



# *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 REGULAR MEETING**

**CITY COUNCIL  
MONDAY, APRIL 22, 2019**

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

*Next Resolution No. 1237*

*Next Ordinance No. 362*

### **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 8, 2019.  
**RECOMMENDATION: Approve as presented.**
- B. Payment of Bills.  
**RECOMMENDATION: Approve as presented.**
- C. Financial Statement for the Month of March 2019.  
**RECOMMENDATION: Approve as presented.**
- D. CalOES Designation of Subrecipient's Agent Resolution Authorization  
**RECOMMENDATION: Approve as presented.**

### **5. COMMISSION ITEMS**

- A. **RESOLUTION NO. 2019-03.** A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF ROLLING HILLS GRANTING APPROVAL OF A VARIANCE TO ENCROACH WITH A GARAGE AND BASEMENT ADDITION INTO THE SIDE YARD SETBACK, IN ZONING CASE NO. 954 AT 9 WILLIAMSBURG LANE, LOT 27-RH, (MACLEAN).

- B. RESOLUTION NO. 2019-06.** A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF ROLLING HILLS GRANTING APPROVAL FOR A MINOR MODIFICATION TO A CONDITION IN A PREVIOUSLY APPROVED CONDITIONAL USE PERMIT ON APPEAL IN ZONING CASE NO. 808-MOD., AT 7 RINGBIT ROAD EAST, (LOT 38-SF), (SHADDEN).

**6. PUBLIC HEARINGS**

- A. A HEARING TO CONSIDER WHETHER NONCOMPLIANCE WITH CITY COUNCIL RESOLUTION NO. 1196 AND THE COVENANT RECORDED AGAINST TITLE PURSUANT THERETO CONSTITUTES A PUBLIC NUISANCE WITH REGARD TO FAILURE TO ABATE A VIEW IMPAIRMENT AT 15 PORTUGUESE BEND ROAD (COVENANT RECORDED AS DOCUMENT NUMBER 20170547814 AND DATED 05/17/2017) (OWNERS: WILLIAM AND JUDITH HASSOLDT)

**7. OLD BUSINESS**

- A. CONSIDERATION OF A MEMORANDUM OF UNDERSTANDING (MOU) WITH ROLLING HILLS COMMUNITY ASSOCIATION TO COST SHARE DESIGN FEES ASSOCIATED WITH ASSESSMENT DISTRICT PROJECTS.
- B. CONSIDERATION AND APPROVAL OF RESOLUTION NO. 1236 TO EXCHANGE PROPOSITION A FUNDS WITH THE PALOS VERDES PENINSULA TRANSIT AUTHORITY FOR GENERAL FUNDS AT A RATE OF \$0.75 TO \$1.00.
- C. CONSIDERATION OF OPTIONS FOR SOLID WASTE SERVICES BEGINNING JULY 1, 2020
- D. CONSIDERATION OF AN ORDINANCE NO. 361. AN ORDINANCE OF THE CITY OF ROLLING HILLS, CALIFORNIA AMENDING CHAPTER 13.18 (WATER EFFICIENT LANDSCAPE) OF TITLE 13, WATER AND SEWERS OF THE ROLLING HILLS MUNICIPAL CODE, AND WAIVE THE FULL READING AND INTRODUCE ON FIRST READING ORDINANCE NO. 361.

**8. NEW BUSINESS**

- A. A.) REPORT ON FINANCE/BUDGET/AUDIT COMMITTEE RECOMMENDATIONS ON FINANCIAL AND INVESTMENT POLICIES AND SCHEDULE OF FEES AND CHARGES AND B.) DISCUSSION OF FISCAL YEAR 2018/19 BUDGET PRIORITIES
- B. RECEIVE AND FILE FY2019/20 BUDGET PREPARATION DOCUMENTS (1) FY 2018/2019 YEAR-END REVENUE AND EXPENDITURE PROJECTIONS; (2) FY 2019/2020 CONSUMER PRICE INDEX (CPI) ADJUSTMENTS FOR BUDGET AND FY 2019-2020 SOLID WASTE COLLECTION SERVICES

- C. CONSIDERATION AND APPROVAL OF AMENDING THE EMPLOYEE HANDBOOK AND PERSONNEL POLICY MANUAL CHAPTER IV CLASSIFICATION TO CHANGE THE CITY CLERK/EXECUTIVE ASSISTANT TO THE CITY MANAGER FROM FULL-TIME NON-EXEMPT TO FULL-TIME EXEMPT

**9. MATTERS FROM THE CITY COUNCIL AND MEETING ATTENDANCE REPORTS**

**10. MATTERS FROM STAFF**

- A. QUARTERLY SCHEDULE OF INVESTMENTS REPORT FOR THE QUARTER ENDING MARCH 31, 2019.

**11. CLOSED SESSION**

NONE.

**12. ADJOURNMENT**

Next meeting: Monday, May 13, 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 8, 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 7:04 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.  
Gordon Inman, 11 Caballeros Road.  
Nancy Inman, 11 Caballeros Road.

**3. OPEN AGENDA - PUBLIC COMMENT WELCOME**

The quick

**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 March 25, 2019.  
**RECOMMENDATION: Approve as presented.**
- B. Payment of Bills.  
**RECOMMENDATION: Approve as presented.**
- C. Republic Services Recycling Tonnage Report for February 2019.  
**RECOMMENDATION: Approve as presented.**
- D. Financial Statement for the Month of February 2019.  
**RECOMMENDATION: Approve as presented.**

*Mayor Pro Tem Pieper moved that the City Council approve the items 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.



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NOES: COUNCILMEMBERS: None.

ABSENT: COUNCILMEMBERS: None.

ABSTAIN: COUNCILMEMBERS: None.

## **5. PRESENTATION OF CITY COUNCIL REORGANIZATION**

### **A. PRESENTATION OF NEW MAYOR AND MAYOR PRO TEM**

Mayor Wilson announced that the City already reorganized and selected Mayor Pro Tem Leah Mirsch as Mayor and Council member Jeff Pieper as Mayor Pro Tem.

Mayor Pro Tem Pieper noted that the advanced reorganization was to save money on City Council photographs.

Councilmember Wilson passed the gavel to Mayor Mirsch.

### **B. PRESENTATION TO MAYOR WILSON IN RECOGNITION OF HIS SERVICE DURING HIS 2018-2019 TERM AS MAYOR**

Mayor Pro Tem Pieper noted as Mayor, Councilmember Wilson was excellent in chairing meetings and he appreciated Councilmember Wilson's work.

Mayor Mirsch opened the meeting to the public. The following guest speakers congratulated Councilmember Wilson for his work as mayor of Rolling Hills:

- Honorable Los Angeles County Board of Supervisor Janice Hahn;
- Victor Ibarra, Field Representative for Assemblymember Mike Gipson of the 64<sup>th</sup> Assembly District
- Jake Rideout, Field Representative for Assemblymember Al Muratsuchi of the 66<sup>th</sup> Assembly District
- Kenny Kao, Mayor of the City of Palos Verdes Estates

Councilmember Dieringer thanked Councilmember Wilson's approach in running meetings and being the face of Rolling Hills.

Councilmember Black thanked Councilmember Wilson for representing the City for the past year as mayor. It is an important function to represent the City.

Mayor Mirsch thanked Councilmember Wilson for the work inside and outside the City. Mayor Mirsch noted that Councilmember Wilson will continue to represent the City as the Mayor on behalf of City.

Rancho Palos Verdes Mayor Pro Tem John Cruikshank congratulated Councilmember Wilson for a job well done. Mr. Cruikshank presented certificates to Mayor Mirsch and Mayor Pro Tem Pieper and noted that he looked forward to a strong working relationship with Rolling Hills.

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Mayor Mirsch presented a certificate from the Palos Verdes Unified School District to Councilmember Wilson. Mayor Mirsch also presented a plaque from the Rolling Hills City Council to Councilmember Wilson.

C. COMMENTS FROM OUTGOING MAYOR

Councilmember Wilson thanked the guests, the residents and City staff and noted that being the mayor has been a very fulfilling position.

6. **ADJOURNMENT TO RECEPTION**

Mayor Mirsch called a recess for reception.

7. **COMMISSION ITEMS**

NONE.

8. **PUBLIC HEARINGS**

NONE.

9. **OLD BUSINESS**

- A. CONSIDERATION AND APPROVAL OF RESOLUTION 1235 AFFIRMING THE DECISION OF THE CITY MANAGER IN THE APPEAL FILED BY GORDON AND NANCY INMAN AND ORDERING REMOVAL OF THE BOXER (LULU) FROM THE CITY

City Attorney Jenkins provided a summary from the last public hearing on the item. At the last meeting, the City Council considered an appeal to the City Manager's determination that Lulu is a dangerous dog. The City Council affirmed the City Manager's determination and directed staff to prepare a resolution to remove Lulu from the City. The resolution was prepared for City Council's consideration this evening. Staff received letters from the Inmans relative to Lulu. City Attorney noted that the City Council can consider the letter but suggested the Council to take public testimony and then deliberate. With respect to the letters, emotional support animals do not enjoy any legal protections in California, unlike service animals trained to perform specific tasks. City Attorney Jenkins continued, consequently, the City Council is not legally required to take the information provided by the Inmans into consideration.

City manager itemized the letters provided by the Inmans for the City Council as follows: (1) Gordon Inman introducing Dr. Cunningham; (2) Psychologist Kathleen Cunningham, (3) Robert and V'etta Virtue.

Mayor Mirsch called for public comments.

Mr. Inman expressed he is under tremendous amount of stress with the thought of losing his dog. Mr. Inman requested compassion for the situation and noted that he is doing his part to confine Lulu. Mr.

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Inman said that he has a series of surgeries coming up. Lulu is important to him like a family member and to consider allowing him to keep his dog.

Mayor Mirsch closed public comments and asked for City Council member comments.

Councilmember Dieringer inquired the ability to extend the time to remove Lulu from the City. Councilmember Dieringer noted that her primary duty is protect people but also understand the importance of a dog to a family. It is concerning to her that residents are afraid to walk the streets. To balance the issue Councilmember Dieringer suggested to the City Council to delay the removal of Lulu until a few weeks after Mr. Inman's upcoming surgery.

Mr. Inman outlined ways he is confining Lulu to his property. Mr. Inman also discussed different times when he had guests over and there have no issues with Lulu.

Mayor Mirsch recognized Mr. Inman in containing Lulu but the one time Lulu accidentally got out, she bit someone in an unprovoked attack. Mayor Mirsch expressed fear based on this last incident, and noted that Lulu is a danger to the residents.

Councilmember Black liked Councilmember Dieringer's suggestion to delaying the removal of Lulu to assist with Mr. Inman's spinal surgery so that Mr. Inman can focus on recovery and nothing else. Councilmember Black noted that the City did not receive a letter noting Lulu is a service animal. Councilmember Black motioned to delay the removal of Lulu to a date certain six weeks from April 8, 2019.

Mayor Mirsch noted to the City Council is just delaying the inevitable.

City Attorney Jenkins noted that the draft resolution can replace the word "immediately" from Section 11 with "on or before May 22, 2019", six weeks from April 8, 2019.

*Councilmember Black moved that the City Council approve the resolution as amended. Mayor Pro Tem 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.

## **10. NEW BUSINESS**

NONE.

## **11. MATTERS FROM THE CITY COUNCIL AND MEETING ATTENDANCE REPORTS**

Councilmember Dieringer reported that she attended the town hall meeting hosted by Assemblymember Al Muratsuchi for the Peninsula with Councilmember Wilson. Approximately 200 some people attended

Minutes

City Council Meeting

04-08-19

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the event. Councilmember Dieringer collected handouts for the City Manager. Councilmember Dieringer hoped that the Assemblymember to assist with a community wildfire protection plan for the Peninsula.

Councilmember Black noted to the City Council that he suggested to the Field Representative Jake Rideout to Assemblymember Muratsuchi to elevate the public sector retirement age to 65.

**12. MATTERS FROM STAFF**

NONE.

**13. CLOSED SESSION**

NONE.

**13. ADJOURNMENT**

Hearing no further business before the City Council, Mayor Mirsch adjourned the meeting at 8:02p.m. The next regular meeting of the City Council is scheduled to be held on Monday, May 13, 2019 beginning at 7:00 p.m. in the City Council Chamber at City Hall, 2 Portuguese Bend Road, Rolling Hills, California.

Respectfully submitted,

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Elaine Jeng, P.E.  
City Clerk / City Manager

Approved,

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Leah Mirsch  
Mayor



# City of Rolling Hills

INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD  
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## 4/22/2019 CHECK RUN

CHECK NO.	CHECK DATE	PAYEE	DESCRIPTION	AMOUNT
25834	04/22/2019	CALIFORNIA JPIA	HUMAN RESOURCES ACADEMY	375.00
25835	04/22/2019	CITY OF RANCHO PALOS VERDES	7% MONTHLY ALRP COSTS	66.52
25836	04/22/2019	DFM ASSOCIATES	2019 CA ELECTION CODE BAL DUE	3.76
25837	04/22/2019	GWMA	FY 2018/19 ADMIN & SHARE COST	11,660.00
25838	04/22/2019	JULIA STEWART	MILEAGE NOV18 - JAN19	115.08
25839	04/22/2019	KONICA MINOLTA BUSINESS	COPIER MAINT 3/11/19 - 4/10/19	147.90
25840	04/22/2019	LA COUNTY SHERIFF'S DEPARTMENT	LAW ENFORCEMENT SRVCS - MAR19	28,106.22
25841	04/22/2019	MCGOWAN CONSULTING	CONSULTING SVCS FEB 2019	5,015.30
25842	04/22/2019	OPUS BANK	OFFICE SUPPLIES, MEETING EXP,	1,515.52
25843	04/22/2019	PITNEY BOWES	POSTAGE	500.00
25844	04/22/2019	PRINTING SYSTEMS, INC.	AP LASER CHECKS	307.04
25845	04/22/2019	PROVIDENCE HEALTH & SERVICES	DRUG TEST & MEDICAL EXAM	95.00
25846	04/22/2019	REMOTE SATELLITE SYS INT'L	MONTHLY FEES - MAY 2019	108.00
25847	04/22/2019	THE GAS COMPANY	GAS 3/11/19 TO 4/9/19	147.22
25848	04/22/2019	USCM	DEFERRED COMP 4-12-19	1,200.00
25849	04/22/2019	VANTAGEPOINT TRANSFER AGENTS -	DEFERRED COMP 4-12-19	733.80
25850	05/01/2019	DELTA DENTAL	DENTAL INS MAY 2019	602.48
25851	05/01/2019	STANDARD INSURANCE COMPANY	LIFE INS MAY 2019	150.30
25852	05/01/2019	VISION SERVICE PLAN - (CA)	VISION INS MAY 2019	108.85
25853	04/22/2019	DIVERGEIT	PER APRIL 2019 AGREEMENT	1,391.25
EFT	4/09/2019	CALPERS	RETIREMENT INSURANCE MARCH 2019	8,173.68
* PR LINK	4/12/2019	PR LINK - PAYROLL PROCESSING	PROCESSING FEE	64.80
* PR LINK	4/12/2019	PR LINK - PAYROLL 8 & PR TAXES	PAY PERIOD - MARCH 27, 2019 THROUGH APRIL 9, 2019	15,674.18
				<u>\$ 76,261.90</u>
				60,522.92

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 \$76,261.90 for the payment of above items.

Elaine Jong, P.E., City Manager

4/17/19

\* Previously Disbursed

CITY OF ROLLING HILLS  
CITY OF ROLLING HILLS  
BALANCE SHEET  
March 31, 2019

	GENERAL & CAPITAL FUND	DEPOSIT FUND	COPS & CLEEP	COMMUN. FACILITIES	MUNICIPAL SELF- INSUR.	REFUSE COLLECT.	TRAFFIC SAFETY	TRANSIT PROP A, C, M & TDA	UTILITY FUND	YTD TOTAL	BEGINNING OF YEAR TOTAL
<b>ASSETS</b>											
Cash & Cash Equivalents	\$ 5,123,516	\$ 1,303	\$ 111,060	\$ 11,342	\$ 260,374	\$ 267,012	\$ -	\$ 238,354	\$ 787,905	\$ 6,800,866	\$ 7,138,306
Cash & Cash Equivalents - Capital Project Fund	-	-	-	-	-	-	-	-	-	-	-
Poppy Trail Grading Bond	-	-	-	-	-	-	-	-	-	-	305,000
Accounts Receivable	25,681	-	-	-	-	121,045	-	-	-	146,726	266,996
Prepaid Expense & Deposits	7,428	-	-	-	-	-	-	-	-	7,428	39,272
<b>TOTAL ASSETS</b>	<b>\$ 5,156,625</b>	<b>\$ 1,303</b>	<b>\$ 111,060</b>	<b>\$ 11,342</b>	<b>\$ 260,374</b>	<b>\$ 388,057</b>	<b>\$ -</b>	<b>\$ 238,354</b>	<b>\$ 787,905</b>	<b>\$ 6,955,020</b>	<b>\$ 7,749,574</b>
<b>LIABILITIES</b>											
Accounts & Contract Payable	\$ 862	\$ -	\$ -	\$ -	\$ -	\$ 198,587	\$ -	\$ -	\$ -	\$ 199,449	\$ 489,389
Employees Benefits Payable	3,324	-	-	-	-	-	-	-	-	3,324	18,525
Deposits	7,964	1,303	-	-	-	-	-	-	-	9,267	314,735
Deferred Revenues	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>12,150</b>	<b>1,303</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>198,587</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>212,040</b>	<b>822,649</b>
Restricted Fund Balance	-	-	111,060	-	-	-	-	238,354	-	349,414	1,647,848
Unassigned Fund Balance	5,144,475	-	-	11,342	260,374	189,470	-	-	787,905	6,393,566	5,279,077
<b>TOTAL UNASSIGNED FUND BALANCE</b>	<b>5,144,475</b>	<b>-</b>	<b>111,060</b>	<b>11,342</b>	<b>260,374</b>	<b>189,470</b>	<b>-</b>	<b>238,354</b>	<b>787,905</b>	<b>6,742,980</b>	<b>6,926,925</b>
<b>TOTAL UNASSIGNED FUND BALANCE &amp; LIABILITIES</b>	<b>\$ 5,156,625</b>	<b>\$ 1,303</b>	<b>\$ 111,060</b>	<b>\$ 11,342</b>	<b>\$ 260,374</b>	<b>\$ 388,057</b>	<b>\$ -</b>	<b>\$ 238,354</b>	<b>\$ 787,905</b>	<b>\$ 6,955,020</b>	<b>\$ 7,749,574</b>

COMPOSITION OF CASH

Petty Cash	\$ 1,500
OPUS Bank - Checking Account	(33,412)
OPUS Bank - Interest Checking Account	1,042,064
OPUS Bank - Money Market	433,036
Calif. State Local Agency Investment Fund	2,657,678
Certificates of Deposits	2,700,000
	<b>\$ 6,800,866</b>

Prepared By:

*Terry Shea*

Terry Shea, Finance Director

Date

4/15/19

Approved By:

*Elaine Jeng*

Elaine Jeng, P.E., City Manager

Date

4/16/19

**CITY OF ROLLING HILLS**  
**SUMMARY STATEMENT OF REVENUES AND EXPENDITURES**  
Actual Compared to Annual Budget  
July 1, 2018 to March 31, 2019

<u>Fund</u>	This Year	Last Year	This Year Better (Worse)	Annual Budget & Adj.	Remaining Budget
<b>GENERAL</b>					
Revenues	\$ 1,267,194	\$ 1,381,299	\$ (114,105)	2,211,950	\$ 944,756
Expenditures	1,247,116	1,380,351	133,235	2,367,525	1,120,409
Net Revenue before transfers	20,078	948	19,130	(155,575)	(175,653)
Transfers in (out)	3,601	(3,538)	7,139	(262,800)	(266,401)
Net Revenue	23,679	(2,590)	26,269	(418,375)	(442,054)
<b>CITIZENS' OPTION FOR PUBLIC SAFETY (COPS)</b>					
Revenues	148,747	139,416	9,331	140,125	(8,622)
Expenditures	107,150	103,738	(3,412)	142,700	35,550
Net Revenue before transfers	41,597	35,678	5,919	(2,575)	(44,172)
Transfers in (out)	-	-	-	-	0
Net Revenue	41,597	35,678	5,919	(2,575)	(44,172)
<b>CAPITAL IMPROVEMENT FUND</b>					
Revenues	-	-	-	-	-
Expenditures	-	475	475	234,000	234,000
Net Revenue before transfers	-	(475)	475	(234,000)	(234,000)
Transfers in (out)	-	475	(475)	234,000	234,000
Net Revenue	-	-	-	-	-
<b>COMMUNITY FACILITIES</b>					
Revenues	-	-	-	100	100
Expenditures	2,100	2,325	225	7,500	5,400
Net Revenue before transfers	(2,100)	(2,325)	225	(7,400)	(5,300)
Transfers in (out)	-	-	-	6,300	6,300.0
Net Revenue	(2,100)	(2,325)	225	(1,100)	1,000
<b>MUNICIPAL SELF-INSURANCE</b>					
Revenues	-	-	-	-	-
Expenditures	-	-	-	3,000	3,000
Net Revenue before transfers	-	-	-	(3,000)	(3,000)
Transfers in (out)	-	-	-	-	-
Net Revenue	-	-	-	(3,000)	(3,000)
<b>REFUSE COLLECTION</b>					
Revenues	577,801	579,443	(1,642)	770,900	193,099
Expenditures	595,647	581,103	(14,544)	794,200	198,553
Net Revenue before transfers	(17,846)	(1,660)	(16,186)	(23,300)	(5,454)
Transfers in (out)	(18,000)	(18,000)	-	(24,000)	(6,000)
Net Revenue	(35,846)	(19,660)	(16,186)	(47,300)	(11,454)
<b>TRAFFIC SAFETY</b>					
Revenues	-	-	-	50	50
Expenditures	14,399	18,290	3,891	46,550	32,151
Net Revenue before transfers	(14,399)	(18,290)	3,891	(46,500)	(32,101)
Transfers in (out)	14,399	21,063	(6,664)	46,500	32,101
Net Revenue	-	2,773	(2,773)	-	0
<b>TRANSIT - PROPOSITION A, C, M &amp; TDA</b>					
Revenues	93,210	80,299	12,911	119,400	26,190
Expenditures	-	-	-	255,000	255,000
Net Revenue before transfers	93,210	80,299	12,911	(135,600)	(228,810)
Transfers in (out)	-	-	-	-	-
Net Revenue	93,210	80,299	12,911	(135,600)	(228,810)
<b>UTILITY FUND</b>					
Revenues	-	-	-	-	-
Expenditures	17,500	-	(17,500)	150,000	132,500
Net Revenue before transfers	(17,500)	-	(17,500)	(150,000)	(132,500)
Transfers in (out)	-	-	-	-	-
Net Revenue	(17,500)	-	(17,500)	(150,000)	(132,500)
<b>TOTAL ALL FUNDS</b>					
Revenues	2,086,951	2,180,456	(93,505)	3,242,525	1,155,573
Expenditures	1,983,912	2,086,282	102,370	4,000,475	2,016,563
Net Revenue before transfers	103,040	94,175	8,865	(757,950)	(860,990)
Transfers in (out)	-	-	-	-	-
Net Revenue	\$ 103,040	\$ 94,175	\$ 8,865	\$ (757,950)	\$ (860,990)



*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.: 4D**  
**Mtg. Date: 04/22/2019**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: YOLANTA SCHWARTZ, PLANNING DIRECTOR**

**THRU: ELAINE JENG P.E., CITY MANAGER**

**SUBJECT: CALOES DESIGNATION OF SUBRECIPIENT'S AGENT  
RESOLUTION AUTHORIZATION**

**ATTACHMENT: Hazard Mitigation Grant Program and Pre-Disaster Mitigation  
Program Designation Form**

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## **BACKGROUND**

City staff prepared multiple grants submitted on April 18, 2019. As part of the application process, Cal OES requires all applicants to provide a resolution form from the governing body designating and or delegating the authority to execute the grant programs.

## **DISCUSSION**

The City of Rolling Hills submitted the following grant applications to Cal OES on April 18, 2019:

- **DR-4382-0172 Community Wildfire Protection Plan**
  - Total Project Cost \$165,000
    - Federal Grant \$123,750
    - City Match \$41,250
- **DR-4382-0177 Undergrounding Utility Line, Eastfield Drive**



- Total Project Cost \$2,661,600
  - Federal Grant \$1,996,200
  - City Match \$665,400
- DR-4382-0175 **Vegetative Management / Fuel Break / Erosion Control**
  - Total Project Cost \$1,000,000
    - Federal Grant \$750,000
    - City Match \$250,000

## **PREVIOUS GRANT APPLICATION STATUS**

The California Governor's Office of Emergency Services (Cal OES) received and reviewed the City's request for funds from the Hazard Mitigation Grant Program (HMGP).

### Submitted to FEMA

Cal OES has submitted the following two grant subapplications to the Federal Emergency Management Agency (FEMA) for grant review and funding consideration:

- Grant Application 4344-PL0521 (Safety Element Update)
- Grant Application 4344-PJ0526 (Utility Undergrounding, Crest)

### Cal OES Waiting List

Cal OES has placed the following City's grant subapplication on a waiting list to be submitted to the Federal Emergency Management Agency (FEMA) if funding becomes available:

- Grant Application 4344-PJ0524 (Wildfire Education and Outreach Program)

FEMA still needs to complete their review and FEMA review time does not have a deadline and can generally vary anywhere from 0.5-2 years depending on the project. However, the two grant applications being sent to FEMA for consideration may be an indication that the City's proposals are being seriously considered for an award of funding.

## **RECOMMENDATION**

Staff recommends that the City Council approve the Designation of Subrecipient's Agent Resolution Hazard Mitigation Grant Program and Pre-Disaster Mitigation Program form as proposed. With the City Council's approval, staff will follow up with Cal OES and submit the Designation of Subrecipient's Agent Resolution Hazard Mitigation Grant Program and Pre-Disaster Mitigation Program form.

**DESIGNATION OF SUBRECIPIENT'S AGENT RESOLUTION**  
**Hazard Mitigation Grant Program and Pre-Disaster Mitigation Program**

BE IT RESOLVED BY THE City Council OF THE City of Rolling Hills  
(Governing Body) (Name of Applicant)

THAT City Manager, OR  
(Title of Authorized Agent)

Planning Director, OR  
(Title of Authorized Agent)

Senior Planner  
(Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the City of Rolling Hills, a public entity  
(Name of Subrecipient)

established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Service, for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.

THAT the City of Rolling Hills, a public entity established under the laws of the State of California,  
(Name of Subrecipient)

hereby authorizes its agent(s) to provide to the California Governor's Office of Emergency Service for all matters pertaining to such state disaster assistance the assurances and agreements required.

**Please check the appropriate box below:**

☒ This is a universal resolution and is effective for all open and futures Disasters/Grants up to three (3) years following the date of approval below.

☐ This is a Disaster/Grant specific resolution and is effective for only Disaster/Grant name/number(s) \_\_\_\_\_

Passed and approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
(Name and Title of Governing Body Representative)

\_\_\_\_\_  
(Name and Title of Governing Body Representative)

\_\_\_\_\_  
(Name and Title of Governing Body Representative)

**CERTIFICATION**

I, \_\_\_\_\_, duly appointed and \_\_\_\_\_ of  
(Name) (Title)

\_\_\_\_\_, do hereby certify that the above is a true and correct copy of a  
(Name of Applicant)

Resolution passed and approved by the \_\_\_\_\_ of the \_\_\_\_\_  
(Governing Body) (Name of Applicant)

on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

## **Cal OES Form 130**

### **Instructions**

**A new Designation of Applicant's Agent Resolution is required if the previously submitted document is older than three (3) years from the last date of Board/Council approval.**

When completing the Cal OES Form 130, Subrecipients should fill in the blanks on page 1. The blanks are to be filled in as follows:

#### **Resolution Section:**

**Governing Body:** This is the individual or group responsible for appointing and approving the Authorized Agents. Examples include: Board of Directors, City Council, Board of Supervisors, etc.

**Name of Subrecipient:** This is the official name of the non-profit, agency, city, county or special district that has applied for the grant. Examples include: City of Sacramento; Sacramento County; or Los Angeles Unified School District.

**Authorized Agent:** These are the individuals that are authorized by the Governing Body to engage with the Federal Emergency Management Agency and the California Governor's Office of Emergency Service regarding grants applied for by the subrecipient. There are two ways of completing this section:

1. **Titles Only:** If the Governing Body so chooses, the titles of the Authorized Agents should be entered here, not their names. This allows the document to remain valid if an Authorized Agent leaves the position and is replaced by another individual. If "Titles Only" is the chosen method, this document must be accompanied by a cover letter naming the Authorized Agents by name and title. This cover letter can be completed by any authorized person within the agency (e.g.; City Clerk, the Authorized Agent, Secretary to the Director) and does not require the Governing Body's signature.
2. **Names and Titles:** If the Governing Body so chooses, the names and titles of the Authorized Agents should be listed. A new Cal OES Form 130 will be required if any of the Authorized Agents are replaced, leave the position listed on the document or their title changes.

**Governing Body Representative:** These are the names and titles of the approving board members. Examples include: Chairman of the Board, Superintendent, etc. The names and titles cannot be one of the designated Authorized Agents.

#### **Certification Section:**

**Name and Title:** This is the individual that was in attendance and recorded the Resolution creation and approval. Examples include: City Clerk, Secretary to the Board of Directors, County Clerk, etc. This person cannot be one of the designated Authorized Agents to eliminate "Self Certification."



*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. 5A**  
**Mtg. Date: 04/22/19**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: YOLANTA SCHWARTZ, PLANNING DIRECTOR**

**THRU: ELAINE JENG, P.E., CITY MANAGER**

**APPLICATION: ZONING CASE NO. 954**

**SITE LOCATION: 9 WILLIAMSBURG LANE, (LOT 27-RH)**

**SUBJECT: RESOLUTION NO. 2019-03. A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF ROLLING HILLS GRANTING APPROVAL OF A VARIANCE TO ENCROACH WITH A GARAGE AND BASEMENT ADDITION INTO THE SIDE YARD SETBACK, IN ZONING CASE NO. 954 AT 9 WILLIAMSBURG LANE, LOT 27-RH, (MACLEAN).**

**PUBLISHED: FEBRUARY 7, 2019**

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PREVIOUS ACTION AND RECOMMENDATION

The Planning Commission held public hearings in this case in the field on February 19, 2019 and at the evening meeting on the same day. At the February 19, 2019 evening meeting, the Planning Commission directed staff to prepare a Resolution of approval with standard findings and conditions. Throughout this process no one from the public provided input on this project.

At the March 19, 2019 meeting, those Commissioners present adopted Resolution No. 2019-03, (Kirkpatrick excused; however he was present and voted to prepare a Resolution of approval at the February 19, 2019 meeting; Commissioner Cooley abstained because she did not attend the field trip). The Planning Commission found that the project is compatible with the neighborhood, as many of the structures on Williamsburg Lane encroach into the side setbacks, and being in the Overlay Zone, all have reduced front setback. There is no additional disturbance due to this project and the lot will retain the undisturbed topography of the remaining of the lot, not giving the lot a built out character.

Further, the Planning Commission found that the location of the building pad, shape of the property, placement of all of the other existing structures along the front of the lot long, constrain placement of a garage. All of the existing development is situated along the front of the lot within 30' or less of the roadway easement, which is permitted and there is no other area close to the residence where a garage could be constructed. Otherwise, the natural, undulated portion of the remaining of the lot would have to be graded and disturbed to accommodate the addition and the garage. They also found that the existing 2-car garage is too small for family cars, and is therefore not used for parking. The three-car garage would meet the owners' parking requirements and would remove cars from the driveway and roadway easement. Williamsburg is a very narrow street, with only 15' roadway easement along subject property.

It is recommended that the City Council receive and file Resolution No. 2019-03.

### LOT DESCRIPTION

#### **OZD-1 zone**

The lot is Zoned RAS-1 with an overlay of OZD-1; where development is subject to Chapter 17.17 of the Zoning Ordinance (Overlay Zoning District). The overlay zoning district was established in 2012 to promote redevelopment of older homes and construction of new homes in certain areas where most homes in the neighborhood were developed to less than the currently required 50' front setback; lots that are smaller than typical and lots that are divided by a road or have difficult terrain for redevelopment. Williamsburg Lane is one of the neighborhoods designated as OZD-1 district. Although this lot is over 2 acres in size and is flat, it's part of the neighborhood that qualified for the OZD-1 zoning; and the house and stable were developed in what would currently be the 50' front setback.

### REQUEST AND PROJECT DESCRIPTION

#### **The Project**

The applicant is requesting a Variance to construct a new 894 square foot garage attached to the existing residence with a basement of the same size and within the footprint of the garage, which (both) would encroach up to 10' into the side yard setback. Also proposed is a basement light well. The existing garage will be converted into living space. The existing driveway apron is proposed to remain, but the driveway will be reconfigured and widened to gain access around the new garage to the rear yard.

#### **Variance**

The applicant requests a variance to encroach at a maximum 10 feet into the required 20-foot side yard setback with 170 square feet of the proposed 894 square foot garage and basement addition.

### **Other construction**

The trash service yard will remain in its current location, behind the new garage; a light well to the basement will be constructed and a front portion of the existing garage will be demolished. The existing garage will be converted to living space. The driveway will be widened and an existing short retaining wall demolished to allow for the construction of the driveway. The basement will generate 276 cubic yard of dirt, which the applicant plans to use on site for leveling of the driveway. The proposed improvements do not constitute grading for the purpose of a Site Plan Review nor create greater than existing disturbance of the lot, which is 51.4% and is legal nonconforming.

## **BACKGROUND**

### **Zoning, Land Size and Existing Conditions**

The property is zoned RAS-1, OZD-1 and the gross lot area is 2.4 acres (excluding roadway easement). For development purposes the net lot area of the lot is 92,022 square feet or 2.1 acres. Williamsburg Lane is a narrow street, with a total of 30' roadway easement; 15' on each side of the street.

