



City of Rolling Hills

INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD
ROLLING HILLS, CA 90274
(310) 377-1521
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AGENDA REGULAR MEETING

**CITY COUNCIL
MONDAY, MARCH 11, 2019**

**CITY OF ROLLING HILLS
7:00 P.M.**

Next Resolution No. 1234

Next Ordinance No. 361

1. CALL TO ORDER

2. ROLL CALL

PLEDGE OF ALLEGIANCE

3. OPEN AGENDA - PUBLIC COMMENT WELCOME

*This is the appropriate time for members of the public to make comments regarding the items on the consent calendar or items **not** listed on this agenda. Pursuant to the Brown Act, no action will take place on any items not on the agenda.*

4. CONSENT CALENDAR

Matters which may be acted upon by the City Council in a single motion. Any Councilmember may request removal of any item from the Consent Calendar causing it to be considered under Council Actions.

- A. Minutes – 1) Regular Meeting of April 4, 2018, 2) Regular Meeting of February 11, 2019 (revised) and 3) Regular Meeting of February 25, 2019.

RECOMMENDATION: Approve as presented.

- B. Payment of Bills.

RECOMMENDATION: Approve as presented.

5. COMMISSION ITEMS

NONE.

6. PUBLIC HEARINGS

NONE.

7. OLD BUSINESS

- A. CONSIDERATION AND APPROVAL OF A PROFESSIONAL SERVICES CONTRACT WITH STRADLING YOCCA CARLSON & RAUTH TO PROVIDE LEGAL SERVICES IN CONNECTION WITH THE FORMATION OF THE ASSESSMENT DISTRICTS AND THE ISSUANCE OF BONDS.

8. NEW BUSINESS

- A. CONSIDERATION OF THE FISCAL YEAR 2018-2019 MID-YEAR BUDGET REVIEW AND APPROVAL OF FISCAL YEAR 2018-2019 BUDGET ADJUSTMENTS.
- B. CONSIDERATION OF OPTIONS FOR SOLID WASTE SERVICES BEGINNING JULY 1, 2019.
- C. CONSIDERATION OF COST SHARE MODEL FOR ASSESSMENT DISTRICTS AND DIRECT STAFF TO DRAFT A RESOLUTION TO MEMORIALIZE THE COST SHARE MODEL; AND DIRECT STAFF TO DRAFT A MEMORANDUM OF UNDERSTANDING (MOU) WITH ROLLING HILLS COMMUNITY ASSOCIATION TO COST SHARE DESIGN FEES ASSOCIATED WITH ASSESSMENT DISTRICT PROJECTS.

9. MATTERS FROM THE CITY COUNCIL AND MEETING ATTENDANCE REPORTS

- A. UPDATE ON THE PALOS VERDES PENINSULA REGIONAL LAW ENFORCEMENT COMMITTEE MEETINGS HELD ON NOVEMBER 8, 2018 AND FEBRUARY 14, 2019 (ORAL).
- B. CONSIDERATION OF HOLDING A TOWN HALL MEETING WITH THE LOS ANGELES COUNTY SHERIFF'S DEPARTMENT TO DISCUSS HOW TO SAFEGUARD YOUR HOME AGAINST BURGLARY (ORAL).

10. MATTERS FROM STAFF

- A. RECEIVE AND FILE REPORT ON BLOCK CAPTAIN PROGRAM; CONSIDER AND APPROVAL OF ANNUAL BUDGET ALLOCATION FOR THE BLOCK CAPTAIN PROGRAM.

11. CLOSED SESSION

- A. ANTICIPATED LITIGATION

The City Council finds, based on advice from the City Attorney, that discussion in open session of the following described matter will prejudice the position of the City in anticipated litigation:

ANTICIPATION OF LITIGATION: Government Code section 54956.9(d)(2) and (e)(5)

A point has been reached where, in the opinion of the City Council on the advice of its legal counsel, there is a significant exposure to litigation against the City.

Number of Potential Cases: One matter of threatened litigation

12. ADJOURNMENT

Next meeting: Monday, March 25, 2019 at 7:00 p.m. in the Council Chamber, Rolling Hills City Hall, 2 Portuguese Bend Road, Rolling Hills, California.

Public Comment is welcome on any item prior to City Council action on the item.

Documents pertaining to an agenda item received after the posting of the agenda are available for review in the City Clerk's office or at the meeting at which the item will be considered.

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting due to your disability, please contact the City Clerk at (310) 377-1521 at least 48 hours prior to the meeting to enable the City to make reasonable arrangements to ensure accessibility and accommodation for your review of this agenda and attendance at this meeting.

All Planning Commission items have been determined to be categorically exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines unless otherwise stated.

**MINUTES OF
A REGULAR MEETING
OF THE
CITY COUNCIL OF THE
CITY OF ROLLING HILLS, CALIFORNIA
MONDAY, APRIL 9, 2018**

1. CALL TO ORDER

A regular meeting of the City Council of the City of Rolling Hills was called to order by Mayor Wilson at 7:00 p.m. in the City Council Chamber at City Hall, 2 Portuguese Bend Road, Rolling Hills, California.

2. ROLL CALL

Councilmember's Present: Black, Dieringer, Mirsch, Pieper and Mayor Wilson.

Councilmembers Absent: None.

Others Present: Yolanta Schwartz, Interim City Manager.
Julia Stewart, Acting Planning Director.
Michael Jenkins, City Attorney.
Yvette Hall, City Clerk.
Terry Shea, Finance Director.
Robert Gaudenti, Representative of 11 Saddleback Road.
Kathleen McGowan, Consultant.
John Resich, 8 Outrider Road.

3. OPEN AGENDA - PUBLIC COMMENT WELCOME

None.

4. CONSENT CALENDAR

Matters which may be acted upon by the City Council in a single motion. Any Councilmember may request removal of any item from the Consent Calendar causing it to be considered under Council Actions.

- A. Minutes - Regular Meeting of March 26, 2018.
RECOMMENDATION: Approve as presented.
- B. Payment of Bills.
RECOMMENDATION: Approve as presented.
- C. City Council Finance/Budget/Audit Committee meeting notes of March 26, 2018.
RECOMMENDATION: Receive and file.
- D. Consideration and Approval of the 2018/2019 City Council Committee Assignments.
RECOMMENDATION: Approve as presented.

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Mayor Wilson requested that Consent Calendar Item 4-D be pulled for separate consideration.

Councilmember Black inquired regarding check number 25298 in the amount of \$39,710 payable to the City of Rancho Palos Verdes for the Coordinated Integrated Monitoring Program (CIMP) Implementation Memorandum of Understanding Costs.

In response to Councilmember Black's inquiry, Interim City Manager Schwartz stated that this matter is the annual contribution to the City of Rancho Palos Verdes for the CIMP Implementation Program that the City entered into with all the Peninsula cities for the storm water management program.

Councilmember Pieper moved that the City Council approve items 4-A, 4-B, and 4-C on the Consent Calendar as presented. Councilmember Black seconded the motion, which carried without objection by a voice vote as follows:

AYES: COUNCILMEMBERS: Black, Dieringer, Mirsch, Pieper and Wilson.
NOES: COUNCILMEMBERS: None.
ABSENT: COUNCILMEMBERS: None.
ABSTAIN: COUNCILMEMBERS: None.

Mayor Wilson indicated that he spoke to Councilmember Dieringer regarding her City Council Committee assignments and whether she was satisfied with her assignments. Mayor Wilson explained that there was a misunderstanding between both of them on whether Councilmember Dieringer was on the Personnel Committee. Mayor Wilson stated that Councilmember Dieringer expressed to him that she had an interest in serving on the Personnel Committee this year.

Mayor Black inquired about the representative for the Santa Monica Bay Restoration Commission (SMBRC) Watershed Advisory Council.

In response to Mayor Black's inquiry, Interim City Manager Schwartz responded that a revised City Council Committee Assignment sheet was distributed to the City Council that reflected the correct representative for the SMBRC Watershed Advisory Council which is Ralph Schmoller not Paul Grubs.

Mayor Wilson re-stated that Councilmember Dieringer expressed an interest in serving on the Personnel Committee this year and asked if any of the current Councilmembers were interested in stepping down from their assignment.

Councilmember Dieringer stated that she did express an interest in serving on the Personnel Committee to Mayor Wilson and that she felt it was instrumental to have diverse opinions on the committee. Councilmember Dieringer respectfully requested that she be considered to serve on the Personnel Committee.

Councilmember Dieringer moved that the City Council consider her to serve on the Personnel Committee. The motion failed for a lack of a second.

Mayor Pro Tem Mirsch moved that the City Council approve item 4-D on the Consent Calendar as presented. Councilmember Black seconded the motion, which carried without objection by a voice vote

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as follows:

AYES: COUNCILMEMBERS: Black, Dieringer, Pieper, Mirsch and Wilson.
NOES: COUNCILMEMBERS: None.
ABSENT: COUNCILMEMBERS: None.
ABSTAIN: COUNCILMEMBERS: None.

5. COMMISSION ITEMS

- A. **RESOLUTION NO. 2018-03** A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF ROLLING HILLS GRANTING APPROVAL FOR VARIANCES TO CONSTRUCT A NEW RETAINING WALL WITH A MAXIMUM HEIGHT OF UP TO 4 1/2 FEET LOCATED WITHIN A SETBACK AREA, AND ALLOW AN AS-BUILT PORTION OF A RIDING ARENA WITH A MAXIMUM 10 FOOT ENCROACHMENT LOCATED IN THE FRONT YARD SETBACK IN ZONING CASE NO. 937 FOR PROPERTY AT **11 SADDLEBACK ROAD. (LOT 48-1-RH and 48-2-RH)**. PROJECT IS CATEGORICALLY EXEMPT UNDER CEQA.

Councilmember Pieper recused himself from this matter due the proximity of his property to the subject property.

Mayor Wilson introduced the item and asked for staff's comments. Acting Planning Director Stewart stated that the applicant is requesting Variances to construct a new retaining wall with a maximum height of up to 4 ½ feet located within a setback area, and allow an as-built portion of a riding arena to encroach at a maximum of 10 feet into the front yard setback. She stated that the request is related to two previous zoning cases on the site and will allow for completion of those approved projects. Acting Planning Director Stewart indicated that the project is categorically exempt from the California Environmental Quality Act (CEQA).

Councilmember Black moved that the City Council receive and file Planning Commission Resolution No. 2018-03 granting approval of the applicant's request in Zoning Case No. 937 at 11 Saddleback Road. Mayor Pro Tem Mirsch seconded the motion.

Councilmember Dieringer asked if the same engineering company that provided the previous information with regard to the location of the retaining wall and maintaining 2:1 slope between the ring and the wall is the same company that is now indicating that the slope cannot be maintained as 2:1 without relocating the wall.

Acting Planning Director Stewart responded that when the engineering company started the actual grading they discovered that there were slight variations to what they anticipated in the field. She stated that it is not entirely unusual to encounter new conditions in the field. Acting Planning Director Stewart further stated that sometimes staff can process a minor modification, in which case the modification would not come back before the Planning Commission (PC) or the City Council; however, because the modifications they are requesting require variances, staff had to bring the modification back before the PC and City Council.

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Councilmember Dieringer inquired what provisions, if any, does the City legally have to ensure that when plans are received and approved by staff based on engineering studies and estimates, that these plans are in fact true and accurate in order to avoid the applicant coming back and requesting a modification because they could no longer comply with the original approval and are now requesting the City to approve something different.

City Attorney Jenkins stated that he believed the applicant encountered some field conditions that were unanticipated and this resulted in a change. He stated that if this was the case, he did not know how you can protect against this. City Attorney Jenkins further stated that apparently after the applicant did encounter these field conditions, they did come back for approval of a revision of the project, which is what they are supposed to do.

Acting Planning Director Stewart indicated that the engineer does sign the certification of the plans stating that to the best of their knowledge the plans are accurate.

In response to Mayor Wilson's questions, Acting Planning Director Stewart indicated that the tree species is a pepper tree and that there are restrictions in the Resolution to the height of the trees not to block the neighbors' view.

Mayor Wilson opened public comments.

Robert Guadenti, Representative of 11 Saddleback Road, stated that he is the contractor for the project. He stated that the reason the riding ring was moved forward into the setback was because originally there was proposed a 5 foot high long retaining wall along the trail, which would have resulted in a steep slope between the riding ring and the wall. He stated that he found while grading for the riding ring that if he were to move the wall towards the front and the riding ring towards the front it would result in a better layout, shorter wall and the wall would not be located along a trail, and the slope where the original wall was proposed would be less steep. He stated that the stable structure is well within the setbacks.

Hearing no further comments, Mayor Wilson closed public comments.

The aforementioned motion carried without objection by a voice vote as follows:

AYES: COUNCILMEMBERS: Black, Dieringer, Mirsch and Wilson.

NOES: COUNCILMEMBERS: None.

ABSENT: COUNCILMEMBERS: Pieper (recused).

ABSTAIN: COUNCILMEMBERS: None.

Councilmember Pieper returned to the dais at this time.

6. PUBLIC HEARINGS

None.

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7. OLD BUSINESS

None.

8. NEW BUSINESS

A. PENDING REGIONAL DECISION REGARDING RESIDENTIAL ONSITE WASTEWATER TREATMENT SYSTEMS (OWTS) FOR LOS ANGELES COUNTY AND REQUEST FOR CITY COUNCIL ACTION.

Mayor Wilson introduced the item and asked for staff's comments. Interim City Manager Schwartz stated that this matter is regarding a comment letter for City Council's consideration on a pending decision and urging the Regional Water Quality Control Board (RWQCB) to issue an extension of the current Memorandum of Understanding (MOU) to allow Los Angeles County Department of Public Health (LACDPH) to continue issuing permits for septic tanks until the new Local Agency Management Plan (LAMP) takes effect and cities have an opportunity to adopt it. Interim City Manager Schwartz introduced consultant Kathleen McGowan of McGowan Consulting to provide an update on this matter.

Councilmember Black stated that he did not support the RWQCB's delay in approving the LAMP and that the City Council should receive and file the report from McGowan Consulting and approve the comment letter.

Kathleen McGowan, presented an overview of the staff report as follows: 1) Ms. McGowan explained that the permit requirement that the RWQCB rather than the LACDPH review cases would only apply to any septic systems that are either new or a replacement, or a failed system that has to be replaced during the gap period between May 13, 2018 and when the LAMP becomes effective; 2) May 13, 2018 is the expiration date of the MOU to allow the LACDPH to regulate residential septic systems until the LACDPH's LAMP can be replaced which will take a few months; 3) Ms. McGowan is not aware of how many septic systems will come up for review in the interim; and 4) Ms. McGowan believes the City will be significantly impacted by this situation.

Councilmember Black moved that the City Council receive and file the report from McGowan Consulting and approve the submittal of the comment letter as presented, with the Mayor's signature, to the RWQCB commenting on the pending regional decision and urging the RWQCB to issue an extension of the current MOU to allow LACDPH to continue issuing permits for septic tanks until the new plan takes effect and cities have an opportunity to adopt it. Councilmember Pieper seconded the motion.

Ms. McGowan further stated that the issue is that there is going to be a gap when the MOU expires and residents will be impacted. She indicated that at the workshop attended by the RWQCB and LACDPH the question was asked if LACDPH had taken any action to try to extend the existing MOU that allows them to issue permits and that a vague answer was received from LACDPH staff. Ms. McGowan recommended that the comment letter be submitted sooner rather than later as the comment deadline is April 28, 2018. She stated that if the letter is submitted sooner that RWQCB staff can review it and potentially discuss the matter with the state board to determine what can be done to extend the MOU. Ms. McGowan's alternate recommendation is to have the Mayor or other Councilmember attend the Regional Board meeting because having an elected official at the meeting will have more of an impact than a consultant. Ms.

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McGowan stated that often the Regional Board will direct their staff to take action on a matter not agendized.

In response to Mayor Wilson's question, Ms. McGowan clarified that the public hearing is scheduled for May 10, 2018.

In response to Mayor Wilson's question, Interim City Manager Schwartz stated that there are 16 properties in the City that are not on a septic system.

In response Mayor Wilson's questions, Ms. McGowan stated that active projects with a permit will not be affected by the expiration of the MOU.

Discussion ensued among the Councilmembers and staff on the timing of the LAMP review by RWQCB.

In response to Councilmember Dieringer's question, Ms. McGowan stated that a non-conventional onsite wastewater treatment system (OWTS) requires advanced treatment.

Councilmember Dieringer expressed concern with the first paragraph of the comment letter, that states "The City Council of Rolling Hills supports approval of the proposed LAMP", due to the LAMP being in draft form and not finalized or approved by the Los Angeles County Board of Supervisors. She stated that the City Council would need to provide any comments at the public hearing on May 10, 2018. Councilmember Dieringer recommended that the City Council not make any comment about the approval of a document that has not been finalized as the City Council may have some disagreement with the document. She would like to review the draft LAMP and noted a section in the LAMP, for example, that is phasing out cesspool usage and how this would affect homeowners.

Councilmember Dieringer expressed concern with the Prohibition Section, Item 5, of the draft LAMP pertaining to leach lines and deeming a property with a cesspool unusable for residential use and the impacts that would have on the residents.

Ms. McGowan responded that she is not an expert on septic systems and that she can only provide the City Council with regulatory advice on the current situation. She recommended that the City Council retain a consulting firm to review the technical aspects of the LACDPH's LAMP.

Discussion followed among Councilmembers and the consultant concerning the review of the draft LAMP, a revision or removal of the statement related to the draft LAMP in the comment letter, adding additional language to the comment letter stating that the current LACDPH requirements are equivalent to the proposed LAMP.

