to Call - Special meetings of the Board for any purpose may be called at any time by the President or Vice President, or the Secretary or any two Directors.

(5) Notice - Notice of the time and place of special meetings shall be given to each Director by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail, postage prepaid return receipt requested; (c) or by telephone, either directly to the Director or to a person at the Director's office or residence who would reasonably be expected to communicate that notice promptly to the Director. All such notices shall be given or shown on the records of the Corporation. Notices sent by first-class mail shall be deposited in the United States mail at least six days before the time set for the meeting. Notices given by personal delivery or telephone shall be delivered or telephoned at

least 48 hours before the time set for the meeting. The notice shall state the time of the meeting, and the place if the place is other than the principal office of the Corporation. It need not specify the purpose of the meeting.

(6) Quorum - A majority of the authorized number of Directors (or such reduced number, if a vacancy or vacancies exist) shall constitute a quorum for the transaction of business.

(7) Waiver of Notice - Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and does not protest, before or of the commencement of the meeting, the lack of notice to him or her.

(8) Adjournment - A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

(9) Notice of Adjourned Meeting - Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

(10) Meetings will be conducted based upon the latest edition of Robert's Rules of Order (or similar rules of parliamentary procedure, e.g. Rosenburg's Rules of Order). Where there is a conflict between the parliamentary guidelines and these Bylaws, the Bylaws should have precedence. Failure to strictly follow parliamentary guidelines shall not invalidate an action of the Board.

(11) The Board will participate in an annual joint meeting with the City Council and representatives from each of the City’s commissions, committees and boards.

(12) Workplan Update – The Board President, Vice President or designee will provide the City Council with an update on the Board’s workplan at a meeting chosen by the City Council.

Section 5. **Officers**.

A. Officers of the Corporation:

The officers of the Corporation shall consist of the President, Vice President, the Secretary, and the Chief Financial Officer. No two offices may be concurrently held by the same person. Should both the President and Vice President be absent from a meeting, the most senior Director who is neither Secretary nor Chief Financial Officer shall be acting President.

B. Election of Officers:

The Board of Directors shall elect all officers of the Corporation for terms of one year, or until their successors are elected and qualified. Officers shall be elected at the annual meeting.

C. Responsibility of Officers:

(1) President - The President shall be the general manager of the Corporation and shall supervise, direct, and control the Corporation's activities, affairs, and officers. The President shall preside at all Board meetings. The President shall be responsible for representing the Corporation, before ·other governmental agencies. The President shall have such other powers and duties as the Board or the bylaws may prescribe.

(2) Vice President - If the President is absent or disabled, the Vice President shall perform all duties of the President. When so acting, the Vice President shall have all powers of and be subject to all restrictions of the President. The Vice President shall have such other powers and perform such other duties as the Board or the bylaws may prescribe.

(3) Secretary - The Secretary shall keep or cause to be kept at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, and of committees of the Board. The minutes of meetings shall include the time and place that the meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized, the notice given, the names of those present at Board and committee meetings. The Secretary shall keep or cause to be kept, at the principal office in California, a copy of the Articles of Incorporation and bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by these bylaws to be given. The Secretary shall keep the Corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the bylaws may prescribe.

(4) Chief Financial Officer -

a. Books of Accounts - The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books of accounts of the Corporation's properties and transactions. The Chief Financial Officer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these bylaws, or by the Board. The books of accounts shall be open to inspection by any Director at all reasonable times.

b. Deposit and Disbursement of Money and Valuables - The Chief Financial Officer shall deposit, or cause to be deposited all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate; shall disburse the Corporation's funds as the Board may order; shall render to the President and the Board, when requested, an account of all transactions as the Chief Financial Officer and of the financial condition of the Corporation; and shall have such other powers and perform such other duties as the Board or the bylaws may prescribe.

c. Bond - If required by the Board, the Chief Financial Officer shall, at the expense of the Corporation, give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Chief Financial Officer on his or her death, resignation, retirement, or removal from office.

Section 6. Indemnification.

A. Right of Indemnification:

To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, employees, and other persons described in Section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fees, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding", as that term is used in that

Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. "Expenses", as used in this bylaw, shall have the same meaning as in Section 5238(a) of the California Corporation Code.

B. Approval of Indemnity:

On written request to the Board .by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporation Code, the Board shall promptly determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board shall promptly call a meeting of City Council. At that meeting, the Council shall determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the Council members present at the meeting in person or by proxy shall authorize indemnification.

C. Advancement of Expenses:

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Section 6 of these bylaws in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding. On receipt of the Corporation of an undertaking by or on behalf of that person, the advance will be repaid, unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

Section 7. Insurance.

The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any Officer, Director, employee, or agent in such capacity or arising out of the Officer's Director's, employee's, or agent's status as such.

Section 8. Amendments.

These bylaws may be amended or repealed and new bylaws adopted by the vote of a majority of the members of the Board of Directors. No bylaw shall be amended or repealed and new bylaws shall not be adopted, without the prior approval of the City Council.

Section 9. Dissolution.

The Corporation may only be dissolved by a vote of the El Segundo City Council.

City Council Agenda Statement

Meeting Date: February 21, 2023
Agenda Heading: Committees, Commissions and Boards Presentations
Item Number: E.18

TITLE:

Announce Appointments to the Investment Advisory Committee and the Arts and Culture Advisory Committee

RECOMMENDATION:

1. Announce appointments, if any.

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

FISCAL IMPACT:

None

BACKGROUND:

The Investment Advisory Committee was established for the purpose of advising the City Treasurer and City Council on matters pertaining to the investment of the City's funds.

The Arts and Culture Advisory Committee acts in an advisory capacity to City Council on matters related to the arts and culture within the City of El Segundo. This includes making recommendations to the City Council, potential development of an arts and culture master plan, involvement in selection of public art, event coordination and development of related public art programs.

DISCUSSION:

The Investment Advisory Committee is a four-member committee. The City Treasurer and the Finance Director are automatic appointments. The other two members must be a resident, business representative or attend high school in El Segundo.

The Arts and Culture Advisory Committee is an 11-member committee, all of whom must be residents or business representatives in El Segundo.

There are two openings on the Investment Advisory Committee and four openings on the Arts and Culture Advisory Committee.

Candidate	Applying to: CCBs
1. Vincent Zupo	Investment Advisory Committee – Full term to expire, October 31, 2026
2. Roger Nieves	Investment Advisory Committee – Partial term to expire, October 31, 2025
3. Natalie Strong	Arts and Culture Advisory Committee – Full term to expire June 30, 2026
4. Maureen Kingsley	Arts and Culture Advisory Committee – Full term to expire June 30, 2026
5. John Pickhaver	Arts and Culture Advisory Committee – Partial term to expire June 30, 2025
6. Ioana Urma	Arts and Culture Advisory Committee – Partial term to expire June 30, 2025

CITY STRATEGIC PLAN COMPLIANCE:

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance customer service and engagement.

Objective A: El Segundo’s engagement with the community ensures excellence.

PREPARED BY:
Lili Sandoval, Deputy City Clerk
REVIEWED BY:
Barbara Voss, Deputy City Manager
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

None