Properties in the OZD-1 are eligible for reduced front yard setbacks to up to 30' from the roadway easement (rather than the 50' setback in other zones). However, the side yard setback remains at 20' from the side property line for new construction; but if a portion of a residence or attached garage encroach into the side yard setback, (by no more than 10'), that portion of the structure, if demolished, could be reconstructed to the pre-existing setback. Other requirements of the OZD-1 zone include allowing only one driveway and the front must be landscaped.

The lot is developed with a 3,482 sq.ft. residence with 457 sq.ft. garage, 590 sq.ft. swimming pool, 473 sq.ft. cabana, 1,163 sq.ft. stable with a riding ring, a 2,269 sq.ft. sports court and other outdoor amenities. The paved access to the stable is legal non-conforming and is allowed to remain. There were several sheds on the property that encroached into the side setback, but they were already demolished.

### **Past Approval for the Property**

Building permits indicate that the house was built in 1951 and in 1994 an addition was constructed and the house was remodeled; the stable was constructed in 1958 and the pool, cabana and sports court between 1951-1955. In 2003 the stable porch was enclosed and stable remodeled and repairs to the house and pool were made.

## **MUNICIPAL CODE COMPLIANCE**

### **Grading**

No grading is proposed for this project, except for excavation for the basement of 276.3 cubic yards of dirt to be used to level the proposed driveway area and backfill the short wall.

**Disturbance**

The total disturbed area for the project site is 47,292 square feet or 51.4%, and is legal non-conforming. The proposed project will not create greater disturbance at this time. The area of the lot where the work will take place was previously disturbed.

**Height**

The finished roof height of the proposed garage addition will be 21'2" and will match the residence. Height is measured from the finished grade. Structures on Williamsburg Lane are permitted by the CC&Rs to have a colonial architecture with dormer windows.

**Drainage**

As part of the review the Building Department may require a drainage plan.

**Utility Lines / Septic Tank**

The house utility lines are undergrounded, and the addition will be connected to the existing service. The applicant will have to meet Los Angeles County Public Health Department requirements for septic tank.

**Lot Coverage**

The structural net lot coverage is proposed at 11,115 square feet or 12.07%, in conformance with the lot coverage limitations, (20% max. permitted). The total lot coverage proposed (structural and flatwork) will be 18,183 square feet or 19.75%, in conformance with the lot coverage limitations, (35% max. permitted).

The building pad coverage on the 26,165 square foot residential building pad will be 9,296 square feet or 35.5%, (accounting for deductions including the trellis); (the guideline is 30%).

The stable pad is 24,850 square feet and the coverage on this pad is 4.7%.

**Walls**

The existing 2.5' retaining wall located in the driveway will be moved to the south to allow for the new driveway. The City allows up to 3' high retaining walls in setbacks along walkways or driveways.

**Stable and Corral or Set Aside**

A stable, corral and a riding ring exist on the property.

**Environmental**

The project is categorically exempt (Class 1- Existing facilities-additions) pursuant to the California Environmental Quality Act (CEQA) Guidelines.

**Rolling Hills Community Association Review**

Rolling Hills Community Association will review this project at a later date.

### Planning Commission/City Council Responsibilities

When reviewing a development application, the Planning Commission and City Council must consider whether the proposed project meets the criteria for a Variance, as described below.

### Project Summary

DEVELOPMENT STANDARDS	EXISTING		PROPOSED	
<b>RA-S- 1 (OZD-1) ZONE SETBACKS</b> Front: 30 ft. from front easement line Side: 20 ft. from side property line Rear: 50 ft. from rear property line  Variance is required for encroachment into side yard.	SINGLE FAMILY RESIDENCE, GARAGE AND ACCESSORY STRUCTURES		NEW ATTACHED GARAGE	
	Residence	3482 s.f.	Residence	3821 s.f.
	Garage	457 s.f.	Garage	894 s.f.
	Stable	1163 s.f.	Stable	1163 s.f.
	Cabana	473 s.f.	Cabana	473 s.f.
	Pool/pool eqp.	610 s.f.	Pool/pool eqp.	610 s.f.
	Sports Crt.	2269 s.f.	Sports Crt.	2269 s.f.
	BBQ Area	472 s.f.	BBQ Area	472 s.f.
	Attach porch	30 s.f.	Attach porch	30 s.f.
	Attached trellis	536 s.f.	Attached trellis	536 s.f.
	Service yard	420 s.f.	Service yard	420 s.f.
	Basement	0	Basement	894 s.f.
	TOTAL	9,882	TOTAL	11,115
<b>GRADING</b> Site Plan Review required if excavation and/or fill or combination thereof that is more than 3 feet in depth and covers more than 2,000 sq. ft.) must be balanced on-site.	N/A		276.3 cubic yards from basement excavation to level off the driveway and backfill wall (no discretionary permit is triggered)	
<b>STRUCTURAL LOT COVERAGE</b> (20% maximum)	10.7% of 92,022 sq.ft. net lot area		12.07% of 92,022 sq.ft. net lot area	
<b>TOTAL LOT COVERAGE</b> (35% maximum)	6.75% of 92,022 sq.ft. net lot area		19.75% of 92,022 sq.ft. net lot area	
<b>BUILDING PAD COVERAGE</b> (30% maximum-guideline) Residential	32.1% of 26,165 sf pad		35.5% of 26,165 sf pad	
Stable	4.7% of the 24,850 sf pad area		4.7% of the 24,850 sf pad area	
<b>DISTURBED AREA</b> (40% maximum; any graded building pad area, any remedial grading (temporary disturbance), any graded slopes and building pad areas, and any non-graded area where impervious surfaces exist.)	51.4% -existing		51.4% existing	
<b>STABLE</b> (min. 450 S.F. & 550 S.F. CORRAL)	Existing		Existing	
<b>STABLE ACCESS</b>	Existing drwy		Existing drwy	
<b>ROADWAY ACCESS</b>	Existing driveway approach		Existing apron; drwy to be widened	
<b>VIEWS</b>	N/A		Planning Commission review	
<b>PLANTS AND ANIMALS</b>	N/A		Planning Commission review	



### CRITERIA FOR VARIANCES

17.38.050 Required findings. In granting a variance, the Commission (and Council on appeal) must make the following findings:

- A. That there are exceptional or extraordinary circumstances or conditions applicable to the property that do not apply generally to other properties in the same vicinity and zone;
- B. That such variance is necessary for the preservation and enjoyment of substantial property rights possessed by other properties in the same vicinity and zone but which is denied the property in question;
- C. That the granting of such variance will not be materially detrimental to the public welfare or injurious to properties or improvements in the vicinity;
- D. That in granting the variance, the spirit and intent of this title will be observed;
- E. That the variance does not grant special privilege to the applicant;
- F. That the variance is consistent with the portions of the County of Los Angeles Hazardous Waste Management Plan relating to siting and siting criteria for hazardous waste facilities; and
- G. That the variance request is consistent with the general plan of the City of Rolling Hills.

SOURCE: City of Rolling Hills Zoning Ordinance.

### APPLICANT'S JUSTIFICATION/COMMENTS

Applicant's agent states that other properties on Williamsburg encroach into setbacks, including side setbacks, and that the proposed garage development is compatible with the neighborhood. He says that the proposed location for the garage will be the least disrupting to the lot as the driveway already exists, and no grading is required. Any other location for a garage would require relocating the sports court or the pool and cutting a new driveway, all of which would require grading and further disturbance of the lot.



*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. 5B**  
**Mtg. Date: 04/22/19**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: YOLANTA SCHWARTZ, PLANNING DIRECTOR**  
**THROUGH: ELAINE JENG, PE, CITY MANAGER**

**APPLICATION: ZONING CASE NO. 808-MODIFICATION**  
**SITE LOCATION: 7 RINGBIT ROAD EAST, LOT 38-SF**

**SUBJECT: RESOLUTION NO. 2019-06. A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF ROLLING HILLS GRANTING APPROVAL FOR A MINOR MODIFICATION TO A CONDITION IN A PREVIOUSLY APPROVED CONDITIONAL USE PERMIT ON APPEAL IN ZONING CASE NO. 808-MOD., AT 7 RINGBIT ROAD EAST, (LOT 38-SF), (SHADDEN).**

**NOTICED: ADJACENT PROPERTIES- FEBRUARY 7, 2019**

**ATTACHMENTS:**           **Applicant's request**  
                                  **City's prior approval**  
                                  **Resolution No. 2012-01**  
                                  **Covenant Agreement**

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PREVIOUS ACTION AND RECOMMENDATION

The Planning Commission held a hearing and visited and viewed the structure in the field in the morning of February 19, 2019 and at the evening meeting of the Planning Commission on the same day. At the March 19, 2019 meeting the Planning Commission adopted a Resolution approving the request. No one from the public provided input on this request.

The Planning Commission found that the modification does not change the use of the structure and is necessary for maintenance, therefore keeping in the spirit of the original approval.

Resolution No. 2019–06 amends the original Resolution No. 2012-01, adopted in 2012, reflecting the change out of the exterior surface.

#### PREVIOUS ACTION AND REQUEST

The applicant, Mr. Shadden, appealed staff's interpretation of a condition placed in a Resolution of approval of a Conditional Use Permit in 2012. The applicant requested a modification to Condition M of Section 9 of the resolution, regarding the type of material used on the exterior of the structure.

In 2012 the Planning Commission approved a CUP to retain a 225 square foot two-story structure, used as a guest room on the top level and utility storage room on the first level and which was constructed as a tack room in 1965. At one time there was a small stable in proximity of the tack room, which, from the records, indicates that it was demolished when the pool was constructed in 1997. With the 2012 application, the applicant set aside an area for a future stable and coral elsewhere on the lot.

4. In approving the CUP in 2012, the Planning Commission concluded that the structure has charm, conforms to the character of structures in Rolling Hills, is inconspicuous and that it would be unreasonable to consider the lower level as habitable, as it does not meet the definition of a "habitable" space. The Los Angeles County Building Code requires a minimum of 7' tall ceiling in "habitable space". Non-habitable spaces, such as, kitchens, hallways or bathrooms may have a ceiling of not less than 6'8".

As a condition of the 2012 approval, the applicant was required to record a "Use Covenant" agreeing to maintain the upper 225 sq.ft. as a guesthouse and the lower room, same size, for utility storage.

5. Condition M of the Resolution states:

"M. The exterior of the structure shall not be modified, except for maintenance, and there shall be no additional door or window openings in the structure than currently exist".

6. The applicant wishes to change out the exterior of the structure from siding to stucco. He states that this is necessary due to dry rot and termite infestation, and constitutes maintenance. When originally asked, staff made a determination that the intent of condition "M" is to keep the existing look of the structure, which includes exterior surfaces.

Other work of the exterior is also proposed, which would be considered maintenance and therefore permitted, such as replacement of the roof, paint and change out of windows and doors, as long as they are like for like.

#### **ZONING CODE APPLICABILITY**

7. Pursuant to Chapter 17.55 of the Zoning Ordinance, an applicant may appeal to the Planning Commission a decision made by the City Manager or a designee. Action on appeal by the Planning Commission is appealable to the City Council.

8. The project is exempt from the requirements of the California Environmental Quality Act (CEQA).

#### **APPLICANT'S JUSTIFICATION**

Mr. Shadden submitted a letter of request, with exhibits, attached.

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December 26, 2018

City of Rolling Hills  
Planning Commission  
2 Portuguese Bend Road  
Rolling Hills, CA 90274

Attn: Planning Commission Board Members;

Regarding CUP interpretation of Resolution No. 2012-01 for property 7 Ringbit Road East  
Owners: John and Patricia Shadden

Our interpretation of the original resolution was the existing structure could remain as built but the maintenance and up-keep would be acceptable to match the quality and look when compared to the main residence on the property. When we purchased the property in 2011 it was not disclosed that the then designated guest house had not been properly permitted. We proceeded with the purchase and completely remodeled the main house while working with the planning department to properly permit the guest house resulting in the CUP, Resolution No. 2012-01 with the intent to improve the guest house at a later date. With the recent rains over the last several years the time has come to complete those improvements as outlined below:

Current maintenance to the property requires the items below:

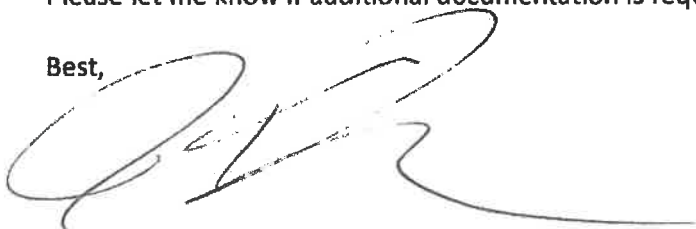
1. Remove termite and dry rot ridden partial wood siding, followed by stucco on the entire guest house to match the main house.
2. Replace windows and doors with matching new weather protected product to match the main house and prevent current leaks.
3. Re-paper roof and replace broken roof tiles to eliminate current leaks.
4. Paint trim and eaves to match main house.

The attachments are outlined below:

1. Building Elevations
2. Rolling Hills examples of matching the look of the main house with the secondary structure.

Please let me know if additional documentation is required.

Best,



John Shadden  
Owner 7 Ringbit Road East

RECEIVED

JAN 18 2019

City of Rolling Hills  
By \_\_\_\_\_

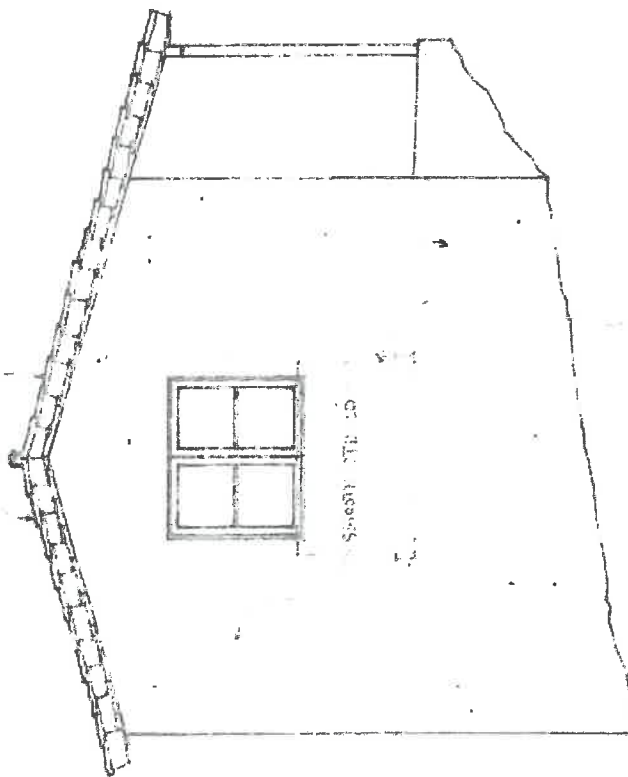
RECEIVED

JAN 18 2019

City of Rolling

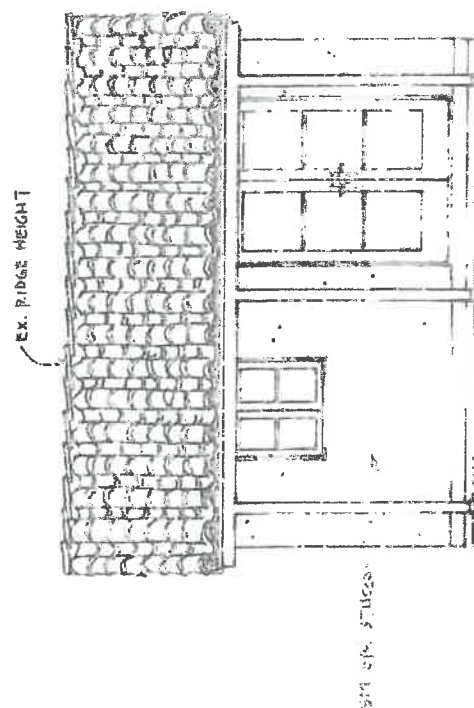
By \_\_\_\_\_

EXISTING SHINGLES TILE ROOF  
(REMOVE RE-WATER PROOF, RE-INSTALL)



REMOVE EXISTING DOOR  
AND RE-INSTALL NEW WINDOW

SOUTH ELEVATION



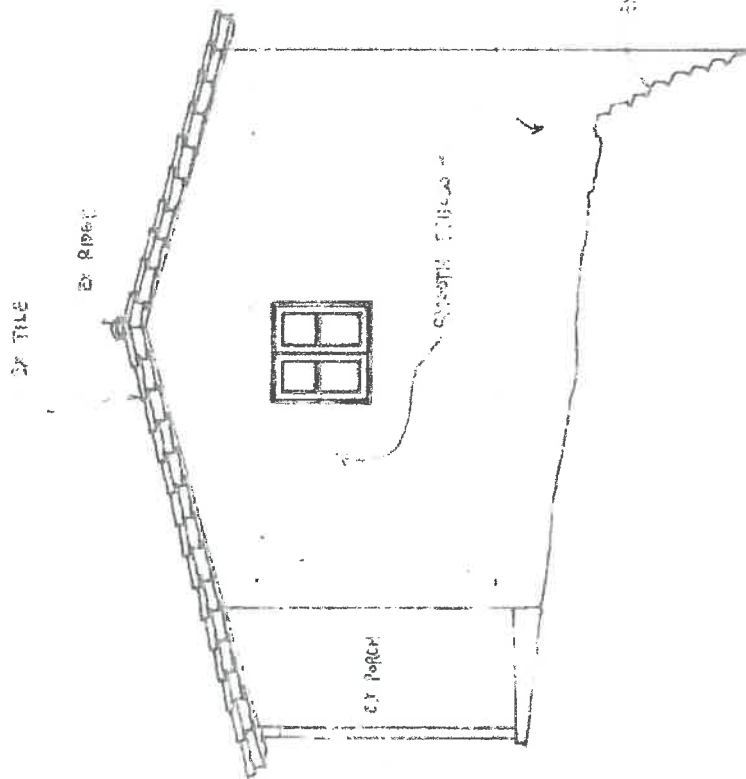
EAST ELEVATION

RECEIVED

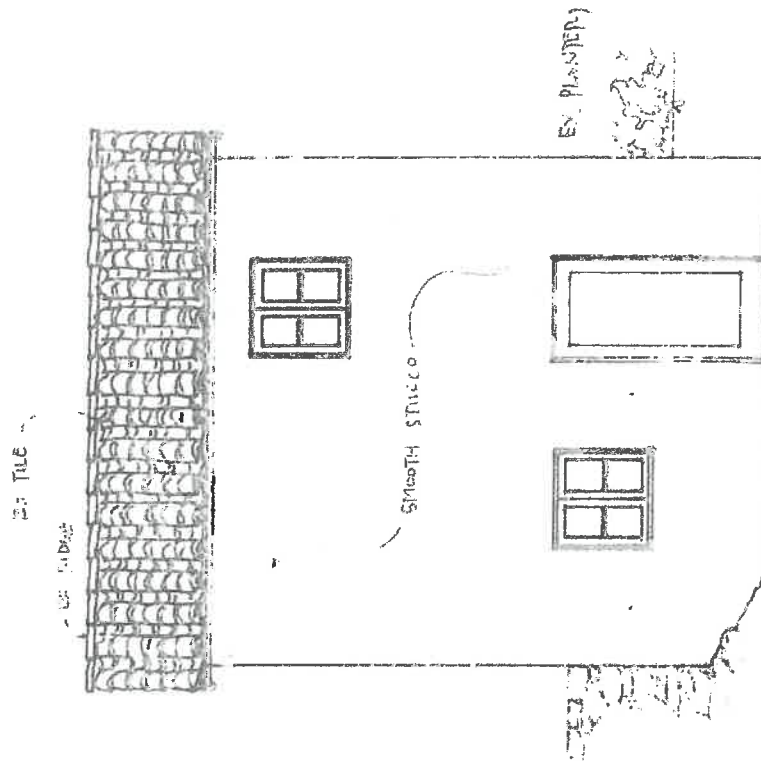
JAN 18 2019

City of Rolling Hills

By \_\_\_\_\_



NORTH ELEVATION

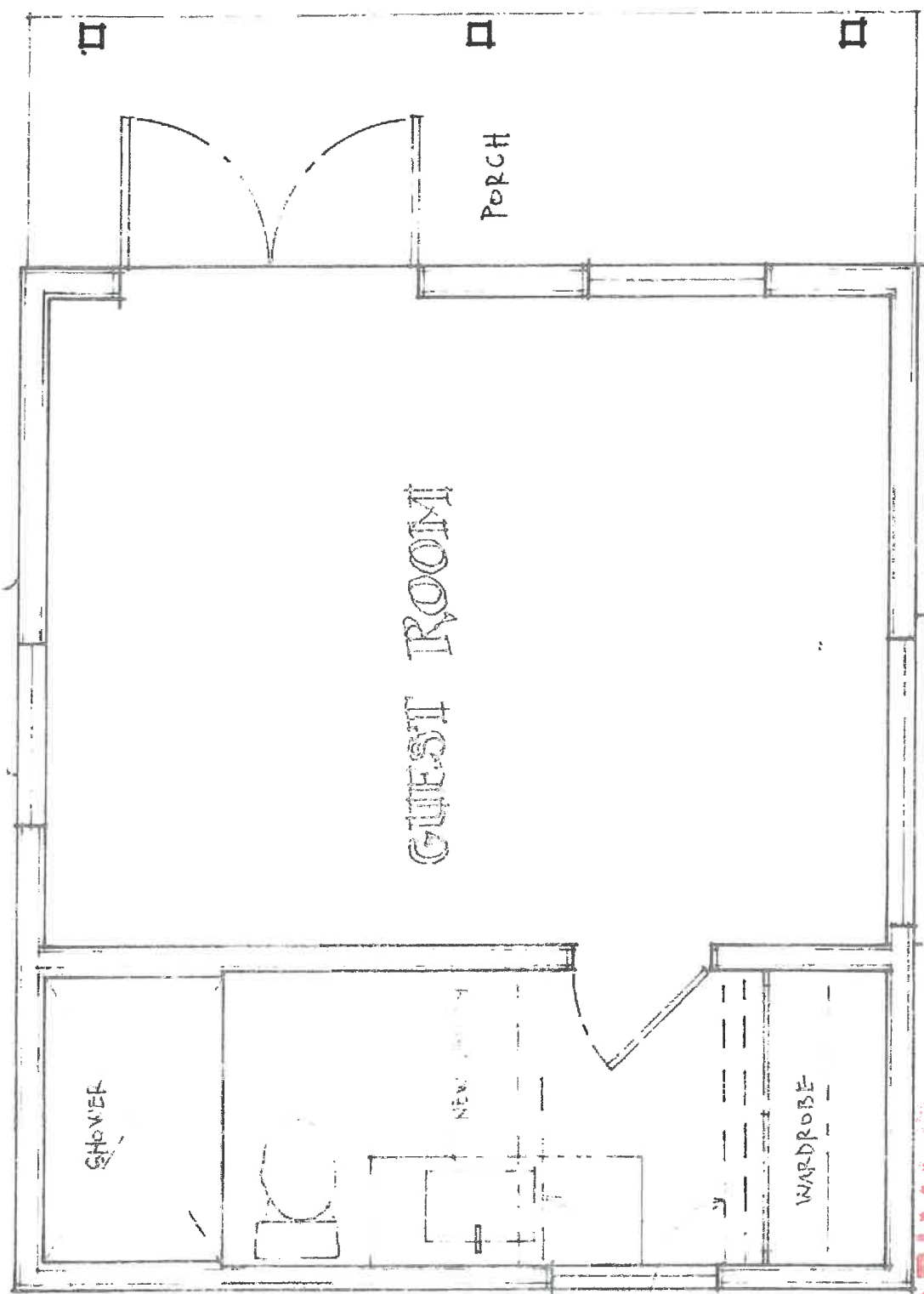


WEST ELEVATION



REMOVE EXTERIOR SIDING.  
ADD PLY AND SMOOTH STUCCO

REPLACE ALL VINT. W.  
AND EXTERIOR DOOR



REMOVE EX. BALCONY  
AND DOORS

REMOVE TWO  
EX. WALLS

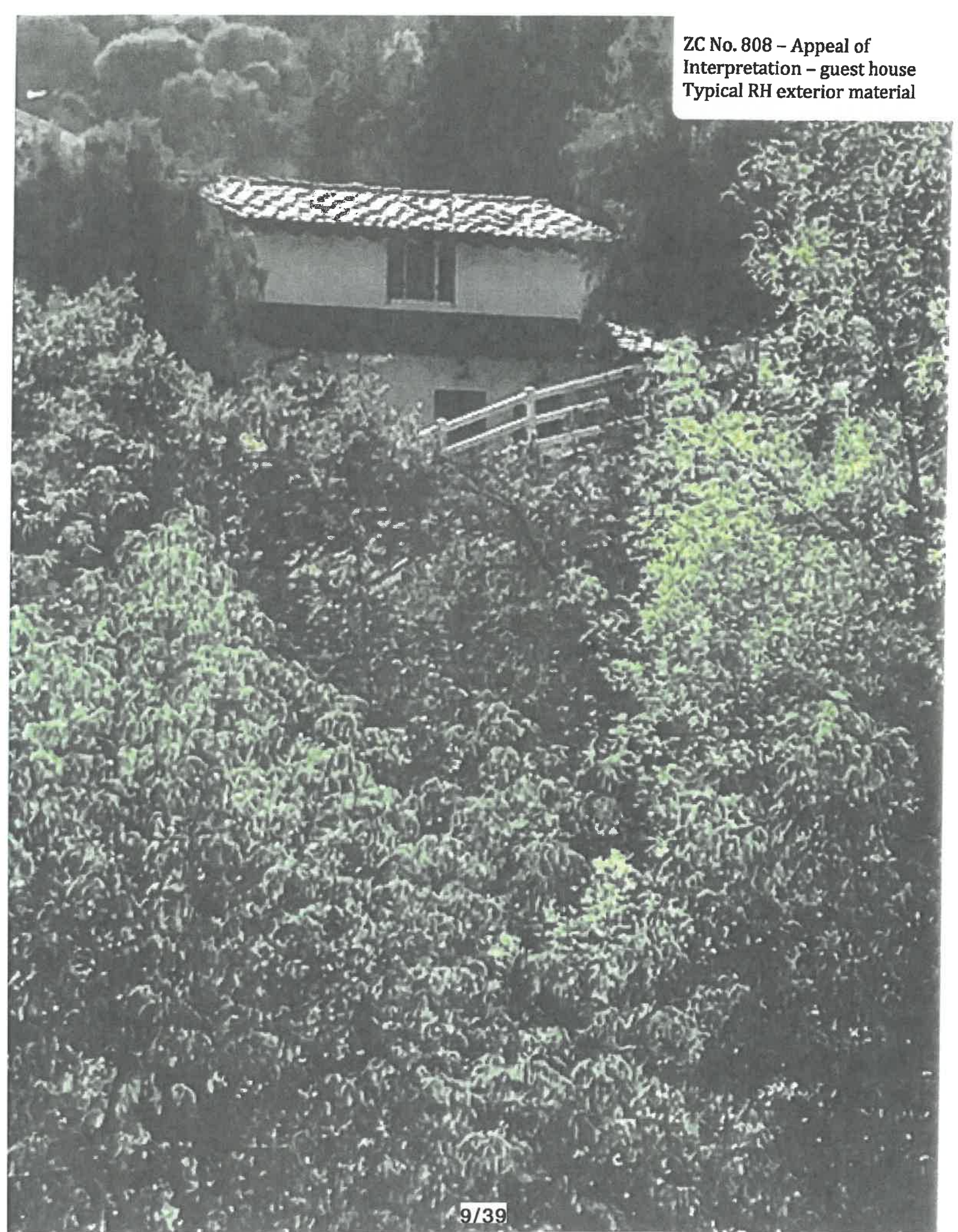
RECEIVED

JAN 18 2019

City of Rolling

By \_\_\_\_\_

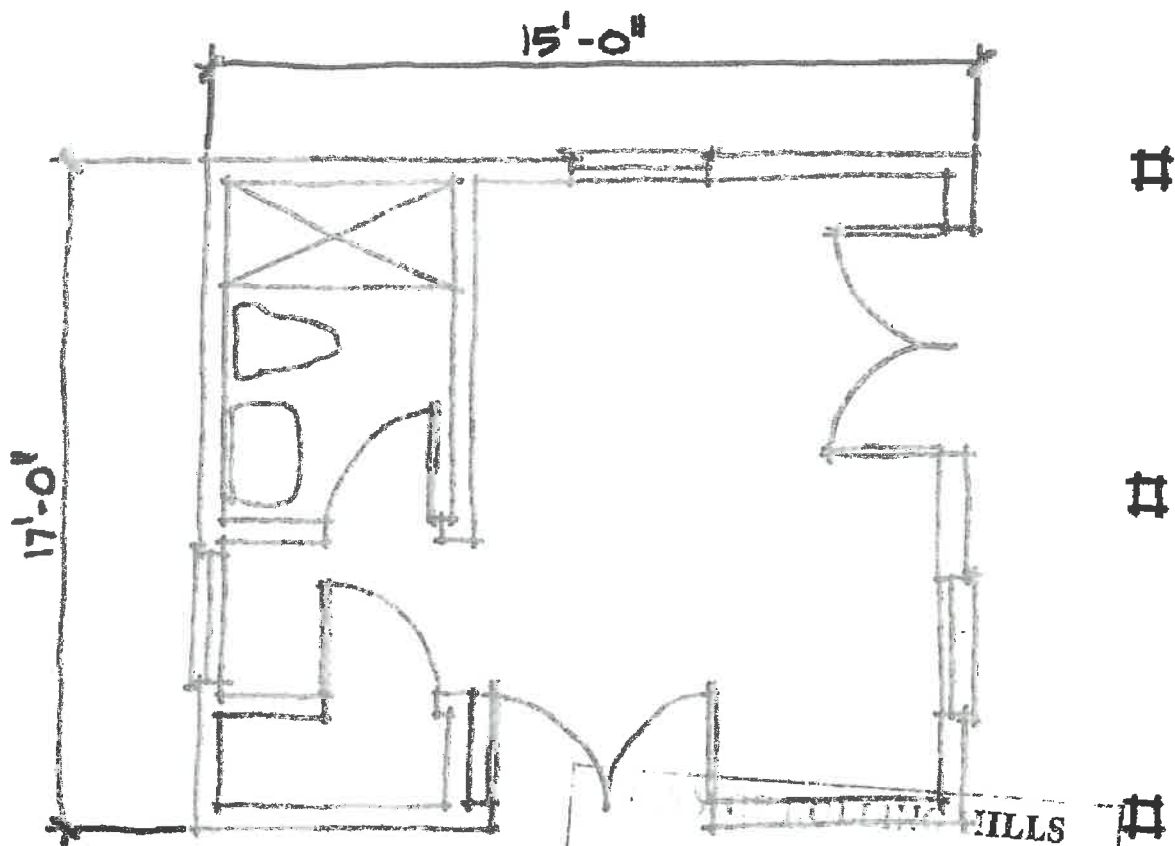
ZC No. 808 – Appeal of  
Interpretation – guest house  
Typical RH exterior material





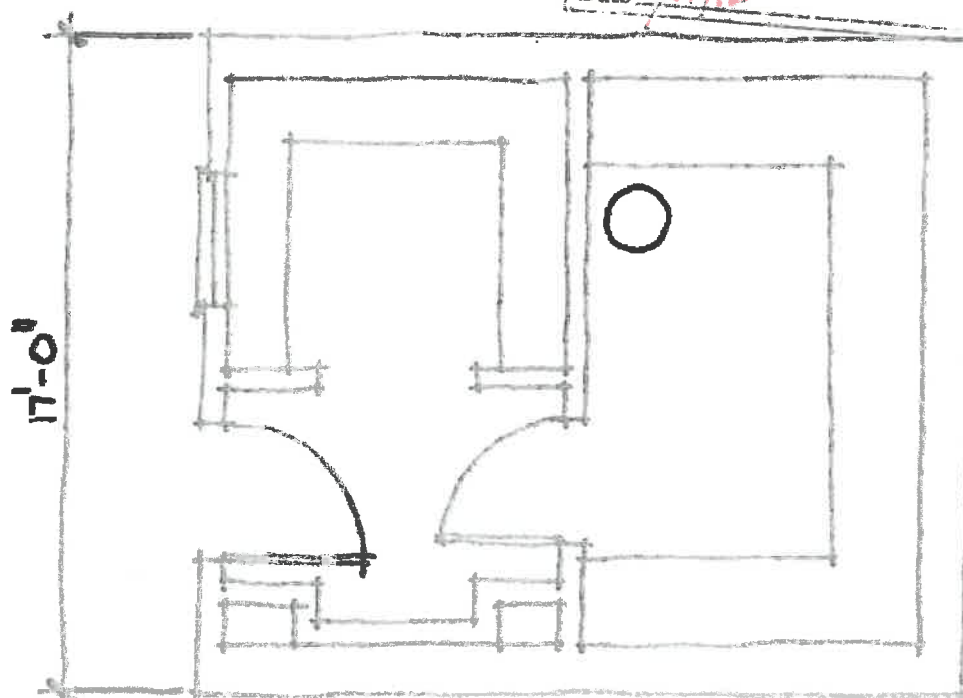
ZC No. 808 – Appeal of  
Interpretation – guest house  
Typical RH exterior material





UPPER FLOOR  
SCALE 1/4" = 1'-0"

Approved By Resolution 2012-01  
PLANNING DEPARTMENT Commission  
w/condition restricting uses  
Date 1/17/12