City Attorney Jenkins suggested that it would add value to the comment letter if it opened with a statement that the City Council of Rolling Hills "urges the extension of the existing waste discharge until the LAMP is put into effect" and that this avoids explicitly stating that the City Council supports the draft LAMP, and at the same time it states the purpose of the letter. City Attorney Jenkins also recommended stating in the letter that "maintaining the status quo will not create any health hazards."

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Councilmember Black amended his aforementioned motion to include the changes proposed by City Attorney Jenkins. Councilmember Pieper accepted the amended motion and seconded the motion. Interim City Manager Schwartz recommended an additional change to extend the existing MOUs for waivers of WDRs from six months to ten months.

Ms. McGowan recommended that instead of requesting a timeframe that language be included that states “the City Council of Rolling Hills urges the extension of existing waivers of waste discharge requirements in effect since 2004 until the LAMP can be put into effect with the individual municipalities of Los Angeles County.”

Discussion followed among the Councilmembers regarding the timeframe for the extension of existing waivers of WDRs.

City Attorney Jenkins advised that the City Council direct staff to draft the comment letter taking into consideration the concerns and recommendations of the City Council.

Councilmember Pieper clarified the aforementioned amended motion made by Councilmember Black as follows: Councilmember Black moved that the City Council receive and file the report from McGowan Consulting and approve the expeditious submittal of the comment letter, taking into consideration the City Council’s concerns and comments as discussed, with the Mayor’s signature, to the RWQCB on the pending regional decision and urging the Regional Board to issue an extension of the current MOU to allow LACDPH to continue issuing permits for septic tanks. Councilmember Pieper accepted the amended motion and seconded the motion.

The aforementioned motion carried without objection by a voice vote as follows:

AYES: COUNCILMEMBERS: Black, Dieringer, Mirsch, Pieper and Wilson.
NOES: COUNCILMEMBERS: None.
ABSENT: COUNCILMEMBERS: None.
ABSTAIN: COUNCILMEMBERS: None.

B. REPORT ON FINANCE/BUDGET/AUDIT COMMITTEE RECOMMENDATIONS ON FINANCIAL AND INVESTMENT POLICIES AND SCHEDULE OF FEES AND CHARGES AND DISCUSSION OF FISCAL YEAR 2018/19 BUDGET PRIORITIES.

Mayor Wilson introduced the item and asked for staff’s comments. Interim City Manager Schwartz stated the report and discussion of the budget will be presented in two parts, part A is the Finance/Budget/Audit Committee recommendations and part B is the Fiscal Year 2018/19 Budget Priorities. Interim City Manager Schwartz stated that the Finance/Budget/Audit Committee (Committee) met on March 26, 2018 and reviewed the Investment Policy, the Financial, Budget and Debt Policies, Resolution No. 953 – Asset Capitalization Policies and Schedule of Fees and Charges. She stated that the Committee agreed on the following items: 1) The Committee did not recommend any changes to the Investment Policy or the Asset Capitalization Policy; 2) The Committee recommended the following changes to the Financial, Budget and Debt policies: a. Section 1 - Financial Reporting Entity next to Planning and Zoning add: Building and Safety, b. Section 7 - Budget Policies, Subparagraph A. Categories of Funds add: Transit Fund – Measure M to the list of funds; and 3) The Committee recommended the following changes to the

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Schedule of Fees and Charges: a. Reduce the LA County Building and Safety Permit fee multiplier of 2.5 times the cost of the permit to 2.25 times for Building, Electrical, Plumbing and Mechanical Permits, as applicable. A change in the multiplier from 2.5 to 2.25 times for the previous fiscal years would be a reduction in revenues as follows: FY 2014-15 - \$41,846, FY 2015-16 - \$46,966, FY 2016-17 - \$56,027, FY 2017-18 - \$35,233 - This is through November for this year.

Councilmember Black stated that the City needs to determine a legal way to return monies to the residents and that the only way he knows how to do this legally is through the fees.

Mayor Wilson stated that he did a calculation and determined there would be a reduction in the collection of fees of approximately \$48,000.

In response to Mayor Wilson's comment, Finance Director Shea responded that his calculation was accurate.

Councilmember Pieper expressed support of reducing the fee multiplier.

Mayor Pro Tem Mirsch commented that this is the first time she has reviewed the Fiscal Year 2018/19 Budget Priorities and that some expenditures listed have been deferred for many years. Mayor Pro Tem Mirsch stated that the Committee came to a compromise by proposing the 2.25 fee multiplier.

Discussion followed among the Councilmembers regarding the change in multiplier from 2.5 to 2.25 times and other methods to reduce fees for residents.

Councilmember Dieringer commented that there are items that should be considered such as the Tax Fairness, Transparency and Accountability Act that may qualify for the ballot which would restrict local fee authority, limited staff resources, limited revenue sources, increasing storm water management costs, increased staff workload due to the processing of view complaint cases and proactive enforcement of the dead vegetation ordinance before the fee multiplier is reduced.

Mayor Pro Tem Mirsch moved that the City Council approve the reduction of the Los Angeles County Building and Safety Permit fee multiplier of 2.5 times the cost of the permit to 2.25 times for Building, Electrical, Plumbing and Mechanical Permits for Fiscal Year 2018/19. Councilmember Pieper seconded the motion.

Councilmember Dieringer moved that the City Council maintain the fee multiplier as is at 2.5 for Fiscal Year 2018/19 and bring this matter back for discussion at a future date. The motion failed due to a lack of a second.

The aforementioned motion made by Mayor Pro Tem Mirsch carried by a voice vote as follows:

AYES: COUNCILMEMBERS: Black, Mirsch, Pieper and Wilson.

NOES: COUNCILMEMBERS: Dieringer.

ABSENT: COUNCILMEMBERS: None.

ABSTAIN: COUNCILMEMBERS: None.

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Interim City Manager Schwartz reviewed the Fiscal Year 2018/19 Budget Priorities as follows: 1) Construction of Sewer Line to serve City Hall/Rolling Hills Community Association Complex - \$935,000; 2) Grant Consultant for implementation of the Hazard Mitigation Plan (HMP) - \$15,000; 3) Update of the Safety Element of the General Plan - \$35,000; 4) National Pollutant Discharge Elimination System (NPDES) Permit - \$185,000; 5) Retain a Contract Project Manager for the Tennis Court Improvement Project and sewer line construction project - \$85,000; 6) Professional Engineering Services - \$30,000; 7) Various upgrades to the City's computers, purchase of new recording systems, purchase of computer software and purchase of new computer and/or laptop for the City Manager, City Clerk and for meetings - \$12,000; 8) Purchase color copier and scanner - \$17,000; 9) Purchase printer for printing newsletters - \$3,000; 10) Plotter for producing plans, exhibits and tracking incidents, GIS subscription, various technology upgrades for Planning and Administration; maps for property addresses and zoning - \$9,000; 11) New IT services – Cost unknown; 12) Office furniture for City Manager's office - \$5,000; 13) Emergency Preparedness Peninsula Prepared Expo and emergency preparedness course for employees - \$8,000; 14) Peafowl control - \$12,000; 15) Part-time Planning Commission meeting secretary to prepare minutes and provide clerical assistance - \$25,000; 16) Contract Part-time Forester to enforce the removal of dead vegetation - \$14,500; 17) Re-landscape areas surrounding City Hall campus - \$18,000; 18) Repair broken up walkways around City Hall campus - \$5,000; 19) Minimal City Hall Americans with Disabilities (ADA) compliance – Cost unknown; and 20) City Attorney's cost will be similar to the current year and no more than budgeted will be expended in FY 2017-18.

Interim City Manager Schwartz reviewed the following projects for consideration in the future as follows: 1) Hire additional staff such as an Assistant to the City Manager, Public Works Director or Engineer and Clerical Staff; 2) Set aside funds for City Hall renovation and addition; 3) Global municipal code amendment; 4) Repair the drainage, repave the driveway and restripe City Hall campus parking area; and 5) General Plan update – Estimated cost \$700,000 over a two year period.

In response to Mayor Pro Tem Mirsch's question, Interim City Manager Schwartz responded that because the City is a smaller scale city with only residential uses, the cost of updating the General Plan might be less than other cities with more varied uses.

Councilmember Pieper suggested that a temporary clerical employee be hired immediately to provide assistance to staff.

Councilmember Dieringer indicated that she added up all the projects that had a figure affixed to it and the total is just under \$2 million dollars; however, this total does not include the large projects such as the City Hall ADA compliance, City Attorney's costs, City Manager laptop, or the future items for consideration except for \$30,000 for the Housing Element and \$700,000 for the General Plan. She considers that most of these items are important to complete and that the City Council should devote funds to the projects.

Finance Director Shea noted that some of the items are one time costs and some are ongoing costs.

Councilmember Pieper commented that some of the items are already included in the budget such as the NPDES Permit. Councilmember Pieper stated that he would like to ensure that staff has enough help to complete the tasks that need to get done.

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Mayor Pro Tem Mirsch concurred with Councilmember Pieper's above-mentioned comment and expressed support for hiring clerical and project management assistance and the purchase of office furniture for the City Manager's office. Mayor Pro Tem Mirsch stated that funds should have been continued to be set aside for the computer upgrades, color copier and plotter and that the peafowl budget should be increased to \$15,000.

Councilmember Black concurred with the majority of the comments made by the Councilmembers but believes that the City should put off the elements of the General Plan that are not due for an amendment as well as the ADA improvements, except for minor changes.

Discussion ensued among the Councilmembers concerning the construction of the sewer line to service City Hall and the estimated cost of \$935,000.

Councilmember Dieringer commented that she feels that the HMP and Safety Element of the General Plan are important documents to consider funding.

Councilmember Black stated that he would like to know how much the City could receive in grant funds for the HMP and Safety Element.

Finance Director Shea stated that the City can accept grant funds; however, there is a new law regarding federal uniform guidance, which is a purchasing ordinance, that would have to be adopted by July 1, 2018 that requires a federal section in the City's purchasing ordinance to receive a federal grant.

Mayor Pro Tem Mirsch inquired if it would help to have a Councilmember attend a meeting with the Regional Water Board to discuss the trash monitoring issue in order to save the City \$9,000.

Interim City Manager Schwartz stated that a meeting could be arranged with the Regional Water Board to discuss the trash monitoring issue.

Mayor Wilson indicated that he would be willing to meet with the Regional Water Board to discuss the trash monitoring issue.

Mayor Wilson stated that he would attend the May 10, 2018 public hearing on the LACDPH's LAMP matter as recommended by Consultant McGowan as previously discussed this evening.

9. MATTERS FROM THE CITY COUNCIL AND MEETING ATTENDANCE REPORTS

Councilmember Pieper requested that additional coyote control be considered in the City.

Interim City Manager Schwartz responded that the County trapper is working in the City.

Mayor Wilson requested consideration to recite the pledge of allegiance at future City Council meetings. There was no objection.

Mayor Pro Tem Mirsch noted that in May 2018 there is a City Council meeting that falls on Memorial Day.

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Interim City Manager Schwartz stated that staff is trying to work around the second City Council meeting in May 2018 in order to possibly cancel the meeting.

Finance Director Shea noted that a Finance/Budget/Audit Committee meeting will be needed in May 2018.

Councilmember Black reported that there is a Peninsula-wide coyote control coordinated effort being discussed among the cities and indicated that he would be willing to participate in this committee.

Councilmember Black reported that the Peninsula Cities discussed how to make employee benefits more uniform among the cities and suggested that a Personnel Committee meeting be held to discuss this matter.

Mayor Wilson suggested that the City Manager contact the City Manager of City of Rolling Hills Estates to obtain more information on the employee benefits matter.

John Resich, 8 Outrider Road, commented that the City of Torrance is experiencing a high number of coyote issues.

10. MATTERS FROM STAFF

A. FUTURE COMMUNITY WILDFIRE PROTECTION PLAN SEMINARS - ADVERTISEMENT (ORAL).

Interim City Manager Schwartz presented the report. She stated that this was a request for larger size posters to advertise the Community Wildfire Protection Plan seminars at an estimated cost of between \$200 to \$475. Interim City Manager Schwartz stated that the posters that were previously used were too small.

Councilmember Black moved that the City Council allocate a not to exceed amount of \$475 to print posters to advertise future Community Wildfire Protection Plan seminars. Councilmember Pieper seconded the motion, which carried without objection by a voice vote as follows:

AYES: COUNCILMEMBERS: Black, Dieringer, Mirsch, Pieper and Wilson.

NOES: COUNCILMEMBERS: None.

ABSENT: COUNCILMEMBERS: None.

ABSTAIN: COUNCILMEMBERS: None.

At this time other matters from staff were discussed.

City Attorney Jenkins provided an update on the implementation of the California Water Service (CalWater) settlement case. He stated that the number of residents who had their water budget set by reference to the district averages as opposed to the historic use was 105 residents. He stated that CalWater determined that 66 of these residents had paid drought surcharges and the rest did not; as a result CalWater on February 22, 2018 sent letters to each of the 66 residents to inform them that they may qualify for a rebate. He indicated that as of March 30, 2018 CalWater has received 22 appeals from

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among those 66 residents. He stated that CalWater recalculated the drought surcharges from 17 of the 22 appeals as of today and they are continuing to process the rest. He stated that the results fall into three categories as follows: 1) There are some residents who will not qualify for a refund because they had previously participated in the appeal process by which their water budgets were recalculated using a Geographic Information System (GIS) and where that turned out to be more favorable the GIS measure was retained; 2) Partial refunds – after recalculation based on the property’s historic use these residents still exceeded their water budgets but they were entitled to a partial refund; and 3) Full refund of their drought surcharges. He stated that with respect to the 17 residents who have been fully processed, the total amount credited to them is \$17,606.42, which is an average of \$1,035.67 per resident. City Attorney Jenkins indicated that CalWater will be issuing the credits this month and that City staff is sending letters to the 105 residents to remind them that they still have time to file an appeal if they have not already done so. City Attorney Jenkins further stated that the City has an agreement with CalWater that the City would dismiss the complaint in mid-April 2018. He noted that the appeal period ends on June 22, 2018.

Councilmembers Pieper and Dieringer requested a list of the 105 residents.

Interim City Manager Schwartz stated that all Councilmembers would be provided with a list of the 105 residents.

City Clerk Hall informed the City Council that the California Contract Cities Association’s Executive Director sent an email requesting the attendance of up to four Councilmembers to attend the Los Angeles County Board of Supervisors’ meeting tomorrow morning to speak on the staffing issues within the Los Angeles County Sheriff’s Department.

11. ADJOURNMENT

Hearing no further business before the City Council, Mayor Wilson adjourned the meeting at 9:24 p.m. The next regular meeting of the City Council is scheduled to be held on Monday, April 23, 2018 beginning at 7:00 p.m. in the City Council Chamber at City Hall, 2 Portuguese Bend Road, Rolling Hills, California.

Respectfully submitted,

Yvette Hall
City Clerk

Approved,

Patrick Wilson
Mayor

Minutes
City Council Meeting
04-09-18

**MINUTES OF
A REGULAR MEETING
OF THE
CITY COUNCIL OF THE
CITY OF ROLLING HILLS, CALIFORNIA
MONDAY, FEBRUARY 11, 2019**

1. CALL TO ORDER

A regular meeting of the City Council of the City of Rolling Hills was called to order by Mayor Wilson at 7:03 p.m. in the City Council Chamber at City Hall, 2 Portuguese Bend Road, Rolling Hills, California.

2. ROLL CALL

Councilmembers Present: Black, Dieringer, Mirsch, Pieper and Mayor Wilson.

Councilmembers Absent: None.

Others Present: Elaine Jeng, P.E., City Manager.
Mike Jenkins, City Attorney.
Yolanta Schwartz, Planning Director.
Yvette Hall, City Clerk.
Don Crocker, 14 Cinchring Road.
Helen Frykman, 10 Crest Road West.
Kathleen Hughes, 13 Caballeros Road.
Sharon Minkes, 44 Chuckwagon Road.
Deborah Richie-Bray, Architect, 15 Georgeff Road.
Alfred Visco, 15 Cinchring Road.

3. OPEN AGENDA - PUBLIC COMMENT WELCOME

Kathleen Hughes, 13 Caballeros Road, commented that she spoke to the City Council in 2013 after she was bitten by a dog and requested that a leash law be adopted. Ms. Hughes stated that the City Council did not support a leash law at that time. She indicated that she was severely injured by the dog who lives next door and spoke on the City's no leash law. Ms. Hughes stated that two weeks ago the same dog bit her elderly and blind neighbor. Ms. Hughes would like a response from the City on why there is no leash law.

Mayor Wilson responded that the City has strict enforcement capability related to animal complaints.

Ms. Hughes indicated that she believed this was the third incident because another elderly neighbor was knocked down by the same dog. Ms. Hughes further stated that the incident she had with the dog was frightening.

City Manager Jeng stated that she spoke to the resident who was bitten and the owners of the dog. She spoke on the City's process and indicated that the City is currently investigating the incident.

Councilmember Black spoke on the City's process. He stated that typically the Los Angeles County

Animal Care and Control would make a field visit, order the dog confined to its property, and if the owners did not comply, then the dog would be removed from the City. Councilmember Black questioned why the dog has not been removed from the City since this is the second incident.

City Manager Jeng responded that she is currently researching the City's animal complaint records.

Ms. Hughes commented on the gate that is closed at Crest Road East near Eastfield Drive. She stated that she would like to see another way to get out of the City in an emergency.

Mayor Wilson responded that the gate falls under the purview of the Rolling Hills Community Association (RHCA).

City Manager Jeng stated that evacuation routes will be discussed at the upcoming Block Captain meetings.