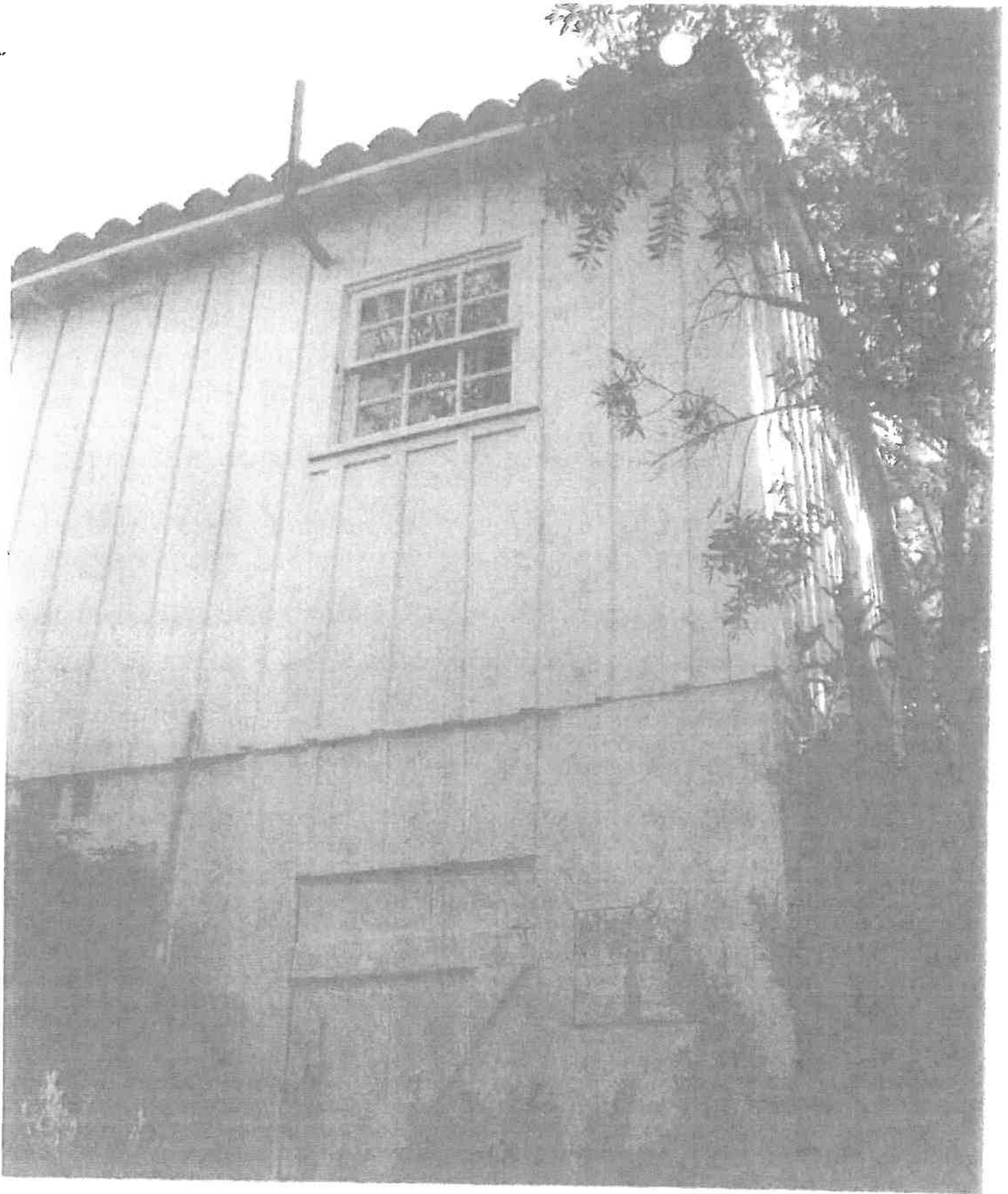


LOWER FLOOR

RECEIVED  
JAN 04 2012  
City of Rolling Hills

Z.C. 808

7 RINGBIT E.



Existing door to underfloor area to be removed and filled in with wood siding to match existing siding

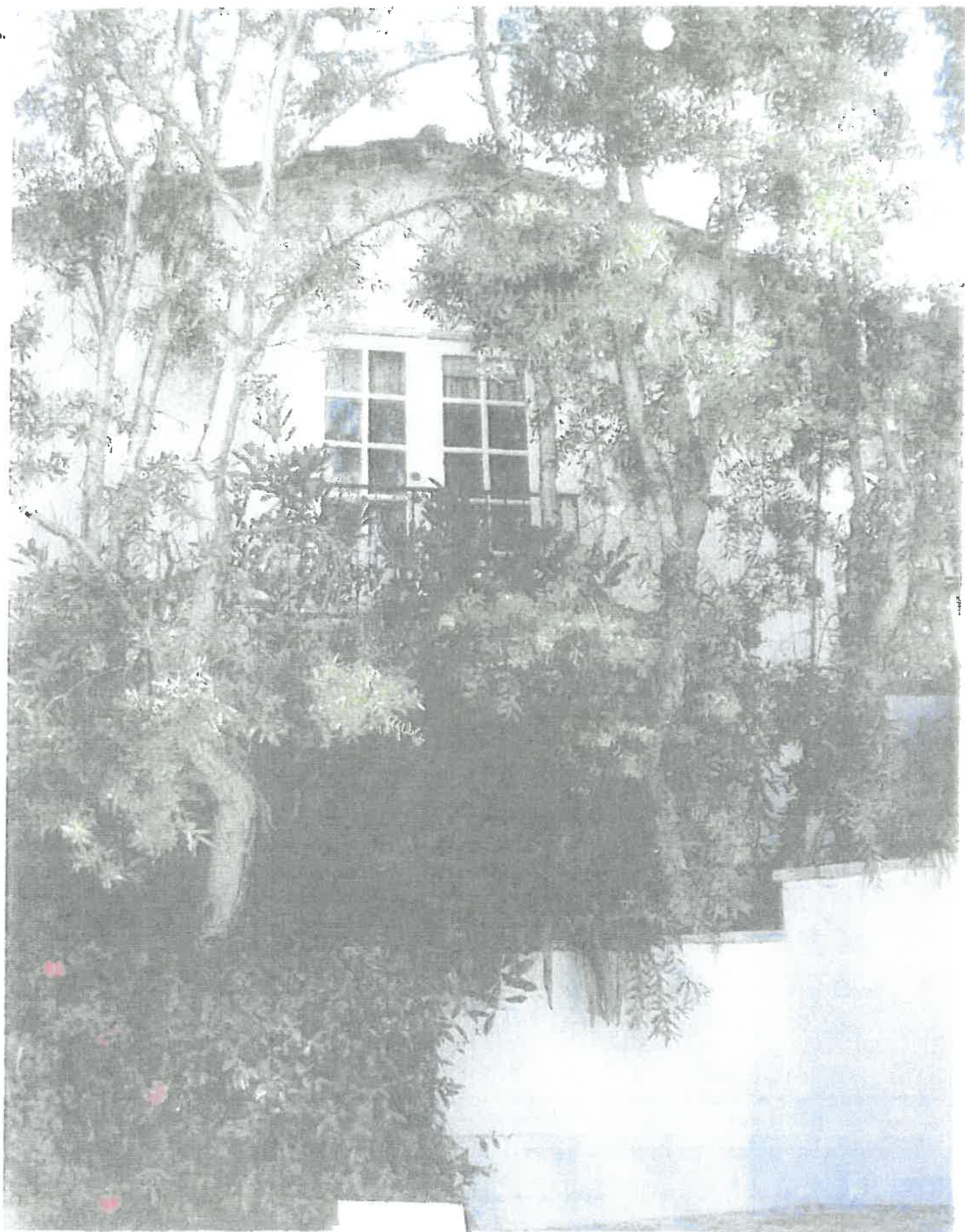
WEST ELEVATION





NORTH ELEVATION





SOUTH ELEVATION

RECORDING REQUESTED BY AND  
MAIL TO:

CITY OF ROLLING HILLS  
PLANNING DEPARTMENT  
2 PORTUGUESE BEND RD.  
ROLLING HILLS, CA 90274

(310) 377-1521  
(310) 377-7288 FAX



↑ RECORDER'S USE ONLY  
THE REGISTRAR-RECORDER'S OFFICE REQUIRES THAT THE FORM BE NOTARIZED BEFORE  
RECORDATION.

AFFIDAVIT OF ACCEPTANCE FORM

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) §§  
CITY OF ROLLING HILLS )

ZONING CASE NO. 808

XX CONDITIONAL USE PERMIT; XX VARIANCE

I (We) the undersigned state

I am (We are) the owner(s) of the real property described as follows:  
7 RINGBIT ROAD EAST, ROLLING HILLS, CA 90274 (LOT 38-SF)

This property is the subject of the above numbered case and conditions of approval

I am (We are) aware of, and accept, all the stated conditions in said ZONING CASE NO. 808

XX CONDITIONAL USE PERMIT XX VARIANCE

I (We) certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Signature

Signature

John T. Shadden  
Name typed or printed

Patricia Shadden  
Name typed or printed

Address 7 Ringbit Road East  
Rolling Hills, CA 90274  
City/State

Address 7 Ringbit Road East  
Rolling Hills, CA 90274  
City/State



Signatures must be acknowledged by a notary public.  
See Attached Exhibit "A", RESOLUTION OF APPROVAL NO. 2012-01

State of California )  
County of Los Angeles )

On February 6, 2012 before me,

Kathleen J. Howard, Notary Public

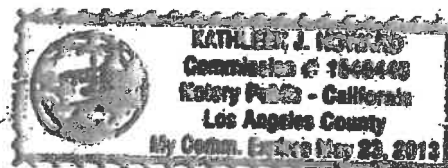
Personally  
appeared John T. Shadden and Patricia Shadden

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/ are subscribed to the within instrument and acknowledged to me that he/ she/ they executed the same in his/her/their authorized capacity(ies) and that by his/ her /their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS by hand and official seal.

Signature of Notary Kathleen J. Howard (Seal)



4

RESOLUTION NO. 2012-01

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF ROLLING HILLS GRANTING APPROVAL FOR A CONDITIONAL USE PERMIT TO RETAIN A GUEST ROOM, PREVIOUSLY APPROVED AND CONSTRUCTED AS A TACK ROOM AND REQUEST FOR A VARIANCE TO EXCEED THE MAXIMUM PERMITTED DISTURBANCE OF THE LOT, IF A STABLE AND CORRAL ARE CONSTRUCTED IN THE FUTURE, ON A PROPERTY DEVELOPED WITH A SINGLE FAMILY RESIDENCE AND ACCESSORY STRUCTURES IN ZONING CASE NO. 808, AT 7 RINGBIT ROAD EAST, (LOT 38-SF), (SHADDEN). THE PROJECT HAS BEEN DETERMINED TO BE EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA).

THE PLANNING COMMISSION OF THE CITY OF ROLLING HILLS DOES HEREBY FIND, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Application was duly filed by Mr. and Mrs. John Shadden with respect to real property located at 7 Ringbit Road East requesting a Conditional Use Permit to retain as is converted 255 square foot guest room, which includes a bathroom, and storage/utility room below the guest room originally constructed as a tack room and to set aside an area for a future stable and corral elsewhere on the lot; and a Variance to exceed the maximum permitted disturbance of the lot, if and when the stable and corral are constructed in the future.

Section 2. A two-story tack room was constructed on the property in 1965. The applicants request a CUP is to retain the two-story structure and which has been used for storage on the first level and guest room on the second level for many years. At the time of the construction of the tack room, records indicate, that a small stable was also constructed in proximity of the tack room. Staff believes the stable was demolished when the pool was constructed in 1997. The applicant proposes to set aside an area for a future stable and coral elsewhere on the lot, which when constructed would require grading.

Section 3. The Planning Commission conducted duly noticed public hearings on the subject application in the field on November 15, 2011 and at public hearings at City Hall on November 15 and December 20, 2011. The applicants were notified of the public hearings in writing by first class mail. Evidence was heard and presented from all persons interested in affecting said proposal and from members of the City staff and the Planning Commission having reviewed, analyzed and studied said proposal. The applicant's representative was in attendance at the hearings.

Section 4. The Planning Commission concluded that the structure is attractive, unobtrusive, conforms to the character of structures in Rolling Hills, located substantial distance from any neighbor and that it would be unreasonable to deem the lower level as habitable space. A neighbor at 5 Ringbit Road E. was present at the public hearings and

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stated that he has no objections to the use of the structure in the same manner as it has been in the recent past, which is for a guest room and storage.

Section 5. Based on the opinion of the City Attorney, the Planning Commission further found that Rolling Hills Municipal Code ("RHMC") Section 17.16.080 restricts buildings within the City to one-story. However, "one-story" is defined as "meaning no interior habitable space shall exist over any other habitable space, except over basements." The lower level of the structure is not habitable space. The applicants do not use, and state that they have no intention to use, the level underneath the living area as "habitable space." Because this is not habitable space, it does not violate the limitation in RHMC Section 17.16.080. With this CUP approval the lower level will be restricted in use to storage and utility equipment storage only and there shall be no habitation of any kind on the lower level. Further, these restrictions will be recorded in title as a covenant to make it more obvious to subsequent purchasers.

Section 6. The Planning Commission finds that the project qualifies as a categorical exemption from environmental review under the California Environmental Quality Act.

Section 7: Sections 17.38.010 through 17.38.050 of the Rolling Hills Municipal Code permit approval of a Variance from the standards and requirements of the Zoning Ordinance when exceptional or extraordinary circumstances applicable to the property and not applicable to other similar properties in the same zone prevent the owner from making use of a parcel of property to the same extent enjoyed by similar properties in the same vicinity. A Variance to Section 17.16.070 (B) is required because it states that the lot disturbance shall be limited to 40.0% of the net lot area. The applicant is requesting a Variance because total disturbance of the net lot area is proposed to be 43.1% when, and if the future, stable, corral and access thereto are constructed. Currently, the disturbed area of the lot is 40.6%. With respect to this request for a Variance, the Planning Commission finds as follows:

A. There are exceptional and extraordinary circumstances and conditions applicable to this property that do not apply generally to the other properties in the same zone. The property is unique in that the front area of the property does not lend itself to construction of a future stable and corral, as it is developed with accessory structures. There is a suitable area in the rear for the future construction of a stable and corral, however it would require grading. 40.6% of the lot was previously disturbed and the additional 2.5% disturbance is minimal for the construction of the future stable and corral.

B. The variance is necessary for the preservation and enjoyment of a substantial property right possessed by other properties in the same vicinity and zone, but which would be denied to the property in question absent a variance. Many of the properties in the area were graded and disturbed to a greater extent than is currently

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allowed and the City's requirement for a set aside for a future stable and corral requires additional grading on this property. There is no other area on the lot suitable for a stable. The overage is of 2.5% over the existing disturbance is not significant and the property owner should not be denied the privilege of a future stable and corral because the topographic nature of the lot and the configuration of the existing structures make it infeasible to comply strictly with Section 17.16.170.

C. The granting of the Variance would not be materially detrimental to the public welfare or injurious to the property or improvements in such vicinity and zone in which the property is located. Significant portions of the lot will be left undeveloped so as to maintain open space on the property. The additional graded area, if graded in the future, is on a portion of the lot which is not intrusive to surrounding properties, and will be screened and landscaped with trees and shrubs from nearby residences and from the street so that the graded condition will not impact the view or privacy of surrounding neighbors, and will permit the owners to enjoy their property without deleterious infringement on the rights of surrounding property owners. It is a requirement that any future grading and construction of a stable be subject to a Conditional Use Permit and be reviewed by the Planning Commission and neighbors notified.

D. In granting the variance, the spirit and intent of the Zoning Ordinance will be observed. The purpose of the Zoning Ordinance is to regulate development in an orderly fashion and in a manner consistent with the goals and policies of the General Plan. Approval of the variance will not impede any goals of the Zoning Ordinance or the General Plan. Rather, the variance will allow the property owner to enjoy the same rights and privileges afforded to other property owners in the vicinity, where the topography of the lots dictate grading requirements for future stable and corral. The overage requested is not substantial and does not undermine the spirit or intent of the Zoning Ordinance.

E. The variance does not grant special privileges to the applicant. To the contrary, absent a variance, the property owner would be deprived of the same rights and privileges afforded to other property owners in the vicinity. Unique circumstances applicable to the subject property make it infeasible for the property owner to comply with Section 17.16.070. The minor overage requested will allow the property owner to enjoy the same rights and privileges afforded to many other properties in the vicinity and zone.

F. The variance is consistent with the portions of the County of Los Angeles Hazardous Waste Management Plan relating to siting and siting criteria for hazardous waste facilities.

G. The variance request is consistent with the General Plan. The proposed project, together with the variance, will be compatible with the objectives, policies, general land uses, and programs specified in the General Plan.

Section 8. Section 17.16.210(A)(5) of the Rolling Hills Municipal Code permits approval of a guest house under certain conditions, provided the Planning Commission approves a Conditional Use Permit for guest houses over 200 square feet. With respect to this request for a Conditional Use Permit, the Planning Commission finds as follows:

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A. The granting of a Conditional Use Permit for the guest room would be consistent with the purposes and objectives of the Zoning Ordinance and General Plan because the use is consistent with similar uses in the community, meets all the applicable development standards of the Zoning Ordinance and no deviations from the development standards are requested.

B. The nature, condition, and development of adjacent uses, buildings, and structures have been considered, and the retention of the previously constructed guest room will not adversely affect or be materially detrimental to these adjacent uses, buildings, or structures because the guest room is of sufficient distance from nearby residences and is screened so that the guest room does not impact the view or privacy of surrounding neighbors.

C. The project is harmonious in scale and mass with the site, the natural terrain, and surrounding residences because the guest room complies with the low profile residential development pattern of the community, is located in an area that is flat and is screened from neighbors' view.

D. The proposed conditional use complies with all applicable development standards of the zone district because the 255 square foot size of the guest room does not exceed the maximum permitted under the Municipal Code and the guest room does not encroach into any setback areas and is not located in the front.

E. The proposed conditional use is consistent with the portions of the Los Angeles County Hazardous Waste Management Plan relating to siting criteria for hazardous waste facilities because the project site is not listed on the current State of California Hazardous Waste and Substances Sites List.

F. The proposed conditional use observes the spirit and intent of Title 17 of the Zoning Code because the proposed project meets all of the development standards of the Zoning Regulations and there is adequate room for a future stable and corral.

G. The project conforms to the requirements of the California Environmental Quality Act and is exempt.

**Section 9.** Based upon the foregoing findings in Sections 7 and 8 the Planning Commission hereby approves the Conditional Use Permit and Variance in Zoning Case No. 808 to retain an "as built" guest room with storage/utility room on the lower level as shown on the Site Plan stamp dated December 1, 2011 and a floor plan stamp dated January 4, 2012 subject to the following conditions:

A. The Conditional Use Permit and Variance approvals shall expire within two years from the effective date of approval as defined in Sections 17.46.080, 17.38.080 and 17.42.070, unless otherwise extended pursuant to the requirements of these sections. The CUP shall run with the land, until such time as the guest room is demolished.

B. It is declared and made a condition of this approval that if any conditions thereof are violated, this approval shall be suspended and the privileges granted thereunder shall lapse; provided that the applicant has been given written notice to cease such violation, the opportunity for a hearing has been provided, and if requested,

has been held, and thereafter the applicant fails to correct the violation within a period of thirty (30) days from the date of the City's determination.

C. All requirements of the Buildings and Construction Ordinance, the Zoning Ordinance, and of the zone in which the subject property is located must be complied with unless otherwise set forth in this permit, or shown otherwise on an approved plan.

D. Building permit shall be obtained for the previously made modifications to the structure, including installation of a water heater and for any modifications proposed and/or required by this resolution.

E. A covenant agreement shall be prepared by the applicant, reviewed by the City Attorney and recorded against the title of the property at 7 Ringbit Road East, restricting the use of the structure to a guest room on the second level and storage and utility room on the lower level. Further, the covenant shall state that at no time may the lower level be converted to habitable space; that there shall be no additional window openings or doors to either level of the structure and any modification to the structure shall be subject to review and in accordance with City's regulations.

F. Structural lot coverage of the lot shall not exceed 5,999 square feet or 13.7% of the net lot area, which includes the minimum required 450 sq.ft. stable, in conformance with lot coverage limitations (20% maximum).

G. The total lot coverage proposed, including structures and flatwork shall not exceed 12,269 square feet or 28%, of the net lot area, in conformance with lot coverage limitations (35% max).

H. There shall be no grading for the future stable and corral until such use is approved by the Planning Commission and shall be subject to a Site Plan Review and a CUP. The disturbed area, including for the future stable and corral shall not exceed 43.1% of the net lot area.

I. The applicant shall comply with all requirements of the Lighting Ordinance of the City of Rolling Hills (RHMC 17.16.190 E), pertaining to lighting on said property, roofing material requirements (RHMC 17.16.190), and all other Zoning and Building Code requirements.

J. The guest room shall not exceed 255 square feet on each level, and shall meet all requirements of the zoning ordinance regarding construction, occupancy and access thereto, Section 17.16.210(5).

K. No parking pad or driveway shall be constructed within 50-feet of the guest room.

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L. The use of the two story structure shall be restricted to a guest room on the upper level and storage room with utility equipment on the lower level and it shall not be modified, except for maintenance.

M. The exterior of the structure shall not be modified, except for maintenance, and there shall be no additional door or window openings in the structure than currently exist.

N. All conditions of the Conditional Use Permit and Variance approvals, that apply, shall be complied with prior to the issuance of any other approvals on the property.

O. The applicant shall execute an Affidavit of Acceptance of all conditions of this permit pursuant to Zoning Ordinance, or the approval shall not be effective, and record the Resolution with the County Recorder's Office. In addition, a covenant agreement shall be prepared and recorded regarding the use of the two-story guest room/storage and utility room structure, as specified in paragraph "E" above.

P. Any action challenging the final decision of the City made as a result of the public hearing on this application must be filed within the time limits set forth in Section 17.54.070 of the Rolling Hills Municipal Code and Code of Civil Procedure Section 1094.6.

Q. The project must be reviewed and approved by the RHCA.

PASSED, APPROVED AND ADOPTED THIS 17th DAY OF JANUARY 2012

  
JEFF PIEPER, CHAIRMAN

ATTEST:

  
HEIDI LUCE, DEPUTY CITY CLERK

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) §§  
CITY OF ROLLING HILLS)

I certify that the foregoing Resolution No. 2012-01 entitled:

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF ROLLING HILLS GRANTING APPROVAL FOR A CONDITIONAL USE PERMIT TO RETAIN A GUEST ROOM, PREVIOUSLY APPROVED AND CONSTRUCTED AS A TACK ROOM AND REQUEST FOR A VARIANCE TO EXCEED THE MAXIMUM PERMITTED DISTURBANCE OF THE LOT, IF A STABLE AND CORRAL ARE CONSTRUCTED IN THE FUTURE, ON A PROPERTY DEVELOPED WITH A SINGLE FAMILY RESIDENCE AND ACCESSORY STRUCTURES IN ZONING CASE NO. 808, AT 7 RINGBIT ROAD EAST, (LOT 38-SF), (SHADDEN). THE PROJECT HAS BEEN DETERMINED TO BE EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA).

was approved and adopted at regular meeting of the Planning Commission on January 17, 2012 by the following roll call vote:

AYES: Commissioners Henke, Smith, Vice Chairman Chelf and Chairman Pieper.

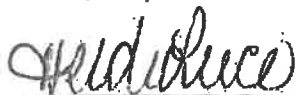
NOES: None.

ABSENT: None.

ABSTAIN: Commissioner Mirsch.

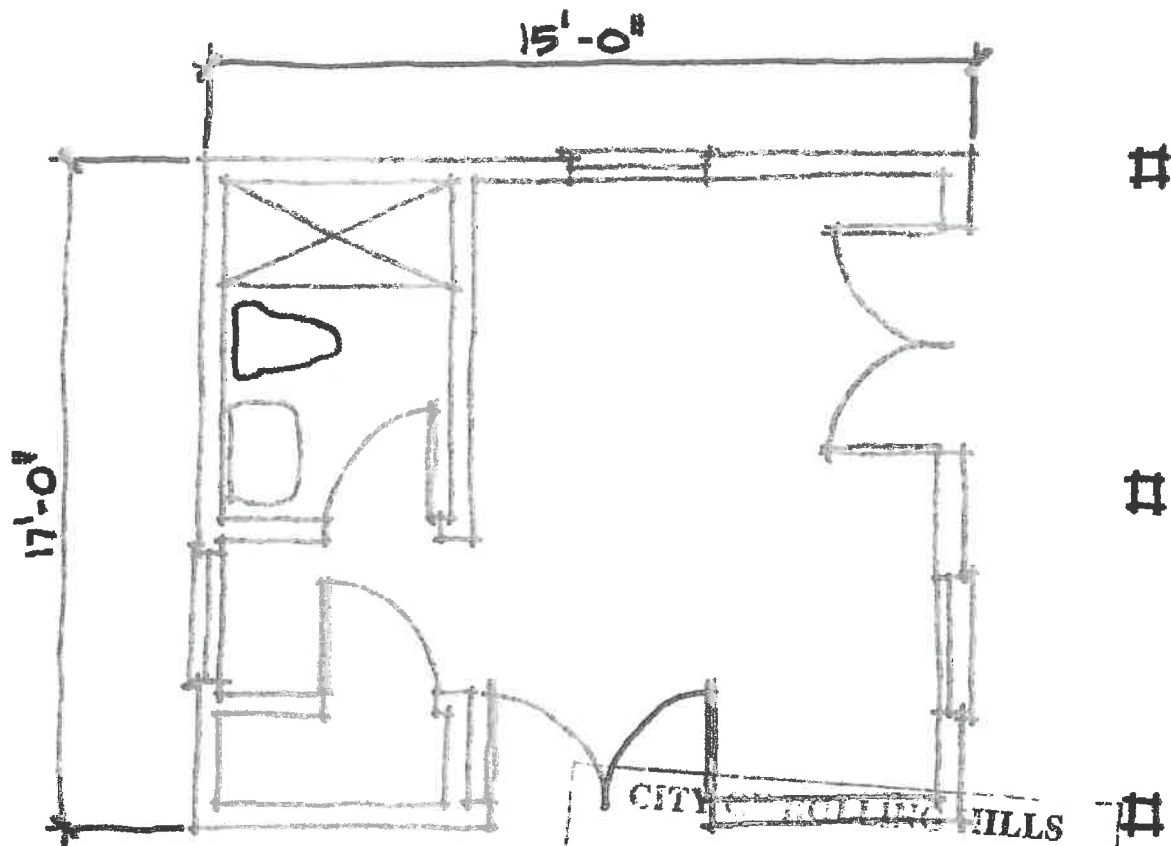
and in compliance with the laws of California was posted at the following:

Administrative Offices



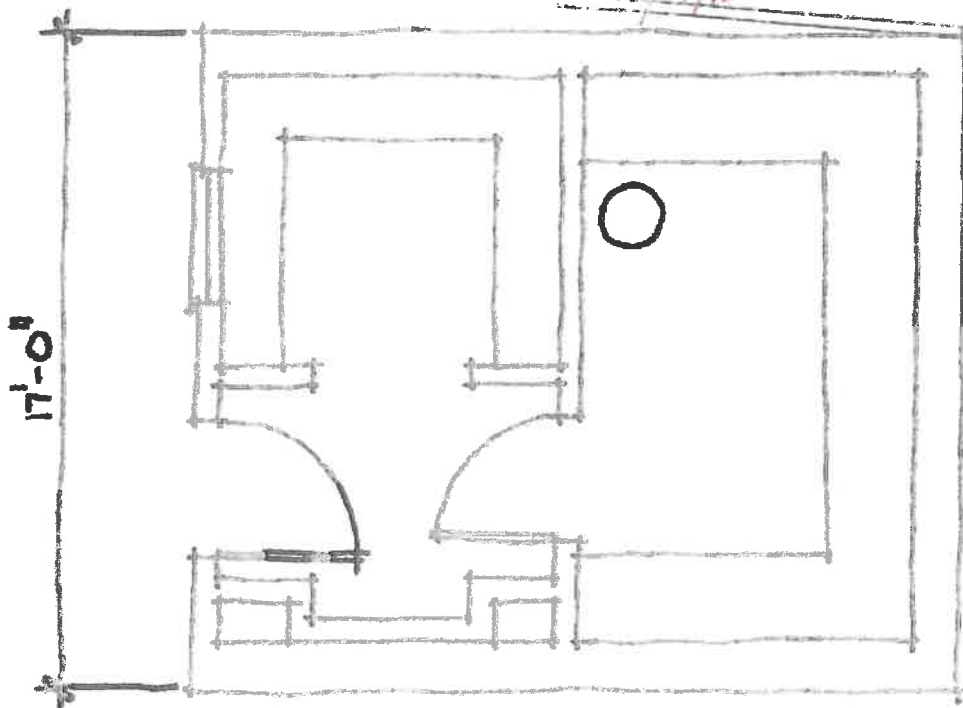
HEIDI LUCE, DEPUTY CITY CLERK





UPPER FLOOR  
SCALE 1/4" = 1'-0"

CITY OF ROLLING HILLS  
Approved By Resolution 2012-01  
PLANNING DEPARTMENT Commission  
w/condition restricting uses  
Date 1/17/12

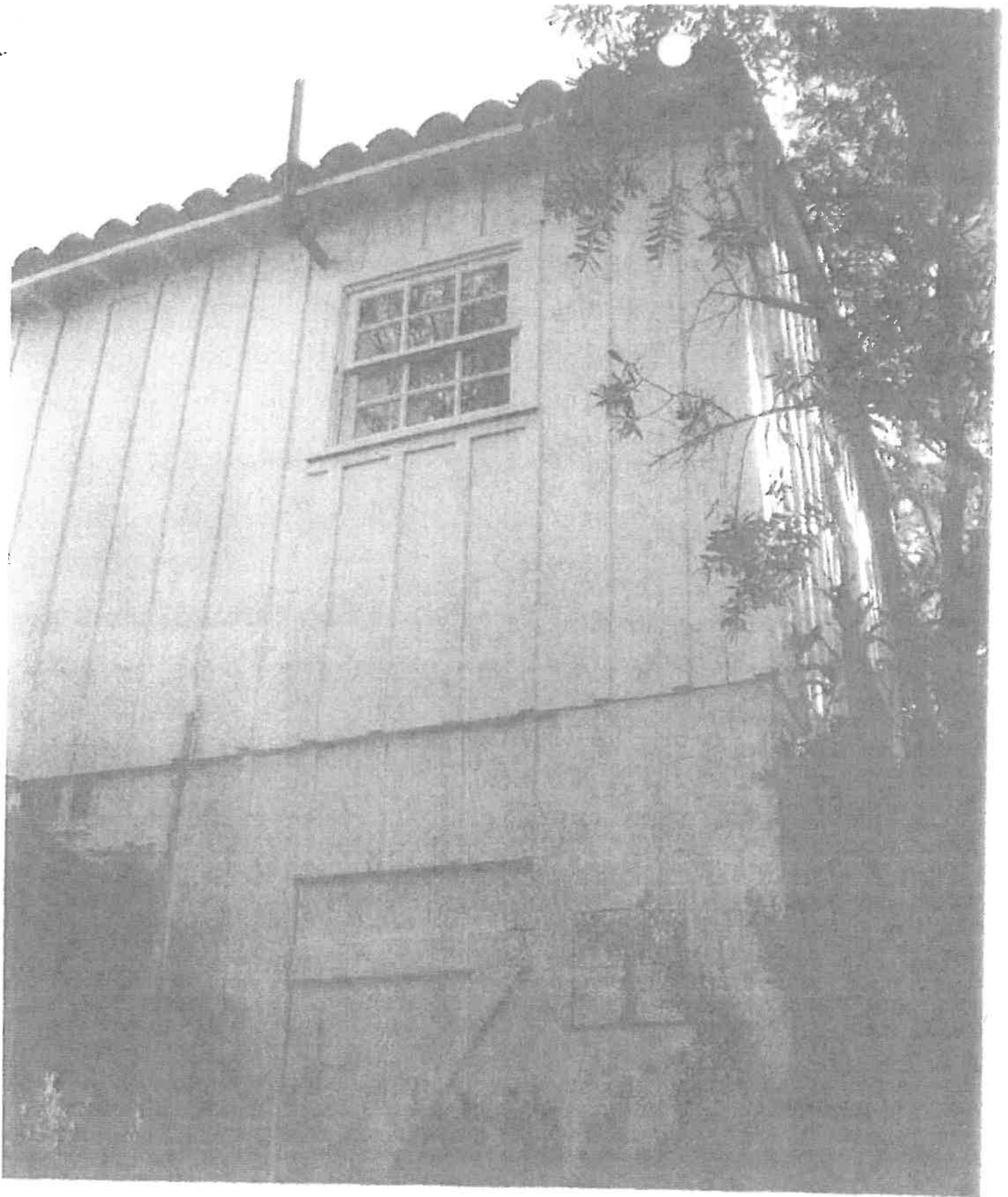


LOWER FLOOR

RECEIVED  
JAN 04 2012  
City of Rolling Hills

Z.C. 808

7 RINGBIT E.



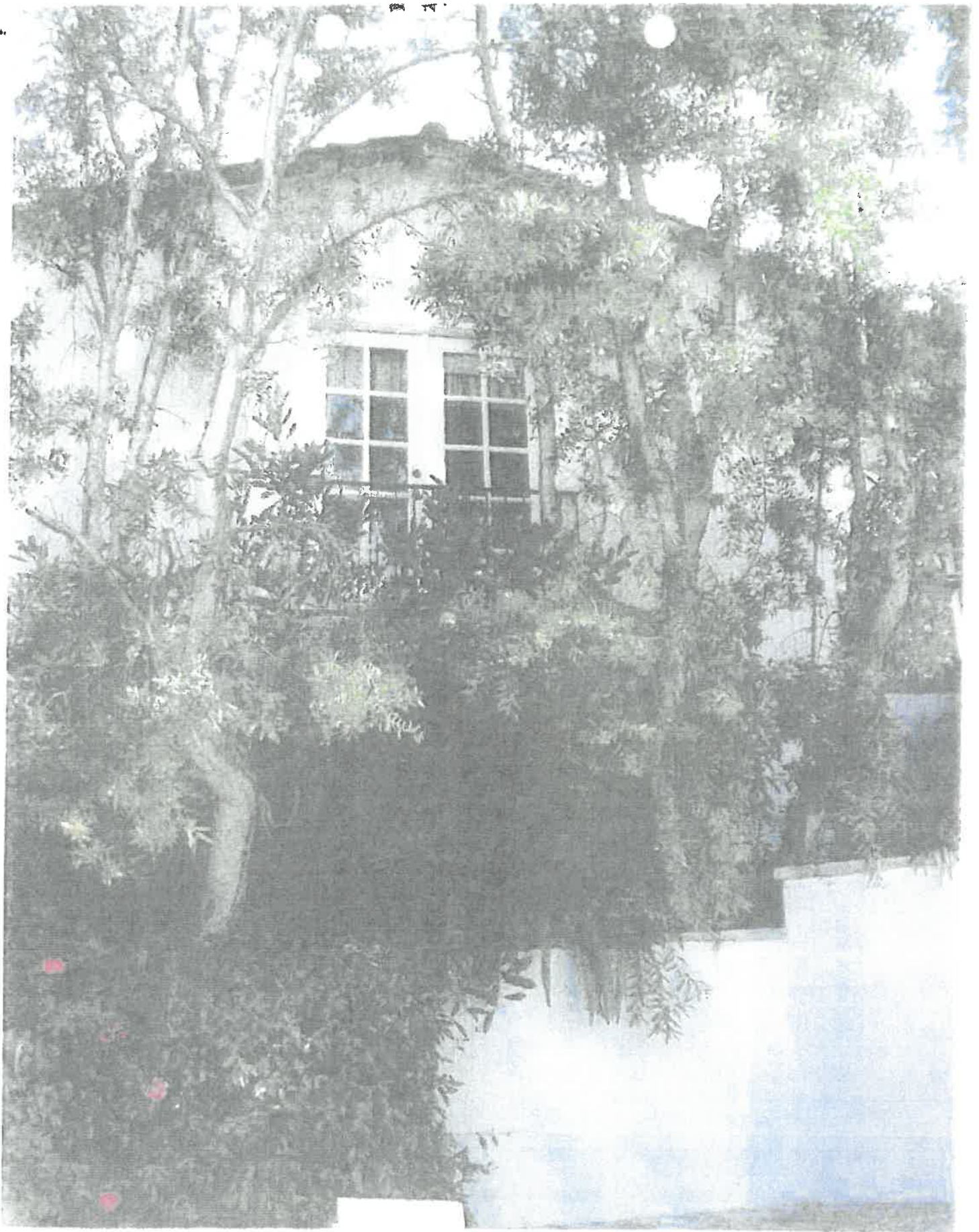
Existing door to underfloor area to be removed and filled in with wood siding to match existing siding

WEST ELEVATION



NORTH ELEVATION





SOUTH ELEVATION

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**20131254473**



Pages:  
0014

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

08/27/13 AT 08:46AM

FEES:	0.00
TAXES:	0.00
OTHER:	0.00
PAID:	0.00



LEADSHEET



201308270850023

00008205097



005724970

SEQ:  
01

DAR - Mail (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

**RECORDING REQUESTED BY:**

City of Rolling Hills

**WHEN RECORDED MAIL TO:**

City of Rolling Hills  
2 Portuguese Bend Road  
Rolling Hills, CA 90274  
Attention: Planning Director



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Space Above Line For Recorder's Use  
[Exempt from payment of recording fees pursuant to Government Code § 6103]

**AGREEMENT IMPOSING RESTRICTIONS ON REAL PROPERTY**

THIS AGREEMENT IMPOSING RESTRICTIONS ON REAL PROPERTY is entered into this 19 day of July, 2013 by and between the CITY of Rolling Hills (hereinafter "City") and John T. Shadden and Patricia W. Shadden (hereinafter "Owners").