Sharon Minkes, 44 Chuckwagon Road, spoke on fire prevention. She stated that she lives on a cul-de-sac with no exit from Eastfield Drive to the end of Chuckwagon Road and that her property has canyons on both sides. She provided photographs of her surrounding neighborhood and expressed concern with the hazardous condition of the canyons with respect to dry brush. Ms. Minkes inquired with the RHCA regarding the ownership of the canyons and was informed that the canyons belong to individual owners. Ms. Minkes stated that it is difficult to determine the property lines. Ms. Minkes stated that she would be trapped if a fire were to occur.

4. CONSENT CALENDAR

Matters which may be acted upon by the City Council in a single motion. Any Councilmember may request removal of any item from the Consent Calendar causing it to be considered under Council Actions.

- A. Minutes – 1) Regular Meeting of February 12, 2018; and 2) Regular Meeting of January 28, 2019.
RECOMMENDATION: Approve as presented.
- B. Payment of Bills.
RECOMMENDATION: Approve as presented.
- C. Republic Services Recycling Tonnage Report for December 2018.
RECOMMENDATION: Receive and file.

Councilmember Black requested that Consent Calendar Item No. 4.B. be pulled for separate consideration. There were no objections.

Councilmember Dieringer requested that a correction be made to the January 28, 2019 Regular Meeting Minutes on page 19 as follows: In the second paragraph, last line, remove the word "the" after "work." There were no objections.

Councilmember Black moved that the City Council approve the items on the consent calendar, except

Item No. 4.B., as presented. Councilmember Pieper seconded the motion, which carried without objection by a voice vote as follows:

AYES: COUNCILMEMBERS: Black, Dieringer, Mirsch, Pieper and Wilson.
NOES: COUNCILMEMBERS: None.
ABSENT: COUNCILMEMBERS: None.
ABSTAIN: COUNCILMEMBERS: None.

Councilmember Black requested clarification on Consent Calendar Item No. 4.B, Check Number 25740, as the description states it is for a special event.

City Manager Jeng explained that the check description is an error and should not be listed as a special event. She stated that staff will ensure that the correction is made on future invoices.

Councilmember Black moved that the City Council approve Consent Calendar Item No. 4.B. as presented. Mayor Pro Tem Mirsch seconded the motion, which carried without objection by a voice vote as follows:

AYES: COUNCILMEMBERS: Black, Dieringer, Mirsch, Pieper and Wilson.
NOES: COUNCILMEMBERS: None.
ABSENT: COUNCILMEMBERS: None.
ABSTAIN: COUNCILMEMBERS: None.
ABSTAIN: COUNCILMEMBERS: None.

5. COMMISSION ITEMS

- A. RESOLUTION NO. 2019-02. A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF ROLLING HILLS GRANTING APPROVAL OF A CONDITIONAL USE PERMIT TO CONSTRUCT A 660 SQUARE FOOT DETACHED GARAGE AND VARIANCE TO ENCROACH WITH THE GARAGE AND WITH A RESIDENTIAL ADDITION INTO THE REAR SETBACK, IN ZONING CASE NO. 952 AT 2 CHUCKWAGON ROAD, LOT 38-A/38-BEF. (KIRMSE/GALVIN).

Mayor Wilson called for the staff report. Planning Director Schwartz stated this item is a request for a Conditional Use Permit to construct a 660 square foot detached garage, Variance to encroach with the garage and a residential addition into the rear setback at 2 Chuckwagon Road. She stated the Planning Commission (PC) unanimously adopted a Resolution at their last meeting finding that the project is compatible with the neighborhood, is reasonably sized on the lot and finding that the lot is constrained in size because it is a corner lot and bounded by two 30'-wide roadway easements and that the proposed project will retain the undisturbed topography of the remaining of the lot, not giving the lot a built out character. Planning Director Schwartz stated that no comments were received from the surrounding residents and that the project is categorically exempt from the California Environmental Quality Act (CEQA).

Mayor Wilson opened public comments. There being no public comments, Mayor Wilson closed public comments.

Councilmember Black moved that the City Council receive and file Planning Commission Resolution No. 2019-02 granting approval of the applicant's request in Zoning Case No. 952 at 2 Chuckwagon Road. Councilmember Pieper seconded the motion.

Councilmember Dieringer commented on differences in both PC Resolutions that are presented on this meeting's agenda and referred to page 11, Section H, of the Resolution for 2 Chuckwagon Road and page 15, Section G, of the Resolution for 15 Georgeff Road. Councilmember Dieringer requested that Section H of the Resolution for 2 Chuckwagon Road be modified by adding the underlined language as follows: "The structural net lot coverage shall not exceed 5,204 square feet or 16.3% in conformance with lot coverage limitations (20% max. permitted). The total lot coverage proposed (structural and flatwork) shall not exceed 8,411 square feet or 26% in conformance with lot coverage limitations (35% max. permitted)." Councilmember Dieringer stated that this language would make it clear that the 20% maximum permitted in parenthesis and the 35% maximum permitted in the second parenthesis is referring to the lot coverage limitations not to what the homeowner could do in terms of the maximum permitted.

City Attorney Jenkins advised the City Council that because this is a decision made by the PC, the City Council has two options as follows: 1) Accept the Resolution as is or 2) Take the matter under jurisdiction, schedule a public hearing and then consider the matter de novo.

Councilmember Mirsch stated that she does not support taking the matter under jurisdiction.

City Manager Jeng stated that staff will be consistent with the Resolution language going forward.

The aforementioned motion carried without objection by the following voice vote:

AYES: COUNCILMEMBERS: Black, Dieringer, Mirsch, Pieper and Wilson.
NOES: COUNCILMEMBERS: None.
ABSENT: COUNCILMEMBERS: None.
ABSTAIN: COUNCILMEMBERS: None.

- B. RESOLUTION NO. 2019-01. A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF ROLLING HILLS GRANTING APPROVAL FOR VARIANCES TO CREATE A PARKING PAD WITHIN 30 FEET OF THE ROADWAY EASEMENT AND CONSTRUCT A TRASH ENCLOSURE WITHIN THE FRONT YARD SETBACK IN ZONING CASE NO. 948 AT 15 GEORGEFF ROAD, LOT 29-GF, (LAURA HATCH).

Mayor Wilson called for the staff report. Planning Director Schwartz stated this item is a request for a modified driveway to accommodate a new parking pad and relocation of the trash area. She further stated that the improvements and new trash area require variances due to location. Planning Director Schwartz stated that one Planning Commissioner did not see the need for additional parking and voted against the project; however, the remaining Planning Commissioners found that this project will not negatively affect the neighborhood and will improve maneuverability on site. She stated that no comments were received from the surrounding residents and that the applicant submitted their justification for their request.

Mayor Wilson opened public comments.

Deborah Richie-Bray, Architect, 15 Georgeff Road, spoke on why the extra parking is needed due to additional vehicles in her clients' family and that the request is to provide more usable space. She further stated that the property is very steep in the rear and there is no other access.

Hearing no further comments, Mayor Wilson closed public comments.

In response to Councilmember Black's question, Ms. Richie-Bray clarified that the existing concrete will be removed and replaced with pavers.

Councilmember Black moved that the City Council receive and file Planning Commission Resolution No. 2019-01 granting approval of the applicant's request in Zoning Case No. 948 at 15 Georgeff Road. Councilmember Pieper seconded the motion.

In response to Mayor Wilson's question, Planning Director Schwartz stated that a special condition regarding recreational vehicles was added to the Resolution as a reminder to the applicant that parking for recreational vehicles is prohibited on the new parking pad.

Councilmember Dieringer questioned page 17, Section AD, pertaining to perimeter easements. She stated that it was her understanding that a determination was made not to include this provision in future Resolutions unless it was needed.

City Attorney Jenkins advised that Councilmember Dieringer's concern regarding the perimeter easement provision could be brought up under matters from the City Council to be considered for discussion at a future City Council meeting.

The aforementioned motion carried without objection by the following voice vote:

AYES: COUNCILMEMBERS: Black, Dieringer, Mirsch, Pieper and Wilson.

NOES: COUNCILMEMBERS: None.

ABSENT: COUNCILMEMBERS: None.

ABSTAIN: COUNCILMEMBERS: None.

6. PUBLIC HEARINGS

A. AN ORDINANCE OF THE CITY OF ROLLING HILLS, CALIFORNIA, AMENDING CHAPTER 8.30 FIRE FUEL ABATEMENT OF THE CITY OF ROLLING HILLS MUNICIPAL CODE.

Mayor Wilson called for the staff report. City Manager Jeng presented a summary of the staff report as follows: 1) As directed by the City Council at the last meeting, a draft ordinance is proposed for the City Council's consideration; 2) Proposed language was added to Chapter 8.30.010: Dead or alive tumbleweeds, shrubs, palm fronds or other plants; 3) A new section 8.30.015 was added: 8.30.015 Applicability. - This Chapter shall apply to the entirety of each parcel of property located within the boundaries of the City except for the following areas: 1) slope area approximated to be steeper than 2

units horizontal to 1 unit vertical (50% slope); and 2) the entire slope area comprising of more than 65% of slopes approximated to be steeper than 2:1 ratio.; 4) According to the Los Angeles County Department of Agriculture Commissioner/Weights and Measures (LACDACWM) and their experience in abating fire fuel on slopes, slopes greater than 2 (units horizontal) to 1 (unit vertical) present accessibility issues and unsafe conditions; 5) LACDACWM does not have a firm rule on the 2:1 slope; thus, they rely on the feedback from their field personnel on the safety of the slopes; 6) There are variations on the slope ratio within the hills of the city that could fluctuate presenting spot locations much greater or much flatter than the 2:1 ratio; and 7) Staff is proposing several slope conditions to assist residents in complying with the amended Chapter 8.30.

City Manager Jeng noted that correspondence was received from resident Alfred Visco.

Mayor Wilson opened the public hearing.

Alfred Visco, 15 Cinchring Road, commented that he submitted a letter to the City Council. Mr. Visco stated that he agrees that dead palm fronds should be removed; however, he feels there should be some consideration given to certain palm trees that are not safe and feasible for removal of fronds due to the height and location of the tree. He stated that in his letter he proposed language to address this issue. Mr. Visco further stated that in his letter he proposed alternative language related to the slope ratio.

Councilmember Black commented that his concern regarding slopes is that he would like to ensure that property owners are required to clear out their property near the trails to allow for egress without requiring them to clear the steep areas.

Discussion followed regarding brush clearance of steep properties and vacant lots.

Hearing no further comments, Mayor Wilson closed the public hearing.

City Manager Jeng provided additional feedback that she received on the proposed ordinance. She stated that the purpose of this ordinance was to engage the residents to be mindful of fire fuel on their property and to inform them that they should actively pursue the removal of fire fuel for the protection of themselves as well as their neighbors. She stated that based on her understanding of the intent of the City Council, the ordinance does not need to address specific conditions as it would be difficult to address one condition and not another, and to determine the number of conditions to be captured. City Manager Jeng stated that the intent is to engage the residents to remove what they can get to and to provide a dialogue for residents to work with staff on any allowances on their property.

Councilmember Dieringer suggested adding language in Section 8.30.015 that would allow residents to clear areas that are not steep and to add the following language: "Before engaging in fire fuel reduction residents shall review and be guided by the advice outlined in best practices for fuel reduction on the City's website to avoid erosion control and other problems associated with improper fire fuel abatement." She stated that this language would alert residents that there are materials on the City's website so that they do not unintentionally remove something that would not be a proper fire fuel abatement and possibly cause other issues such as erosion.

Discussion followed among the Councilmembers regarding fire fuel abatement practices.

Mayor Pro Tem Mirsch expressed support of the proposed ordinance and thanked staff for preparing it. She also thanked Ms. Minkes for her feedback regarding the brush in the canyons. Mayor Pro Tem Mirsch clarified that the City Council is reviewing dead vegetation only and that the current ordinance was kept broad intentionally and Mayor Pro Tem Mirsch stated that she agrees with adding palm fronds and 50% slope to the ordinance.

Discussion followed among the Councilmembers regarding conditions that could require an exemption, subjective ordinance language such as “safe” and “feasible”, slope ratios, adding an appeal process section and adding educational material to the website.

Councilmember Black suggested removing Section 2 of Chapter 8.30.015 of the proposed ordinance to be modified as follows: 8.30.015 Applicability. - This Chapter shall apply to the entirety of each parcel of property located within the boundaries of the City except for the slope area approximated to be steeper than 2 units horizontal to 1 unit vertical (50% slope).

Councilmember Pieper concurred with Councilmember Black’s recommendation stated that he would like to keep the slope ratio simple.

Discussion followed among the City Council regarding the slope ratio, posting educational materials on the City’s website, erosion control and fire fuel reduction methods.

Councilmember Pieper moved that the City Council waive full reading and introduce for first reading Ordinance No. 360 – An Ordinance of the City of Rolling Hills, California Amending Chapter 8.30 (Fire Fuel Abatement) of Title 8 (Health and Safety) of the City of Rolling Hills Municipal Code to Require Clearance of Dead or Alive Tumbleweeds and Dead Trees, Shrubs, Palm Fronds, and Other Plants under Certain Conditions within the City and to modify Section 8.30.015 as follows: 8.30.015 Applicability. - This Chapter shall apply to the entirety of each parcel of property located within the boundaries of the City except for the slope area approximated to be steeper than 2 units horizontal to 1 unit vertical (50% slope). Councilmember Mirsch seconded the motion, which carried by the following voice vote:

AYES: COUNCILMEMBERS: Black, Mirsch, Pieper and Wilson.

NOES: COUNCILMEMBERS: Dieringer.

ABSENT: COUNCILMEMBERS: None.

ABSTAIN: COUNCILMEMBERS: None.

Councilmember Dieringer commented that she believes that a sentence should be added to the ordinance to require proper fire fuel abatement and guidelines.

7. OLD BUSINESS

None.

8. NEW BUSINESS

- A. RESOLUTION NO. 1233. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS ADOPTING THE HAZARD MITIGATION PLAN.

Mayor Wilson called for the staff report. Planning Director Schwartz stated that the City's consultant could not attend the meeting as planned. Planning Director Schwartz presented an overview of the Hazard Mitigation Plan (HMP). In response to Councilmembers' questions from the presentation of the HMP at the January 8, 2019 meeting, Planning Director Schwartz provided the answers as follows: 1) Whether the adoption of the HMP would allow residents to receive FEMA funds more expeditiously than if the City did not have an approved HMP - Answer: No. The HMP is not relevant to Federal Emergency Management Agency (FEMA) funds for private property, and 2) If the City were to accept Federal funds from FEMA for projects that are being applied for, would this jeopardize the City's private status - Answer: No. Based on the City consultant's determination, this is not relevant as FEMA funds are eligible for use on public property. She stated that a Resolution to approve the updated HMP is recommended for the City Council's adoption.

Mayor Wilson opened the public hearing.

Don Crocker, 14 Cinchring Road, spoke on the fire section of the HMP. He offered the following ideas for the City to consider related to emergency preparedness: 1) Each resident should have an evacuation route plan on how to get out of the City; 2) There is overgrown vegetation at all the gates; 3) 2 gates are locked and there should be a way for residents to unlock the gates in an emergency and not wait for first responders; and 4) Add emergency notification sirens. Mr. Crocker stated that he sent an email to the City Council.

Helen Frykman, 10 Crest Road West, expressed concern with the locked gates if a fire were to occur. She stated that she would like to have a two way street be built on Crest Road East to provide residents with another exit out of the City. She suggested adding an emergency exit sign at the Crest Road East gate and to place a lock cutter at the gate.

Hearing no further comments, Mayor Wilson closed public comments.

Councilmember Black thanked staff for preparing the HMP.

Councilmember Black moved that the City Council adopt Resolution No. 1233 adopting the updated City of Rolling Hills Hazard Mitigation Plan as presented. Councilmember Pieper seconded the motion.

In response to Mayor Pro Tem Mirsch's question, City Manager Jeng stated that a discussion on the City's evacuation plans will be discussed at future Block Captain meetings.

Mayor Pro Tem Mirsch noted that a correction should be made on page 22 of the HMP to update the sentence that states that the only City owned structure is City Hall because the City owns other structures.

City Manager Jeng stated that page 22 of the HMP would be updated to reflect all the City owned facilities.

The aforementioned motion carried without objection by the following voice vote:

AYES: COUNCILMEMBERS: Black, Dieringer, Mirsch, Pieper and Wilson.
NOES: COUNCILMEMBERS: None.
ABSENT: COUNCILMEMBERS: None.
ABSTAIN: COUNCILMEMBERS: None.

B. CONSIDERATION AND APPROVAL OF PROJECT SPECIFICATIONS FOR TRAFFIC SIGNING, STRIPING, AND PAVEMENT MARKING; AND AUTHORIZE STAFF TO ADVERTISE FOR CONSTRUCTION BIDS.

City Manager Jeng presented a summary of the staff report. She stated that the item is a request for the approval of the project specifications and to authorize staff to advertise for construction bids for traffic signing, striping and pavement marking for the segments of Middleridge Lane North, Middleridge Lane South, Williamsburg Lane and Lower Blackwater Canyon Road. She stated that these streets are to be resurfaced by the RHCA in early February 2019. City Manager Jeng noted that a concern was received regarding height of existing traffic control signs within the City as many of the signs are mounted lower than 7 feet in length and to prevent any conflict with the bridle trails. City Manager Jeng discussed the best practices of complying with the California Manual on Uniform Traffic Control Devices.

Councilmember Pieper requested that the striping company be provided with appropriate instructions on how to stripe.

Mayor Wilson requested that the striping work be aligned properly at curves and centerlines and to provide time for the striping to dry.

Councilmember Black stated that he is not in favor of adding more signs in the City and placing them at a higher level. Councilmember Black further stated that he is not in favor of having the Traffic Engineer inventory and recommend additional signs, raising signs to 7 ½ feet or including reflective material. He stated that he prefers less signs in the City.