**RECITALS:**

A. Owners are the legal owners of real property in the City of Rolling Hills, located at 7 Ringbit Road East, and developed with a single family residence, swimming pool and a detached structure utilized for a guest room and storage room, more particularly described as Lot 38, per Record of Survey as recorded in Book 59, Pages 8-10 of Surveys in the office of Los Angeles County Recorder, APN NO. 7567-010-034 (hereinafter referred to as the "Subject Property").

B. Owners desire to make improvements in compliance with City of Rolling Hills Planning Commission Resolution 2012-01 adopted January 17, 2012, attached hereto and incorporated herein by reference. On that date, the Planning Commission determined the detached 255 square foot accessory two-level structure on the Subject Property, referred to as "Guest House" in Resolution 2012-01, being the upper level of the structure, to be a legal nonconforming use. The Planning Commission also determined that the lower level of the detached structure, referred to as "storage" in Resolution No. 2012-01, does not violate the City's Zoning Ordinance definition for a single story, because it is not a habitable space. The Conditional Use Permit (CUP) restricts the lower level to storage and utility equipment storage only and there shall be no habitation of any kind on the lower level. Further, the CUP provides that no exterior modification to the structure be made, including additional doors or windows. The

CUP requires that a covenant stipulating said conditions be recorded in the Office of the County Recorder.

C. The City will allow the guest room to remain on the upper level and the storage area on the lower level to continue to exist as a legal nonconforming uses with agreement by Owners to the conditions contained in Resolution No 2010-01.

D. Owners intend by this Agreement that the Subject Property is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following covenants, conditions and restrictions. All such covenants, conditions and restrictions shall run with the Subject Property and be binding upon all parties having or acquiring any right, title or interest therein or any part thereof, and shall inure to the benefit of the City, the public and neighboring land owners and be binding upon each successor in interest of the owners thereof.

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

1. CONDITIONS, COVENANTS AND RESTRICTIONS.

Owners covenant, promise and guarantee that:

A. The 255 square foot two story accessory structure shall be used as a guest room (upper level only) and storage and utility storage room (lower level) only.

B. The lower level shall at no times be converted to a habitable use and the use of the entire structure as a separate dwelling unit shall be prohibited.

C. Owners shall obtain all necessary building permits for the heating and other utility unit(s) installed or planned to be installed in the storage area.

D. No parking pad or driveway shall be located within 50-feet of the guest room.

2. OWNERS' REPRESENTATIONS.

A. Owners represent and warrant that they are the lawful owners of the Subject Property, hereafter known as 7 Ringbit Road East.

B. The execution and delivery of this Agreement by Owners and its agreement to the restrictions set forth herein will not, to Owners' knowledge (i) violate any judgment, order, injunction, decree, regulation or ruling of any court or governmental entity or (ii) conflict with, result in a breach of, or constitute a default under any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Owners are a party or by which Owners may be bound.



### 3. ENFORCEMENT; ATTORNEYS' FEES AND COSTS.

Owners consent and agree that the City Manager of the City of Rolling Hills or his/her representative may enter the Subject Property at any reasonable time for the purpose of ensuring Owners' compliance with this Agreement and only for such purpose. In addition to any other remedy provided for by the City's Municipal Code, Owners agree that the City may seek specific performance, including interim relief (such as a temporary restraining order or stay) to enforce the provisions of this Agreement, and that damages alone are an inadequate remedy to satisfy the City's zoning ordinance requirements. Any transaction that results in a breach of the terms of this Agreement shall be void and of no effect. In any action brought by the City to enforce this Agreement, the City shall be entitled to recover its reasonable attorney's fees, expert fees and costs of suit.

### 4. SEVERABILITY.

In the event any limitation, condition, restriction, covenant or provision contained in this Agreement is held to be invalid, void or unenforceable by any court of competent jurisdiction, the remaining portions of this Agreement shall, nevertheless be and remain in full force and effect.

### 5. NOTICES.

All notices required under this Agreement shall be sent by certified mail, return receipt requested, to the following addresses:

TO THE CITY OF ROLLING HILLS:      City of Rolling Hills  
2 Portuguese Bend Road  
Rolling Hills, CA 90274  
Attention: Planning Director

TO THE OWNER:                              John T. Shadden and Patricia W. Shadden  
7 Ringbit Road East  
Rolling Hills, CA 90275

Any party may change the address to which notices are to be sent by notifying the other parties of the new address, in the manner set forth above.

### 6. HOLD HARMLESS; INDEMNIFICATION.

As between the City and the Owners, the Owners assume responsibility and liability for, and shall indemnify, defend and hold harmless the City and its City Council,

boards and commissions, officers, agents, servants, and employees from and against any and all claims, loss, damage, liability, charge or expense, whether direct or indirect, to which the City or its City Council, boards and commissions, officers, agents, servants, or employees may be put or subjected, by reason of any damage, loss or injury of any kind or nature whatever to persons or property caused by any action, or any neglect, omission or failure to act when under a duty to act, on the part of the Owners or any of Owners' agents, employees or contractors in their performance hereunder, except for liability arising out of the sole negligence or wrongful conduct of the City.

**7. BURDEN TO RUN WITH PROPERTY.**

The covenants and conditions herein contained shall apply to and bind the heirs, successors and assigns of all the parties hereto and shall run with and burden the Subject Property for the benefit of the City, the public, and surrounding landowners. Owners shall expressly make the conditions and covenants contained in this Agreement a part of any deed or other instrument conveying any interest in the property.

**8. AUTHORITY**

Each party warrants that the individuals who have signed this Agreement have the legal power, right and authority to make this Agreement and bind the party for whom he or she is signing. No consent, waiver, approval or authorization is required from any person or entity in connection with the execution and delivery of this Agreement or the restrictions contemplated hereby by Owner.

**9. INTEGRATED AGREEMENT.**

This Agreement constitutes the entire integrated agreement between the parties and supersedes all prior negotiations, representations or agreements, written or oral, regarding the subject matter hereof. This Agreement may be amended or terminated only by a written instrument signed by the parties hereto.

**10. APPLICABLE LAW.**

All questions pertaining to the validity and interpretation of this Agreement shall be determined in accordance with the laws of California applicable to contracts made in and to be performed within the state. Venue for any lawsuit brought to enforce the terms of this Agreement shall lie in the Superior Court of the County of Los Angeles.

**11. NO JOINT VENTURE.**

Nothing contained in this Agreement shall be construed to render the City in any way or for any purpose a partner, joint venture or associated in any relationship with Owners, nor shall this Agreement be construed to authorize any party to act as agent for

the other.

## 12. RECORDING OF AGREEMENT.

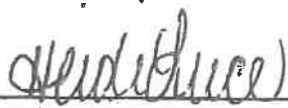
City shall cause this Agreement to be recorded against the title to the Subject Property in the Official Records of the County of Los Angeles, the burdens and benefits of which shall run with the land for the benefit of City in the performance of its duties under its Municipal Code and be binding on all Owners' successors in interest, assigns and heirs.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

ATTEST:

CITY OF ROLLING HILLS,  
a municipal corporation

BY



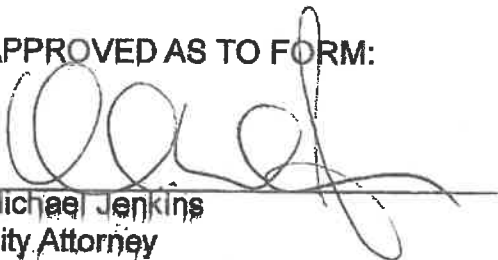
Heidi Luce  
Deputy City Clerk

BY



~~Anton Bahlerbruch, City Manager~~  
Steve Burrell  
Interim City Manager

APPROVED AS TO FORM:



Michael Jenkins  
City Attorney

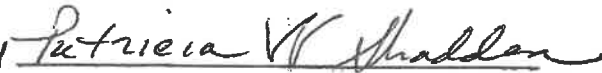
Owner:

By



John T. Shadden

By



Patricia W. Shadden

ACKNOWLEDGMENT

State of California  
County of Los Angeles

On July 19, 2013 before me,

Kathleen J. Howard, Notary Public  
(insert name and title of the officer)

personally appeared

John T. Shadden and Patricia W. Shadden, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

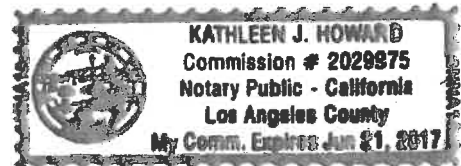
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

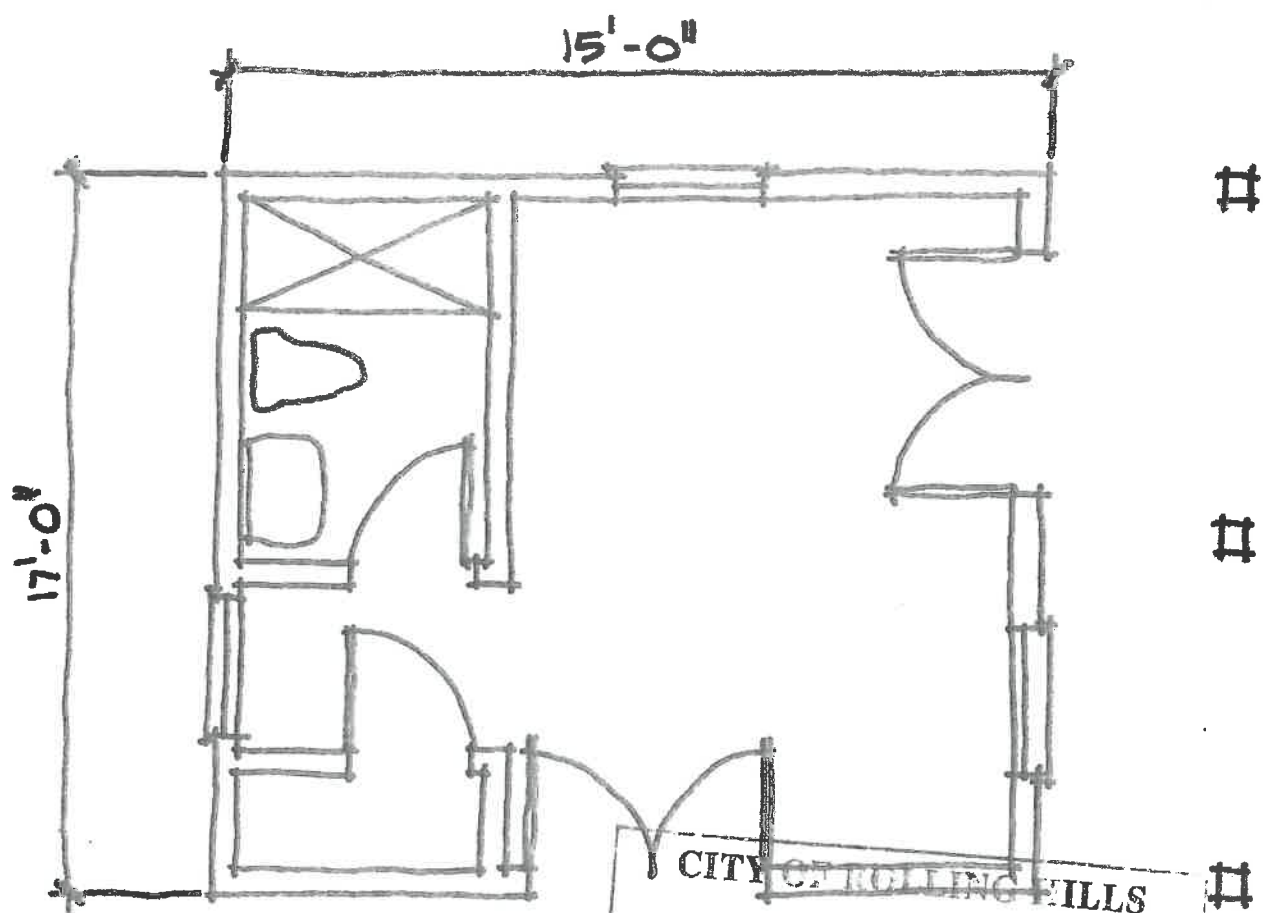
WITNESS my hand and official seal.

Signature

Kathleen J. Howard

(Seal)

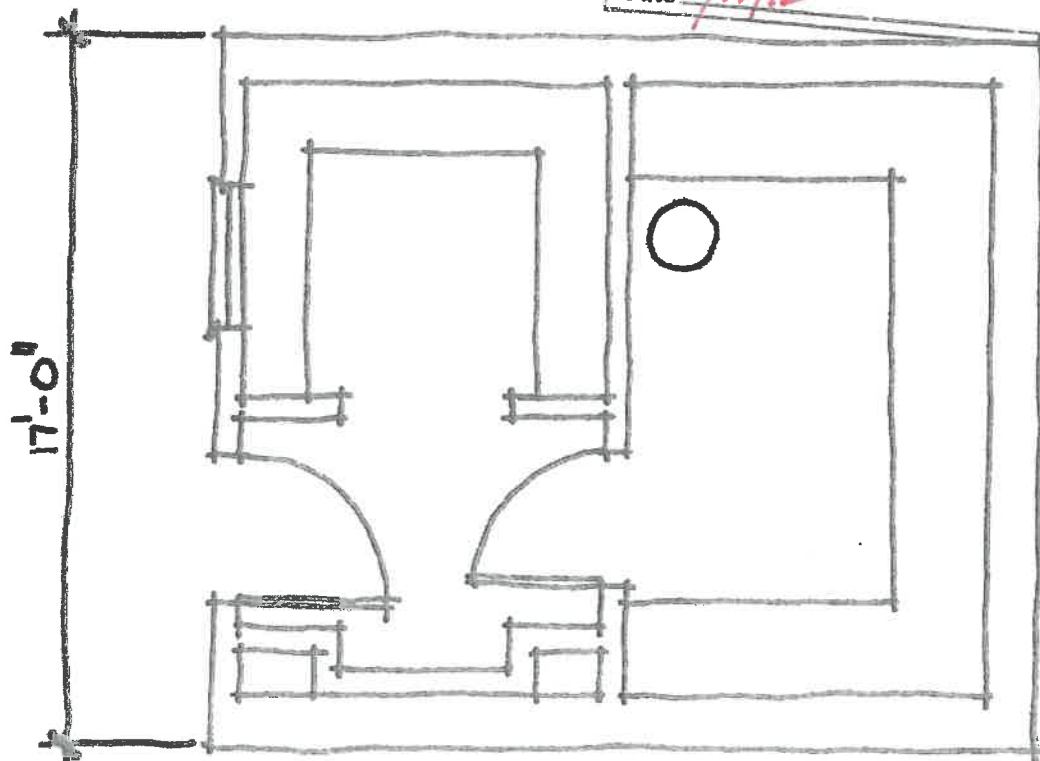




UPPER FLOOR

SCALE 1/4" = 1'-0"

CITY OF ROLLING HILLS  
 Approved *By Resolution 2012-01*  
 PLANNING DEPARTMENT *Commission*  
*w/condition restricting uses*  
 Date *1/17/12*



LOWER FLOOR

36/39

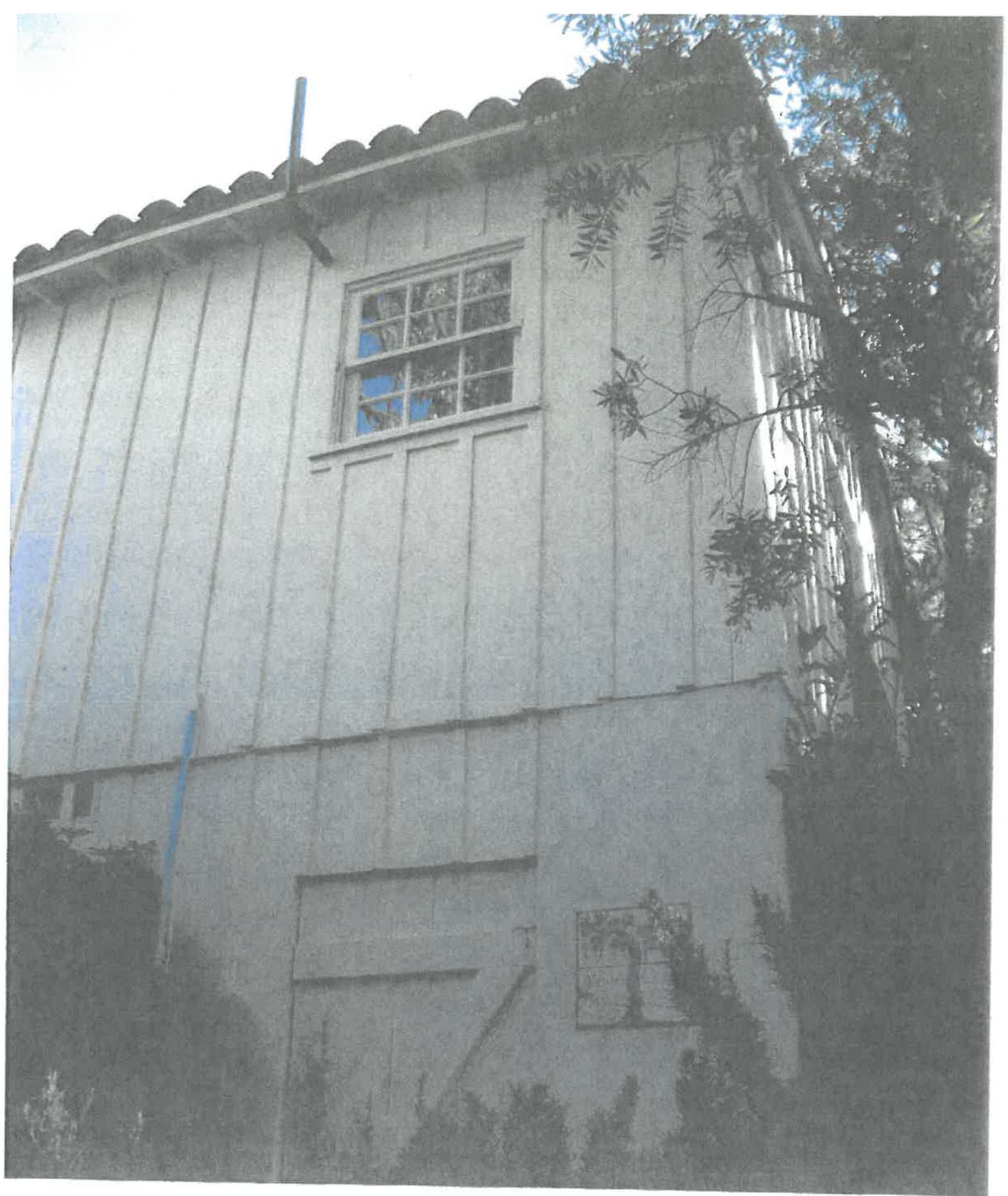
7 RINGBIT E.

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JAN 04 2012

City of Rolling Hills

Z.C. 808



Existing door to underfloor area to be removed and filled in with wood siding to match existing siding

⑦

37/39

WEST ELEVATION



NORTH ELEVATION

10







9

39/39

SOUTH ELEVATION





*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: 6A**  
**Mtg. Date: 04-22-19**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: YOLANTA SCHWARTZ, PLANNING DIRECTOR**

**THRU: ELAINE JENG, P.E. CITY MANAGER**

**SUBJECT: A HEARING TO CONSIDER WHETHER NONCOMPLIANCE WITH CITY COUNCIL RESOLUTION NO. 1196 AND THE COVENANT RECORDED AGAINST TITLE PURSUANT THERETO CONSTITUTES A PUBLIC NUISANCE WITH REGARD TO FAILURE TO ABATE A VIEW IMPAIRMENT AT 15 PORTUGUESE BEND ROAD (COVENANT RECORDED AS DOCUMENT NUMBER 20170547814 AND DATED 05/17/2017) (OWNERS: WILLIAM AND JUDITH HASSOLDT)**

**DATE PUBLISHED: APRIL 11, 2019**

**ATTACHMENTS:**

- 1. Resolution 1196**
- 2. Notice of Violation**
- 3. Proposals from Tree Trimming companies**
- 4. RHMC Chapter 8.24**

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**BACKGROUND AND DISCUSSION**

Approximately five years ago, on April 24, 2014, Dr. and Mrs. Nuccion of 18 Portuguese Bend Road filed a view impairment complaint with the City alleging that the trees located on 15 Portuguese Bend Road (Hassoldts' Property) interfered with their view. On October 7, 2015, the Committee on Trees and Views ("CTV") held a duly noticed public hearing and adopted Resolution No. 2015-03-CTV; this resolution confirmed the alleged view impairment and specified restorative actions on nine trees located on the Hassoldts' Property. This matter was appealed to the City Council; following a duly noticed public hearing, the City Council adopted Resolution No. 1196 on November 28, 2016. Resolution No. 1196 upheld the CTV's original action (including the specified restorative actions) and became final immediately upon adoption.

In May 2017, the Nuccions expressed to the City Council that three trees (a Eucalyptus, Pepper and Olive Tree) had not been trimmed pursuant to the requirements outlined in Resolution No.

1196. Staff determined that the Pepper Tree was not included within Resolution No. 1196 and was therefore not subject to remediation. On July 17, 2017, Mr. Gregory Applegate, with Arborgate Consulting, Inc., conducted an inspection as to the Eucalyptus and Olive Trees and determined that the Eucalyptus Tree had been cut to the proper height, but that the Olive Tree needed to be cut back as specified by the requirements outlined in Resolution No. 1196. Later that summer, the Hassoldts complied with Resolution No. 1196.

Resolution No. 1196 requires maintenance activity on certain trees, including trimming, lacing, and reducing the crown of the trees, every two years beginning in 2017 by March 1. On February 28, 2019, in anticipation of the March 1, 2019 maintenance deadline, the City received an email from Dr. Nuccion stating that the trees subject to Resolution No. 1196 on the Hassoldt's Property had not been trimmed.

On March 5, 2019, staff visited the Nuccions' property and took photographs from the Designated Viewing Area as described in Section 4(C) of Resolution No. 1196. In comparing the photographs (May 10, 2017 against March 5, 2019), it was determined that certain actions outlined in Resolution No. 1196 were not performed by March 1, and staff ordered certain maintenance actions as outlined in Resolution No. 1196 by March 28, 2019.

On March 29, 2019, City staff again visited the Nuccions' property to identify whether the Hassoldts complied with Resolution No. 1196 in response to the City's letter. City staff took photographs from the Designated Viewing Area and determined that the ordered maintenance actions were not performed.

On March 29, 2019, a certified letter was mailed to Mr. and Mrs. Hassoldt informing them that pursuant to Rolling Hills Municipal Code ("RHMC") Chapter 8.24, the City Manager had determined that their noncompliance with Resolution No. 1196 resulted in a nuisance on their property, and that a hearing on this matter would be held before the City Council on April 22, 2019, if the nuisance was not abated within fifteen days from the date of the notice, or by April 15, 2019, or good-faith efforts towards abatement had not been made to the satisfaction of the City Manager by April 15, 2019. (See Notice of Violation Letter, attached).

On April 12, 2019, Mr. Hassoldt faxed two proposals to staff from two tree service companies for the maintenance work and indicated that he selected Travers Tree Service Inc., but that they were unable to start the trimming for 3 to 4 weeks. The Travers Tree Service, Inc. proposal was accepted and signed by Mr. Hassoldt. (See Travers Tree Service Inc. proposal, attached.)

Based on Mr. Hassoldt's demonstrated effort, City staff recommends that the City Council open the public hearing, consider all testimony, and continue it to the City Council's regular meeting on Wednesday, May 28, 2019. This continuance will provide the Hassoldts with a sufficient amount of time to allow Travers Tree Service, Inc. to bring their property into compliance with Resolution No. 1196.

## **NOTIFICATION**

Copies of this report have been sent to the property owners of 15 and 18 Portuguese Bend Road.

## **RECOMMENDATION**

Open the public hearing, consider all testimony, and continue the item to the City Council's regular meeting on Wednesday, May 28, 2019.

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RESOLUTION NO. 1196

A RESOLUTION OF THE ROLLING HILLS CITY COUNCIL DENYING THE APPEALS OF DR. AND MRS. STEPHEN NUCCION AND MR. AND MRS. WILLIAM HASSOLDT AND UPHOLDING THE DECISION OF THE COMMITTEE ON TREES AND VIEWS BY DECLARING THAT SPECIFIC TREES LOCATED ON THE PROPERTY AT 15 PORTUGUESE BEND ROAD HAVE CAUSED SIGNIFICANT IMPAIRMENT TO THE VIEW FROM THE PROPERTY LOCATED AT 18 PORTUGUESE BEND ROAD AND SETTING FORTH RESTORATIVE ACTION TO ABATE THE IMPAIRMENT.

THE CITY COUNCIL OF THE CITY OF ROLLING HILLS DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

Section 1. The City's View Preservation Ordinance was enacted in June 1988. The ordinance established preservation of views to be of primary value to the community and created a process by which a property owner could seek to restore a view obstructed by landscaping.

In March 2013, the Rolling Hills electorate passed an initiative entitled Measure B amending the 1988 View Preservation Ordinance. The principal effect of Measure B was to shift the application of the Ordinance from protecting views that are *capable* of being enjoyed from a property to views that were *actually* enjoyed from a property when the property owner first acquired the property. In particular, the initiative amended the View Preservation Ordinance as follows:

- Protecting only those views which existed when the current property owner acquired ownership of the property;
- Limiting the protection of the ordinance to views obstructed by "maturing" vegetation (thereby excluding views obstructed by trees that were "mature" at the time of the property acquisition); and
- Restoring views from "view corridors," and "views through trees."

Section 2. On April 24, 2014, Dr. and Mrs. Stephen Nuccion, the owners of the property located at 18 Portuguese Bend Road ("Nuccions"), filed a View Impairment Complaint ("Complaint") regarding the trees located at 15 Portuguese Bend Road, a property owned by Mr. and Mrs. William Hassoldt ("Hassoldts"). The Complaint alleged that at the time the Nuccions purchased their property in April of 2009 they enjoyed a panoramic view of the Santa Monica Mountains, Mount Baldy and the City lights to the north of Rolling Hills, and that since 2012 the Hassoldts had failed to maintain the trees located upon their property such that the view from 18 Portuguese Bend Road was significantly impaired. Pursuant to the Complaint, the Nuccions requested that their view be restored to the condition that it was in during April of 2009.

Pursuant to Rolling Hills Municipal Code 17.26.040(B), the Complaint was referred to a mediator and both parties engaged in mediation; the mediation was unsuccessful. The Nuccions thereafter applied to the City's Committee on Trees and Views ("CTV") in order to resolve the Complaint. By the end of December 2014, City staff had informed the Nuccions that their application was incomplete and requested additional information; this information was not provided to the City until February 4, 2015.

After several postponements, duly noticed public hearings (per Rolling Hills Municipal Code Sections 17.26.040(C) and 17.26.050(A)-(B)) were conducted before the CTV on March 17, 2015, April 21, 2015, May 14, 2015, July 7, 2015, July 21, 2015 and September 22, 2015. Additionally, the CTV attended a duly noticed field trip to both the 15 and 18 Portuguese Bend Road properties on April 21, 2015. At each of the aforementioned meetings, evidence was received from all persons interested in the matter and from members of City staff. The CTV reviewed, analyzed and studied the evidence submitted.

At its July 7, 2015 meeting, the CTV determined that it did not have sufficient evidence to determine whether the trees located at 15 Portuguese Bend Road that are the subject of this Complaint ("Obstructing Trees") were mature in April of 2009 and directed the City to retain a certified arborist to provide an opinion as to the maturity of the Obstructing Trees. The City conducted a request for proposals and selected David de la Torre as the independent arborist. Mr. De La Torre concluded that of the 11 trees at issue, only two (trees #4A and #7) were not mature in 2009 and would therefore be eligible for remediation under Measure B. Notwithstanding the report of Mr. De La Torre, the historical photographs in *ROLLING HILLS The Early Years*, by A.E. Hanson (1978), in addition to other

substantial evidence in the record, indicated that of the 11 Obstructing Trees, only trees #9 and #9A were mature when the Nuccions acquired their property in 2009, thereby rendering the remaining nine (9) Obstructing Trees eligible for remediation under Measure B. Ultimately, the CTV found that: (1) a view (as defined in the Municipal Code) existed from 18 Portuguese Bend Road when the Nuccions acquired the property in 2009; (2) the view from the Nuccions' property is significantly impaired because 11 trees located at 15 Portuguese Bend Road impair the view of the City lights from the Designated Viewing Areas; and (3) restorative action on the nine (9) Obstructing Trees is necessary to abate the view impairment by creating view corridors and views through the trees. To this effect, the CTV adopted Resolution No. 2015-03-CTV on October 7, 2015.

On October 27, 2015, the Hassoldts filed an appeal of the CTV's decision to the City Council contesting the CTV's determination that the nine (9) Obstructing Trees were not mature in 2009. Specifically, in their appeal the Hassoldts asserted that: (1) the Nuccions have not established by clear and convincing evidence, or at all, the existence of a protected view over 15 Portuguese Bend Road; (2) there was no view from 18 Portuguese Bend Road prior to April 2009; and (3) each of the trees subject to the Nuccions' complaint are exempt because they were mature on April 22, 2009. Also on October 27, 2015, the Nuccions filed an appeal of the CTV's decision to the City Council contesting the CTV's determination that trees #9 and #9A were mature in 2009 and ineligible for remediation under Measure B; a determination that the Nuccions claim arose out of the CTV's unsupported and unsubstantiated decision to reject one arborist's report over another. Both appeals were timely filed pursuant to Rolling Hills Municipal Code section 17.26.050(G) and the provisions of Chapter 17.54.

At the November 23, 2015 City Council meeting, City staff provided an overview of the case and the evidence for the Council's consideration. Thereafter, the Council heard public testimony and concluded the meeting by scheduling a field trip to both properties which, after several postponements, was held on March 21, 2016. At the field trip, the City Council determined that the Nuccions had a view (as defined by Rolling Hills Municipal Code section 17.12.220), which could be observed from the living room at the north side of the residence and a patio/pool deck area immediately adjacent thereto along the northern side of the residence.

At the April 25, 2016 City Council meeting, the Council was provided with aerial photographs of both properties, a list of the Obstructing Trees, tree measurements and calculations extrapolating the age of the Obstructing Trees and their heights in 2010 (provided by Mr. Howard Weinberg, attorney for the Nuccions), a photometric analysis to determine the height of the trees in 2010 (prepared by Ms. Anastasia Kostiuik, a 3D Engineer, on behalf of the Nuccions), and a declaration provided by Mr. Brandon Gill (an arborist hired on behalf of the Nuccions). The Council also heard testimony from Mr. Ruben Green, a Registered Consulting Arborist (hired by the Hassoldts); Mrs. Diana Nuccion; Mr. Howard Weinberg; and Mr. Hal Light with regard to the maturity of the Obstructing Trees. At the conclusion of the public hearing, and after considerable deliberation, the City Council concluded on the basis of the evidence that the Nuccions had a view when they acquired their property; that only two of the Obstructing Trees were mature in 2009. The City Council then directed staff to return with a resolution declaring that the view from 18 Portuguese Bend Road is significantly impaired by the nine identified immature trees located on 15 Portuguese Bend Road, and setting forth restorative action to abate the impairment.

In the course of implementing that direction, the City Attorney and staff determined that it would be beneficial to introduce an intermediate step in the process in order to assure that the findings placed into the resolution were consistent with the Council's direction and with the requirements of the applicable provisions of the Municipal Code. Consequently, in anticipation of the June 13, 2016 City Council meeting, staff prepared a report outlining all of the evidence presented to date relating to the extent of the view which existed from the Nuccions' property in April of 2009 and presented three options for the City Council to consider: (1) review the evidence supporting the existence of a view in 2009 and reaffirm its direction from April 25, 2016 and direct staff to return with a resolution upholding the CTV's October 7, 2015 decision; (2) re-open the public hearing after public notice and schedule another hearing; or (3) provide alternative direction to staff. During the course of the June 13, 2016 meeting, the Nuccions proffered additional evidence which had not been submitted during the hearing. This supplementary eleventh-hour evidence demonstrated to the Council that additional evidence existed which the parties had not previously presented to the Council for its consideration; therefore, in an effort to ensure that the entire universe of evidence was adequately being considered, the Council moved to reopen the public hearing for the limited purpose of considering the issue of whether a view existed at the time the Nuccions acquired their property. The Council further instructed the Nuccions to submit digital copies (including the metadata) of all photographs that had been submitted in support of the view impairment complaint, and instructed both parties to submit any and all additional evidence for the Council's consideration.

Section 3. On October 24, 2016, the City Council held a duly noticed public hearing (Rolling Hills Municipal Code Sections 17.26.040(C) and 17.26.050(A)-(B)) to conclusively determine the extent of the Nuccions' view as it existed in April of 2009. Evidence was presented by all interested persons, including the Complainants; the October 15, 2015 declaration of Mr. Martin Jimenez; email exchanges between the Hassoldts and the Nuccions; the photographs received by the City on April 25, 2016; the arborist reports of Mr. Dane Shota, Mr. William McKinley, and Mr. David De la Torre; the photometric analysis prepared by Ms. Anastasia Kostiuk; the metadata of the photos submitted along with a summary of said photos, provided by Mr. Weinberg; correspondence submitted by Mr. Weinberg including the declarations of Stephen Nuccion, Diana Nuccion, Margaret Schmit, Suzanne Sussman, Keith Kelley, Karina Santana, Yasmine Ryan, Sean Cardenas, James C. Roberts III, and Lianne Koeberle; and correspondence submitted by Mr. Light, including the declaration of Mr. Ruben M. Green. The Council also heard testimony from Mr. Green, Mrs. Hassoldt, Mrs. Nuccion, Mr. Light, Mr. Weinberg and Dr. Nuccion. This evidence was fully considered by the City Council, whose findings are expressed in further detail below.

Section 4. The City Council finds as follows:

A. Pursuant to Rolling Hills Municipal Code section 17.26.090(3) the burden of proof to show that any view is impaired shall be upon the party claiming such impairment, and the standard shall be by "clear and convincing evidence." Evidence shall be weighted in the following order of priority: (1) photographs; (2) expert testimony; and lastly (3) other evidence, which may include testamentary evidence and any documentation (other than photographs).

B. Pursuant to Rolling Hills Municipal Code Section 17.26.050 D(3), a view as defined in Section 17.12.220 of the Municipal Code existed from 18 Portuguese Bend Road when the Nuccions acquired the property in 2009. The Council finds, pursuant to the March 21, 2016 field trip to the property located at 18 Portuguese Bend Road, that the viewing area from the Nuccions' property includes a living room at the north side of the residence and a patio/pool deck area immediately adjacent thereto along the northern side of the residence, from the standing perspective of an average height person ("Designated Viewing Areas").

C. The Nuccions provided numerous photographs of their view from the Designated Viewing Areas; four photographs bore handwritten dates claiming that the photographs were taken in either 2010 or 2011. The Council notes that the photographic evidence in this case is further complicated by the fact that the Nuccions had the opportunity to, and in fact did, arrange for the trimming of the trees on 15 Portuguese Bend Road prior to the date that the Hassoldts purchased their property in 2012. Pursuant to a recent request for the production of metadata, the earliest photograph submitted for the Council's consideration was taken during dusk on July 14, 2010; this image is dark and does not adequately/clearly depict the Offending Trees. For these reasons, none of the photographs submitted, including the July 14, 2010 photograph, conclusively establish the view as it existed in from the Nuccions' property in 2009.

D. In the absence of clear and convincing testamentary evidence provided by the experts and conclusive photographic evidence, the Council relied heavily upon the declarations of the parties and their witnesses to establish the scope of the view from 18 Portuguese Bend Road. The Council commented on the integrity of the declarants provided by the Nuccions, and found their declarations persuasive. Specifically, the Council found the declaration of Mr. Roberts (whose father sold 15 Portuguese Bend Road to the Hassoldts, and who was personally involved with the care of 15 Portuguese Bend Road from 2005-2011) to be particularly persuasive. Additionally, the Council concluded that the MLS listing from February 2008 established clear and convincing evidence that a view existed from 18 Portuguese Bend Road at or about the time the Nuccions purchased their property. The listing included a description of the view as follows: "Panoramic City Lights and partial ocean views... Pool and spa overlooking views." The Council finds persuasive the testimony provided that the Nuccions relied upon this statement in viewing the home and would not have purchased the home if it did not in fact have the views described in the 2008 MLS listing.

E. The only evidence presented by the Hassoldts to rebut the evidence provided by the Nuccions is a report by arborist Ruben Green, who concludes on the basis of historic aerial photographs of some of the Obstructing Trees dated 2008 that a view could not have existed from the Nuccion property in 2009. However, while the aerial photographs show the height and spread of the trees from above, they do not show how the trees affected the view from the Designated Viewing Area on the Nuccion property. Mr. Green argues from the aerial photographs that the Nuccions "could not" have had a view; however, the Council finds this testimony to be speculative because the photographs do not take into account the height differential and viewing angle from the Nuccion residence. Furthermore,



the Hassoldts did not provide any contrary declarations. The Council finds that the overwhelming testamentary evidence of persons who visited the property in 2009 outweighs the speculative conclusions derived from aerial photographs.

F. Pursuant to Rolling Hills Municipal Code Section 17.12.220 "View Impairment," Section 17.26.050(D)(3) and Section 17.26.090 (3), the Council finds that the Nuccions have shown by clear and convincing evidence that the view from the Nuccions' property is significantly impaired because 11 trees located at 15 Portuguese Bend Road significantly impair the view of the Santa Monica Mountains, Mount Baldy and the City lights from the Designated Viewing Areas. The Nuccions provided an aerial photograph of the Obstructing Trees located at 15 Portuguese Bend Road. The Obstructing Trees have been identified as Tree Number One through Tree Number 9A, looking in a northerly direction from the perspective of 18 Portuguese Bend Road. The aforementioned photograph is attached as Exhibit A to this Resolution.

G. Further, the Council finds that, while the photographic evidence submitted by the parties was not persuasive with regard to the maturity of the trees, the testamentary evidence provided, coupled with the time and diligence devoted to this issue by the CTV indicates that only two of the Obstructing Trees (#9 and #9A) were mature when the Nuccions acquired their property in 2009 and are therefore ineligible for remediation under Measure B. Therefore, because the remaining nine trees were not mature when the Nuccions acquired their property, the Council hereby orders restorative action set forth below.

H. Lastly, the Council determined that nine (9) of the Obstructing Trees were not mature and therefore subject to remediation under sections 17.26.010 and 17.26.090(2) of the Rolling Hills Municipal Code. On the issue of maturity, the Council considered the following evidence:

(1) The June 16, 2015 Consulting Arborist Report prepared by Mr. Dane Shota (retained by the Hassoldts). Mr. Shota observed the Obstructing Trees from the Hassoldts' property; he determined that any conclusions derived from the height of the trees would be inaccurate because the trees have been pruned/manipulated. Mr. Shota provided a list of 20 trees located on the Hassoldt property that he determined were mature; no explanation was provided for this determination. Lastly, Mr. Shota's report contained a statement that "[a] lot of the trees that are mature were planted in 1937;" it is unclear from Mr. Shota's report to whom this unsubstantiated statement is attributed. The CTV determined that the conclusions reached by Mr. Shota were inaccurate because there were virtually no trees in the City of Rolling Hills in 1937. The balancing of this evidence, and the determinations made by the CVT with regard to it, are confirmed by the City Council.

(2) The June 17, 2015 Certified Arborist Report prepared by Mr. William McKinley (retained by the Nuccions). Mr. McKinley concluded that all eleven of the Obstructing Trees were "actively growing" and therefore could not have been mature in 2009. Mr. McKinley based his conclusions on visual observations made of the Obstructing Trees from the Nuccions' pool deck area, and what he determined to be "cut lines" and evidence of trimming/regrowth. Based on historical photographic evidence (which depicted virtually no trees planted in the City in 1937 – other than a few olive trees), the CTV agreed with Mr. McKinley that nine of the Obstructing Trees could not have been mature; however, the CTV disagreed with Mr. McKinley's conclusion that the two olive trees planted on the Hassoldt property were maturing (as they had arguably been planted in the City around 1937). The balancing of this evidence, and the determinations made by the CVT with regard to it, are confirmed by the City Council.

(3) The September 2, 2015 Certified Arborist Report prepared by Mr. David De La Torre (retained by the City). Mr. De La Torre observed the Obstructing Trees from the Hassoldt property. Using a mathematical equation to determine the age of the trees, Mr. De La Torre explained how he determined their maturity. Mr. De La Torre determined that the average age of the Obstructing Trees was 62 years old (the oldest tree was 141, while the youngest was 15.) Based upon this information, Mr. De La Torre concluded that of the eleven Obstructing Trees, nine (9) were mature and only two (2) were maturing. Based on historical photographic evidence, the CTV disagreed with Mr. De La Torre that nine (9) of the Obstructing Trees were mature; virtually no trees had been planted in the City in 1937 (other than a few olive trees), therefore the nine (9) trees indicated by Mr. De La Torre could not have been mature in 2009. The CTV concluded that except for the two olive trees located on the Hassoldt property, the remaining nine trees were maturing and therefore subject to remediation. The balancing of this evidence, and the determinations made by the CVT with regard to it, are confirmed by the City Council.

(4) The August 28, 2015 Certified Arborist Report prepared by Mr. Kevin Eckert (retained by the Nuccions). Mr. Eckert concluded that all eleven of the Obstructing Trees were maturing; his conclusions were derived from the "2010/2011" photographs that had been submitted by the Nuccions and a "video stream" of the view from the Nuccions' pool deck area. Based on historical photographic evidence (which depicted virtually no trees planted in the City in 1937 – other than a few olive trees), the CTV agreed with Mr. Eckert that nine of the Obstructing Trees could not have been mature; however, the CTV disagreed with Mr. Eckert's conclusion that the two olive trees planted on the

Hassoldt property were maturing (as they had arguably been planted in the City around 1937). Furthermore, the Council had subsequently learned from the metadata presented as evidence in October, that the photographs relied upon by Mr. Eckert had actually been taken between 2011-2012; therefore the Council confirmed that the accuracy of the conclusions reached by Mr. Eckert were questionable.

(5) The April 16, 2016 and May 12, 2016 reports prepared by Ms. Anastasia Kostiuk (3D Engineer retained by the Nuccioni). Ms. Kostiuk was asked to review photographs provided to her by the Nuccioni, which she was told were taken in 2010; as well as aerial photographs of the Hassoldt property taken between 2008-2012. Ms. Kostiuk took these photographs and created 3D renderings of them, from these renderings she mathematically determined the height of each tree based on the length of the shadows they cast. The Council determined that the evidence provided by Ms. Kostiuk was inconclusive as it was later revealed that the dates of the photographs provided by the Nuccioni were not taken in 2010, but rather in 2011-2012. Furthermore, the data provided by Ms. Kostiuk revealed conflicting and fluctuating evidence related to the height of the trees over time.

(6) The February 2, 2016 and October 13, 2016 declarations of Mr. Ruben Green (certified arborist retained by the Hassoldts). Mr. Green conducted a site inspection at the Hassoldt property to supervise trimming that was being conducted. Mr. Green does not consider Ms. Kostiuk's method to be a reliable way to determine the maturity of the trees. Mr. Green provided his own aerial photographs from 2008 and 2011 to call into question the accuracy of the data Ms. Kostiuk relied upon; specifically, Mr. Green calls attention to the varying height of the utility pole and the evidence of topping in Ms. Kostiuk's photographs. However, the Council determined that in either declaration Mr. Green does not provide an opinion as to whether or not the trees were mature. Ultimately, the Council finds that the weight of the evidence supports a finding that nine (9) of the Obstructing Trees were not mature in 2009 and that restorative action on the nine (9) Obstructing Trees is necessary to abate the view impairment by creating view corridors and views through the trees.

I. Pursuant to Rolling Hills Municipal Code Section 17.26.050(E), the Council finds the restorative action set forth below in this Resolution is necessary to abate the view impairment by creating view corridors and views through trees, that the restorative action will not adversely affect the environment, and that the action will not unreasonably detract from the enjoyment or privacy of the property at 15 Portuguese Bend Road. While the record indicates that the Hassoldts trimmed unspecified trees in January or February of 2016, the Council nonetheless finds that the restorative action set forth in Section 5 of this Resolution remains appropriate.

J. The City reviewed the proposed restorative action's environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq.*, "CEQA") and the regulations promulgated thereunder (14 California Code of Regulations §§ 15000, *et seq.*, the "CEQA Guidelines") and determined the proposed project to be exempt from environmental review pursuant to Section 15304 (Minor Alterations of Land) and Section 15061(b)(3) (Common Sense Exemption) of the CEQA Guidelines. The project is exempt because no trees will be removed. Instead, the Obstructing Trees will be cleaned out, shaped and trimmed and a substantial amount of the foliage will remain. No evidence was introduced to suggest that the restorative action will cause an adverse environmental impact. Thus, it can be said with certainty that there will be no environmental impact from the proposed actions.

**Section 5.** The Council orders the following restorative action pursuant to Rolling Hills Municipal Code Section 17.26.050(E):

A. Pursuant to Rolling Hills Municipal Code Section 17.26.060(A), within thirty (30) calendar days of adoption of this Resolution, the Nuccioni are hereby required to obtain and present to the Owners of 15 Portuguese Bend Road, a minimum of three (3) bids from licensed qualified contractors for the performance of the Initial Restorative Action set forth in this Resolution as well as a cash deposit in the amount of the lowest bid. The contractors must provide insurance which protects and indemnifies the City and the Nuccioni from damages attributable to negligence or wrongful performance of the work. Any such insurance shall be subject to the approval of the City.

B. Pursuant to Section 17.26.060(B), the Owners of 15 Portuguese Bend Road may select any licensed and qualified contractor to perform the Initial Restorative Action (defined below) (as long as the insurance requirement of the above paragraph is satisfied), but shall pay for any cost above the amount of the cash deposit. The work for the Initial Restorative Action shall be completed no later than February 14, 2017 or pursuant to an alternative schedule (but no later than March 1, 2017) if the selected contractor determines that the health of the trees would be compromised if the work is performed by February 14, 2017.

C. Subsequent maintenance of the subject vegetation shall be performed at the cost and expense of the owners of 15 Portuguese Bend Road. All vegetation subject to the restorative action described in this Resolution and any future planting, including replacement trees, shall be maintained so

that the view shown in the photograph to be taken by City staff or designee following the Initial Restorative Action, as detailed below, is preserved. The trees shall be maintained so as to not allow for future view impairments from the Designated Viewing Areas of 18 Portuguese Bend Road. Tree maintenance shall be done in the winter months (December – March) and shall be completed by March 1 of each year in which the work is to be done, as specified in paragraph F of this section of this Resolution.

D. An informational covenant shall be recorded against the title of 15 Portuguese Bend Road and shall run with the land, thereby giving notice of this Resolution to all future owners.

E. Initial Restorative Action shall be limited to the 9 Obstructing Trees as identified in the table below.

F. The Initial Restorative Action shall consist of the following:

TYPE OF TREE AND TREE #	LOCATION	ACTION	MAINTENANCE
1	Eucalyptus	NO ACTION	NO ACTION
2	Eucalyptus- along Roadway easement-front	Lace, shape & crown reduce to no higher than the current height of Palm Trees	Every two years
3	Washington Fan Palm- along N/E side of property	Remove the dead fronds	Every two years
3-A	Washington Fan Palm- along N/E side of property	Remove the dead fronds	Every two years
4	Eucalyptus & various volunteers- S/W corner of lot	Lower the canopy and trim to old cuts for city view	Every two years
4-A	Olive & various volunteers- S/W corner of lot	Lower the canopy and trim to old cuts for city view	Every two years
5	Eucalyptus- by garage	Reduce crown to a height of 46 feet above ground	Every two years
6	California Pepper- along front	Shape & reduce canopy to old cuts	Every two years
6-A	California Pepper- along front	Shape & reduce canopy to old cuts	Every two years
7	Olive Tree- along front; S/E corner	Shape, reduce crown and trim to old cuts for city view	Every two years
8	Acacia	NO ACTION	NO ACTION
9	Olive Tree- lawn area	NO ACTION	NO ACTION
9-A	Olive Tree- lawn area	NO ACTION	NO ACTION
<b>TOTAL 9 Trees Subject to Initial Restorative Action</b>			

The locations of the above listed trees are shown on the aerial photograph attached hereto as Exhibit A.

G. The actions described above shall be accomplished per ISA industry standards and best arborist practices, and the following definitions shall apply:

**Crown Reduction:** Height reduction to specified height by removing selective branches, deadwood, stems and foliage to reduce the height and spread of a tree.

Lace: Thin out thick areas of the canopy to expose the structure of dominant branches, clean out the crown, shaping and balancing the tree.

Section 6. Upon conclusion of the Initial Restorative Action, the Nuccioni shall contact the City and the Hassoldts to schedule a site visit to 18 Portuguese Bend Road, during which City staff shall take photograph(s) from the Designated Viewing Areas to be attached as Exhibit B to this Resolution for the purpose of establishing the level of restorative action for future maintenance. The Hassoldts may attend this site visit as observers only.

Section 7. There shall be no restorative action required for the remainder of the trees on the property at 15 Portuguese Bend Road not listed in the Initial Restorative Action in this Resolution. However, trees on the property not included in this Resolution shall be maintained at current configuration and any new growth that extends into the view established by this Resolution shall be removed at the same time as the maintenance is conducted for the Obstructing Trees, at the sole expense of the Owners of 15 Portuguese Bend Road.

Section 8. The parties by mutual agreement, if they so desire, may modify the implementation action in this Resolution, as set forth in Rolling Hills Municipal Code Section 17.26.060(D). Any such mutual agreement shall be recorded.

Section 9. In the event that any party requests inspection of implementation of Resolution 1196 on grounds that the restorative action or maintenance is not compliant with this Resolution, the City may be required to incur substantial costs in investigating the complaint. Therefore, the City shall be entitled to recover its costs from a non-compliant party, for activities including, but not limited to, hiring independent consultants.

PASSED, APPROVED AND ADOPTED by Members of the City Council this 28<sup>th</sup> day of November 2016.

  
Bea Dieringer  
Mayor

ATTEST:



Heidi Luce  
City Clerk

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES        )       SS  
CITY OF ROLLING HILLS         )

The foregoing City Council Resolution No. 1196 entitled:

A RESOLUTION OF THE ROLLING HILLS CITY COUNCIL  
DENYING THE APPEALS OF DR. AND MRS. STEPHEN NUCCION  
AND MR. AND MRS. WILLIAM HASSOLDT, AND UPHOLDING  
THE DECISION OF THE COMMITTEE ON TREES AND VIEWS BY  
DECLARING THAT SPECIFIC TREES LOCATED ON THE  
PROPERTY AT 15 PORTUGUESE BEND ROAD HAVE CAUSED  
SIGNIFICANT VIEW IMPAIRMENT TO THE VIEW FROM THE  
PROPERTY LOCATED AT 18 PORTUGUESE BEND ROAD AND  
SETTING FORTH RESTORATIVE ACTION TO ABATE THE  
IMPAIRMENT.

was approved and adopted at a meeting of the City Council on November 28, 2016 by the following roll  
call vote:

AYES:           Councilmembers Black, Mirsch, Pieper and Wilson.

NOES:           Mayor Dieringer.

ABSENT:        None.

ABSTAIN:       None.

  
\_\_\_\_\_  
Heidi Luce  
City Clerk

This decision is final and conclusive. Any action challenging this administrative order must be filed  
with a court of law within the time limits set forth in section 1094.6 of the California Code of Civil  
Procedure.

# EXHIBIT A

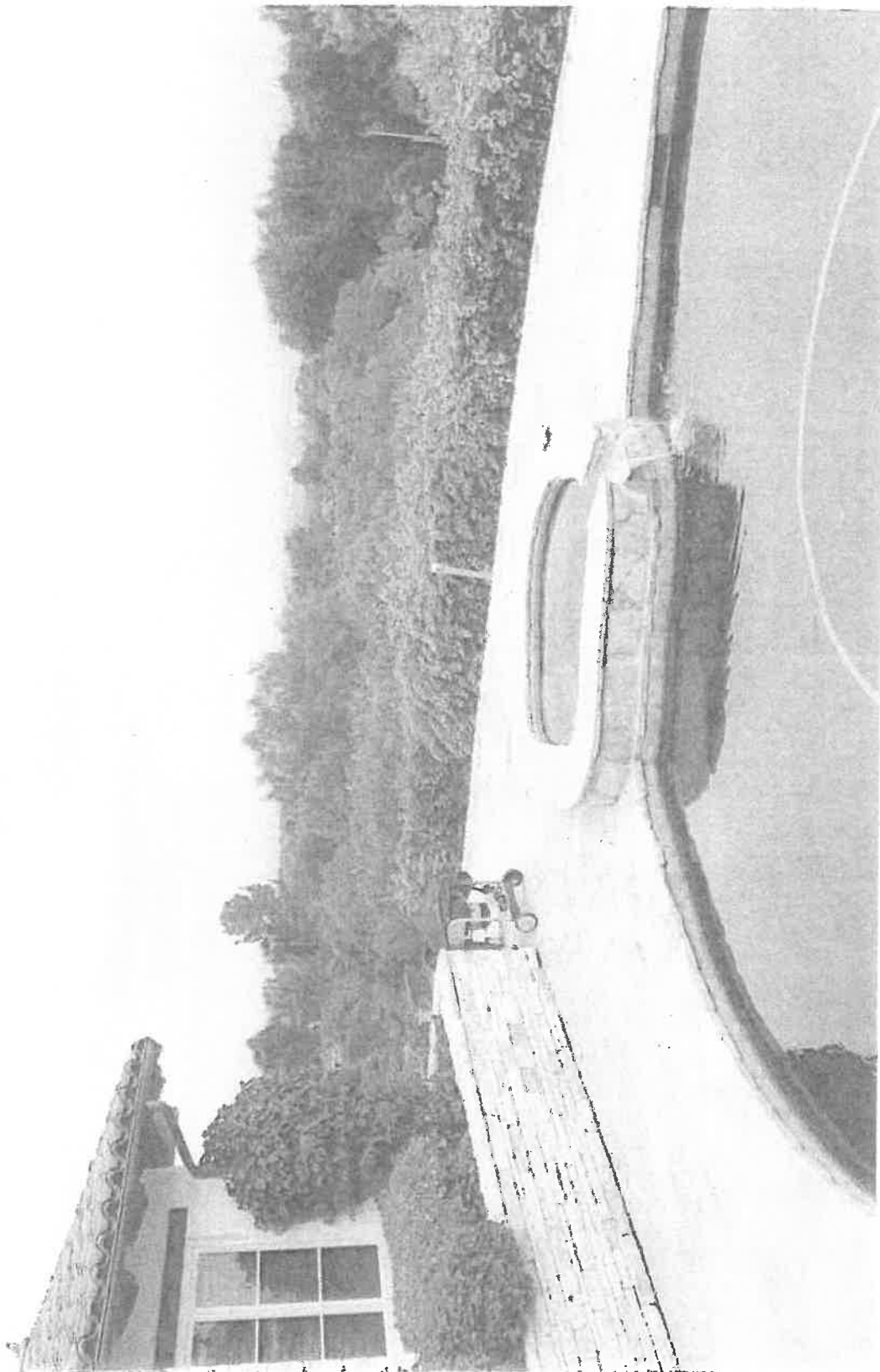
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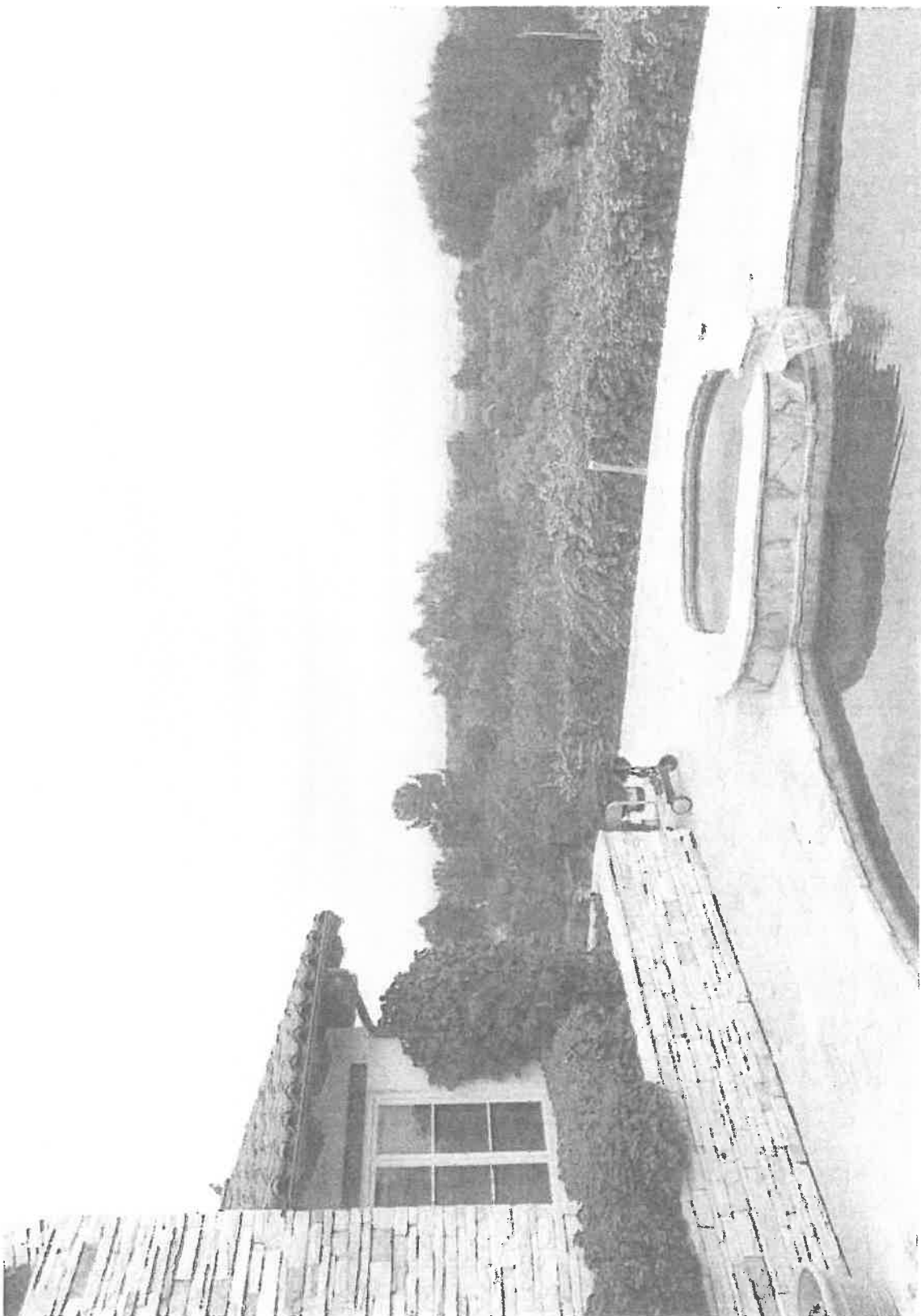