City Manager Jeng stated that the request is not to add additional signs, but to bring the signs up to code in the City.

Discussion followed among the Councilmembers and staff regarding signage, cost of the project and pavement markings.

Councilmember Pieper requested that the limit lines be added at the downhill side of Portuguese Bend Road at Middleridge Lane.

Councilmember Black moved that the City Council approve project specifications for the striping and pavement marking, excluding update of traffic signs to code, and authorize staff to advertise for construction bids. Councilmember Dieringer seconded the motion which carried without objection by the following voice vote:

AYES: COUNCILMEMBERS: Black, Dieringer, Mirsch, Pieper and Wilson.
NOES: COUNCILMEMBERS: None.
ABSENT: COUNCILMEMBERS: None.
ABSTAIN: COUNCILMEMBERS: None.

9. MATTERS FROM THE CITY COUNCIL AND MEETING ATTENDANCE REPORTS

Councilmember Dieringer commented on the condition that was in the Resolution for Agenda Item 5.B. - 15 Georgeff Road related to perimeter easements. She expressed that she believes the City cannot be assisting a private entity concerning perimeter easements as the private entity has Covenants, Conditions and Restrictions (CCRs) that can be enforced.

Councilmember Black stated that not every property has an easement condition on their property.

City Manager Jeng provided the background of the standard condition that was included in Resolutions of planning projects and was discussed at the September 24, 2018 City Council meeting. She stated that the language stated that the applicant shall not place anything in the roadway easement and that this inclusion was requested years ago to be placed in the Resolutions by the RHCA. City Manager Jeng stated that at that time Councilmember Dieringer requested that the condition be removed and inquired about the relationship between a RHCA lawsuit and the Resolution condition and if there would be any consequences for the City if the condition was enforced by the City. City Manager Jeng indicated that the City Attorney's office did an analysis of the condition and found there is no connection to the lawsuit. She stated that the City Attorney redrafted the condition providing the authority to the Planning Director to waive the requirements of this condition rather than to the RHCA, as it was stated in the original condition.

City Attorney Jenkins advised that this matter can be agendized for discussion at a future City Council meeting. He stated that he was uncomfortable with the delegation of authority to the RHCA as the Resolution language states that property owners shall keep their perimeter easements free and clear except as otherwise approved by the RHCA. He stated that a Resolution cannot have a City condition that can be waived by the RHCA as the RHCA is a separate entity. He advised that the minutes should be reviewed to confirm the City Council's direction. City Attorney Jenkins stated that he believed that the City Council directed staff to review the matter to determine if the condition was legal. He indicated that he provided a memo to all Councilmembers regarding his opinion on the matter and concluded that the language could be improved upon by eliminating the reference to the "RHCA's authority waiving the requirement" and replaced it with the "Planning Director's authority to waive the requirement."

Councilmember Dieringer commented that she believed that the City Council agreed to strike the condition.

Councilmember Dieringer moved that the City Council agendize the matter for discussion at a future City Council meeting. The motion failed for lack of a second.

By consensus, the City Council requested that the minutes be reviewed to determine the action taken by the City Council at the September 24, 2018 City Council meeting.

The City Council requested that staff explore options with the RHCA to unlock the gates.

10. MATTERS FROM STAFF

A. FIRE FUEL ABATEMENT ENFORCEMENT ACTIVITIES QUARTERLY UPDATE.

City Manager Jeng presented a summary of the fire fuel abatement enforcement activities and indicated that an update will be provided quarterly. She reported on the following activities: 1) 7 remaining properties were inspected by City staff from the initial list of 31 properties provided by the RHCA, previously, 24 properties were inspected, 1 property was inspected by City staff as a result of a complaint-based enforcement on dead vegetation, the property owner scheduled removal of a dead tree in compliance with the City's request for removal; 2) 4 properties were inspected by 2 arborists and a City staff member to determine whether or not trees suspected of being dead were indeed fully dead, 4 Arborist reports with recommendations related to tree care and/or removal were provided to the City, letters to the property owners with the Arborist findings are being prepared, one property is outstanding and staff is working with the owner towards compliance; and 3) A Code Enforcement Officer job description was finalized and published on the City's website and Indeed.com, the City received 284 applications, City staff reviewed all applications and narrowed it down to 4 candidates for interviews, an outside panel conducted interviews on January 31, 2019 with a second interview of the highest scored candidate held on February 7, 2019, and staff expects to select someone within a week.

Discussion followed among the Councilmembers and staff on the status of the Code Enforcement Officer position, the code enforcement process, status of properties, and current enforcement activities.

In response to Mayor Wilson's question, City Manager Jeng provided an update on the property owner that scheduled removal of a dead tree in compliance with the City's request for removal.

Mayor Pro Tem Mirsch suggested that the residents who spoke on fire issues earlier in the meeting could be provided with a copy of this staff report.

By consensus, the City Council received and filed the quarterly fire fuel abatement enforcement activities report as presented.

11. CLOSED SESSION

None.

12. ADJOURNMENT

Hearing no further business before the City Council, Mayor Wilson adjourned the meeting at 9:31 p.m. The next regular meeting of the City Council is scheduled to be held on Monday, February 25, 2019 beginning at 7:00 p.m. in the City Council Chamber at City Hall, 2 Portuguese Bend Road, Rolling Hills, California.

Respectfully submitted,

Yvette Hall
City Clerk

Approved,

Patrick Wilson
Mayor

**MINUTES OF
A REGULAR MEETING
OF THE
CITY COUNCIL OF THE
CITY OF ROLLING HILLS, CALIFORNIA
MONDAY, FEBRUARY 25, 2019**

1. CALL TO ORDER

A regular meeting of the City Council of the City of Rolling Hills was called to order by Mayor Wilson at 7:00 p.m. in the City Council Chamber at City Hall, 2 Portuguese Bend Road, Rolling Hills, California.

2. ROLL CALL

Councilmembers Present: Black, Dieringer, Mirsch, Pieper and Mayor Wilson.

Councilmembers Absent: None.

Others Present: Elaine Jeng, P.E., City Manager.
Jane Abzug, Assistant City Attorney.
Yvette Hall, City Clerk.
Alfred Visco, 15 Cinchring Road.
Marsha Shoettle, 24 Eastfield Drive.

3. OPEN AGENDA - PUBLIC COMMENT WELCOME

Alfred Visco, 15 Cinchring Road, commented that he received information from the Rolling Hills Community Association (RHCA) that Bolton Engineering several years ago prepared an update of all the easements in the City. Mr. Visco stated that the RHCA will review the information and share it with the City. Mr. Visco stated that he feels this information is important to be used when the City attempts to enforce the dead vegetation ordinance in the future.

Acting Captain Mike White, Los Angeles County Sheriff's Department, provided a report on three burglaries that occurred in the City as follows: 1) On February 19, 2019 there were three burglaries in one night on Crest Road, Quail Ridge Road and Buggy Whip Road; 2) The suspects apparently hiked or walked into the community to gain access; 3) Two of the locations were occupied at the time; 4) The front door was unlocked at the location on Quail Ridge Road and a vehicle was stolen; 5) The suspects were not familiar with the City as they tried to go out through the entrance gate; 6) The stolen vehicle was recovered at Del Cerro Park, 7) No fingerprints were captured due to the suspects wearing gloves; and 8) The suspects are believed to be three males. Acting Captain White indicated that the Sheriff's Department does not have a lot of clues and that the investigation is ongoing.

In response to Mayor Pro Tem Mirsch's question, Acting Captain White stated that the resident who had their vehicle stolen were not aware that their home was being burglarized at the time of the incident. Acting Captain White indicated that the entire Peninsula area is having problems with residential

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burglaries and that the community's assistance is needed in order to solve the crimes.

Assistant City Attorney Abzug advised that further discussion of the burglaries' matter be placed on a future City Council agenda.

Acting Captain White stated that there are Community Relations Deputies that would be happy to come out and speak to the residents on how to make their homes more secure.

City Manager Jeng stated that the burglaries were discussed at the Block Captain meeting.

Councilmember Dieringer inquired about agendizing a discussion to hold a town hall public safety meeting.

Assistant Attorney Abzug advised that a motion could be made to agendize this topic to a future City Council meeting.

Councilmember Dieringer moved that the City Council agendize a discussion on holding a town hall meeting, in conjunction with the Sheriff's Department, on the topic of how to safeguard your home against burglary and request that the Sheriff's Department attend the Block Captain meetings. Mayor Pro Tem Mirsch seconded the motion, which carried without objection by a voice vote as follows:

AYES: COUNCILMEMBERS: Black, Dieringer, Mirsch, Pieper and Wilson.

NOES: COUNCILMEMBERS: None.

ABSENT: COUNCILMEMBERS: None.

ABSTAIN: COUNCILMEMBERS: None.

4. CONSENT CALENDAR

Matters which may be acted upon by the City Council in a single motion. Any Councilmember may request removal of any item from the Consent Calendar causing it to be considered under Council Actions.

- A. Minutes – 1) Regular Meeting of February 26, 2018; and 2) Regular Meeting of February 11, 2019.

RECOMMENDATION: Approve as presented.

- B. Payment of Bills.

RECOMMENDATION: Approve as presented.

- C. Republic Services Recycling Tonnage Report for January 2019.

RECOMMENDATION: Receive and file.

- D. Financial Statement for the Month of January 2019.

RECOMMENDATION: Approve as presented.

Mayor Pro Tem Mirsch requested that Consent Calendar Item No. 4.A(2) be pulled for separate consideration. There were no objections.

Councilmember Black moved that the City Council approve the items on the consent calendar, except

Minutes

City Council Meeting

02-25-19

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Item No. 4.A(2), as presented. Councilmember Pieper seconded the motion, which carried without objection by a voice vote as follows:

AYES: COUNCILMEMBERS: Black, Dieringer, Mirsch, Pieper and Wilson.
NOES: COUNCILMEMBERS: None.
ABSENT: COUNCILMEMBERS: None.
ABSTAIN: COUNCILMEMBERS: None.

Mayor Pro Tem Mirsch requested clarification on page 17 of 24, paragraph five, of the February 11, 2019 Regular Meeting minutes pertaining to a special condition regarding recreational vehicles.

Mayor Pro Tem Mirsch moved to direct staff to review and clarify Item No. 4.A(2), page 17 of 24, paragraph five, of the February 11, 2019 Regular Meeting minutes pertaining to a special condition regarding recreational vehicles and re-agendize the matter on the next City Council meeting. Councilmember Pieper seconded the motion, which carried without objection by a voice vote as follows:

AYES: COUNCILMEMBERS: Black, Dieringer, Mirsch, Pieper and Wilson.
NOES: COUNCILMEMBERS: None.
ABSENT: COUNCILMEMBERS: None.
ABSTAIN: COUNCILMEMBERS: None.
ABSTAIN: COUNCILMEMBERS: None.

5. COMMISSSION ITEMS

None.

6. PUBLIC HEARINGS

None.

7. OLD BUSINESS

- A. SECOND READING, WAIVE FULL READING AND ADOPT ORDINANCE NO. 360 - AN ORDINANCE OF THE CITY OF ROLLING HILLS, CALIFORNIA, AMENDING CHAPTER 8.30 FIRE FUEL ABATEMENT OF THE CITY OF ROLLING HILLS MUNICIPAL CODE.

Mayor Wilson called for the staff report. City Manager Jeng stated this item is a second reading of an ordinance amending Chapter 8.30 Fire Fuel Abatement of the municipal code. She indicated that there was one modified section as follows: Section.30.015 Applicability. This Chapter shall apply to the entirety of each parcel of property located within the boundaries of the City except for the slope area approximated to be steeper than 2 units horizontal to 1 unit vertical (50% slope).

Mayor Wilson opened public comments.

Alfred Visco, 15 Cinchring Road, commented that he previously provided his position on this topic to the

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City Council.

Hearing no further comments, Mayor Wilson closed public comments.

Councilmember Dieringer commented that she feels that it is important that if the City is going to require residents to clear dead vegetation, that the City also require that residents clear brush in an appropriate manner that will not cause other problems like erosion or exacerbate conditions. She stated that this was her reasoning for inclusion in the ordinance. Councilmember Dieringer commented that she feels the City needs to balance the methodology with the requirement of what is being asked of residents so that there is no uncertainty and not to cause problems for themselves or their neighbors in terms of slopes and erosion control.

Councilmember Black moved that the City Council approve the second reading, waive full reading and adopt Ordinance No. 360 – An Ordinance of the City of Rolling Hills, California, Amending Chapter 8.30 (Fire Fuel Abatement) of Title 8 (Health and Safety) of the City of Rolling Hills Municipal Code to Require Clearance of Dead or Alive Tumbleweeds and Dead Trees, Shrubs, Palm Fronds, and Other Plants Under Certain Conditions within the City. Councilmember Pieper seconded the motion, which carried without objection by a voice vote as follows:

AYES: COUNCILMEMBERS: Black, Mirsch, Pieper and Wilson.
NOES: COUNCILMEMBERS: Dieringer.
ABSENT: COUNCILMEMBERS: None.
ABSTAIN: COUNCILMEMBERS: None.

8. NEW BUSINESS

A. CONSIDERATION AND APPROVAL OF A PROFESSIONAL SERVICES CONTRACT WITH STRADLING Yocca CARLSON & RAUTH TO PROVIDE LEGAL SERVICES IN CONNECTION WITH THE FORMATION OF THE ASSESSMENT DISTRICTS AND THE ISSUANCE BY ASSESSMENT DISTRICTS OF BONDS.

Mayor Wilson called for the staff report. City Manager Jeng indicated that there are several members of the community that would like to form an assessment district in order to underground utility poles and overhead lines. She stated that in order to serve this need the City will need to engage the services of a Bond Counsel, assuming that the assessment district sells a bond to pay for the construction of the undergrounding. She stated that Stradling Yocca Carlson & Rauth (Stradling) has worked in the City many years ago on a number of different assessment districts and they are familiar with the City. City Manager Jeng stated that Stradling was solicited by Best Best and Krieger LLP (BBK) as this is a very specialized area in which legal documents are processed and prepared. City Manager Jeng stated that she is requesting approval of a contract with Stradling to assist the residents with forming assessment districts and recommends hiring Stradling to serve in that capacity for any current and upcoming assessment districts. She indicated that assessment districts require that professional services be lined up to assist with the process and that this agreement is aimed at doing so. City Manager Jeng stated that she does not know how many assessment districts will be formed in a fiscal year and that they will be in different phases. She stated the assessment districts will need different types of legal services and, thus, she does

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not know the cost. She is requesting to place a cap on their service fee at \$50,000 per year and also include a provision for Stradling to get paid when they are called upon. City Manager Jeng indicated there were some additional provision changes made to the agreement that were provided to the City Council this evening as follows: 1) A cap of \$50,000 in fees was placed in the agreement; 2) If any of the hours expended in the beginning of the forming of the assessment district results in a bond being sold, then the fees get absorbed by the bond and shall be repaid to the City from the bond proceeds; and 3) The rate increase with Stradling was set to be capped at 5% per fiscal year.

Mayor Wilson opened public comment

Marsha Shoettle, 24 Eastfield Drive, thanked City Manager Jeng for making progress on the undergrounding project in such a short time.

Hearing no further comments, Mayor Wilson closed public comment.

Councilmember Black inquired about the Official Statement for assessment district bonds billing fee of \$15,000 and the \$30,000 for each issue of assessment district bonds after the formation of an assessment district.

City Manager Jeng clarified that the \$15,000 is for the Official Statement and that this will be a flat rate to prepare. She stated the Official Statement is prepared at the time when selling the bond is being contemplated and is basically a financial statement for buyers of the bond to know that it is financially strong and backed by the ratepayers. She explained that many changes occur in the preparation of the Official Statement and that it is better to pay a flat rate. She explained the \$30,000 flat rate is for when the bond sells. She stated that during this time the Bond Counsel reviews a large amount of documents from the underwriter and financial advisors in compliance with the Securities and Exchange Commission rules on disclosures. City Manager Jeng indicated that the Bond Counsel serves as the City's advisor in this capacity to review all documents to ensure that the City is not violating any federal rules, thus, this is part of the services that will be provided for \$30,000 at a flat rate.

Councilmember Black inquired if there were any agreements to provide funds for legal fees to form an assessment district.

City Manager Jeng stated that she does not believe there is a written document that states that the RHCA, residents or the City would be obligated to participate in the sharing of the costs of the preliminary engineering.

Councilmember Black stated that he believed there was some type of an agreement because the City has encouraged homeowners to do these types of projects.

Councilmember Pieper stated that he believed the cost sharing was to be divided into thirds, one third paid by the City, one third paid by the residents and one third paid by the RHCA.

City Manager Jeng responded that in the past the cost has been shared by one thirds for the initial preliminary engineering.

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Councilmember Black indicated that the City has not set up a cost sharing agreement for tasks to be done after the preliminary engineering because the City has not gotten this far in the past.

Mayor Pro Tem Mirsch noted that the last time Stradling assisted the City with an assessment district they did not get paid.

Councilmember Black stated that he would like to confirm that the City has officially agreed to form an assessment district or not.

City Manager Jeng stated that she believed it is a City guideline; however, she has not seen an official document.

Councilmember Black stated that he does not believe there is an official City policy as the City has not paid for legal fees for an assessment district and the issuance of a bond.

City Manager Jeng clarified that the City is not setting a policy of how much each party will pay. She stated the request is for approval of an agreement for legal services.

Assistant City Attorney Abzug advised that the fee for Stradling is identified in the agreement and whether the City is reimbursed two-thirds from elsewhere, that is a separate transaction to be determined at a later time. Assistant City Attorney Abzug indicated that the agreement with Stradling has to be considered separately.

Mayor Pro Tem Mirsch clarified that it is the City that is entering into the agreement and would be obligated to pay the fees.