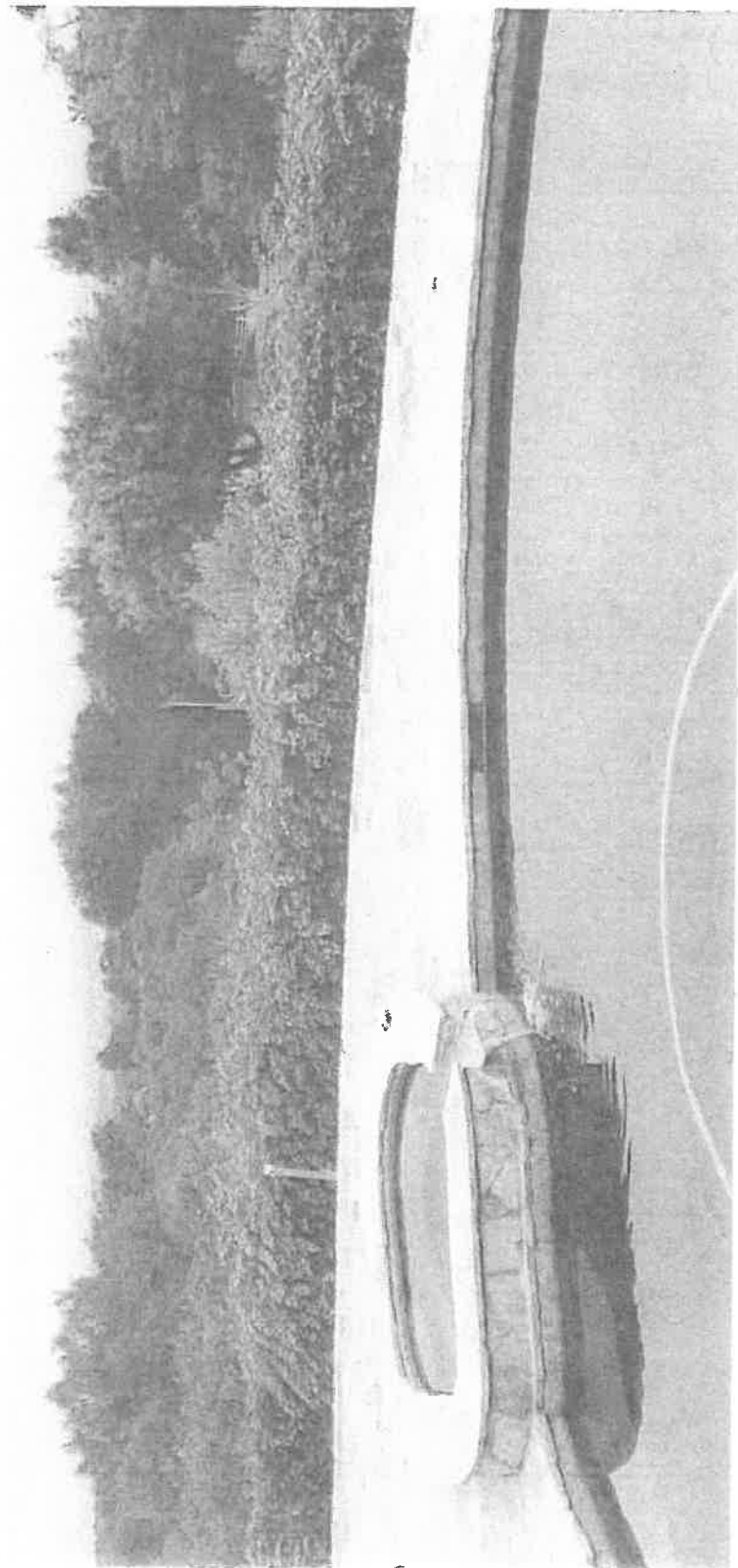
## EXHIBIT B











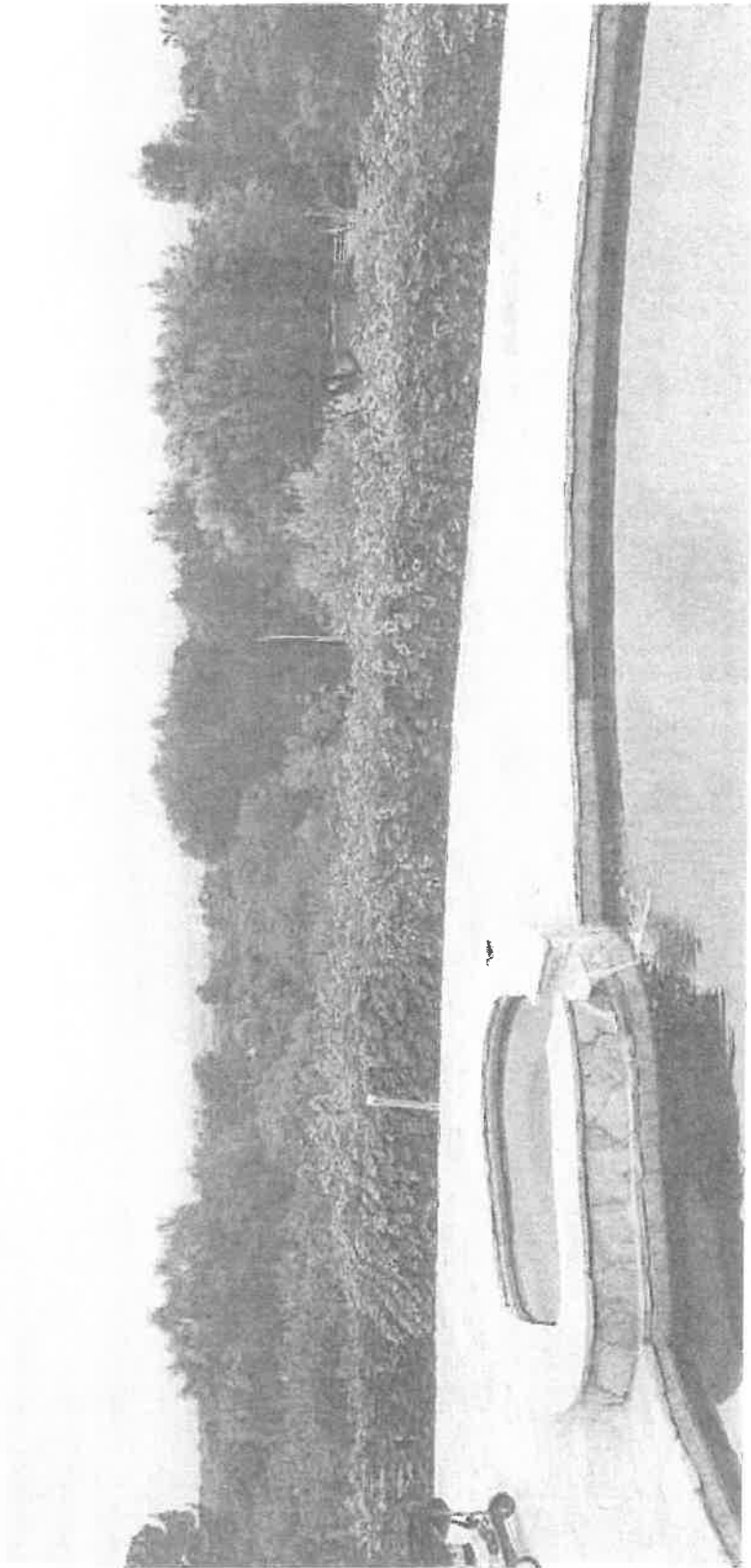
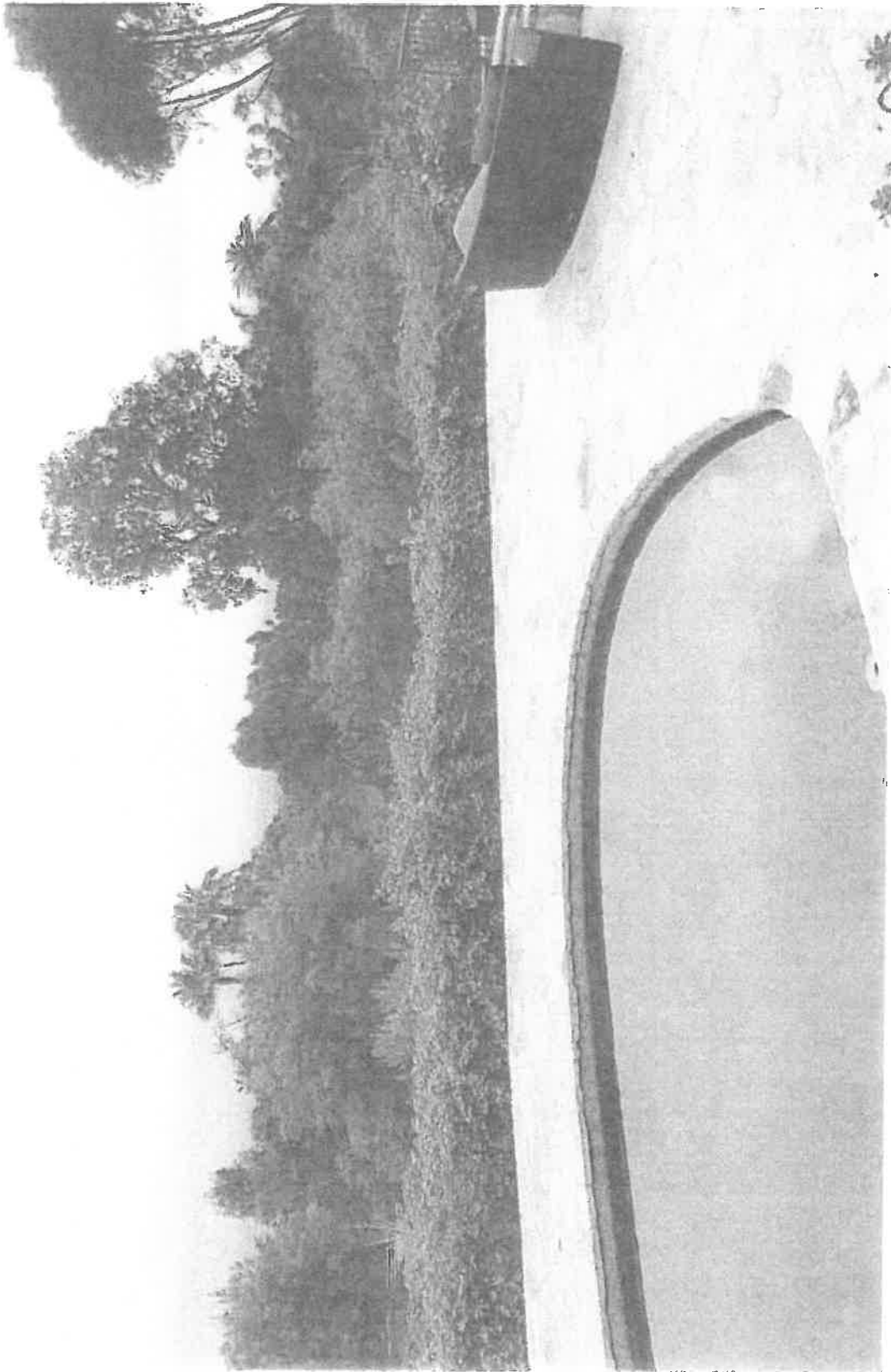
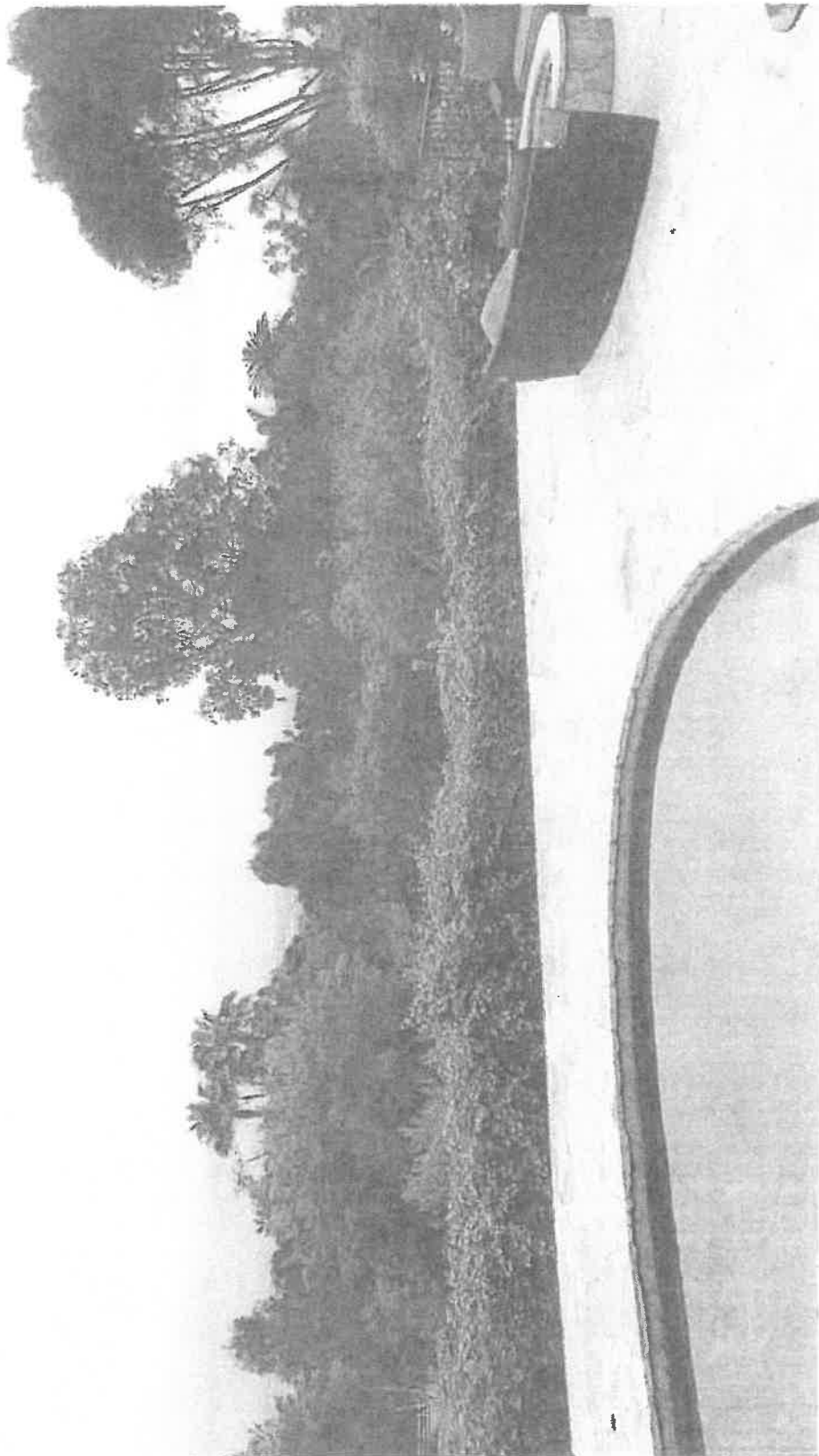


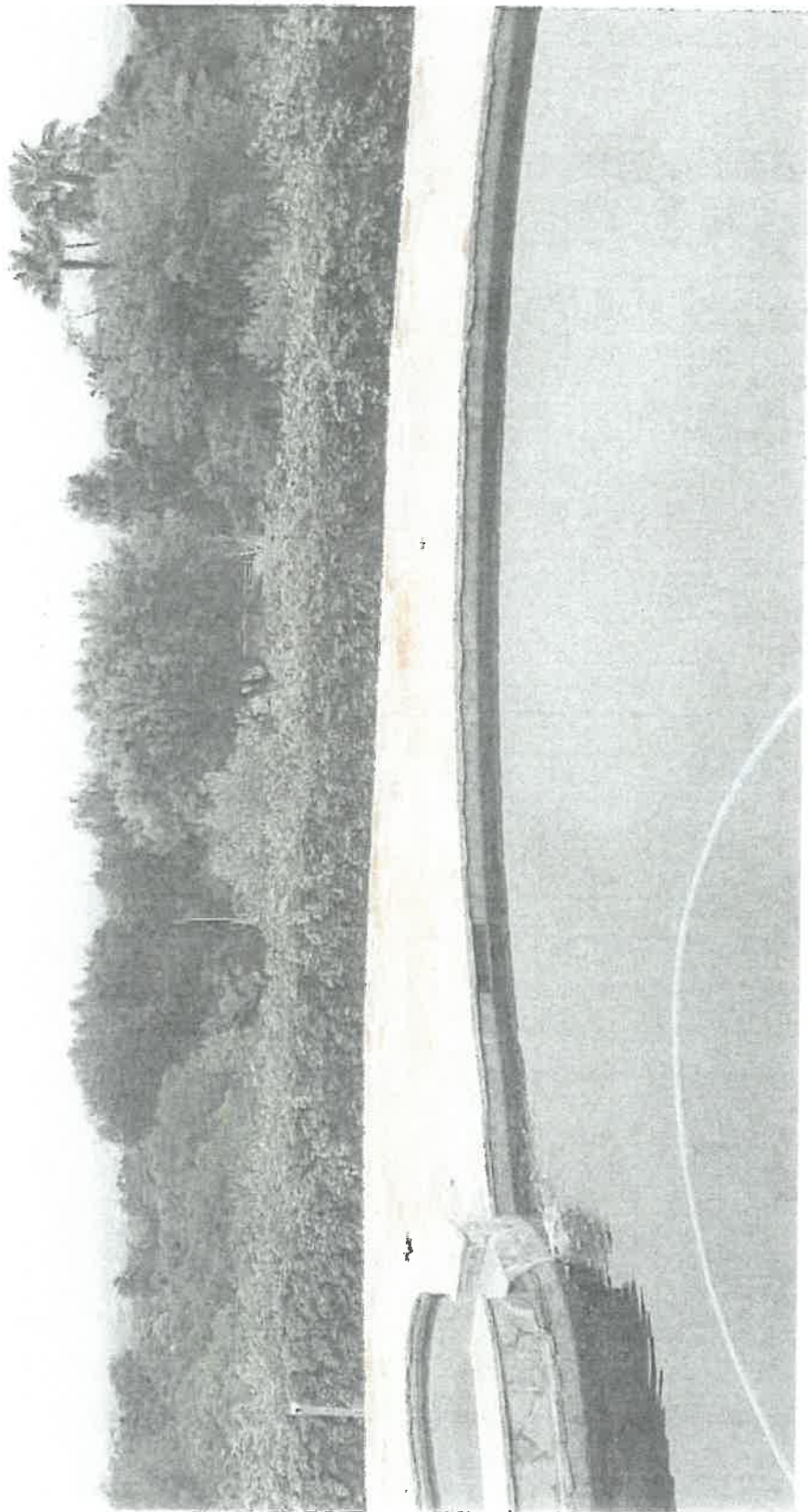
Photo taken on May 10, 2017

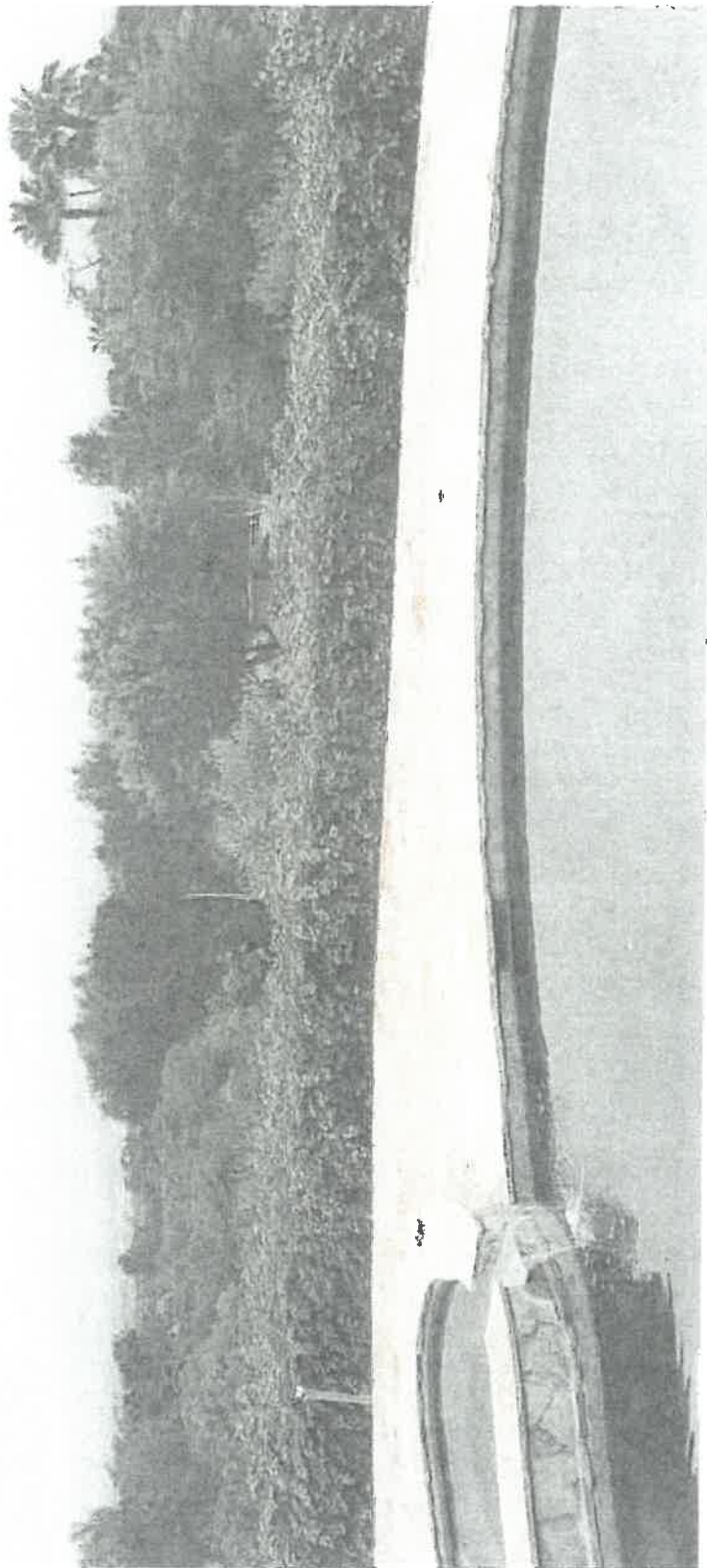
EXHIBIT B

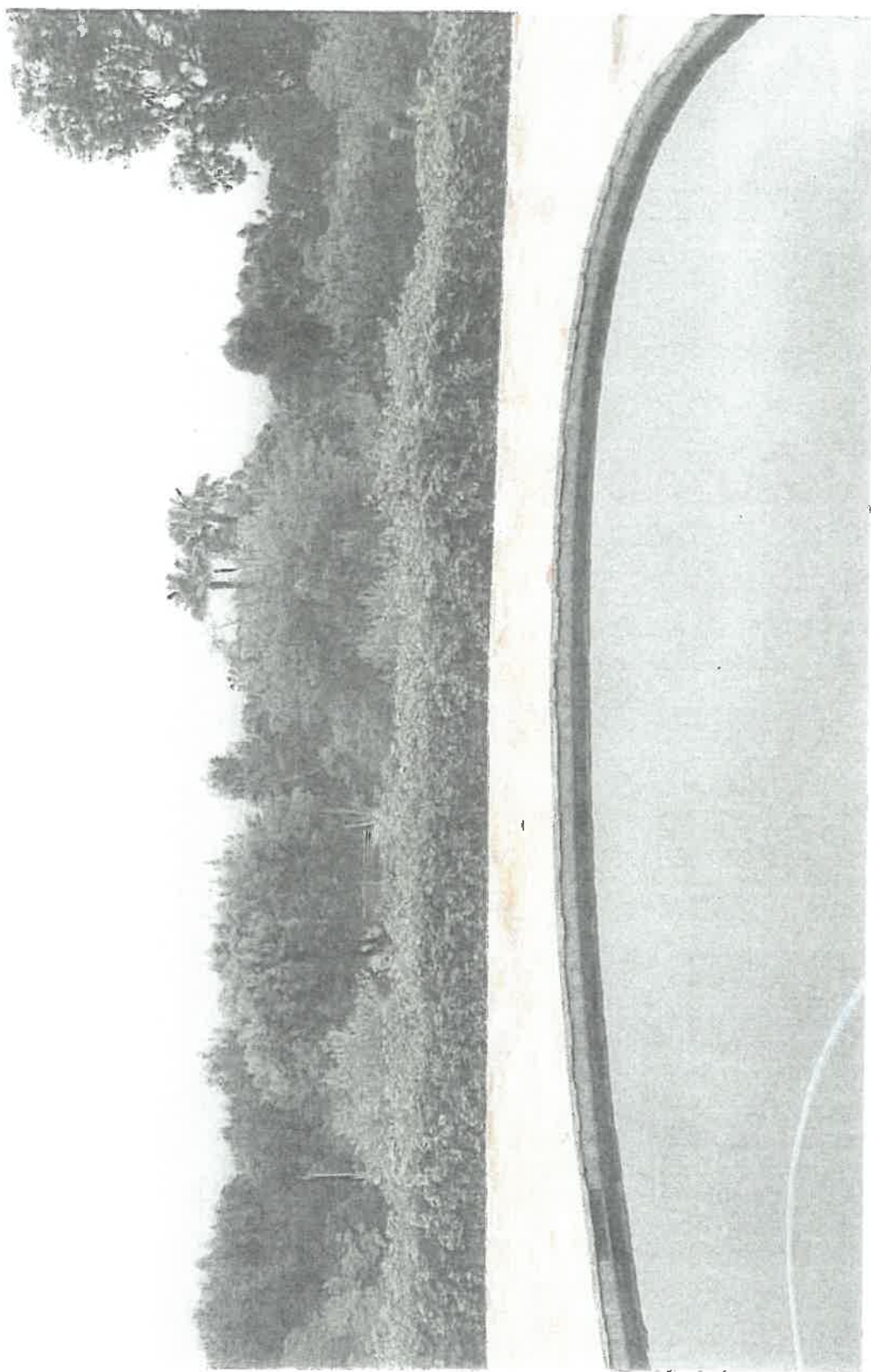


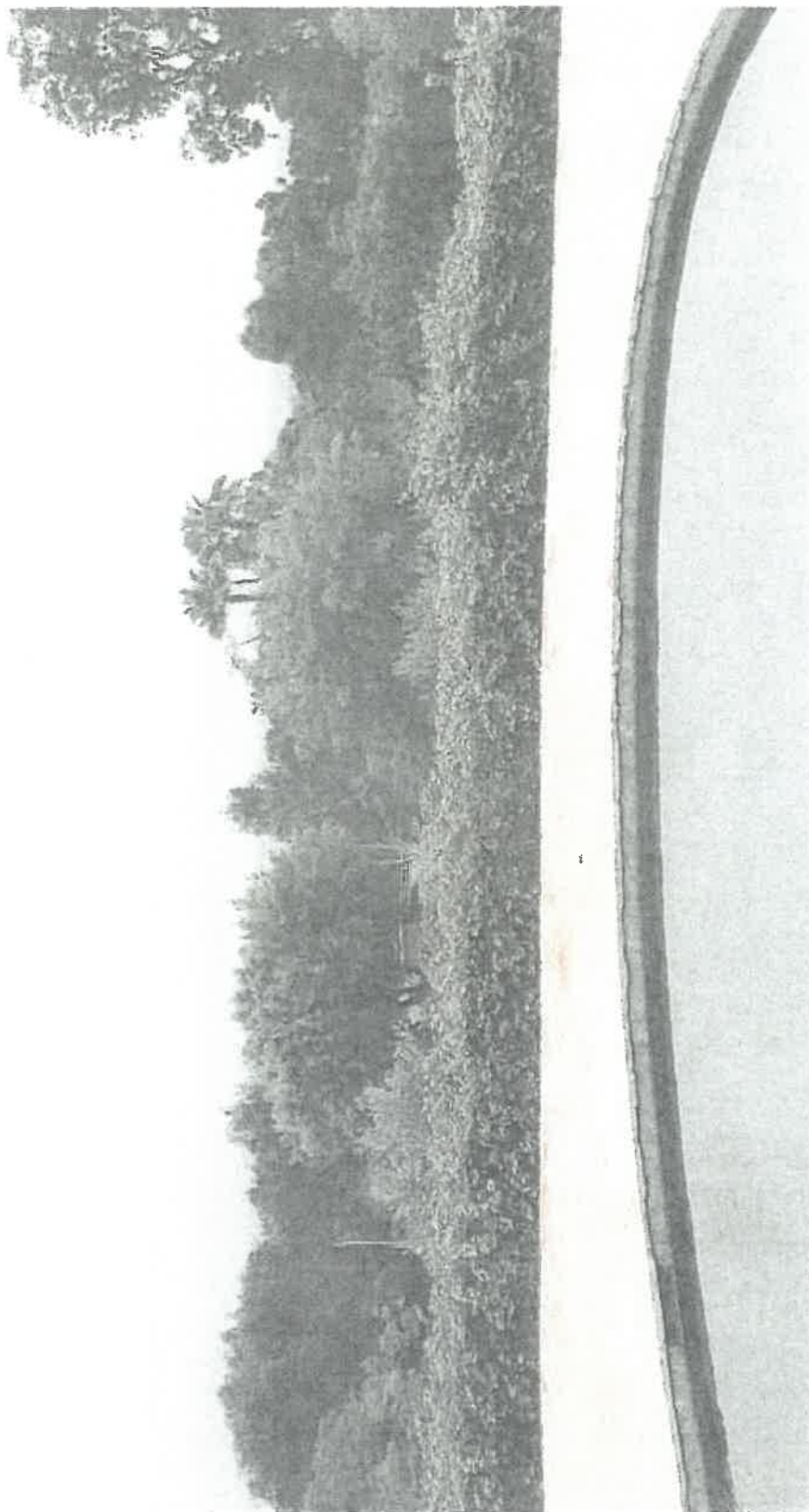
















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# City of Rolling Hills

INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD  
ROLLING HILLS, CALIF. 90274

(310) 377-1521

FAX: (310) 377-7288

## VIA CERTIFIED MAIL

March 29, 2019

Mr. and Mrs. William Hassoldt  
10 Pine Tree Lane  
Rolling Hills, California 90274

Subject: 15 Portuguese Bend Road - Non-compliance with Resolution No. 1196 and  
Notice to Abate Nuisance

Dear Mr. and Mrs. Hassoldt:

I am writing to follow up on my March 13, 2019 letter regarding your non-compliance with Resolution No. 1196 and to provide you with notice to abate the nuisance on your property, located at 15 Portuguese Bend Road, Rolling Hills, California 90274, by April 15, 2019.

As previously advised in my March 13, 2019 letter, Resolution No. 1196 requires you to take certain maintenance actions on identified trees on your property every two years beginning in 2017 by March 1. (Enclosed with this letter is a copy of my March 13, 2019 letter.) On Tuesday, March 5, 2019, City staff visited your neighbor's property located at 18 Portuguese Bend Road and took photographs from the Designated Viewing Area as described in Section 4(C) of Resolution No. 1196. In comparing the photographs (May 10, 2017 against March 5, 2019), it was determined that the actions outlined in Resolution No. 1196 were not performed by March 1. In my March 13, 2019 letter, the City advised you of your noncompliance with Resolution No. 1196 and ordered specific maintenance actions by March 28, 2019.

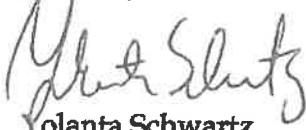
On March 29, 2019, City staff again visited 18 Portuguese Bend Road and took photographs from the Designated Viewing Area. (Enclosed with this letter are photographs from March 29, 2019.) City staff determined that the ordered maintenance actions were not performed. Pursuant to Rolling Hills Municipal Code Chapter 8.24, the City Manager has determined that your noncompliance with Resolution No. 1196, by your failure to take the ordered maintenance actions in the City's March 13, 2019 letter, has resulted in a nuisance on your property.

This letter serves to notify you of your responsibility to abate the nuisance within fifteen days from the date of this notice, or by April 15, 2019. If the nuisance is not abated or good-faith efforts towards abatement have not been made to the satisfaction of the City

Manager by April 15, 2019, a hearing will be held before the City Council to hear any protest by you or any other interested person. The hearing before the City Council to declare a nuisance and order abatement will be held on April 22, 2019 at 7:00 p.m. in City Council Chambers located at 2 Portuguese Bend Road, Rolling Hills, California 90274.

Please take the ordered maintenance actions in the City's March 13, 2019 letter by April 15, 2019. If you have any questions, please do not hesitate to call me at 310-377-1521.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Yolanta Schwartz', written over a horizontal line.

Yolanta Schwartz  
Planning Director

cc: Elaine Jeng P.E., City Manager

**Attachments:**

Letter dated March 13, 2019, with attachments

March 29, 2019 photographs from Designated Viewing Area



## City of Rolling Hills

INCORPORATED JANUARY 24, 1957

**COPY**

March 13, 2019

Mr. and Mrs. William Hassoldt  
10 Pine Tree Lane  
Rolling Hills, CA 90274

Subject: 15 Portuguese Bend Road, Rolling Hills, California 90274  
Non-compliance with Resolution No. 1196

Dear Mr. and Mrs. Hassoldt:

On February 28, 2019, the City of Rolling Hills received a complaint from Dr. and Mrs. Nuccion (18 Portuguese Bend Road) alleging that you have not complied with the actions identified in Resolution No. 1196 pertaining to the trees on your property. (Enclosed with this letter is a copy of the covenant recorded against your property with Resolution No. 1196.) Resolution No. 1196 requires maintenance of all of the trees on your property, including those identified for Initial Restorative Action, every two years beginning in 2017 by March 1. (See Resolution No. 1196, Sections 7 and 5(C).) It also requires you to bear the cost of such maintenance. (See Resolution No. 1196, Section 5(C).)

On Tuesday, March 5, 2019, City staff visited Dr. and Mrs. Nuccion's property at 18 Portuguese Bend Road and took photographs from the Designated Viewing Areas as described in Section 4(C) of Resolution No. 1196. To the extent possible, the photographs were taken from angles mimicking the angles of the photographs included as a part of Resolution No. 1196, Exhibit B.


In comparing the photographs (May 10, 2017 against March 5, 2019), the following observations were made:

- Tree #2 (Eucalyptus-along Roadway easement-front): it does not appear to have been laced, shaped or its crown reduced to the height of the nearby palm trees as they existed in 2017 on your property.
- Tree #4 (Eucalyptus & various volunteers-S/W corner of lot) and Tree 4A (Olive & various volunteers-S/W corner of lot): it does not appear that the canopies were lowered or trimmed based on appearance of city view.
- Tree #5 (Eucalyptus- by garage): it appears that its crown has not been reduced to 46 feet above ground, which was the 2017 height as set forth in Resolution No. 1196.

- Tree #6 (California Pepper-along front), Tree 6A (California Pepper-along front), and Tree 7 (Olive Tree-along front; S/E corner): please provide recent evidence of a work order requesting that the trees be shaped and their canopy reduced to the old cuts for city view for purposes of compliance with the 2019 maintenance obligation.
- Tree #3 (Washington Fan Palm-along N/E side of property) and Tree 3-A (Washington Fan Palm-along N/E side of property): the trees appear not to have any dead fronds. Therefore, no further action is required.

At a minimum, the maintenance actions outlined in Resolution No. 1196 were not performed as it relates to Tree #2 (Eucalyptus-along Roadway easement-front), Tree #4 (Eucalyptus & various volunteers-S/W corner of lot), Tree 4A (Olive & various volunteers-S/W corner of lot), and Tree #5 (Eucalyptus- by garage). Please trim the abovementioned trees in accordance with Resolution No. 1196 by March 28, 2019.

Sincerely,

  
Yolanta Schwartz  
Planning Director

cc: Elaine Jeng P.E., City Manager

Enclosures:

Covenant with Resolution No. 1196

Addendum to Covenant

Pictures taken on March 5, 2019

Pictures taken on May 10, 2017

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

CITY OF ROLLING HILLS  
PLANNING DEPARTMENT  
2 PORTUGUESE BEND RD.  
ROLLING HILLS, CA 90274

(310) 377-1521  
(310) 377-7288 FAX



THIS FORM MUST BE PROPERLY ACKNOWLEDGED BEFORE RECORDATION. **↑ RECORDER'S USE ONLY**

**INFORMATIONAL COVENANT MEMORIALIZING ORDER OF THE CITY OF ROLLING HILLS  
ABATING A VIEW IMPAIRMENT**

This Informational Covenant shall provide notice of a final decision of the City of Rolling Hills pertaining to restoration and preservation of a view impaired by vegetation located at 15 Portuguese Bend Road, City of Rolling Hills, County of Los Angeles, CA 90274 (Lot 78-RH) ("Property"), set forth in Resolution No. 1198, adopted by the City Council on November 28, 2016.

Resolution No. 1198, attached as Exhibit 1 hereto, reflects a final decision of the City pursuant to Chapter 17.26 of the Rolling Hills Municipal Code. The obligations set forth therein, including maintenance of the view reflected in the photograph(s) attached as Exhibit(s) to Resolution No. 1198, shall run with the land and shall apply to and be binding upon the heirs, successors and assigns of the owner(s) of the Property and shall burden the Property for the benefit of the City, the public, and surrounding landowners. This covenant shall continue in effect unless released by the City Council of the City of Rolling Hills.

The owner(s) of the Property, WILLIAM AND JUDITH HASSOLDT shall expressly make the terms of Resolution No. 1198 a part of any deed or other instrument conveying any interest in the Property. Failure to comply with Resolution No. 1198 shall constitute a misdemeanor and a public nuisance, and may be subject to criminal or civil enforcement pursuant to Section 17.26.070 of the Rolling Hills Municipal Code. No consent, waiver, approval or authorization is required from any person or entity in connection with the execution and delivery of this covenant or the obligations set forth in Resolution No. 1198.

The City shall cause this covenant to be recorded against the title to the Property in the Official Records of the County of Los Angeles.

**Attachments:**

Exhibit 1 Resolution No. 1198

CITY OF ROLLING HILLS,  
A California Municipal Corporation

By: Raymond Cruz  
Raymond Cruz, City Manager

Raymond P. Cruz  
Name typed or printed

The following acknowledgment must be completed by a notary public or other official pursuant to California Civil Code Sections 1181 and 1188.



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

On 5/11/17 before me, ANTHONY DAY (name), a  
Notary Public (or insert title of officer), personally appeared

ANTHONY DAY  
who proved to me on the basis of satisfactory evidence to be the person(s) whose  
name(s) is/are subscribed to the within instrument and acknowledged to me that  
he/she/they executed the same in his/her/their authorized capacity(ies), and that by  
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of  
which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the  
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Signature]

Name of Notary or Officer: ANTHONY DAY

Date Commission Expires (if applicable): JAN. 24, 2021

Commission No. (if applicable): 217347



A RESOLUTION OF THE ROLLING HILLS CITY COUNCIL DENYING THE APPEALS OF DR. AND MRS. STEPHEN NUCCION AND MR. AND MRS. WILLIAM HASSOLDT AND UPHOLDING THE DECISION OF THE COMMITTEE ON TREES AND VIEWS BY DECLARING THAT SPECIFIC TREES LOCATED ON THE PROPERTY AT 15 PORTUGUESE BEND ROAD HAVE CAUSED SIGNIFICANT IMPAIRMENT TO THE VIEW FROM THE PROPERTY LOCATED AT 18 PORTUGUESE BEND ROAD AND SETTING FORTH RESTORATIVE ACTION TO ABATE THE IMPAIRMENT.

THE CITY COUNCIL OF THE CITY OF ROLLING HILLS DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

**Section 1.** The City's View Preservation Ordinance was enacted in June 1988. The ordinance established preservation of views to be of primary value to the community and created a process by which a property owner could seek to restore a view obstructed by landscaping.