Assistant City Attorney Abzug clarified that there is one stipulation, which is that if the bond proceeds are issued then the City will be reimbursed pursuant to the agreement.

Councilmember Black indicated he is not in support of obligating the City to compensate Stradling for projects that may not be successful.

Councilmember Dieringer agreed that the City will need Bond Counsel; however, she feels that the language in the agreement is somewhat vague and would allow for a lot more additional costs to the City depending on what items are put into Section 1.A. of the agreement. She suggested that the agreement be revised and for staff to work on a reimbursement plan to ensure that the RHCA is in agreement to provide what they have in the past for these projects and secure funds from the homeowners that can be used as the project progresses. She suggested that under Section 1.A. of the agreement, Stradling should provide an estimate of how many hours of work it would take for this type of project as all they do are bonds. Councilmember Dieringer stated that there should be a provision that requires Stradling not to use the Senior Counsel for all work; however, instead use a Paralegal or Associate staff for certain work, and to include special services leading up to the bond under Section 1.A. of the agreement. She stated that the 5% fee increase per fiscal year should not apply until after 2020. Councilmember Dieringer suggested that City Attorney Jenkins review and compare the agreement with other Bond Counsel's fees.

Mayor Pro Tem Mirsch inquired if BBK has specialized bond counsel.

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Assistant City Attorney Abzug indicated that BBK has Bond Counsel and that she believed that Stradling's rates were competitive or lower than other Bond Counsels.

Discussion among the Councilmembers ensued regarding the RHCA's agreement to pay a third of the legal services for an assessment district.

Councilmember Pieper stated that the RHCA has not agreed to pay for legal services as the City has not reached this point in the past. Councilmember Pieper suggested that an itemized list of services and costs be provided at the next meeting if the timing on the project will not be affected.

City Manager Jeng indicated that there is time on the project's progress to bring this matter back.

Councilmember Pieper moved to direct staff to revise, as discussed, the professional services contract to provide legal services in connection with the formation of the assessment districts and the issuance by assessment districts of bonds with Stradling Yocca Carlson & Rauth and bring back the matter to the next City Council meeting; and prepare an agreement between the City of Rolling Hills, homeowners of the assessment district and the Rolling Hills Community Association to designate the costs that each party will contribute toward the legal fees to form an assessment district and issue bonds. Councilmember Dieringer seconded the motion, which carried without objection by a voice vote as follows:

AYES: COUNCILMEMBERS: Black, Dieringer, Mirsch, Pieper and Wilson.

NOES: COUNCILMEMBERS: None.

ABSENT: COUNCILMEMBERS: None.

ABSTAIN: COUNCILMEMBERS: None.

9. MATTERS FROM THE CITY COUNCIL AND MEETING ATTENDANCE REPORTS

None.

10. MATTERS FROM STAFF

- A. UPDATE ON DIRECTION FROM CITY COUNCIL TO DISCUSS WITH ROLLING HILLS COMMUNITY ASSOCIATION (RHCA) THE LOCKING MECHANISMS FOR TWO UNATTENDED GATES TO THE CITY (ORAL).

City Manager Jeng presented an update report. She stated that this update is in response to the direction she received from the City Council at the previous meeting to inquire about the two gates that are currently locked and closed off to vehicular traffic. She stated that one gate is at Crest Road East and the second gate is at Portuguese Bend Road at Burma Road. City Manager Jeng spoke to the RHCA who responded that anyone with a bolt cutter could cut the chain lock and that the Sheriff's Department and the Fire Department have a key to the Crest Road East gate and the combination to the lock at Portuguese Bend Road. She requested that the RHCA explore other types of locking mechanisms that would help the residents access these gates as an evacuation route in a time of need. City Manager Jeng stated that the RHCA Manager has not discussed with the RHCA Board of Directors exactly what type of mechanism could be used; however, she wanted to report that the discussion was started with the RHCA Manager. City Manager stated that the matter will be brought forth to the RHCA Board of Directors next week for

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discussion and she will report back to the City Council.

Mayor Wilson stated that the gates are distinctly different from each other; one gate is large with barbed wire and a heavy bolt.

Councilmember Black inquired if the City could direct the RHCA to open the gates.

City Manager Jeng responded that the RHCA owns the gates.

Councilmember Pieper suggested that the City Council provide the RHCA Board of Directors with the opportunity to discuss the matter.

Mayor Wilson discussed the ownership of the gate on Portuguese Bend Road and stated that the gate is on his property. He provided a license agreement to the RHCA to allow the gate on his property. Mayor Wilson stated that he has the option to have the gate removed from his property with a notice to the RHCA; however, he would like to see the outcome of the gate discussion before he takes any action.

Councilmember Black commented that Crest Road East is in the City and is obstructing one of the main thoroughfares.

Councilmember Pieper stated that the City does not own the roads and that the concern is that the gates may be opened to allow vehicle access.

Discussion followed among the City Council regarding cyclists and pedestrians entering and gathering at the Crest Road East gate,

City Manager Jeng indicated that the Block Captains are discussing and planning evacuation routes in each part of the City as each area is different.

Mayor Wilson stated that the gate is on his property by design and that a few feet beyond the gate is private property. Mayor Wilson indicated that the adjacent property owner will most likely not be supportive of using the gate for emergency access. Mayor Wilson stated that the RHCA may relocate the gate elsewhere in the emergency access area if he requests that it be removed. He does not want to incur any unintended consequences if he removes the gate and indicated that he does not want the gate there. Mayor Wilson stated that he plans to install his own gate on his property. Mayor Wilson discussed the RHCA access agreement and indicated that he could provide the City Manager with additional information.

Councilmember Dieringer commented, from a public safety standpoint, that it should not be easy to access the gates. She stated that the community would like to keep persons from committing crimes out and could become a problem if there is ease of access into the City and if people are allowed to drive through the gate at Crest Road East.

Councilmember Pieper commented that it is not difficult to enter the City at the designated opened gates.

City Manager Jeng stated that she will bring back further information on the matter.

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11. CLOSED SESSION

None.

12. ADJOURNMENT

Hearing no further business before the City Council, Mayor Wilson adjourned the meeting at 7:53 p.m. The next regular meeting of the City Council is scheduled to be held on Monday, March 11, 2019 beginning at 7:00 p.m. in the City Council Chamber at City Hall, 2 Portuguese Bend Road, Rolling Hills, California.

Respectfully submitted,

Yvette Hall
City Clerk

Approved,

Patrick Wilson
Mayor



City of Rolling Hills

INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD
ROLLING HILLS, CALIF. 90274
(310) 377-1521
FAX: (310) 377-7288

3/11/2019 CHECK RUN

CHECK NO.	CHECK DATE	PAYEE	DESCRIPTION	AMOUNT
25776	03/11/2019	BEA DIERINGER	LEAGUE OF CA CITIES SAFETY MEETING	12.00
25777	03/11/2019	CABALLEROS DEL RANCHO PALOS	2018 EXPENSE REIMBURSEMENT	5,000.00
25778	03/11/2019	CADWEST DIGITAL DESIGN & PRINT	COPIES OF PLANS 2/20/19	75.13
25779	03/11/2019	CCCA	CCC 60TH ANNUAL MUNI SEMINAR	600.00
25780	03/11/2019	COUNTY OF LOS ANGELES	COYOTE CONTROL- JAN 2019	1,472.38
25781	03/11/2019	COUNTY OF LOS ANGELES	ANIMAL SHELTER SERVICES JAN 2019	328.68
25782	03/11/2019	EXECUTIVE-SUITE SERVICES, INC.	FEB 2019 JANITORIAL SERVICES	392.00
25783	03/11/2019	KONICA MINOLTA BUSINESS	MAINTENANCE AGREEMENT 1/11/19 -2/10/19	196.21
25784	03/11/2019	OPUS BANK	CM CONFERENCES, MEALS, OFFICE SUPPLIES - 2/26/19	2,999.61
25785	03/11/2019	PITNEY BOWES	FEBRUARY 2019 LEASING CHARGES	599.55
25786	03/11/2019	REMOTE SATELLITE SYS INT'L	MARCH SERVICE FEE & JANUARY AIRTIME	108.00
25787	03/11/2019	ROGERS, ANDERSON, MALODY	JAN 2019 ACCOUNTING SERVICES	7,275.00
25788	03/11/2019	SOUTHERN CALIFORNIA EDISON	ELECTRICITY- 1/23/19 - 2/22/19	626.81
25789	03/11/2019	THE GAS COMPANY	GAS - 1/1/19 TO 2/7/19	164.52
25790	03/11/2019	USCM	DEFERRED COMP - PPE 2/15/19, 3/1/19, 3/15/19	3,900.00
25791	03/11/2019	VANTAGEPOINT TRANSFER AGENTS	DEFERRED COMP - PPE 2/15/19, 3/1/19, 3/15/19	2,351.40
25792	03/11/2019	YOLANTA SCHWARTZ	NOTORIZED DOC FEE REIMBURSED	90.00
25793	03/11/2019	CALIFORNIA WATER SERVICE CO.	WATER RANCHO - 1/26 - 2/26/19	400.84
25794	03/11/2019	CITY OF RANCHO PALOS VERDES	MONTHLY ALRP CAMERA CONNECT	66.52
25795	03/11/2019	COX COMMUNICATIONS	TV, NET, TEL 2/26 - 3/25/19	437.57
25796	03/11/2019	MCGOWAN CONSULTING	STORM WATER MANAGEMENT	3,201.90
25797	03/11/2019	PITNEY BOWES	2/11/19 POSTAGE REFILL	500.00
25798	03/11/2019	SUN ELECTRIC	EXHAUST FAN WOMENS RESTROOM	1,078.22
25799	03/11/2019	XEROX CORPORATION	MONTHLY CHARGE FEB 2019	46.00
* PR LINK	3/1/2019	PR LINK - PAYROLL PROCESSING	PROCESSING FEE	50.20
* PR LINK	3/1/2019	PR LINK - PAYROLL 5 & PR TAXES	PAY PERIOD - FEBRUARY 13, 2019 THROUGH FEBRUARY 26, 2019	16,304.06
				<u>\$ 48,276.60</u>
				31,922.34

I, Elaine Jong, City Manager of Rolling Hills, California certify that the above demands are accurate and there is available in the General Fund a balance of \$48,276.60 for the payment of above items.

Elaine Jong, P.E., City Manager

03/05/19

* Previously Disbursed



City of Rolling Hills

INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD
ROLLING HILLS, CA 90274
(310) 377-1521
FAX (310) 377-7288

Agenda Item No: 7A
Mtg. Date: 03/11/2019

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: ELAINE JENG, P.E., CITY MANAGER

SUBJECT: CONSIDERATION AND APPROVAL OF A PROFESSIONAL SERVICES CONTRACT WITH STRADLING Yocca CARLSON & RAUTH TO PROVIDE LEGAL SERVICES IN CONNECTION WITH THE FORMATION OF THE ASSESSMENT DISTRICTS AND THE ISSUANCE OF BONDS

DATE: MARCH 11, 2019

ATTACHMENT:

1. REVISED BOND COUNSEL AGREEMENT WITH STRADLING

BACKGROUND

At the February 25, 2019 City Council meeting, staff presented a draft agreement with Stradling, Yocca Carlson & Rauth (STRADLING) to provide legal services in connection with the formation of assessment districts and assist in the issuance of bonds for the districts. STRADLING is recommended to provide services to the City on an as-needed basis for all assessment district projects. City Council directed staff to refine the agreement to address the following:

- If engaged for services STRADLING could potentially serve multiple assessment district projects simultaneously. City Council directed staff to include provisions in the agreement for STRADLING to provide estimated cost of service for each individual assessment district project prior to engagement of work.

- City Council directed to add a provision to note that to the extent possible, STRADLING shall reduce fees by delegating work to Associates and/or Paralegal at a lower hourly rate, as appropriate.
- The agreement capped fee and hourly rate increases to 5% per year.
- The agreement to define rates associated with reimbursable costs (printing costs, messenger services, travel expenses, etc).

DISCUSSION

Staff worked with STRADLING to revise the draft agreement in response to City Council's directives. The revisions to the draft agreement are included in Section 2A, 2C, and 3.

The approval of a service agreement with STRADLING is unrelated to the City's agreements with any other third party as to contributions of costs associated with the formation of assessment districts. In the past, the City has cost shared engineering design fees with homeowners, and the Rolling Hills Community Association (RHCA). This cost share arrangement was unofficial and has only been for cost presented by utility companies associated with their work to produce construction drawings for undergrounding. At the February 25, 2019 City Council meeting City Council directed staff to have an agenda item at the next meeting to discuss cost share methodologies for assessment district projects, specifically relating to engineering cost, and consultant fees (bond counsel and assessment engineering). In response, staff has placed an item under 8C of the agenda for such discussion.

FISCAL IMPACT

At the February 25, 2019 City Council meeting, staff proposed capping STRADLING fees at \$50,000 per fiscal year. Under agenda item 8C, staff is recommending that the consultant costs (legal counsel and assessment engineer) associated with assessment district projects to be collected and paid for by the residents.

RECOMMENDATION

Staff recommends that the City Council approve a professional services agreement with STRADLING for amount not-to-exceed \$50,000 per fiscal year to provide legal services in the formation of assessment districts and the issuance by assessment districts of bonds.

BOND COUNSEL AGREEMENT

CITY OF ROLLING HILLS

(Undergrounding Utilities Assessment Districts)

THIS AGREEMENT, made as of this ____ day of ~~February~~ March, 2019, by and between the CITY OF ROLLING HILLS, a municipal corporation organized and existing under the laws of the State of California (herein "City") and STRADLING YOCCA CARLSON & RAUTH, a Professional Corporation (herein "Bond Counsel"):

RECITALS:

A. The City desires to consider the formation of one or more assessment districts (each, an "Assessment District" or, collectively, the "Assessment Districts"), in order to finance the undergrounding of utilities within the City; and

B. The City desires to retain Bond Counsel to do the necessary legal work hereinafter outlined, upon the terms and conditions hereinafter set forth, to form such Assessment Districts and assist in the issuance of bonds for such Assessment Districts; and

C. Bond Counsel represents that it is ready, willing and able to perform said legal work;

NOW, THEREFORE, in consideration of the premises, and the mutual covenants, terms and conditions herein contained, the parties agree as follows:

1. SCOPE OF SERVICES

A. BOND COUNSEL SERVICES

The City retains Bond Counsel to provide, and Bond Counsel agrees to provide, legal services in connection with the formation of the Assessment Districts and the issuance by Assessment Districts of bonds (the "Assessment District Bonds"). Such services shall include the rendering of legal opinions (hereinafter called the "opinions") pertaining to the issuance of Assessment District Bonds to the effect that:

1. The Assessment District Bonds have been properly authorized and issued and are valid and binding obligations; and
2. The essential sources of security for Assessment District Bonds have been legally provided; and
3. Interest on Assessment District Bonds is exempt from California personal income taxation and is excluded from gross income for purposes of federal income taxes.

Bond Counsel's services will also include:

- i. Researching applicable laws and ordinances relating to the proposed formation of the Assessment Districts and the issuance of the Assessment District Bonds;
- ii. Attending conferences and consulting with City staff and the City Attorney regarding such laws, and the need for amendments thereto, or additional legislation;
- iii. Participating in meetings, conferences or discussions with any financial advisors, underwriters or other experts retained by the City with respect to the formation of the Assessment Districts and the issuance of Assessment District Bonds;
- iv. Supervising and preparing documentation of the steps to be taken with respect to the formation of the Assessment Districts and the issuance of Assessment District Bonds, including:
 - a. Drafting all resolutions, notices, rules and regulations, joint community facilities agreements and other legal documents required for the formation of the Assessment Districts and the issuance of Assessment District Bonds, and all other documents relating to the security of Assessment District Bonds, in consultation with the City, the City Attorney, underwriter and other experts;
 - b. Preparing the record of proceedings for the authorization, sale and issuance of Assessment District Bonds;
 - c. Assisting in the preparation of the portions of the official statement or placement memorandum for the sale of Assessment District Bonds which relate to the terms of the Assessment District Bonds and the firm's legal opinion delivered with respect to the Bonds;
 - d. Reviewing the purchase contracts or the bidding documents relating to the sale of Assessment District Bonds and participating in the related negotiations;
 - e. Participating in meetings and other conferences scheduled by the City, the City's financial advisor or the underwriter;
 - f. Consulting with prospective purchasers, their legal counsel and rating agencies;
 - g. Consulting with counsel to the City concerning any legislation or litigation which may effect Assessment District Bonds, the security for Assessment District Bonds, or any other matter related to the issuance of Assessment District Bonds;

- h. Consulting with any trustee or fiscal agent for Assessment District Bonds and their counsel;
- i. Preparing the form of Assessment District Bonds, and supervising their production or printing, signing, authentication and delivery;
- j. Rendering the final approving opinion as to the validity of Assessment District Bonds for use and distribution upon their issuance; and
- k. Rendering a legal opinion to the underwriter or purchaser of Assessment District Bonds as to the applicability of the registration requirements of federal securities laws and the fair and accurate nature of those portions of the Official Statement described in (c) above.

B. DISCLOSURE COUNSEL SERVICES

In addition to the services set forth in Section A above, Bond Counsel agrees to prepare the Official Statement for Assessment District Bonds for a fee of \$15,000.

C. SPECIAL SERVICES

“Special Services” are defined for purposes of this Agreement as services in addition to the services outlined in Sections A and B above. Special Services will include, but not be limited to, any work after a bond closing related to the amendment of bond documents or agreements and special studies or analyses. Special Services must be authorized in writing by the City Manager, or his designee.