In March 2015, the Rolling Hills electorate passed an initiative entitled Measure B amending the 1988 View Preservation Ordinance. The principal effect of Measure B was to shift the application of the Ordinance from protecting views that are capable of being enjoyed from a property to views that were actually enjoyed from a property when the property owner first acquired the property. In particular, the initiative amended the View Preservation Ordinance as follows:

- a. Protecting only those views which existed when the current property owner acquired ownership of the property;
- b. Limiting the protection of the ordinance to views obstructed by "maturing" vegetation (thereby excluding views obstructed by trees that were "mature" at the time of the property acquisition); and
- c. Restoring views from "view corridors," and "views through trees."

**Section 2.** On April 24, 2014, Dr. and Mrs. Stephen Nuccio, the owners of the property located at 18 Portuguese Bend Road ("Nuccions"), filed a View Impairment Complaint ("Complaint") regarding the trees located at 15 Portuguese Bend Road, a property owned by Mr. and Mrs. William Hassoldt ("Hassoldts"). The Complaint alleged that at the time the Nuccions purchased their property in April of 2009 they enjoyed a panoramic view of the Santa Monica Mountains, Mount Baldy, and the City lights to the north of Rolling Hills, and that since 2012 the Hassoldts had failed to maintain the trees located upon their property such that the view from 18 Portuguese Bend Road was significantly impaired. Pursuant to the Complaint, the Nuccions requested that their view be restored to the condition that it was in during April of 2009.

Pursuant to Rolling Hills Municipal Code 17.26.040(B), the Complaint was referred to a mediator and both parties engaged in mediation; the mediation was unsuccessful. The Nuccions thereafter applied to the City's Committee on Trees and Views ("CTV") in order to resolve the Complaint. By the end of December 2014, City staff had informed the Nuccions that their application was incomplete and requested additional information; this information was not provided to the City until February 4, 2015.

After several postponements, duly noticed public hearings (per Rolling Hills Municipal Code Sections 17.26.040(C) and 17.26.050(A)-(B)) were conducted before the CTV on March 17, 2015, April 21, 2015, May 14, 2015, July 7, 2015, July 21, 2015 and September 22, 2015. Additionally, the CTV attended a duly noticed field trip to both the 15 and 18 Portuguese Bend Road properties on April 21, 2015. At each of the aforementioned meetings, evidence was received from all persons interested in the matter and from members of City staff. The CTV reviewed, analyzed and studied the evidence submitted.

At its July 7, 2015 meeting, the CTV determined that it did not have sufficient evidence to determine whether the trees located at 15 Portuguese Bend Road that are the subject of this Complaint ("Obstructing Trees") were mature in April of 2009 and directed the City to retain a certified arborist to provide an opinion as to the maturity of the Obstructing Trees. The City conducted a request for proposals and selected David de la Torre as the independent arborist. Mr. De La Torre concluded that of the 11 trees at issue, only two (trees #4A and #7) were not mature in 2009 and would therefore be eligible for restoration under Measure B. Notwithstanding the report of Mr. De La Torre, the historical photographs in *ROLLING HILLS The Early Years*, by A.E. Hansen (1978), in addition to other

substantial evidence in the record, indicated that of the 11 Obstructing Trees, only trees #9 and #9A were mature when the Nuconions acquired their property in 2009, thereby rendering the remaining nine (9) Obstructing Trees eligible for remediation under Measure B. Ultimately, the CTV found that: (1) a view (as defined in the Municipal Code) existed from 18 Portuguese Bend Road when the Nuconions acquired the property in 2009; (2) the view from the Nuconions' property is significantly impaired because 11 trees located at 15 Portuguese Bend Road impair the view of the City lights from the Designated Viewing Areas; and (3) restorative action on the nine (9) Obstructing Trees is necessary to abate the view impairment by creating view corridors and views through the trees. To this effect, the CTV adopted Resolution No. 2015-03-CTV on October 7, 2015.

On October 27, 2015, the Hasoldts filed an appeal of the CTV's decision to the City Council contesting the CTV's determination that the nine (9) Obstructing Trees were not mature in 2009. Specifically, in their appeal the Hasoldts asserted that: (1) the Nuconions have not established by clear and convincing evidence, or at all, the existence of a protected view over 15 Portuguese Bend Road; (2) there was no view from 18 Portuguese Bend Road prior to April 2009; and (3) each of the trees subject to the Nuconions' complaint are "mature" because they were mature on April 22, 2009. Also on October 27, 2015, the Nuconions filed an appeal of the CTV's decision to the City Council contesting the CTV's determination that trees #9 and #9A were mature in 2009 and ineligible for remediation under Measure B; its determination that the Nuconions' claim arose out of the CTV's unsupported and unsubstantiated decision to reject one arborist's report over another. Both appeals were timely filed pursuant to Rolling Hills Municipal Code sections 17.26.050(G) and the provisions of Chapter 17.34.

At the November 23, 2015 City Council meeting, City staff provided an overview of the case and the evidence for the Council's consideration. Thereafter, the Council heard public testimony and concluded the meeting by scheduling a field trip to both properties which, after several postponements, was held on March 28, 2016. At the field trip, the City Council determined that the Nuconions had a view (as defined by Rolling Hills Municipal Code section 17.12.220), which could be observed from the living room in the north side of the residence and a patio/deck area immediately adjacent thereto along the northern side of the residence.

At the April 25, 2016 City Council meeting, the Council was provided with aerial photographs of both properties, a list of the Obstructing Trees, tree measurements and calculations interpolating the age of the Obstructing Trees and their heights in 2010 (provided by Mr. Howard Weinberg, attorney for the Nuconions), a photometric analysis to determine the height of the trees in 2010 (prepared by Ms. Anastasia Kostink, a 3D Engineer, on behalf of the Nuconions), and a declaration provided by Mr. Brandon Gill (an arborist hired on behalf of the Nuconions). The Council also heard testimony from Mr. Ruben Green, a Registered Consulting Arborist (hired by the Hasoldts); Mrs. Diana Nuconion; Mr. Howard Weinberg; and Mr. Hal Light with regard to the maturity of the Obstructing Trees. At the conclusion of the public hearing, and after considerable deliberation, the City Council concluded on the basis of the evidence that the Nuconions had a view when they acquired their property; that only two of the Obstructing Trees were mature in 2009. The City Council then directed staff to return with a resolution declaring that the view from 18 Portuguese Bend Road is significantly impaired by the nine identified mature trees located on 15 Portuguese Bend Road, and setting forth restorative action to abate the impairment.

In the course of implementing that direction, the City Attorney and staff determined that it would be beneficial to introduce an intermediate step in the process in order to assure that the findings placed into the resolution were consistent with the Council's direction and with the requirements of the applicable provisions of the Municipal Code. Consequently, in anticipation of the June 13, 2016 City Council meeting, staff prepared a report outlining all of the evidence presented to date relating to the extent of the view which existed from the Nuconions' property in April of 2009 and presented three options for the City Council to consider: (1) review the evidence supporting the existence of a view in 2009 and reaffirm its direction from April 25, 2016 and direct staff to return with a resolution upholding the CTV's October 7, 2015 decision; (2) re-open the public hearing after public notice and schedule another hearing; or (3) provide alternative direction to staff. During the course of the June 13, 2016 meeting, the Nuconions proffered additional evidence which had not been submitted during the hearing. This supplementary eleven-hour evidence demonstrated to the Council that additional evidence existed which the parties had not previously presented to the Council for its consideration; therefore, in an effort to assure that the entire universe of evidence was adequately being considered, the Council moved to reopen the public hearing for the limited purpose of considering the issue of whether a view existed at the time the Nuconions acquired their property. The Council further instructed the Nuconions to submit digital copies (including the metadata) of all photographs that had been submitted in support of the view impairment complaint, and instructed both parties to submit any and all additional evidence for the Council's consideration.

**Section 3.** On October 24, 2016, the City Council held a duly noticed public hearing (Rolling Hills Municipal Code Sections 17.26.040(C) and 17.26.050(A)-(B)) to conclusively determine the extent of the Nuccions' view as it existed in April of 2009. Evidence was presented by all interested persons, including the Complainants; the October 15, 2015 declaration of Mr. Martin Janssen; email exchanges between the Hassoldts and the Nuccions; the photographs received by the City on April 25, 2016; the arborist reports of Mr. Darrin Shott, Mr. William McKinley, and Mr. David De la Torre; the photometric analysis prepared by Mr. Anastasia Kostin; the metadata of the photos submitted along with a summary of said photos, provided by Mr. Weinberg; correspondences submitted by Mr. Weinberg including the declarations of Stephen Nuccion, Diana Nuccion, Margaret Schmitt, Suzanne Samman, Keith Kelley, Rachel Santana, Yegorine Ryan, Sean Cardenas, James C. Roberts III, and L'Angie Koebler; and correspondence submitted by Mr. Light, including the declaration of Mr. Ruben M. Green. The Council also heard testimony from Mr. Green, Mrs. Hassoldt, Mrs. Nuccion, Mr. Light, Mr. Weinberg and Dr. Nuccion. This evidence was fully considered by the City Council, whose findings are expressed in further detail below.

**Section 4.** The City Council finds as follows:

A. Pursuant to Rolling Hills Municipal Code section 17.26.090(3) the burden of proof to show that any view is impeded shall be upon the party claiming such impediment, and the standard shall be by "clear and convincing evidence." Evidence shall be weighted in the following order of priority: (1) photographs; (2) expert testimony; and lastly (3) other evidence, which may include testimonial evidence and any documentation (other than photographs).

B. Pursuant to Rolling Hills Municipal Code Section 17.26.050 D(3), a view as defined in Section 17.12.220 of the Municipal Code existed from 18 Portuguese Bend Road when the Nuccions acquired the property in 2009. The Council finds, pursuant to the March 21, 2016 Staff report to the property located at 18 Portuguese Bend Road, that the viewing area from the Nuccions' property includes a living room at the north side of the residence and a patio/pool deck area immediately adjacent thereto along the northern side of the residence, from the standing perspective of an average height person ("Designated Viewing Area").

C. The Nuccions provided numerous photographs of their view from the Designated Viewing Areas; four photographs have handwritten dates claiming that the photographs were taken in either 2010 or 2011. The Council notes that the photographic evidence in this case is further complicated by the fact that the Nuccions had the opportunity to, and in fact did, arrange for the trimming of the trees on 15 Portuguese Bend Road prior to this date that the Hassoldts purchased their property in 2012. Pursuant to a recent request for the production of metadata, the earliest photograph submitted for the Council's consideration was taken during dusk on July 14, 2010; this image is dark and does not adequately/clearly depict the Offending Trees. For these reasons, none of the photographs submitted, including the July 14, 2010 photograph, conclusively establish the view as it existed in from the Nuccions' property in 2009.

D. In the absence of clear and convincing testimonial evidence provided by the experts and conclusive photographic evidence, the Council relied heavily upon the declaration of the parties and their witnesses to establish the scope of the view from 18 Portuguese Bend Road. The Council commented on the integrity of the declarations provided by the Nuccions, and found their declarations persuasive. Specifically, the Council found the declaration of Mr. Roberts (whose father sold 15 Portuguese Bend Road to the Hassoldts, and who was personally involved with the care of 15 Portuguese Bend Road from 2005-2011) to be particularly persuasive. Additionally, the Council concluded that the MLS listing from February 2008 established clear and convincing evidence that a view existed from 18 Portuguese Bend Road at or about the time the Nuccions purchased their property. The listing included a description of the view as follows: "Panoramic City Lights and partial ocean views... Pool and spa overlooking views." The Council finds persuasive the testimony provided that the Nuccions relied upon this statement in viewing the home and would not have purchased the home if it did not in fact have the views described in the 2008 MLS listing.

E. The only evidence presented by the Hassoldts to rebut the evidence provided by the Nuccions is a report by arborist Ruben Green, who concludes on the basis of historic aerial photographs of some of the Offending Trees dated 2008 that a view could not have existed from the Nuccion property in 2009. However, while the aerial photographs show the height and spread of the trees from above, they do not show how the trees affected the view from the Designated Viewing Area on the Nuccion property. Mr. Green argues from the aerial photographs that the Nuccions "could not" have had a view; however, the Council finds this testimony to be speculative because the photographs do not take into account the height differential and viewing angle from the Nuccion residence. Furthermore,

the Hassoldts did not provide any contrary designations. The Council finds that the overwhelming testimony evidence of persons who visited the property in 2009 outweighs the speculative conclusions derived from aerial photographs.

F. Pursuant to Rolling Hills Municipal Code Section 17.12.220 "View Impairment," Section 17.26.050(D)(3) and Section 17.26.050 (3), the Council finds that the Nuccione's have shown by clear and convincing evidence that the view from the Nuccione's property is significantly impaired because 11 trees located at 15 Portuguese Bend Road significantly impair the view of the Santa Monica Mountains, Mount Baldy and the City lights from the Designated Viewing Area. The Nuccione's provided an aerial photograph of the Obstructing Trees located at 15 Portuguese Bend Road. The Obstructing Trees have been identified as Tree Number One through Tree Number 9A, looking in a northerly direction from the perspective of 15 Portuguese Bend Road. The aforementioned photograph is attached as Exhibit A to this Resolution.

G. Further, the Council finds that, while the photographic evidence submitted by the parties was not persuasive with regard to the maturity of the trees, the testimony evidence provided, coupled with the time and diligence devoted to this issue by the CTV indicates that only two of the Obstructing Trees (#9 and #9A) were mature when the Nuccione's acquired their property in 2009 and are therefore ineligible for removal under Measure B. Therefore, because the remaining nine trees were not mature when the Nuccione's acquired their property, the Council hereby orders remedial action set forth below.

H. Lastly, the Council determined that nine (9) of the Obstructing Trees were not mature and therefore subject to removal under sections 17.26.010 and 17.26.050(2) of the Rolling Hills Municipal Code. On the issue of maturity, the Council considered the following evidence:

(1) The June 16, 2015 Certified Arborist Report prepared by Mr. Dave Shote (retained by the Hassoldts). Mr. Shote observed the Obstructing Trees from the Hassoldts' property; he determined that any conclusions derived from the height of the trees would be inaccurate because the trees have been pruned/manipulated. Mr. Shote provided a list of 20 trees located on the Hassoldts property that he determined were mature; no explanation was provided for this determination. Lastly, Mr. Shote's report contained a statement that "[a] lot of the trees that are mature were planted in 1937;" it is unclear from Mr. Shote's report to whom this unsubstantiated statement is attributed. The CTV determined that the conclusions reached by Mr. Shote were inaccurate because there were virtually no trees in the City of Rolling Hills in 1937. The balancing of this evidence, and the determinations made by the CTV with regard to it, are confirmed by the City Council.

(2) The June 17, 2015 Certified Arborist Report prepared by Mr. William McKinley (retained by the Nuccione's). Mr. McKinley concluded that all eleven of the Obstructing Trees were "actively growing" and therefore could not have been mature in 2009. Mr. McKinley based his conclusions on visual observations made of the Obstructing Trees from the Nuccione's pool deck area, and what he determined to be "cut lines" and evidence of trimming/growth. Based on historical photographic evidence (which depicted virtually no trees planted in the City in 1937 - other than a few olive trees), the CTV agreed with Mr. McKinley that nine of the Obstructing Trees could not have been mature; however, the CTV disagreed with Mr. McKinley's conclusion that the two olive trees planted on the Hassoldts property were maturing (as they had arguably been planted in the City around 1937). The balancing of this evidence, and the determinations made by the CTV with regard to it, are confirmed by the City Council.

(3) The September 2, 2015 Certified Arborist Report prepared by Mr. David De La Torre (retained by the City). Mr. De La Torre observed the Obstructing Trees from the Hassoldts property. Using a mathematical equation to determine the age of the trees, Mr. De La Torre explained how he determined their maturity. Mr. De La Torre determined that the average age of the Obstructing Trees was 62 years old (the oldest tree was 141, while the youngest was 15.) Based upon this information, Mr. De La Torre concluded that of the eleven Obstructing Trees, nine (9) were mature and only two (2) were maturing. Based on historical photographic evidence, the CTV disagreed with Mr. De La Torre that nine (9) of the Obstructing Trees were mature; virtually no trees had been planted in the City in 1937 (other than a few olive trees), therefore the nine (9) trees indicated by Mr. De La Torre could not have been mature in 2009. The CTV concluded that except for the two olive trees located on the Hassoldts property, the remaining nine trees were maturing and therefore subject to removal. The balancing of this evidence, and the determinations made by the CTV with regard to it, are confirmed by the City Council.

(4) The August 28, 2015 Certified Arborist Report prepared by Mr. Kevin Eckert (retained by the Nuccione's). Mr. Eckert concluded that all eleven of the Obstructing Trees were maturing; his conclusions were derived from the "2010/2011" photographs that had been submitted by the Nuccione's and a "video stream" of the view from the Nuccione's pool deck area. Based on historical photographic evidence (which depicted virtually no trees planted in the City in 1937 - other than a few olive trees), the CTV agreed with Mr. Eckert that nine of the Obstructing Trees could not have been mature; however, the CTV disagreed with Mr. Eckert's conclusion that the two olive trees planted on the

Hazard property were maturing (as they had arguably been planted in the City around 1937). Furthermore, the Council had subsequently learned from the metadata presented as evidence in October, that the photographs relied upon by Mr. Eckert had actually been taken between 2011-2012; therefore the Council confirmed that the accuracy of the conclusions reached by Mr. Eckert were questionable.

(5) The April 16, 2016 and May 12, 2016 reports prepared by Ms. Anastasia Kostuk (3D Engineer retained by the Nuccione). Ms. Kostuk was asked to review photographs provided to her by the Nuccione, which she was told were taken in 2010; as well as aerial photographs of the Hazard property taken between 2008-2012. Ms. Kostuk took these photographs and created 3D renderings of them, from these renderings she mathematically determined the height of each tree based on the length of the shadows they cast. The Council determined that the evidence provided by Ms. Kostuk was inconclusive as it was later revealed that the date of the photographs provided by the Nuccione were not taken in 2010, but rather in 2011-2012. Furthermore, the data provided by Ms. Kostuk revealed conflicting and fluctuating evidence related to the height of the trees over time.

(6) The February 2, 2016 and October 13, 2016 declarations of Mr. Ruben Green (certified arborist retained by the Hazard). Mr. Green conducted a site inspection at the Hazard property to supervise trimming that was being conducted. Mr. Green does not consider Ms. Kostuk's method to be a reliable way to determine the maturity of the trees. Mr. Green provided his own aerial photographs from 2008 and 2011 to call into question the accuracy of the data Ms. Kostuk relied upon; specifically, Mr. Green calls attention to the varying height of the utility pole and the evidence of topping in Ms. Kostuk's photographs. However, the Council determined that in either declaration Mr. Green does not provide an opinion as to whether or not the trees were mature. Ultimately, the Council finds that the weight of the evidence supports a finding that nine (9) of the Obstructing Trees were not mature in 2009 and that restorative action on the nine (9) Obstructing Trees is necessary to abate the view impairment by creating view corridors and views through the trees.

3. Pursuant to Rolling Hills Municipal Code Section 17.26.050(B), the Council finds the restorative action set forth below in this Resolution is necessary to abate the view impairment by creating view corridors and views through trees, that the restorative action will not adversely affect the environment, and that the action will not unreasonably detract from the enjoyment or privacy of the property at 15 Portuguese Bend Road. While the record indicates that the Hazard property trimmed unspecified trees in January or February of 2016, the Council nonetheless finds that the restorative action set forth in Section 5 of this Resolution remains appropriate.

I. The City reviewed the proposed restorative action's environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, et seq., "CEQA") and the regulations promulgated thereunder (14 California Code of Regulations §§ 15000, et seq., the "CEQA Guidelines") and determined the proposed project to be exempt from environmental review pursuant to Section 15384 (Exempt Alterations of Land) and Section 15061(b)(3) (Common Sense Exemption) of the CEQA Guidelines. The project is exempt because no trees will be removed. Instead, the Obstructing Trees will be cleaned out, shaped and trimmed and a substantial amount of the foliage will remain. No evidence was introduced to suggest that the restorative action will cause an adverse environmental impact. Thus, it can be said with certainty that there will be no environmental impact from the proposed action.

Section 5. The Council orders the following restorative action pursuant to Rolling Hills Municipal Code Section 17.26.050(B):

A. Pursuant to Rolling Hills Municipal Code Section 17.26.050(A), within thirty (30) calendar days of adoption of this Resolution, the Nuccione are hereby required to obtain and present to the Owners of 15 Portuguese Bend Road, a minimum of three (3) bids from licensed qualified contractors for the performance of the Initial Restorative Action set forth in this Resolution as well as a cash deposit in the amount of the lowest bid. The contractors must provide insurance which protects and indemnifies the City and the Nuccione from damages attributable to negligence or wrongful performance of the work. Any such insurance shall be subject to the approval of the City.

B. Pursuant to Section 17.26.050(B), the Owners of 15 Portuguese Bend Road may select any licensed and qualified contractor to perform the Initial Restorative Action (defined below) (as long as the insurance requirement of the above paragraph is satisfied), but shall pay for any cost above the amount of the cash deposit. The work for the Initial Restorative Action shall be completed no later than February 14, 2017 or pursuant to an alternative schedule (but no later than March 1, 2017) if the selected contractor determines that the health of the trees would be compromised if the work is performed by February 14, 2017.

C. Subsequent maintenance of the subject vegetation shall be performed at the cost and expense of the owners of 15 Portuguese Bend Road. All vegetation subject to the restorative action described in this Resolution and any future planting, including replacement trees, shall be maintained in

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that the view shown in the photograph to be taken by City staff or designee following the Initial Restorative Action, as detailed below, is preserved. The trees shall be maintained so as to not allow for future view impairments from the Designated Viewing Areas of 18 Portuguese Bend Road. Tree maintenance shall be done in the winter months (December - March) and shall be completed by March 1 of each year in which the work is to be done, as specified in paragraph F of this section of this Resolution.

D. An informational covenant shall be recorded against the title of 15 Portuguese Bend Road and shall run with the land, thereby giving notice of this Resolution to all future owners.

E. Initial Restorative Action shall be limited to the 9 Obstructing Trees as identified in the table below.

F. The Initial Restorative Action shall consist of the following:

TYPE OF TREE AND TREE #	LOCATION	ACTION	MAINTENANCE
1	Eucalyptus	NO ACTION	NO ACTION
2	Eucalyptus- along Roadway easement/lot	Lower crown & crown reduce to no higher than the current height of Palm Trees	Every two years
3	Washington Fan Palm- along N/E side of property	Remove the dead fronds	Every two years
3-A	Washington Fan Palm- along N/E side of property	Remove the dead fronds	Every two years
4	Eucalyptus & various volunteers- S/W corner of lot	Lower the canopy and trim to old cuts for city view	Every two years
4-A	Olive & various volunteers- S/W corner of lot	Lower the canopy and trim to old cuts for city view	Every two years
5	Eucalyptus- by garage	Reduce crown to a height of 46 feet above ground	Every two years
6	California Pepper- along front	Shape & reduce canopy to old cuts	Every two years
6-A	California Pepper- along front	Shape & reduce canopy to old cuts	Every two years
7	Olive Tree- along front S/E corner	Shape, reduce crown and trim to old cuts for city view	Every two years
8	Acacia	NO ACTION	NO ACTION
9	Olive Tree- lawn area	NO ACTION	NO ACTION
9-A	Olive Tree- lawn area	NO ACTION	NO ACTION
TOTAL 9 Trees Subject to Initial Restorative Action			

The locations of the above listed trees are shown on the aerial photograph attached hereto as Exhibit A.

G. The actions described above shall be accomplished per ISA industry standards and best arborist practices, and the following definitions shall apply:

**Crown Reduction:** Height reduction to specified height by removing selective branches, deadwood, stem and foliage to reduce the height and spread of a tree.

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**Line:** Thin out thick areas of the canopy to expose the structure of dominant branches, clean out the crown, shaping and balancing the tree.

**Section 6.** Upon conclusion of the Initial Restorative Action, the Nucleus shall contact the City and the Highlands to schedule a site visit to 15 Portuguese Bend Road, during which City staff shall take photograph(s) from the Designated Viewing Areas to be attached as Exhibit B to this Resolution for the purpose of establishing the level of restorative action for future maintenance. The Highlands may attend this site visit as observers only.

**Section 7.** There shall be no restorative action required for the remainder of the trees on the property at 15 Portuguese Bend Road not listed in the Initial Restorative Action in this Resolution. However, trees on the property not included in this Resolution shall be maintained at current configuration and any new growth that extends into the view established by this Resolution shall be removed at the same time as the maintenance is conducted for the Obstructing Trees, at the sole expense of the Owners of 15 Portuguese Bend Road.

**Section 8.** The parties, by mutual agreement, if they so desire, may modify the implementation action in this Resolution, as set forth in Rolling Hills Municipal Code Section 17.26.060(D). Any such mutual agreement shall be recorded.

**Section 9.** In the event that any party requests inspection of implementation of Resolution 1196 on grounds that the restorative action or maintenance is not compliant with this Resolution, the City may be required to incur substantial costs in investigating the complaint. Therefore, the City shall be entitled to recover its costs from a non-compliant party, for activities including, but not limited to, hiring independent consultants.

**PASSED, APPROVED AND ADOPTED** by Members of the City Council this 28<sup>th</sup> day of November 2016.

  
Lisa D'Amico  
Mayor

ATTEST:

  
Heidi Luce  
City Clerk

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) SS  
CITY OF ROLLING HILLS )

The foregoing City Council Resolution No. 1196 entitled:

A RESOLUTION OF THE ROLLING HILLS CITY COUNCIL  
DENYING THE APPEALS OF DR. AND MRS. STEPHEN NUCCION  
AND MR. AND MRS. WILLIAM HASSOLDT, AND UPHOLDING  
THE DECISION OF THE COMMITTEE ON TREES AND VIEWS BY  
DECLARING THAT SPECIFIC TREES LOCATED ON THE  
PROPERTY AT 15 PORTUGUESE BEND ROAD HAVE CAUSED  
SIGNIFICANT VIEW IMPAIRMENT TO THE VIEW FROM THE  
PROPERTY LOCATED AT 18 PORTUGUESE BEND ROAD AND  
SETTING FORTH RESTORATIVE ACTION TO ABATE THE  
IMPAIRMENT.

was approved and adopted at a meeting of the City Council on November 28, 2016 by the following roll  
call vote:

AYES: Councilmembers Black, Mirach, Pieper and Wilson.

NOES: Mayor Dieringer.

ABSENT: None.

ABSTAIN: None.

  
Heidi Luce  
City Clerk

This decision is final and conclusive. Any action challenging this administrative order must be filed  
with a court of law within the time limits set forth in section 1094.6 of the California Code of Civil  
Procedure.



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Photo taken on May 10, 2017

EXHIBIT B



Resolution No. 1196

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**Photo taken on May 10, 2017**