2. COMPENSATION

The City agrees to pay Bond Counsel, but only from the sources of funds specified below, the following amounts as compensation for services rendered by Bond Counsel under this Agreement:

A. For the services to be rendered under this Agreement relating to the formation of Assessment Districts, it is agreed that Bond Counsel will be paid fees based on hours expended prior to the formation of such Assessment Districts, calculated at the hourly rates set forth in Exhibit A, which fee shall be paid from amounts paid to the City by the landowners within the proposed Assessment Districts or from the City. Such fees will be billed monthly and shall be payable from amounts advanced by the landowners to the City within thirty (30) days following the receipt of each invoice. Such fees shall not exceed \$50,000 per fiscal year as long as this Agreement is in effect unless the parties agree to a revised amount in advance by way of amendment to this Agreement. Such fees shall not be contingent upon the issuance of bonds for such Assessment Districts. In the event of the issuance of bonds for such Assessment Districts, the City shall be repaid such fees payable from the Assessment District Bond proceeds. For the services to be rendered under Section 1.B above, Bond Counsel will be paid the fee set forth therein, which will be payable only from Assessment District Bond proceeds. In addition, for each issue of Assessment

District Bonds, for the services rendered under Section 1.A above, Bond Counsel will be paid a fee of \$30,000, which will be payable only from Assessment District Bond proceeds.

The fees referenced in this Section 2.A assume that Assessment District Bonds will be issued no later than calendar year 2020. In the event Assessment District Bonds are not issued within that time, Bond Counsel reserves the right to make such modifications to the foregoing fees as the City and Bond Counsel agree, but not to exceed a 5% increase per fiscal year as long as this Agreement is in effect, as justified by reason of increased cost to Bond Counsel and the then prevailing fees for disclosure counsel and bond counsel services for bonds such as the Assessment District Bonds.

B. In the event Bond Counsel is requested to perform Special Services as set forth in Section 1.C above, Bond Counsel will be paid fees at the hourly rates set forth in Exhibit A, or in such other manner as is mutually acceptable to the City and Bond Counsel. Such fees will be billed monthly and shall be payable exclusively from funds of Assessment Districts or the City within thirty (30) days following the receipt of each invoice.

C. In addition to the fees set forth in paragraphs A and B above, Bond Counsel shall be reimbursed for the actual cost of any out-of-pocket expenses reasonably incurred by Bond Counsel in the course of its employment, such as document reproduction, telecommunications charges, printing costs, filing fees, long-distance telephone calls, messenger services, overnight delivery services, travel and similar items of expense at the rates set forth in Exhibit B, as applicable. Expenses related to the services described in Section 1.A incurred prior to the formation of the Assessment Districts and those related to the services described in Section 1.C above will be billed monthly. All expenses incurred in connection with services rendered under Sections 1.A and 1.B above incurred after the formation of the Assessment Districts will be billed upon the issuance of the series of Assessment District Bonds to which they relate.

3. PERSONNEL AND CONTRACT ADMINISTRATION

City agrees to accept and Bond Counsel agrees to provide the aforementioned services primarily through Brian P. Forbath, Nicolas Yeager and Carol L. Lew. When reasonably feasible, Shareholders shall delegate the performance of services identified in Section 1 of this Agreement to an Associate or Paralegal who has demonstrated competence in performing the services at issue. If any one of the above attorneys is unable to provide such services due to death, disability or similar event, Bond Counsel reserves the right to substitute another of its attorneys, upon approval by the City Manager, or his designee, to provide such services; and such substitution shall not alter or affect in any way Bond Counsel's or the City's other obligations under this Agreement.

This Agreement will be administered by the City Manager, or his designee.

4. CONFLICTS OF INTEREST

Bond Counsel represents many of the underwriting firms active in the issuance of bonds for community facilities districts and other municipal financings. The City hereby provides its informed written consent to Bond Counsel's representation of such underwriting firms on matters unrelated to the Assessment Districts.

5. TERMINATION

A. This Agreement may be terminated without cause by the City or Bond Counsel upon thirty (30) days' advance written notice to the other party. Such notification shall state the effective date of the termination of this Agreement.

B. Bond Counsel reserves the absolute right to withdraw from representing the City if, among other things, the City fails to honor the terms of this Agreement, the City fails to cooperate fully or follow Bond Counsel's advice on a material matter, or any fact or circumstance occurs that would, in Bond Counsel's view, render its continuing representation unlawful or unethical. If Bond Counsel elects to withdraw, the City will take all steps necessary to free Bond Counsel of any obligation to perform further services, including the execution of any documents necessary to complete such withdrawal, and Bond Counsel will be entitled to be paid at the time of withdrawal for all services rendered and costs and expenses paid or incurred on the City's behalf in accordance with the payment terms set forth in Section 2 above. If necessary in connection with litigation, Bond Counsel would request leave of court to withdraw.

C. Bond Counsel's representation of the City will be considered terminated at the earlier of (i) the City's termination of its representation, (ii) Bond Counsel's withdrawal from its representation of the City, or (iii) the substantial completion by Bond Counsel of its substantive work for the City. Unless Bond Counsel has been specifically engaged to perform Special Services related to the Bonds after their execution and delivery, Bond Counsel's representation of City with respect to Assessment District shall terminate on the date of execution and delivery of the last series of Assessment District Bonds.

6. ARBITRATION

IN THE EVENT OF A DISPUTE REGARDING FEES, COSTS, OR ANY OTHER MATTER ARISING OUT OF OR RELATED IN ANY WAY WHATSOEVER TO BOND COUNSEL'S RELATIONSHIP WITH THE CITY, OR BOND COUNSEL'S OR THE CITY'S PERFORMANCE OF THIS AGREEMENT, INCLUDING THE QUALITY OF THE SERVICES WHICH BOND COUNSEL RENDERS, THE DISPUTE SHALL BE DETERMINED, SETTLED AND RESOLVED BY CONFIDENTIAL ARBITRATION IN THE COUNTY OF ORANGE, CALIFORNIA. ANY AWARD SHALL BE FINAL, BINDING AND CONCLUSIVE UPON THE PARTIES, AND A JUDGMENT RENDERED THEREON MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. SHOULD YOU ELECT TO HAVE ANY FEE DISPUTE ARBITRATED PURSUANT TO NONBINDING ARBITRATION UNDER STATUTORY OR CASE LAW, THEN SUCH NONBINDING ARBITRATION SHALL DETERMINE ONLY THE ISSUE OF THE AMOUNT OF FEES PROPERLY CHARGEABLE TO YOU. ANY OTHER CLAIMS OR DISPUTES BETWEEN US, INCLUDING CLAIMS FOR PROFESSIONAL NEGLIGENCE, SHALL REMAIN SUBJECT TO BINDING ARBITRATION PURSUANT TO THIS AGREEMENT.

Arbitration may be demanded by the sending of written notice to the other party. If arbitration is demanded, within 20 days of the demand the City shall present a list of five qualified individuals who would be willing to serve that the City would find acceptable to act as arbitrator. To serve as arbitrator, the individual must be a retired judge having served on any federal court or the California Superior Court or higher court in the State of California. Within 20 days of receiving the City's list, Bond Counsel may at its sole discretion (i) select any individual from that list and that

individual shall serve as the arbitrator, or (ii) propose its own list of five individuals for arbitrator. If Bond Counsel chooses to present a separate list, the City may within 20 days select any individual from that list and that person shall serve as arbitrator. If no arbitrator can be agreed upon at the end of this process, the City and Bond Counsel each shall select one individual from its own list and those two persons shall jointly select the arbitrator. The arbitration shall be conducted pursuant to the procedures set forth in the California Code of Civil Procedure §§ 1280 *et seq.*, and in that connection you and we agree that § 1283.05 thereof is applicable to any such arbitration. Nothing herein shall limit the right of the parties to stipulate and agree to conduct the arbitration pursuant to the then-current rules of the American Arbitration Association, the Judicial Arbitration & Mediation Services, or any other agreed-upon arbitration services provider.

Notwithstanding any of the foregoing, the City shall be entitled to opt out of the arbitration provisions contained in this Section.

7. MISCELLANEOUS

A. Bond Counsel and the employees of Bond Counsel, in performance of the Agreement, shall act in an independent capacity and not as officers or agents of the City.

B. Without the written consent of the City, this Agreement is not assignable by Bond Counsel in whole or in part.

C. No alteration or variation of the terms of this Agreement shall be valid unless in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

D. In accordance with the requirements of California Business and Professions Code § 6148, Bond Counsel advises you that the firm maintains professional errors and omissions insurance coverage applicable to the services to be rendered to the City.

This Agreement is executed on this ____ day of ~~February~~March, 2019, at Rolling Hills, California, and effective as of ____ day of ~~February~~March, 2019.

CITY OF ROLLING HILLS:

ELAINE JENG, City Manager

PATRICK WILSON, Mayor

ATTEST:

City Clerk

(seal)

STRADLING YOCCA CARLSON & RAUTH

By:

BRIAN FORBATH

Title: Shareholder/Vice President

APPROVED AS TO FORM:

MICHAEL JENKINS, City Attorney

EXHIBIT A

Shareholders (including B. Forbath)	\$495/Hour
Associates	\$325/Hour
Paralegals	\$135/Hour

EXHIBIT B

- Photocopies (\$0.20/page)
- Color copies (\$0.35/page)
- Outgoing faxes (\$1.50/page)
- Word processing (\$30/hour)
- Staff overtime (\$30/hour)
- Mileage (Internal Revenue Service rate)

B- 1

4822-6648-2824v3/200289-0001

Document comparison by Workshare 9 on Friday, March 08, 2019 1:19:46 PM

Input:	
Document 1 ID	netdocuments://4822-6648-2824/2
Description	BOND COUNSEL AGREEMENT FOR ROLLING HILLS ASSESSMENT DISTRICTS
Document 2 ID	netdocuments://4822-6648-2824/3
Description	BOND COUNSEL AGREEMENT FOR ROLLING HILLS ASSESSMENT DISTRICTS
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	34
Deletions	11
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	45

BOND COUNSEL AGREEMENT

CITY OF ROLLING HILLS

(Undergrounding Utilities Assessment Districts)

THIS AGREEMENT, made as of this ____ day of March, 2019, by and between the CITY OF ROLLING HILLS, a municipal corporation organized and existing under the laws of the State of California (herein "City") and STRADLING YOCCA CARLSON & RAUTH, a Professional Corporation (herein "Bond Counsel"):

RECITALS:

A. The City desires to consider the formation of one or more assessment districts (each, an "Assessment District" or, collectively, the "Assessment Districts"), in order to finance the undergrounding of utilities within the City; and

B. The City desires to retain Bond Counsel to do the necessary legal work hereinafter outlined, upon the terms and conditions hereinafter set forth, to form such Assessment Districts and assist in the issuance of bonds for such Assessment Districts; and

C. Bond Counsel represents that it is ready, willing and able to perform said legal work;

NOW, THEREFORE, in consideration of the premises, and the mutual covenants, terms and conditions herein contained, the parties agree as follows:

1. SCOPE OF SERVICES

A. BOND COUNSEL SERVICES

The City retains Bond Counsel to provide, and Bond Counsel agrees to provide, legal services in connection with the formation of the Assessment Districts and the issuance by Assessment Districts of bonds (the "Assessment District Bonds"). Such services shall include the rendering of legal opinions (hereinafter called the "opinions") pertaining to the issuance of Assessment District Bonds to the effect that:

1. The Assessment District Bonds have been properly authorized and issued and are valid and binding obligations; and
2. The essential sources of security for Assessment District Bonds have been legally provided; and
3. Interest on Assessment District Bonds is exempt from California personal income taxation and is excluded from gross income for purposes of federal income taxes.

Bond Counsel's services will also include:

- i. Researching applicable laws and ordinances relating to the proposed formation of the Assessment Districts and the issuance of the Assessment District Bonds;
- ii. Attending conferences and consulting with City staff and the City Attorney regarding such laws, and the need for amendments thereto, or additional legislation;
- iii. Participating in meetings, conferences or discussions with any financial advisors, underwriters or other experts retained by the City with respect to the formation of the Assessment Districts and the issuance of Assessment District Bonds;
- iv. Supervising and preparing documentation of the steps to be taken with respect to the formation of the Assessment Districts and the issuance of Assessment District Bonds, including:
 - a. Drafting all resolutions, notices, rules and regulations, joint community facilities agreements and other legal documents required for the formation of the Assessment Districts and the issuance of Assessment District Bonds, and all other documents relating to the security of Assessment District Bonds, in consultation with the City, the City Attorney, underwriter and other experts;
 - b. Preparing the record of proceedings for the authorization, sale and issuance of Assessment District Bonds;
 - c. Assisting in the preparation of the portions of the official statement or placement memorandum for the sale of Assessment District Bonds which relate to the terms of the Assessment District Bonds and the firm's legal opinion delivered with respect to the Bonds;
 - d. Reviewing the purchase contracts or the bidding documents relating to the sale of Assessment District Bonds and participating in the related negotiations;
 - e. Participating in meetings and other conferences scheduled by the City, the City's financial advisor or the underwriter;
 - f. Consulting with prospective purchasers, their legal counsel and rating agencies;
 - g. Consulting with counsel to the City concerning any legislation or litigation which may effect Assessment District Bonds, the security for Assessment District Bonds, or any other matter related to the issuance of Assessment District Bonds;

- h. Consulting with any trustee or fiscal agent for Assessment District Bonds and their counsel;
- i. Preparing the form of Assessment District Bonds, and supervising their production or printing, signing, authentication and delivery;
- j. Rendering the final approving opinion as to the validity of Assessment District Bonds for use and distribution upon their issuance; and
- k. Rendering a legal opinion to the underwriter or purchaser of Assessment District Bonds as to the applicability of the registration requirements of federal securities laws and the fair and accurate nature of those portions of the Official Statement described in (c) above.

B. DISCLOSURE COUNSEL SERVICES

In addition to the services set forth in Section A above, Bond Counsel agrees to prepare the Official Statement for Assessment District Bonds for a fee of \$15,000.

C. SPECIAL SERVICES

“Special Services” are defined for purposes of this Agreement as services in addition to the services outlined in Sections A and B above. Special Services will include, but not be limited to, any work after a bond closing related to the amendment of bond documents or agreements and special studies or analyses. Special Services must be authorized in writing by the City Manager, or his designee.

2. COMPENSATION

The City agrees to pay Bond Counsel, but only from the sources of funds specified below, the following amounts as compensation for services rendered by Bond Counsel under this Agreement:

A. For the services to be rendered under this Agreement relating to the formation of Assessment Districts, it is agreed that Bond Counsel will be paid fees based on hours expended prior to the formation of such Assessment Districts, calculated at the hourly rates set forth in Exhibit A, which fee shall be paid from amounts paid to the City by the landowners within the proposed Assessment Districts or from the City. Such fees will be billed monthly and shall be payable from amounts advanced by the landowners to the City within thirty (30) days following the receipt of each invoice. Such fees shall not exceed \$50,000 per fiscal year as long as this Agreement is in effect unless the parties agree to a revised amount in advance by way of amendment to this Agreement. Such fees shall not be contingent upon the issuance of bonds for such Assessment Districts. In the event of the issuance of bonds for such Assessment Districts, the City shall be repaid such fees payable from the Assessment District Bond proceeds. For the services to be rendered under Section 1.B above, Bond Counsel will be paid the fee set forth therein, which will be payable only from Assessment District Bond proceeds. In addition, for each issue of Assessment District

Bonds, for the services rendered under Section 1.A above, Bond Counsel will be paid a fee of \$30,000, which will be payable only from Assessment District Bond proceeds.

The fees referenced in this Section 2.A assume that Assessment District Bonds will be issued no later than calendar year 2020. In the event Assessment District Bonds are not issued within that time, Bond Counsel reserves the right to make such modifications to the foregoing fees as the City and Bond Counsel agree, but not to exceed a 5% increase per fiscal year as long as this Agreement is in effect, as justified by reason of increased cost to Bond Counsel and the then prevailing fees for disclosure counsel and bond counsel services for bonds such as the Assessment District Bonds.

B. In the event Bond Counsel is requested to perform Special Services as set forth in Section 1.C above, Bond Counsel will be paid fees at the hourly rates set forth in Exhibit A, or in such other manner as is mutually acceptable to the City and Bond Counsel. Such fees will be billed monthly and shall be payable exclusively from funds of Assessment Districts or the City within thirty (30) days following the receipt of each invoice.

C. In addition to the fees set forth in paragraphs A and B above, Bond Counsel shall be reimbursed for the actual cost of any out-of-pocket expenses reasonably incurred by Bond Counsel in the course of its employment, such as document reproduction, telecommunications charges, printing costs, filing fees, long-distance telephone calls, messenger services, overnight delivery services, travel and similar items of expense at the rates set forth in Exhibit B, as applicable. Expenses related to the services described in Section 1.A incurred prior to the formation of the Assessment Districts and those related to the services described in Section 1.C above will be billed monthly. All expenses incurred in connection with services rendered under Sections 1.A and 1.B above incurred after the formation of the Assessment Districts will be billed upon the issuance of the series of Assessment District Bonds to which they relate.

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individual shall serve as the arbitrator, or (ii) propose its own list of five individuals for arbitrator. If Bond Counsel chooses to present a separate list, the City may within 20 days select any individual from that list and that person shall serve as arbitrator. If no arbitrator can be agreed upon at the end of this process, the City and Bond Counsel each shall select one individual from its own list and those two persons shall jointly select the arbitrator. The arbitration shall be conducted pursuant to the procedures set forth in the California Code of Civil Procedure §§ 1280 *et seq.*, and in that connection you and we agree that § 1283.05 thereof is applicable to any such arbitration. Nothing herein shall limit the right of the parties to stipulate and agree to conduct the arbitration pursuant to the then-current rules of the American Arbitration Association, the Judicial Arbitration & Mediation Services, or any other agreed-upon arbitration services provider.

Notwithstanding any of the foregoing, the City shall be entitled to opt out of the arbitration provisions contained in this Section.

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C. No alteration or variation of the terms of this Agreement shall be valid unless in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

D. In accordance with the requirements of California Business and Professions Code § 6148, Bond Counsel advises you that the firm maintains professional errors and omissions insurance coverage applicable to the services to be rendered to the City.

This Agreement is executed on this ____ day of March, 2019, at Rolling Hills, California,
and effective as of ____ day of March, 2019.

CITY OF ROLLING HILLS:

PATRICK WILSON, Mayor

ATTEST:

City Clerk

(seal)

STRADLING YOCCA CARLSON & RAUTH

By:

BRIAN FORBATH

Title: Shareholder/Vice President

APPROVED AS TO FORM:

MICHAEL JENKINS, City Attorney

EXHIBIT A

Shareholders (including B. Forbath)	\$495/Hour
Associates	\$325/Hour
Paralegals	\$135/Hour

EXHIBIT B

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- Color copies (\$0.35/page)
- Outgoing faxes (\$1.50/page)
- Word processing (\$30/hour)
- Staff overtime (\$30/hour)
- Mileage (Internal Revenue Service rate)



City of Rolling Hills

INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD
ROLLING HILLS, CA 90274
(310) 377-1521
FAX (310) 377-7288

Agenda Item No: 8-A
Mtg. Date: 03-11-19

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: TERRY SHEA, FINANCE DIRECTOR
THRU: ELAINE JENG, P.E., CITY MANAGER
**SUBJECT: CONSIDERATION OF THE FISCAL YEAR 2018-2019 MID-YEAR
REVIEW AND APPROVAL OF FISCAL YEAR 2018-2019 BUDGET
ADJUSTMENTS**

DATE: MARCH 11, 2019

ATTACHMENTS:

General Fund Summary Statement of Revenues and Expenditures
Mid-Year Budget Requests
Mid-Year Budget Adjustments

RECOMMENDATION

It is recommended that the City Council "receive and file" the Fiscal Year 2018-2019 mid-year budget review and approve the recommended budget adjustments.

BACKGROUND

On June 25, 2018 the City Council adopted Resolutions 1222 and 1223 for adoption of the 2018-19 (FY 18/19) budget and appropriations limit. The Adopted General Fund FY 18/19 budget included \$2,168,950 in revenues, \$2,288,150 in expenditures, \$24,000 in transfers in and \$286,800 in transfers out for a budgeted deficit of \$382,000. The budget deficit is tied to transfers out and other expenditures for the following items: Traffic Safety Fund for roadway striping of \$46,500, Capital Improvement Fund for the Tennis Court project of \$234,000 and to fund an IRS Section 115 Trust to fund the CalPERS unfunded liability for \$185,000.

DISCUSSION

Mid-Year Budget Status

At the mid-year point of the FY 18/19, total General Fund year-to-date revenues are \$1,205,268 which is \$38,818 more than expected through February 2019. Expenditures are \$1,275,324 which is \$66,556 less than budgeted through February 2018. The FY 18/19 revenues compared to expenditures after transfers presents a decrease of \$54,056 compared to an anticipated, budgeted shortfall of \$159,430 through February. As such, the City is \$105,374 better than anticipated at mid-year (Attachment 1). Total revenues are up more than anticipated in property transfer tax and interest income. Total expenditures in Administration and Finance are as budgeted at mid-year, with the exception of \$30,000 for the Election. Total expenditures in Planning are less than anticipated due to the timing of the Los Angeles County and Willdan invoices for services and the timing of the NPDES expenditures.

Mid-year Budget Adjustments

Staff is proposing an increase in Interest Income of \$43,000 due to rising rates of return.

The General Fund proposed expenditure adjustments are an increase of \$12,000 for the purchase of a new copier, \$4,500 for the solid waste diversion compliance audit, these amounts will be offset by the reduction of the Election Expense budget amount of \$25,000.

In addition to the above changes Staff is proposing additional appropriations as listed on the Attached Mid-Year Budget Requests attachment.

CONCLUSION

The FY 18/19 mid-year budget review shows the City has a positive budget variance of \$105,374. The revenues are up \$38,818, expenditures are down \$66,556 and net transfers in (out) are equal. The proposed increase in revenues of \$43,000 and the net increase in proposed expenditures of \$79,375 will leave a budgeted deficit of \$418,375 for fiscal year 2018-19. The projected General Fund Fund Balance at June 30, 2019 with the proposed changes would be \$4,888,573.

It is recommended the City Council approve the proposed FY 18/19 mid-year budget adjustments for the General Fund as listed on the Mid-Year Budget Adjustments attachment.

CITY OF ROLLING HILLS
GENERAL FUND REVENUES & EXPENDITURES
MID-YEAR REVIEW FY 2018-2019 VS FY 2017-2018

ACTUAL JULY FEB.	ACTUAL JULY FEB.	ACTUAL FY 17/18 FEB.	ACTUAL FY 18/19 Fav(Unfav)	ADJUSTED EIGHT MONTH BUDGET FY 18/19	% BUDGET USED	ADJUSTED ANNUAL BUDGET FY 18/19	% BUDGET USED
A	B	C	(A-B)	D	E	F	G
			(A/B)		(A/D)		(A/F)

GENERAL FUND REVENUES & EXPENDITURES SUMMARY

BEGINNING FUND BALANCE				\$ 5,306,948		\$ 5,306,948	
GENERAL FUND REVENUES							
TAXES	\$ 739,374	\$ 700,205	\$ 39,169	\$ 742,000	99.65%	\$ 1,113,000	66.43%
OTHER AGENCIES	108,029	104,787	3,242	107,600	100.40%	215,200	50.20%
LICENSES & PERMITS	204,912	321,345	(116,433)	220,570	92.90%	620,300	33.03%
USE OF PROPERTY & MONEY	139,762	85,514	54,248	84,500	165.40%	141,000	99.12%
OTHER REVENUES	13,191	14,404	(1,213)	11,780	111.98%	23,200	56.86%
TOTAL REVENUES	\$ 1,205,268	\$ 1,226,255	\$ (20,987)	\$ 1,166,450	103.33%	\$ 2,168,950	55.57%

TOTAL GENERAL FUND REVENUES

01 CITY ADMINISTRATION							
EMPLOYEE SALARIES	\$ 178,082	\$ 232,815	\$ 54,733	\$ 177,400	100.38%	\$ 314,100	56.70%
EMPLOYEE BENEFITS	270,816	270,881	65	272,020	99.56%	334,050	81.07%
TOTAL PERSONNEL	448,898	503,696	54,798	449,420	99.88%	648,150	69.26%
MATERIALS & SUPPLIES	71,395	51,072	(20,323)	74,180	96.25%	130,650	54.65%
CONTRACTUAL SERVICES	55,453	68,460	13,007	53,750	103.17%	119,500	46.40%
CAPITAL OUTLAY	-	-	-	-	0.00%	-	#DIV/0!
01 TOTAL CITY ADMINISTRATION	\$ 575,746	\$ 623,228	\$ 47,482	\$ 577,350	99.72%	\$ 898,300	64.09%
05 FINANCE							
MATERIALS & SUPPLIES	160	192	32	380	0.00%	650	24.62%
CONTRACTUAL SERVICES	61,693	63,171	1,478	64,625	95.46%	117,100	52.68%
CAPITAL OUTLAY	-	-	-	-	0.00%	-	0.00%
05 TOTAL FINANCE	\$ 61,853	\$ 63,363	\$ 1,510	\$ 65,005	95.15%	\$ 117,750	52.53%

	ACTUAL JULY FY 18/19	ACTUAL JULY FY 17/18	ACTUAL FY 18/19 VS FY 17/18 Fav(Unfav)	ADJUSTED EIGHT MONTH BUDGET FY 18/19	% BUDGET USED (A/D)	ADJUSTED ANNUAL BUDGET FY 18/19	% BUDGET USED (A/F)
	A	B	C (A-B)	D	E	F	G
15 PLANNING & DEVELOPMENT							
EMPLOYEE SALARIES	\$ 144,028	\$ 124,803	\$ (19,225)	\$ 144,300	99.81%	\$ 230,000	62.62%
EMPLOYEE BENEFITS	58,965	59,449	484	62,850	93.82%	95,000	62.07%
TOTAL PERSONNEL	202,993	184,252	(18,741)	207,150	97.99%	325,000	62.46%
MATERIALS & SUPPLIES	2,629	2,155	(474)	6,150	42.75%	13,600	19.33%
CONTRACTUAL SERVICES	230,942	151,953	(78,989)	244,250	94.55%	502,500	45.96%
15 TOTAL PLANNING & DEVELOPMENT	\$ 436,564	\$ 338,360	\$ (98,204)	\$ 457,550	95.41%	\$ 841,100	51.90%
25 LAW ENFORCEMENT							
	\$ 133,229	\$ 140,331	\$ 7,102	\$ 161,325	82.58%	\$ 297,600	44.77%
65 NON-DEPARTMENT							
	\$ 28,712	\$ 26,188	\$ (2,524)	\$ 42,300	67.88%	\$ 73,900	38.85%
75 CITY PROPERTIES							
	\$ 39,220	\$ 27,517	\$ (11,703)	\$ 38,350	102.27%	\$ 71,500	54.85%
GENERAL FUND TOTAL EXPENDITURES	\$ 1,275,324	\$ 1,218,987	\$ (56,337)	\$ 1,341,880	95.04%	\$ 2,300,150	55.45%
NET REVENUES BEFORE TRANSFERS							
	\$ (70,056)	\$ 7,268	\$ (77,324)	\$ (175,430)		\$ (131,200)	
TRANSFERS							
	\$ 16,000	\$ 14,965	\$ 1,035	\$ 16,000	100.00%	\$ (262,800)	-6.09%
NET REVENUE(DEFICIT) AFTER TRANSFERS	\$ (54,056)	\$ 22,233	\$ (76,289)	\$ (159,430)		\$ (394,000)	
ENDING FUND BALANCE							
				\$ 5,147,518		\$ 4,912,948	

GENERAL FUND REVENUES

5/12

GENERAL FUND EXPENDITURES									
01 CITY ADMINISTRATION									
	ACTUAL FY 18/19	ACTUAL JULY FEB.	ACTUAL FY 17/18	ACTUAL VS FY 17/18 Fav(Unfav)	ADJUSTED EIGHT MONTH FY 18/19	% BUDGET USED	ADJUSTED ANNUAL BUDGET FY 18/19	% BUDGET USED	
	A	B	C	(A-B)	D	E	F	G	
						(A/D)		(A/F)	
7001 Employee Salaries									
702 Salaries Full Time	\$ 178,082	\$ 232,815	\$ 54,733		\$ 177,400	100.38%	\$ 304,100	58.56%	
703 Salaries Part Time	-	-	-		-		10,000	0.00%	
7001 Total	178,082	232,815	54,733		177,400	100.38%	314,100	56.70%	
7005 Employee Benefits									
710 Retirement CalPERS - Employer	213,854	209,204	(4,650)		211,170	101.27%	229,050	93.37%	
715 Workers Compensation Insurance	4,431	4,553	122		4,500	98.47%	7,400	59.88%	
716 Group Insurance	21,000	29,496	8,496		23,750	88.42%	47,500	44.21%	
717 Retiree Medical	13,271	11,639	(1,632)		12,200	108.78%	18,200	72.92%	
718 Employer Payroll Taxes	15,031	10,378	(4,653)		16,700	90.01%	25,100	59.88%	
719 Deferred Compensation	2,129	4,011	1,882		2,300	92.57%	4,600	46.28%	
720 Auto Allowance	1,100	1,600	500		1,400	78.57%	2,200	50.00%	
7005 Total	270,816	270,881	65		272,020	99.56%	334,050	81.07%	
7500 Materials & Supplies									
740 Office Supplies & Expense	23,640	13,115	(10,525)		21,800	108.44%	43,600	54.22%	
745 Equipment Leasing Costs	16,442	3,054	(13,388)		15,000	109.61%	19,750	83.25%	
750 Dues & Subscriptions	10,177	10,840	663		9,400	108.27%	11,300	90.06%	
755 Conference Expense	1,272	3,889	2,617		3,900	32.62%	9,500	13.39%	
757 Meeting Expense	394	69	(325)		540	72.96%	1,300	30.31%	
759 Training & Education	-	251	251		1,570	0.00%	2,700	0.00%	
761 Auto Mileage	130	293	163		290	44.83%	500	26.00%	
765 Postage	4,580	5,533	953		5,400	84.81%	13,000	35.23%	
770 Telephone	4,068	3,923	(145)		3,900	104.31%	5,800	70.14%	
775 City Council Expense	2,919	3,252	333		3,000	97.30%	7,200	40.54%	
780 Minutes Clerk Meetings	5,498	1,659	(3,839)		2,800	196.36%	4,800	114.54%	
785 Codification	550	1,589	1,039		3,000	18.33%	5,000	11.00%	
790 Advertising	-	-	-		580	0.00%	1,000	0.00%	
795 Other General Administrative Expense	1,725	3,605	1,880		3,000	57.50%	5,200	33.17%	
7500 Total	71,395	51,072	(20,323)		74,180	96.25%	130,650	54.65%	

	ACTUAL JULY FY 18/19	ACTUAL JULY FEB. FY 17/18	ACTUAL FY 18/19 VS FY 17/18 Fav(Unfav)	ADJUSTED EIGHT MONTH BUDGET FY 18/19	% BUDGET USED (A/D)	ADJUSTED ANNUAL BUDGET FY 18/19	% BUDGET USED (A/F)
	A	B	C (A-B)	D	E	F	G
8000 Contractual Services							
801 City Attorney	45,829	46,785	956	41,000	111.78%	70,000	65.47%
802 Legal Expenses - Other	-	-	-	1,750	0.00%	3,000	0.00%
820 Website	3,117	4,251	1,134	3,500	89.06%	6,000	51.95%
850 Election Expense City Council	1,269	11,656	10,387	1,400	90.64%	30,000	0.00%
890 Consulting Fees	5,238	5,768	530	6,100	85.87%	10,500	49.89%
8000 Total	55,453	68,460	13,007	53,750	103.17%	119,500	46.40%
9000 Capital Outlay							
950 Capital Outlay - Equipment	-	-	-	-	0.00%	-	#DIV/0!
955 Capital Outlay - City Hall Improvements	-	-	-	-	0.00%	-	#DIV/0!
9000 Total	-	-	-	-	0.00%	-	#DIV/0!
01 TOTAL CITY ADMINISTRATION	\$ 575,746	\$ 623,228	\$ 47,482	\$ 577,350	99.72%	\$ 898,300	64.09%
05 FINANCE							
7500 Materials & Supplies							
750 Dues & Subscriptions	160	160	-	380	0.00%	650	24.62%
776 Miscellaneous Expense	-	32	32	-	0.00%	-	0.00%
7500 Total	160	192	32	380	0.00%	650	24.62%
8000 Contractual Services							
810 Annual Audit	13,500	15,740	2,240	13,500	100.00%	17,100	78.95%
890 Consulting Fees	48,193	47,431	(762)	51,125	94.27%	100,000	48.19%
8000 Total	61,693	63,171	1,478	64,625	95.46%	117,100	52.68%
9000 Capital Outlay							
950 Capital Outlay - Equipment	-	-	-	-	0.00%	-	#DIV/0!
9000 Total Capital Outlay	-	-	-	-	0.00%	-	#DIV/0!
05 TOTAL FINANCE	\$ 61,853	\$ 63,363	\$ 1,510	\$ 65,005	95.15%	\$ 117,750	#DIV/0!

	ACTUAL		ACTUAL FY 18/19 VS FY 17/18 Fav(Unfav)	ADJUSTED EIGHT MONTH BUDGET FY 18/19		% BUDGET USED (A/D)		ADJUSTED ANNUAL BUDGET FY 18/19		% BUDGET USED (A/F)	
	JULY FEB. FY 18/19	JULY FEB. FY 17/18		C (A-B)	D	E (A/D)	F	G (A/F)			
									A	B	
15	PLANNING & DEVELOPMENT										
7001	Employee Salaries										
702	\$	143,317	\$	124,803	\$	(18,514)	\$	143,300	100.01%	\$	215,000
703		711		-		(711)		1,000	71.10%		15,000
7001		144,028		124,803		(19,225)		144,300	99.81%		230,000
7005	Employee Benefits										
710		23,746		16,657		(7,089)		23,400	101.48%		31,150
715		3,173		2,911		(262)		3,100	102.35%		5,300
716		19,895		22,492		2,597		20,400	97.52%		30,600
718		9,095		10,389		1,294		10,700	85.00%		18,400
719		1,456		5,400		3,944		3,450	42.20%		7,150
720		1,600		1,600		-		1,800	88.89%		2,400
7005		58,965		59,449		484		62,850	93.82%		95,000
7500	Materials & Supplies										
758		2,254		681		(1,573)		1,700	132.59%		2,000
776		101		-		(101)		1,200	8.42%		2,000
750		-		-		-		350	-		600
755		25		1,474		1,449		2,200	-		6,800
759		249		-		(249)		700	-		2,200
7500		2,629		2,155		(474)		6,150	42.75%		13,600
8000	Contractual Services										
802		-		4,484		4,484		7,500	0.00%		13,000
872		29,564		44,591		15,027		33,250	88.91%		57,000
878		67,084		54,773		(12,311)		65,000	103.21%		195,000
881		86,948		40,827		(46,121)		92,900	93.59%		159,400
882		3,772		7,278		3,506		3,500	107.77%		6,000
884		43,574		-		(43,574)		42,100	103.50%		72,100
950		-		-		-		-	-		-
8000		230,942		151,953		(78,989)		244,250	94.55%		502,500
15	\$	436,564	\$	338,360	\$	(98,204)	\$	457,550	95.41%	\$	841,100
15	TOTAL PLANNING & DEVELOPMENT										

	ACTUAL		ACTUAL		ADJUSTED		ADJUSTED		% BUDGET USED	% BUDGET USED
	JULY		FEB.		FY 17/18		FY 18/19			
	FY 18/19	FY 17/18	FY 18/19	FEB.	VS FY 17/18	Fav(Unfav)	D	E		
A B C (A-B) D E (A/D) F (A/F)										
75 CITY PROPERTIES										
8000 Contractual Services										
925 Utilities	\$ 22,481	\$ 16,193	\$ (6,288)	\$ 17,700			\$ 17,700	\$ 30,200	127.01%	74.44%
930 Repairs & Maintenance	5,889	5,354	(535)	8,000			8,000	16,000	73.61%	36.81%
932 Area Landscaping	10,850	5,970	(4,880)	12,650			12,650	25,300	85.77%	42.89%
8000 Total	39,220	27,517	(11,703)	38,350			38,350	71,500	102.27%	54.85%
75 TOTAL CITY PROPERTIES	\$ 39,220	\$ 27,517	\$ (11,703)	\$ 38,350			\$ 38,350	\$ 71,500	102.27%	54.85%
131 GENERAL FUND TOTAL EXPENDITURES	\$ 1,275,324	\$ 1,218,987	\$ (56,337)	\$ 1,341,880			\$ 1,341,880	\$ 2,300,150	95.04%	55.45%
NET REVENUES BEFORE TRANSFERS	\$ (70,056)	\$ 7,268	\$ (77,324)	\$ (175,430)			\$ (175,430)	\$ (131,200)	8.29%	0.12%
699 Fund Transfers (OUT) IN										
Traffic Safety Fund	\$ -	\$ (1,035)	\$ (1,035)	\$ -			\$ -	\$ (46,500)	#DIV/0!	0.00%
Capital Improvement Fund	-	-	-	-			-	(234,000)	0.00%	0.00%
Underground Utility Fund	-	-	-	-			-	-	0.00%	#DIV/0!
Community Facilities Fund	16,000	16,000	-	16,000			16,000	(6,300)	0.00%	0.00%
Refuse Collection Fund	16,000	14,965	1,035	16,000			16,000	24,000	100.00%	66.67%
699 Total	\$ (54,056)	\$ 22,233	\$ (76,289)	\$ (159,430)			\$ (159,430)	\$ (262,800)	100.00%	-6.09%
NET REVENUE(DEFICIT) AFTER TRANSFERS										
FUND BALANCE										
Total to begin	\$ 5,306,948	\$ 4,806,157		\$ 5,306,948			\$ 5,306,948	\$ 5,306,948		
Total to begin - Adjustment	\$ 5,252,892	\$ 4,828,390		\$ 5,147,518			\$ 5,147,518	\$ 4,912,948		
Total to end										

**CITY OF ROLLING HILLS
FISCAL YEAR 2018-2019
MID-YEAR BUDGET REQUESTS**

	Request Description	Fund Source	Amount	Notes
1	Replace City Hall standby generator	General Fund	\$ 20,000	Pipe repair, replacement may not be feasible
2	Solid Waste Consulting Services	General Fund	\$ 25,000	Scope of services could be assisting staff to negotiate contract OR draft a Request for Proposals (competitive bid)
3	Block Captain Program - communication devices, Block Captain kit	General Fund	\$ 6,875	Purchase communication devices - walkie-talkies and provide block captain kit (vest, flash lights, tags, hard-hats, etc)
4	Consultant Services - CalOES Grant Application	General Fund	\$ 25,000	Applications due in April 2019, unexpected leave by Senior Planner. Need assistance to meet deadline
5	Upgrade City website	General Fund	\$ 5,000	Includes mobile app, ADA compliance, e-notify (with out having to pay a separate service provider) and the ability for residents to submit service requests using City's website
6	City Hall Computer Network Administrator	General Fund	\$ 6,000	This cost accounts for the expected expense for the months of April through June 2019.
			\$ 87,875	

**CITY OF ROLLING HILLS
FISCAL YEAR 2018-2019 BUDGET ADJUSTMENT
MID-YEAR BUDGET ADJUSTMENTS**

GENERAL FUND REVENUES

Account#	Account Name	Reason for Adjustment	Budget FY 18/19	Mid-Year Adjustment	Adjusted Budget FY 18/19
01-000-670	Interest Earned	To increase based on activity through February	\$ 57,000	\$ 43,000	\$ 100,000
	Total Increase in Revenues			43,000	
		Original General Fund Budget - Revenues		2,168,950	
		Adjusted General Fund Budget - Revenues		\$ 2,211,950	

GENERAL FUND EXPENDITURES

01-01-820	Website	Upgrade website	\$ 6,000	\$ 5,000	\$ 11,000
01-01-850	Election Expense City Council	Decreased to actual amount charged	30,000	(25,000)	5,000
01-01-890	Consulting Fees	Solid Waste Diversion Compliance Audit	10,000	4,500	45,500
01-01-890	Consulting Fees	Negotiate Contract or RFP Process		25,000	
01-01-890	Consulting Fees	City Hall Computer Network Administrator		6,000	
01-15-884	Special Project Study Consultant	CalOES Grant Application preparation	72,100	25,000	97,100
01-65-917	Emergency Preparedness	Purchase communication devices and Block Captain Kits	8,000	6,875	14,875
01-01-950	Capital Outlay Equipment	New Color Copier and Scanner	-	12,000	32,000
01-01-950	Capital Outlay Equipment	Generator Repair		20,000	
	Total Increase in Expenditures			79,375	
		Original General Fund Budget - Expenditures		2,288,150	
		Adjusted General Fund Budget - Expenditures		2,367,525	
		Original General Fund Budget - Net Transfers		(262,800)	
		Adjusted Fiscal Year 2018/19 Budget Deficit		\$ (418,375)	

Prepared By:

Terry Shea, Finance Director

Approved By:

Elaine Jeng, P.E., City Manager



City of Rolling Hills

INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD
ROLLING HILLS, CA 90274
(310) 377-1521
FAX (310) 377-7288

Agenda Item No: 8B
Mtg. Date: 03/11/2019

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: ELAINE JENG, P.E., CITY MANAGER

**SUBJECT: CONSIDERATION OF OPTIONS FOR SOLID WASTE SERVICES
BEGINNING JULY 1, 2019**

DATE: MARCH 11, 2019

BACKGROUND

Allied Waste Industries (Allied) and the City entered in to an agreement in June 1995 for Allied to provide waste collection, transportation and disposal services. The agreement was amended three times: March 2000, May 2005 and May 2009. In January 2009, City Council increased solid waste collection fees to \$1,031.67 per parcel per year and commencing in 2009, authorized annual increases up to the amount of the Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County area not to exceed 4.5%. For Fiscal Year 2018-19 the City collected \$1,100.00 per parcel from residents for solid waste collection services and the City subsidized the remaining portion by paying Allied \$1,159.32 per parcel. There are 685 parcels in the City and based on the current rates, the City is subsidizing approximately \$40,635.

In April 2010, the City entered into a new 5-year contract with Allied Services. In 2013, Allied was acquired by Consolidated Disposal Service, LLC, doing business as Republic Services. In 2015, the City Council extended the agreement with Republic Services to June 30, 2020.

CPI increase for service rate commencing July 1, 2019 is 3.5% or approximately \$1,200 per parcel per year. If the City continues to subsidize the rate increase, the City would be absorbing approximately \$68,500 for Fiscal Year 2019-2020.

DISCUSSION

In anticipation of the expiring agreement, staff has been discussing with Republic Services the recent changes to international policies restricting foreign imports of recyclable materials, coupled with the need to reduce contamination levels in recycling streams and a declining global market value for some recyclables. Locally, in September 2016, Governor Brown signed into law SB1383 establishing methane emissions reduction targets to reduce emissions of short lived climate pollutants. Methane emissions resulting from the decomposition of organic waste in landfills are a significant source of greenhouse gas emissions. To meet the established metrics of SB1383, household organic waste will need to be sorted and collected differently to ensure organic wastes are recycled and diverted from landfills.

Discussions with Republic Services revealed that the provider anticipates a 30% service rate increase starting July 1, 2020. Assuming the City Council approves a five-year contract extension, rates subsequent to the initial 30% increase would be increased by the Sewer, Trash, Water Index. Historically, the Sewer, Trash, Water Index has been 2-3% above the Consumer Price Index for Los Angeles-Riverside-Orange County. Part of the anticipated increase is due to the changes in the recycling market, commodity pricing and the new mandates. Part of the anticipated increase is due to insufficient past rate increases in Rolling Hills to keep up with the cost of doing business. Republic Services also proposed to amortize the increase over a longer contract period. In this scenario, the service rate would increase by 5-6% and remain flat for the duration of the eight to ten year contract.

If the City Council would like to continue to be served by Republic Services, staff can negotiate with Republic Services on the rate increase scenarios aforementioned.

Alternatively, staff can prepare a Request for Proposal and competitively solicit service proposals for services beginning July 1, 2020. Typically, this process would need to commence at least 18 months from the contract expiration date. With a little over one year remaining before the contract expires, if this approach is selected, the existing contract with Republic Services would need to be extended for six months, if the selected provider is not Republic Services.

FISCAL IMPACT

If the City Council directs staff to negotiate with Republic Services on future rates, staff would solicit the services of a solid waste professional to assist staff with

reviewing/evaluating cost proposals. The consultant fee is estimated to be \$25,000 to \$30,000.

If the City Council directs staff to prepare a Request for Proposal to solicit competitive proposals for service, staff would solicit the services of a solid waste professional to assist staff with the drafting of the Request for Proposal and to assist staff with the evaluation of received proposals. The consultant fee is estimated to be \$50,000 to \$65,000.

RECOMMENDATION

Staff recommends that the City Council discuss options presented in this report and provide direction to staff.



City of Rolling Hills

INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD
ROLLING HILLS, CA 90274
(310) 377-1521
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Agenda Item No: 8C
Mtg. Date: 03/11/2019

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: ELAINE JENG, P.E., CITY MANAGER

SUBJECT: CONSIDERATION OF COST SHARE MODEL FOR ASSESSMENT DISTRICTS AND DIRECT STAFF TO DRAFT A RESOLUTION TO MEMORIALIZE THE COST SHARE MODEL; AND DIRECT STAFF TO DRAFT A MEMORANDUM OF UNDERSTANDING (MOU) WITH ROLLING HILLS COMMUNITY ASSOCIATION TO COST SHARE DESIGN FEES ASSOCIATED WITH ASSESSMENT DISTRICT PROJECTS.

DATE: MARCH 11, 2019

BACKGROUND

At the February 25, 2019 City Council meeting, staff presented a draft agreement with Stradling, Yocca Carlson & Rauth (STRADLING) to provide legal services in connection with the formation of assessment districts and assist in the issuance of bonds for the districts. In discussing the terms of the agreement, the City Council expressed concerns with being the responsible party for the legal fees incurred for potential assessment districts. Typically, fees to legal counsel services relating to the issuance of bonds are absorbed in the sale price of the bond. Legal counsel is then compensated through the bond proceeds. Because the assessment districts in Rolling Hills have been unsuccessful in their formation, past legal services relating to the formation of assessment districts were not paid and absorbed by STRADLING. To continue to provide legal services, STRADLING is proposing a different compensation model. STRADLING's proposed contract will be discussed under Item 7A at the March 11, 2019 City Council meeting.

To date, the City Council has unofficially cost shared the design fees for the utility companies to prepare construction drawings to underground overhead and above ground infrastructure. The design fee is a necessary expenditure to determine the precise construction cost. Often this design fee is an obstacle for residents to commit to the formation of assessment districts. This upfront cost does not guarantee that all participants will remain committed through the process and often the final obligation of the assessment district is unknown long after the upfront cost is paid. For these reasons, the City Council has contributed one third of the total design fee and the Rolling Hills Community Association (RHCA) has contributed one third of the total design fee to alleviate the burden on residents but also to provide an incentive for residents to follow through with the projects.

To date the City Council has not discussed if the same cost share model would apply to consultant fees (legal counsel, and assessment engineer) associated with the formation of assessment districts.

DISCUSSION

Staff recommends that the City Council continue to contribute funds to offset the design fees and engage the RHCA to do the same. Staff also recommends that the City Council collect the necessary funds from residents to pay for the consultant services (legal counsel, and assessment engineer).

Based on the experiences of Southern California Edison (SCE) and the group that works with Rule 20 undergrounding, the lifeline of an assessment district project is between two and five years. This range depends on the size of the assessment district, the complexity relating to the circuitry design, the participants' involvement in the process, and construction constraints. The most difficult phase of the project is that initial commitment by participants to explore the ultimate fair share individual cost for such formation. By the time the lifecycle reaches the need to have a legal counsel and an assessment engineer, the participants are generally committed to see the project through and are reconciled with the assessed cost amortized over a 30-year period. If the City Council's intent is to assist as many undergrounding projects as possible, given SCE's experiences, contribution to the design phase to kick-start the project would be most impactful.

FISCAL IMPACT

If the City Council approves staff's recommendation to collect necessary funds from residents to pay for the consultant fees, staff would secure the funds prior to engaging consultant services to ensure the City will not incur debt. Funds collected from residents would be deposited in an account held by the City dedicated to the specific assessment district project solely to pay for consultant services to the specific assessment district.

RECOMMENDATION

Staff recommends that the City Council memorialize the City's policy in funding one third of the total design cost for the utility companies to prepare construction drawings to underground overhead and above ground infrastructure for each assessment district project. Staff also recommends that the City Council direct staff to execute a memorandum of understanding with RHCA to engage the association to continue to contribute one third of the total design cost for the utility companies to prepare construction drawings to underground overhead and above ground infrastructure for each assessment district project. Staff also recommends that the City Council collect the necessary funds from residents to pay for the consultant services (legal counsel, and assessment engineer).



City of Rolling Hills

INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD
ROLLING HILLS, CA 90274
(310) 377-1521
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Agenda Item No: 10A
Mtg. Date: 03/11/2019

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: ELAINE JENG, P.E., CITY MANAGER
**SUBJECT: RECEIVE AND FILE REPORT ON BLOCK CAPTAIN PROGRAM;
CONSIDER AND APPROVAL OF ANNUAL BUDGET ALLOCATION
FOR THE BLOCK CAPTAIN PROGRAM**
DATE: MARCH 11, 2019

BACKGROUND

Residents of Rolling Hills recognize that their community is a unique place located in a high fire severity zone. The residents also recognize the charm of the place on a hill with limited access in and out of the City. To prepare for any natural disasters, the residents initiated the Block Captain Program where the City is divided into approximately 25 zones and each zone is led by a Captain whose responsibility is to check on the welfare of the zone, educate/assist the residents within the zone with preparedness measures and create a meeting place, evacuation routes, communication means during the times of an emergency. The last Block Captain Program activity was in and around 2013. Key community leader Marcia Gold was instrumental in heading up the program and much of the program was funded by Mrs. Gold and volunteers. Ms. Gold passed away in late 2018 but the program is well but needing new life.

DISCUSSION

In November 2018, several wildfires hit the Calabasas-Malibu area. In a recent California League of Cities City Manager conference, a panel of the cities responding to the recent wildfires was put together to discuss their experiences and lessons learned. Several key take-aways from the panel: the use of community members is the best way to extend the word to the community at large; first responders operate in shifts and they

may not know the geography or the terrain of the city; finding an alternative method of communication other than relying on cell phones is a must; and have a plan for housing in the event evacuation is warranted.

Similar to the Calabasas-Malibu area, Rolling Hills' homes are spaced out located acres from the next home. According to the City of Hidden Hills (a city that mimics Rolling Hills in size, geography and layout) and their experience with the Woolsey Fire, the community played a big part in communicating and keeping residents informed. While a program like the Block Captain does not exist in Hidden Hills, the concept is similar.

In January 2019, a kick-off meeting was held with Block Captains of the past. They were called upon to serve. The initial meeting was to take an inventory of personnel, equipment, and continuous interest. A second meeting was held in February 2019 to establish a community leadership for the program, establish goals and focus for the calendar year and set standing meetings (third Thursday of even months) going forward.

The goals established for the Block Captain Program for 2019 are as follows:

- Determine an alternative communication method to land-line, cell phones, television and internet;
- Plan evacuation routes for local zones and citywide with the input of the Fire Department and Sheriff's Department; and
- Serve as the community group to complete a Community Wildfire Protection Plan (CWPP)

FISCAL IMPACT

The last program activity in 2013, the Block Captains were testing walkie-talkies as an alternative means of communication. Some captains purchased devices and other captains purchased devices on behalf of other members. Each captain is outfitted with a hard hat, safety vest, flash lights, whistle, glow sticks and a booklet of information on emergency preparedness. The program of the past was largely funded privately. Going forward, to assist and maintain this community based program, staff is recommending that the City set aside funding annually to assist with the program. Preliminary estimates for the budget for Fiscal Year 2018-2019 is approximately \$6,000. Cost breakdown for this budget is as follows:

Block Captain Equipment Costs			
25 Zones	Quantity	Cost Each	Total
Hard hats	25	\$9	\$225
Safety vests (reflective)	25	\$5.25	\$131
Bullhorns (1/2 mile range)	25	\$125	\$3,125

Communication device	25	\$57	\$1,425
Respirators	25	\$10	\$250
First aid kit	25	\$20	\$500
Barricade tape	25	\$13	\$325
Flashlights	25	\$5	\$125
		Total	\$6,106

RECOMMENDATION

Staff recommends that the City Council allocate \$6,000 for Fiscal Year 2018-2019 to fund the Block Captain program. Staff also recommends the City Council allocate funding annually for the program.