**EXHIBIT B**



**Resolution No. 1196**

**-11-**



**Photo taken on May 10, 2017**

**EXHIBIT B**

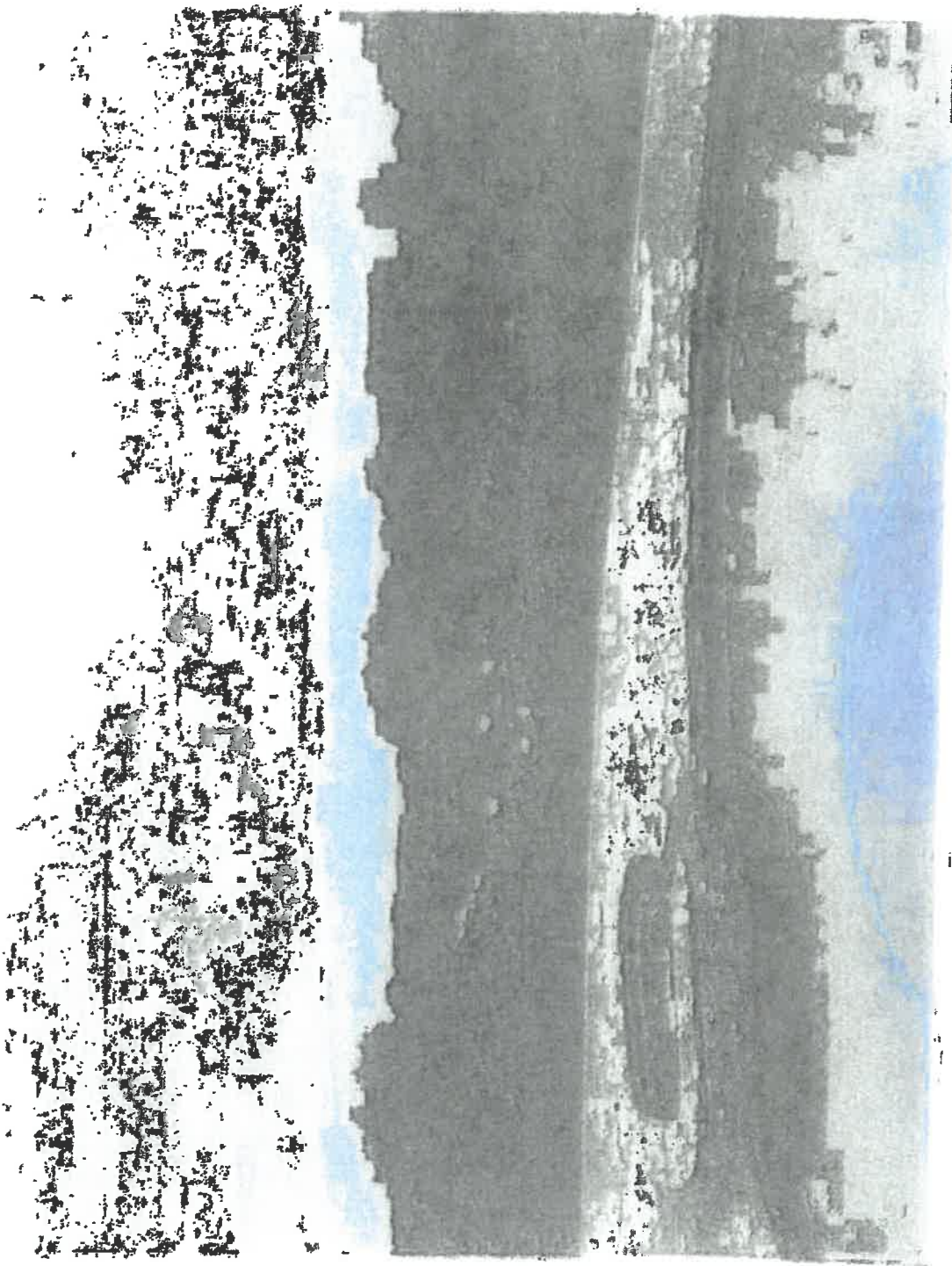


**Resolution No. 1196**

**-12-**

Photo taken on May 10, 2017

EXHIBIT B

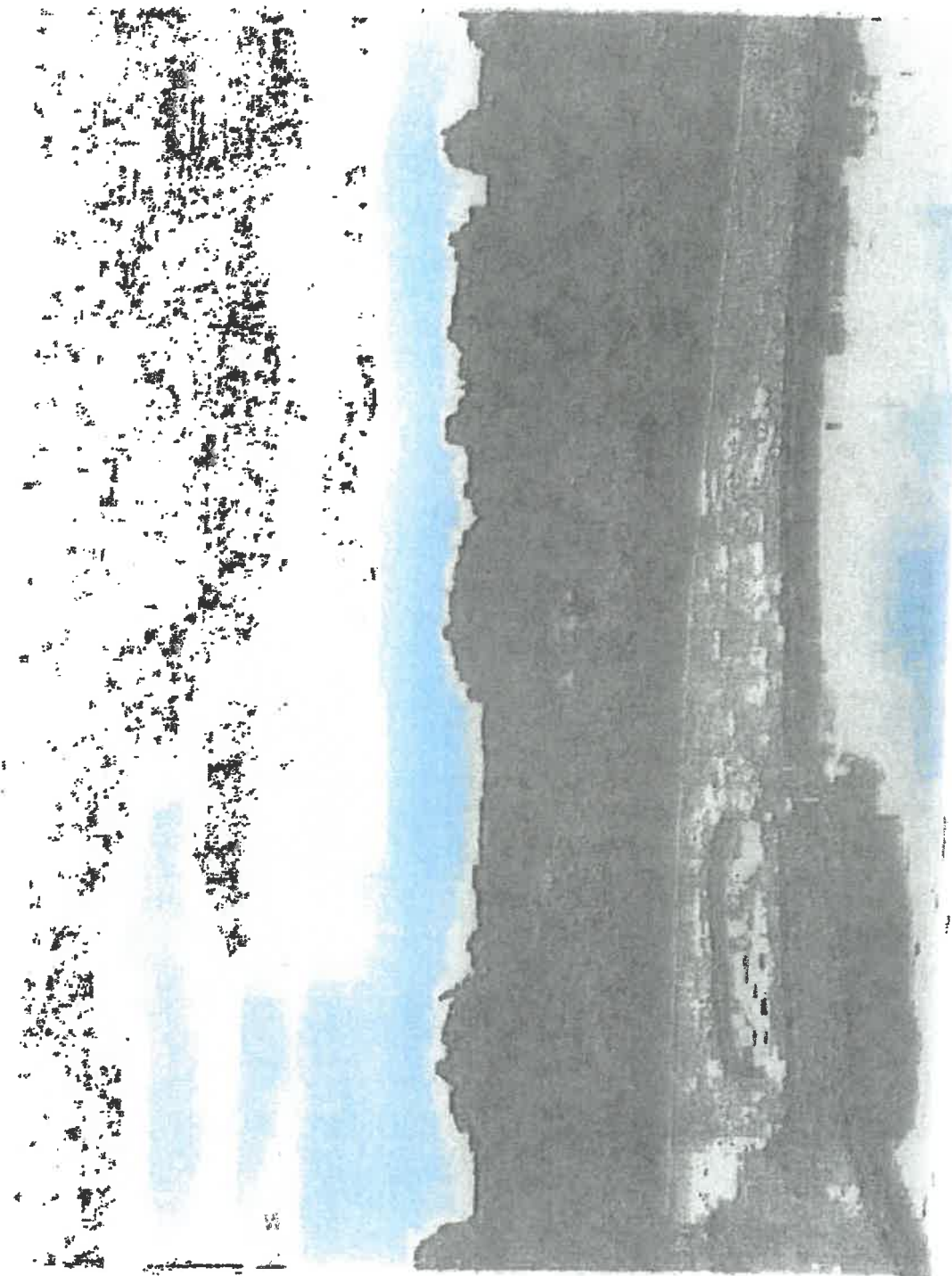


Resolution No. 1196

-13-

Photo taken on May 10, 2017

EXHIBIT B



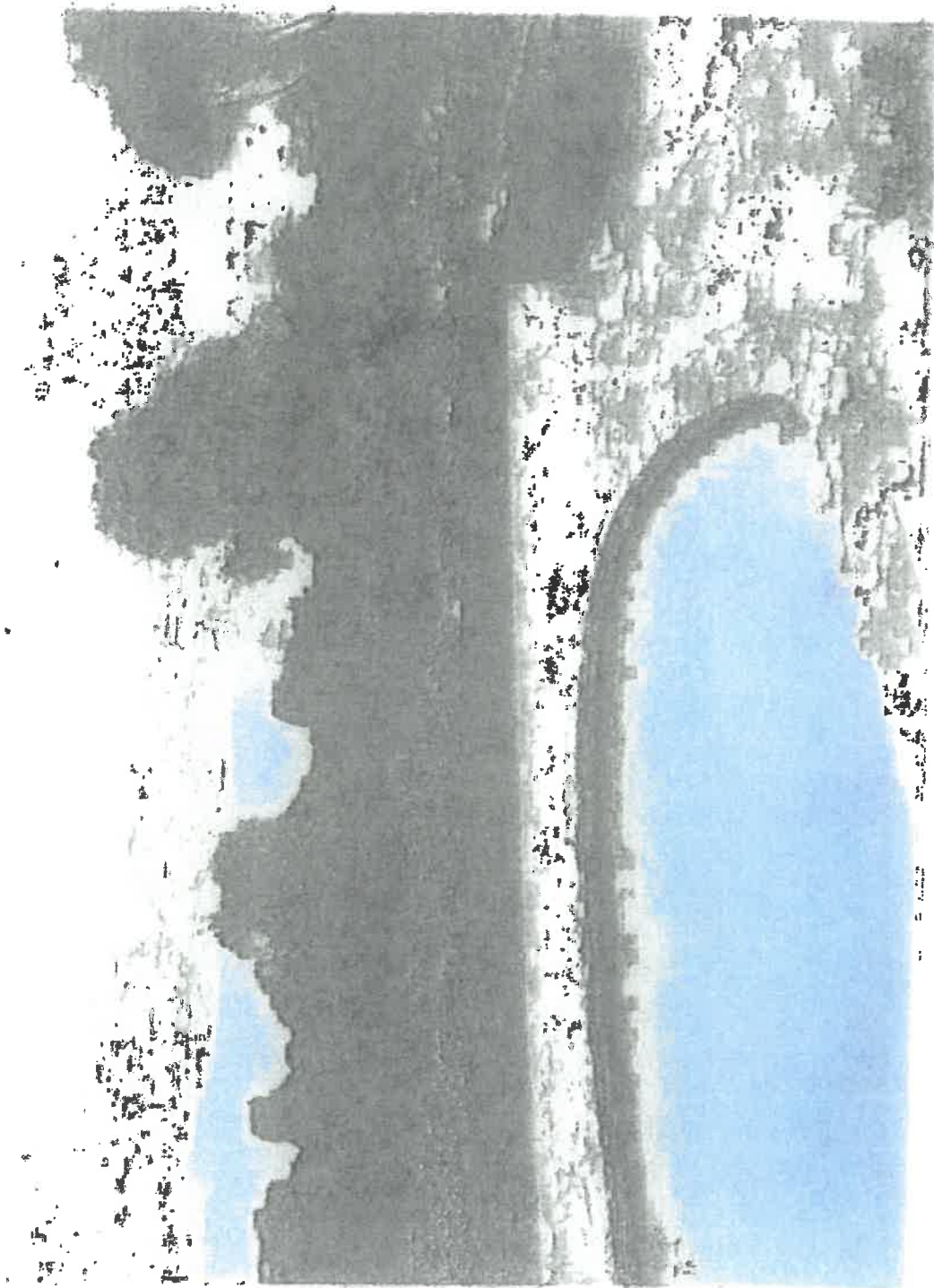
Resolution No. 1195

-14-



Photo taken on May 10, 2017

EXHIBIT B



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-15-

Photo taken on May 18, 2017

EXHIBIT B

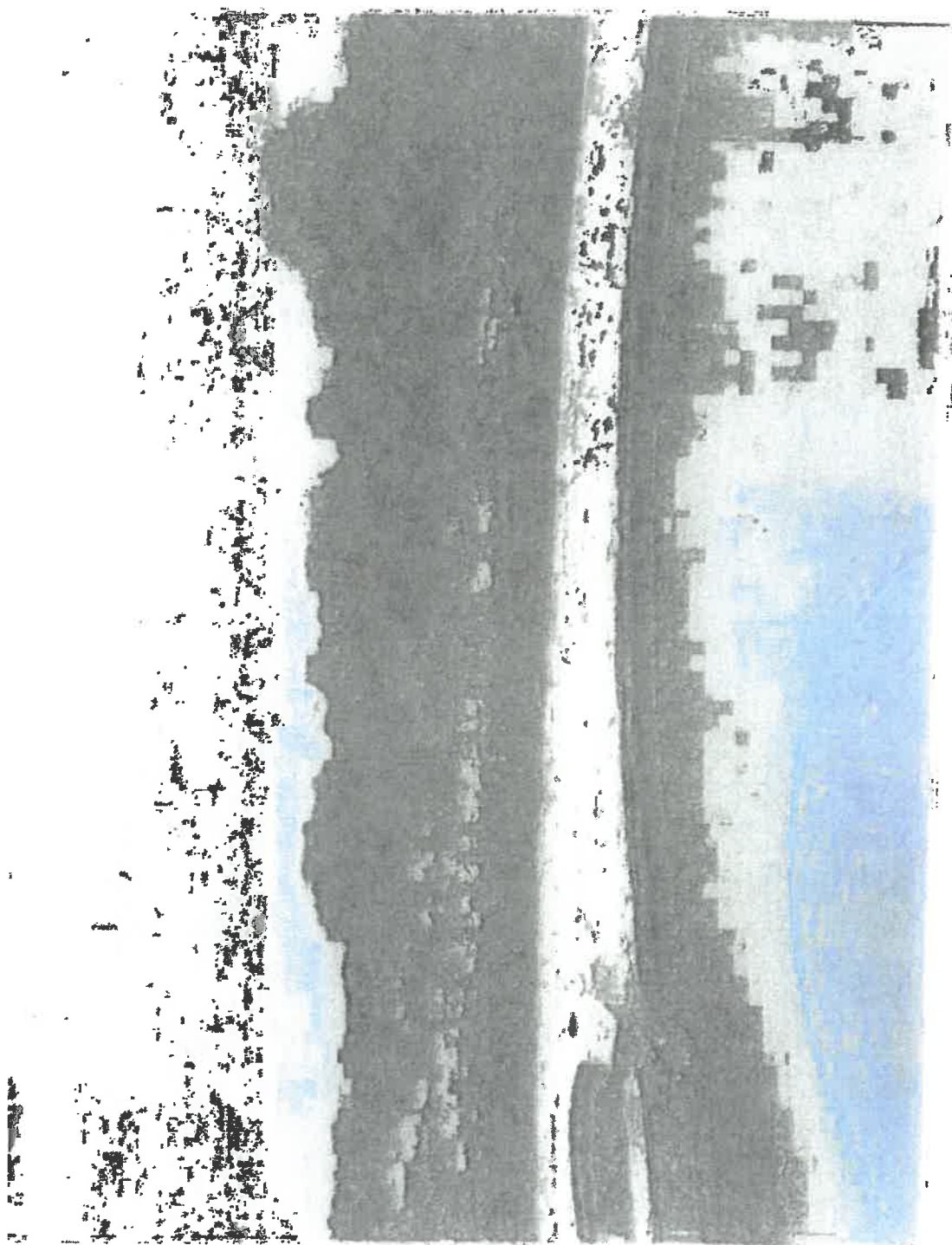


Resolution No. 1196

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Photo taken on May 10, 2017

EXHIBIT B



Resolution No. 1196

-17-



**Photo taken on May 10, 2017**

**EXHIBIT B**



**Resolution No. 1196**

**-18-**

**Photo taken on May 10, 2017**

**EXHIBIT B**

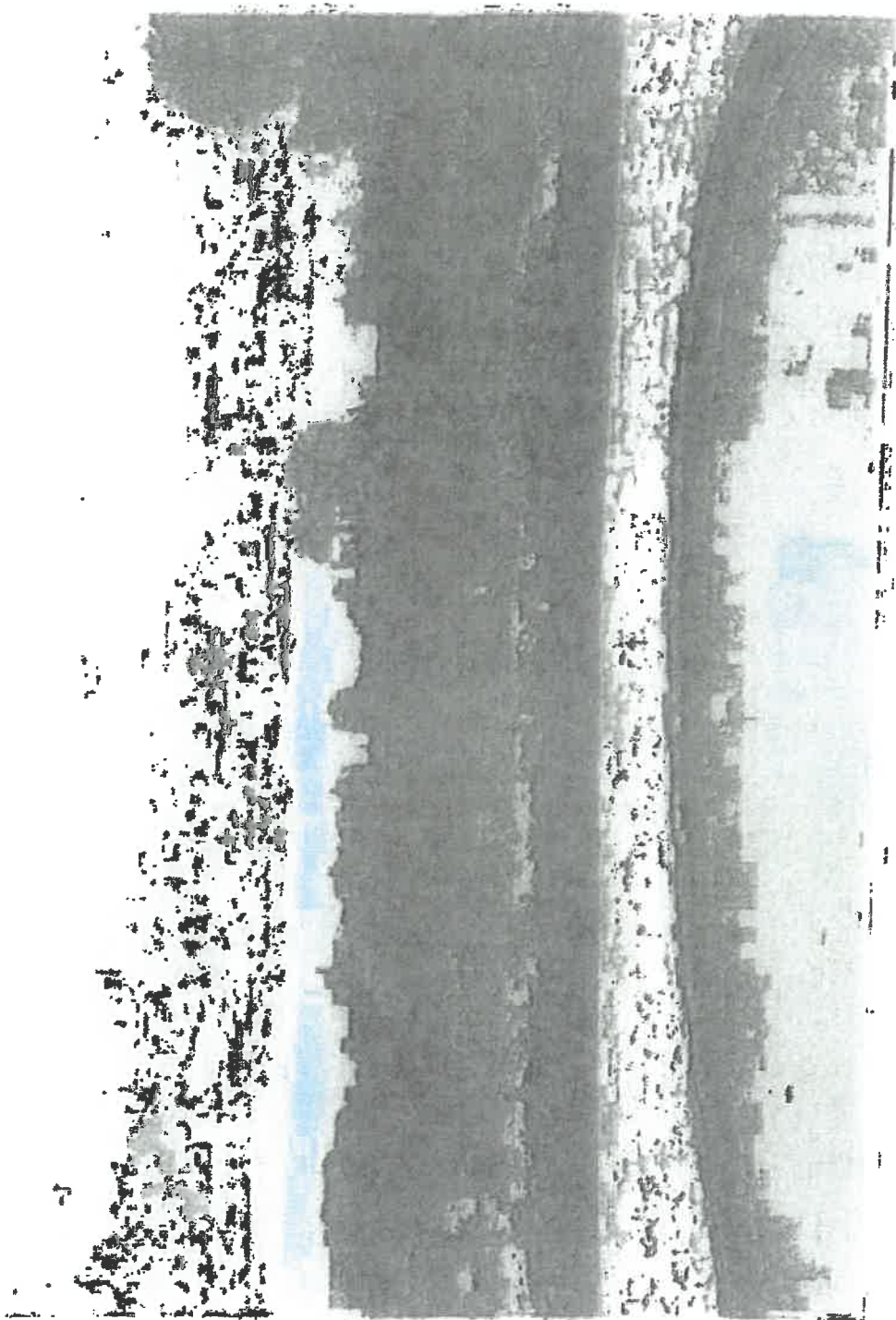


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**-19-**

Photo taken on May 10, 2017

EXHIBIT B



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-20-



**Photo taken on May 10, 2017**

**EXHIBIT B**



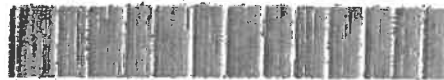
**Resolution No. 1196**

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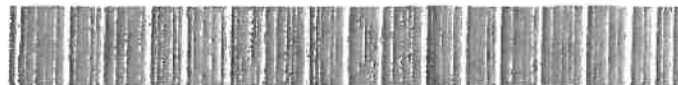
Recorded in Official Records  
Recorder's Office, Los Angeles County,  
California

10/26/17 AT 02:18PM

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LEADSHEET



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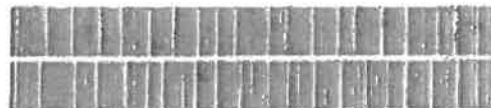
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DAR - Counter (Upfront Scan)



THIS FORM IS NOT TO BE DUPLICATED

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

CITY OF ROLLING HILLS  
PLANNING DEPARTMENT  
2 PORTUGUESE BEND RD.  
ROLLING HILLS, CA 90274

(310) 377-1521  
(310) 377-7288 FAX



THIS FORM MUST BE PROPERLY ACKNOWLEDGED BEFORE RECORDATION. ↑ RECORDER'S USE ONLY

**FIRST ADDENDUM TO INFORMATIONAL COVENANT NO. 2017054781 MEMORIALIZING ORDER OF  
THE CITY OF ROLLING HILLS ABATING A VIEW IMPAIRMENT**

Corrective trimming on an olive tree located on 15 Portuguese Bend Road, City of Rolling Hills, County of Los Angeles, CA 90274 (Lot 78-RH) ("Property") has necessitated an addendum to Informational Covenant No. 20170547814 recorded on May 17, 2017 ("Original Covenant"). The photographs attached as Exhibit C hereto shall reflect the height of the olive trees (identified as tree number 7 in Section 5 of Resolution No. 1186) as intended by Resolution No. 1186 ("First Addendum").

This First Addendum is meant to modify the Original Covenant, but not replace the Original Covenant. Unless modified by this First Addendum, all provisions of the Original Covenant shall remain in full force and effect. The City shall cause this First Addendum to be recorded against the title to the Property in the Official Records of the County of Los Angeles.

**Attachment:**

Exhibit C -- Photograph(s) of the olive tree subject to maintenance by informational covenant no. 20170547814 and Exhibit A thereto

CITY OF ROLLING HILLS,  
A California Municipal Corporation

By: Raymond R. Cruz  
Signature of City Manager

Raymond R. Cruz  
Name typed or printed

The following acknowledgment must be completed by a notary public or other official pursuant to California Civil Code Sections 1181 and 1189.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1180**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of LOS ANGELES )

On 10/26/17 before me, ANTHONY DAY, NOTARY PUBLIC  
Date Here Insert Name and Title of the Officer  
personally appeared RAYMOND R. CRUZ  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature

Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_  
Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_  
☐ Corporate Officer — Title(s): \_\_\_\_\_  
☐ Partner — ☐ Limited ☐ General  
☐ Individual ☐ Attorney in Fact  
☐ Trustee ☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_  
Signer is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_  
☐ Corporate Officer — Title(s): \_\_\_\_\_  
☐ Partner — ☐ Limited ☐ General  
☐ Individual ☐ Attorney in Fact  
☐ Trustee ☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_  
Signer is Representing: \_\_\_\_\_

**EXHIBIT C**



**EXHIBIT C**



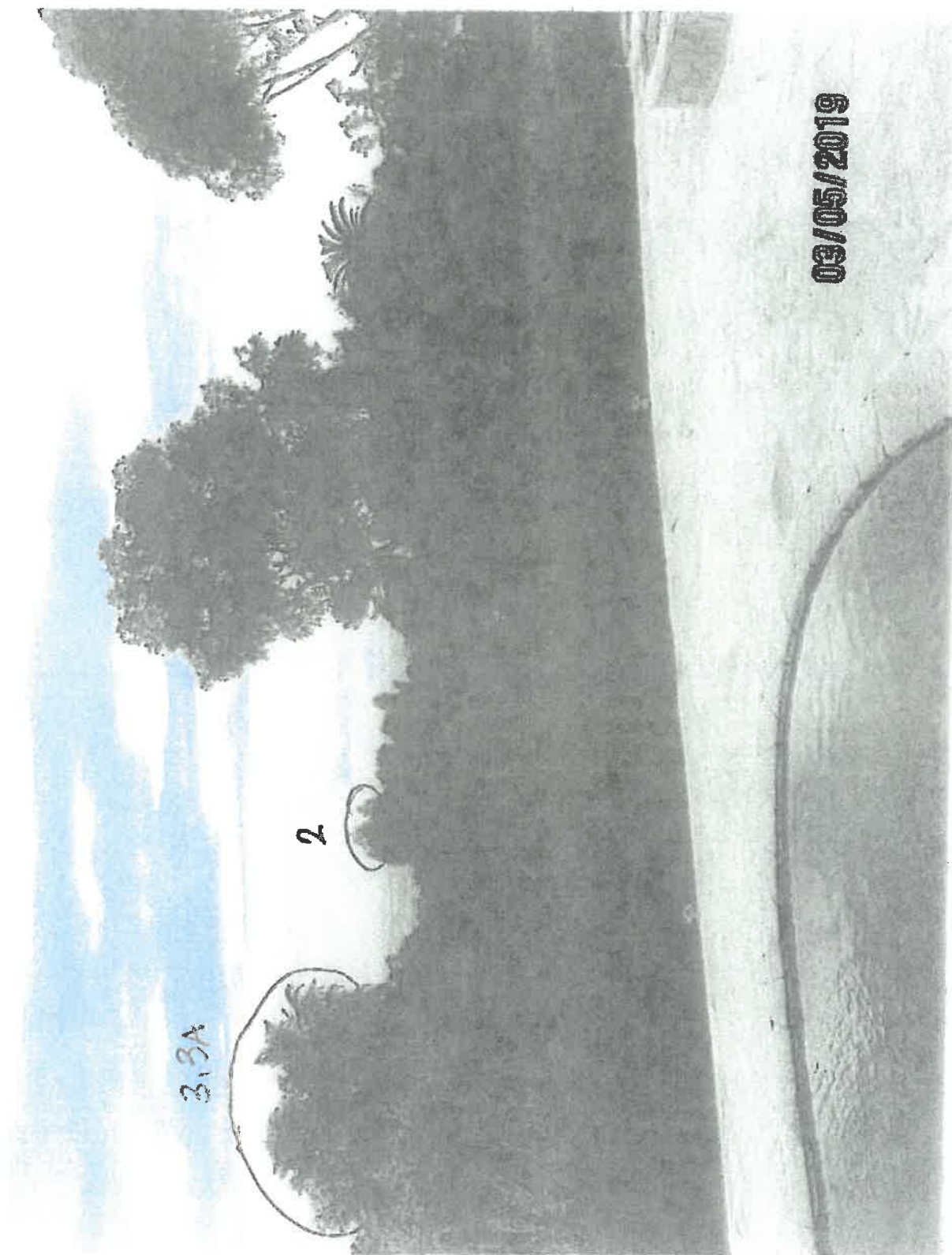
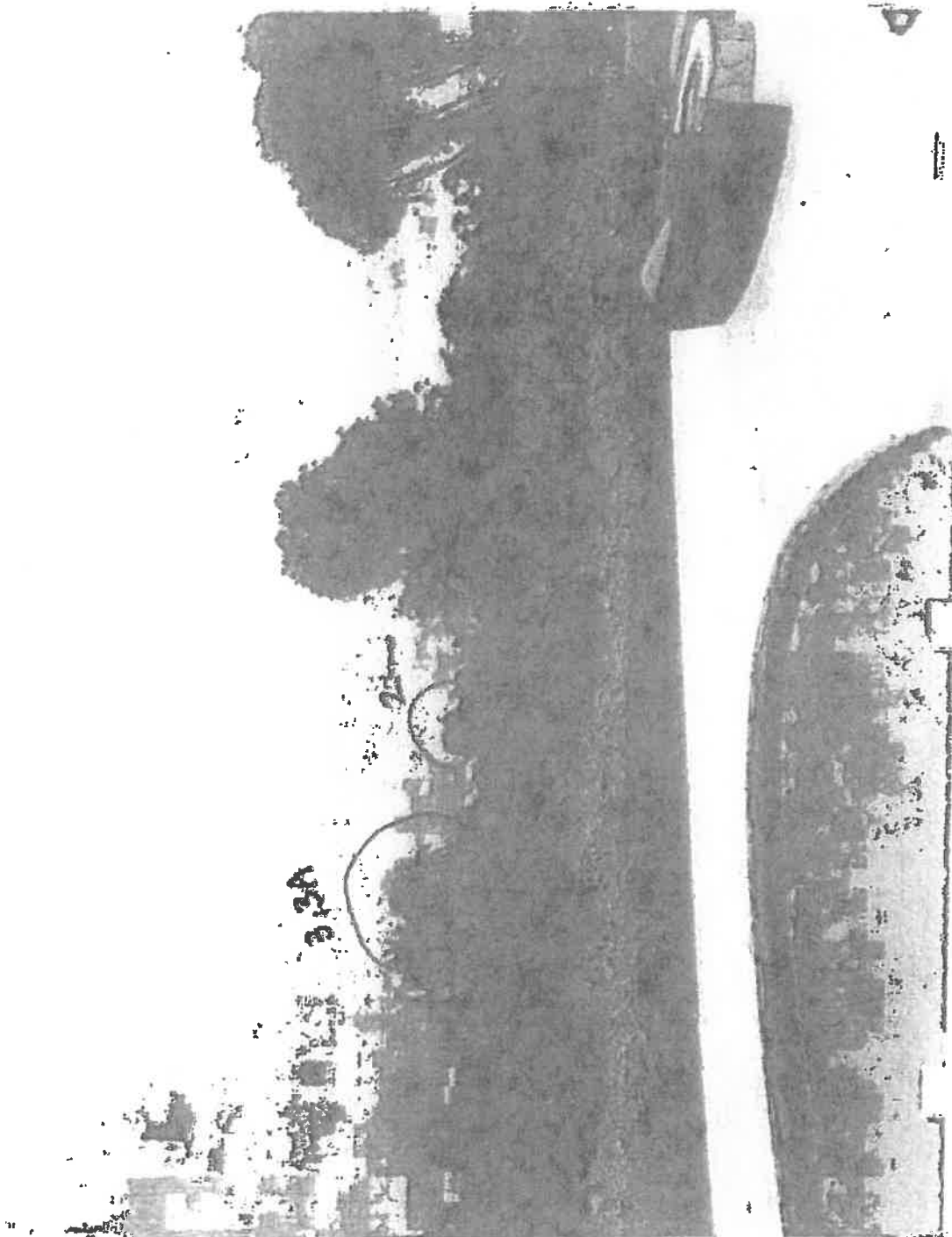




Photo taken on May 10, 2017

EXHIBIT B

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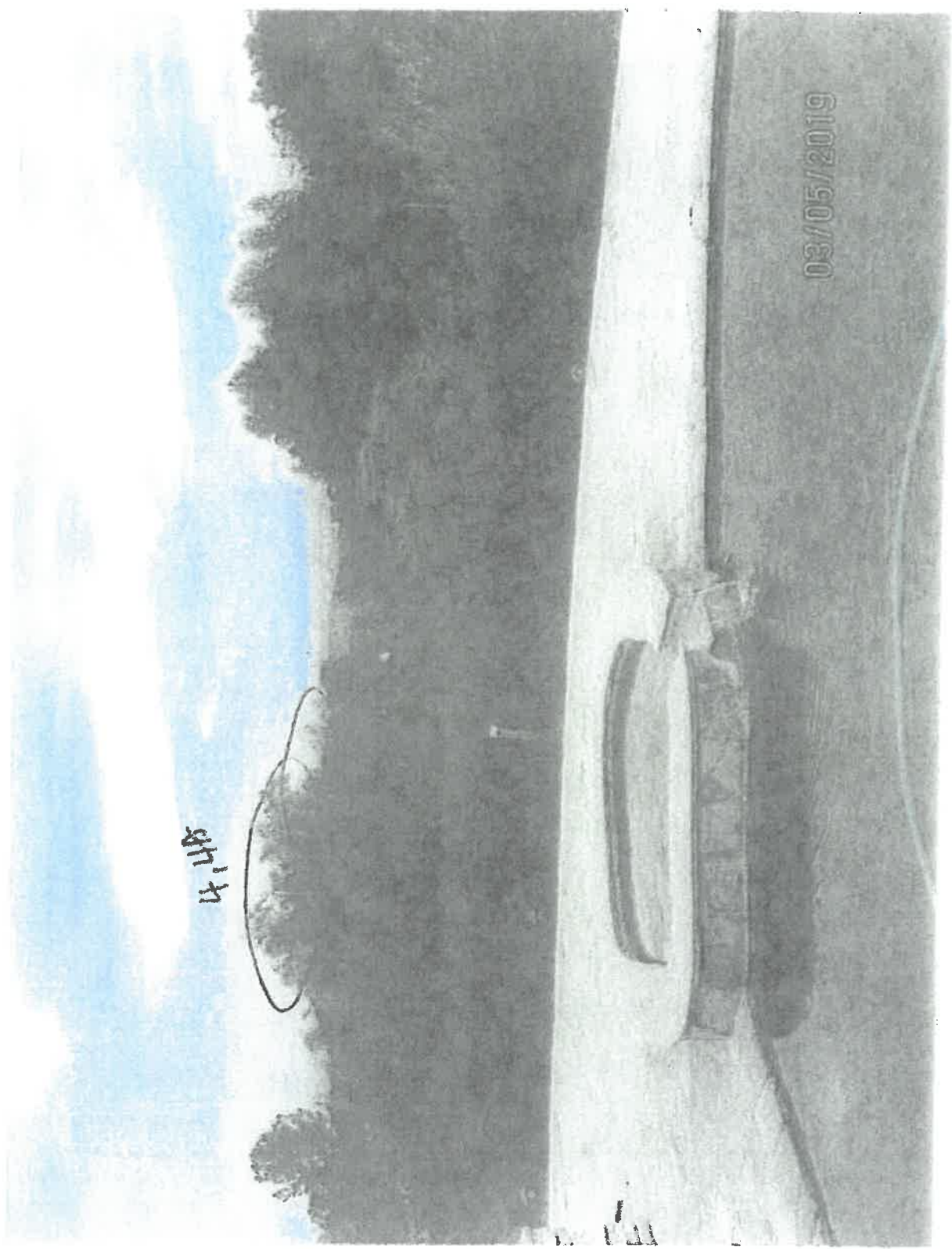
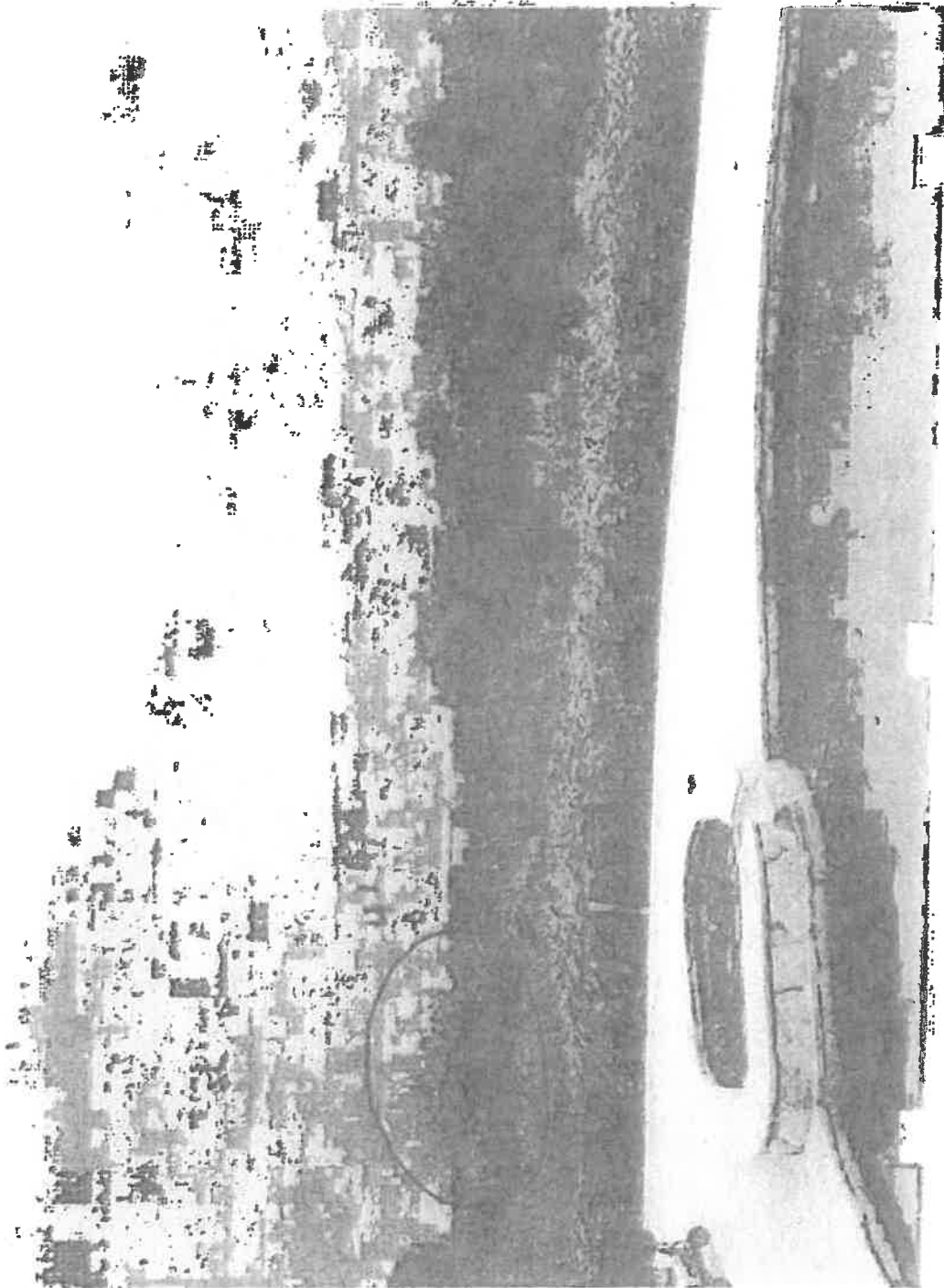




Photo taken on May 10, 2017

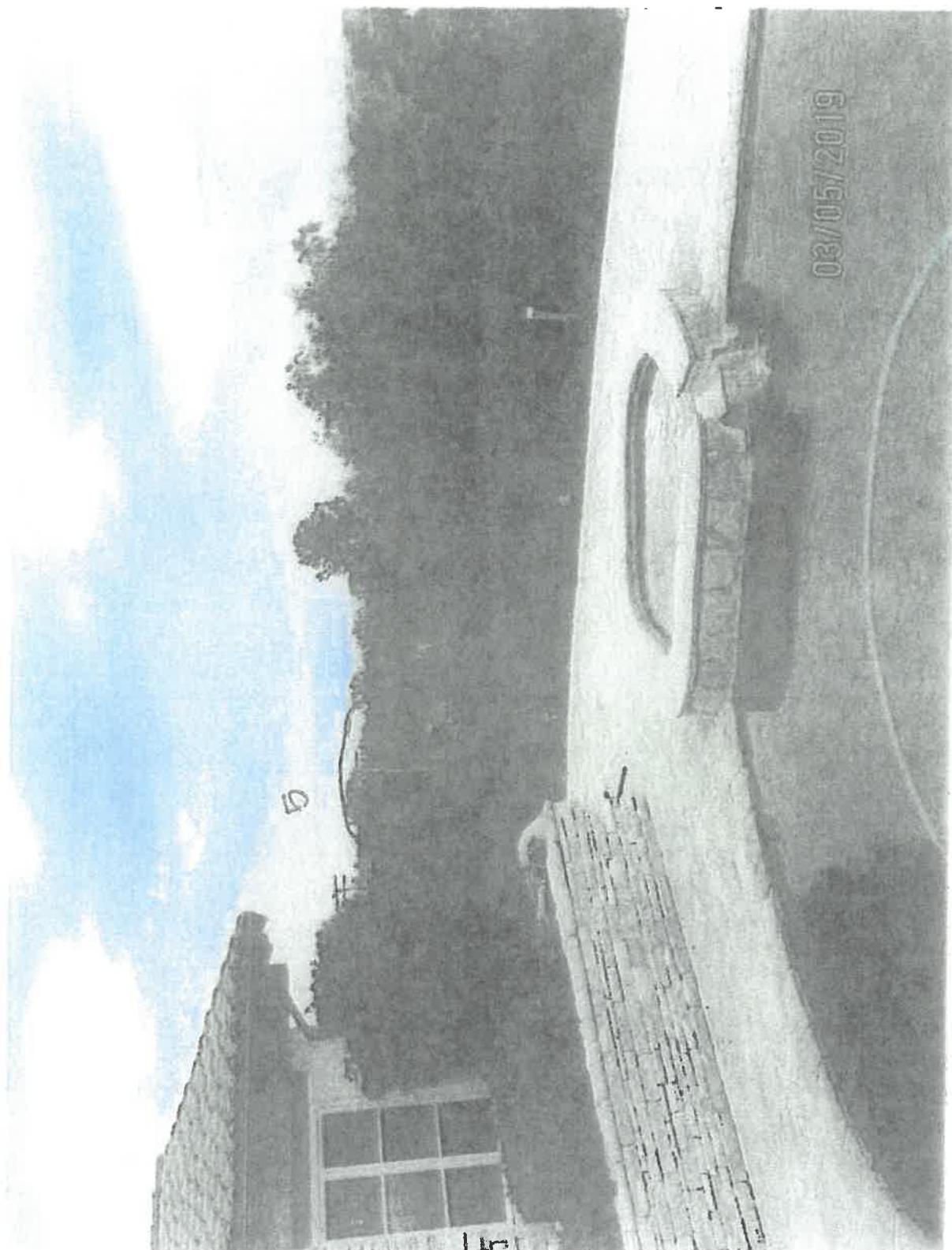
EXHIBIT B

(2)



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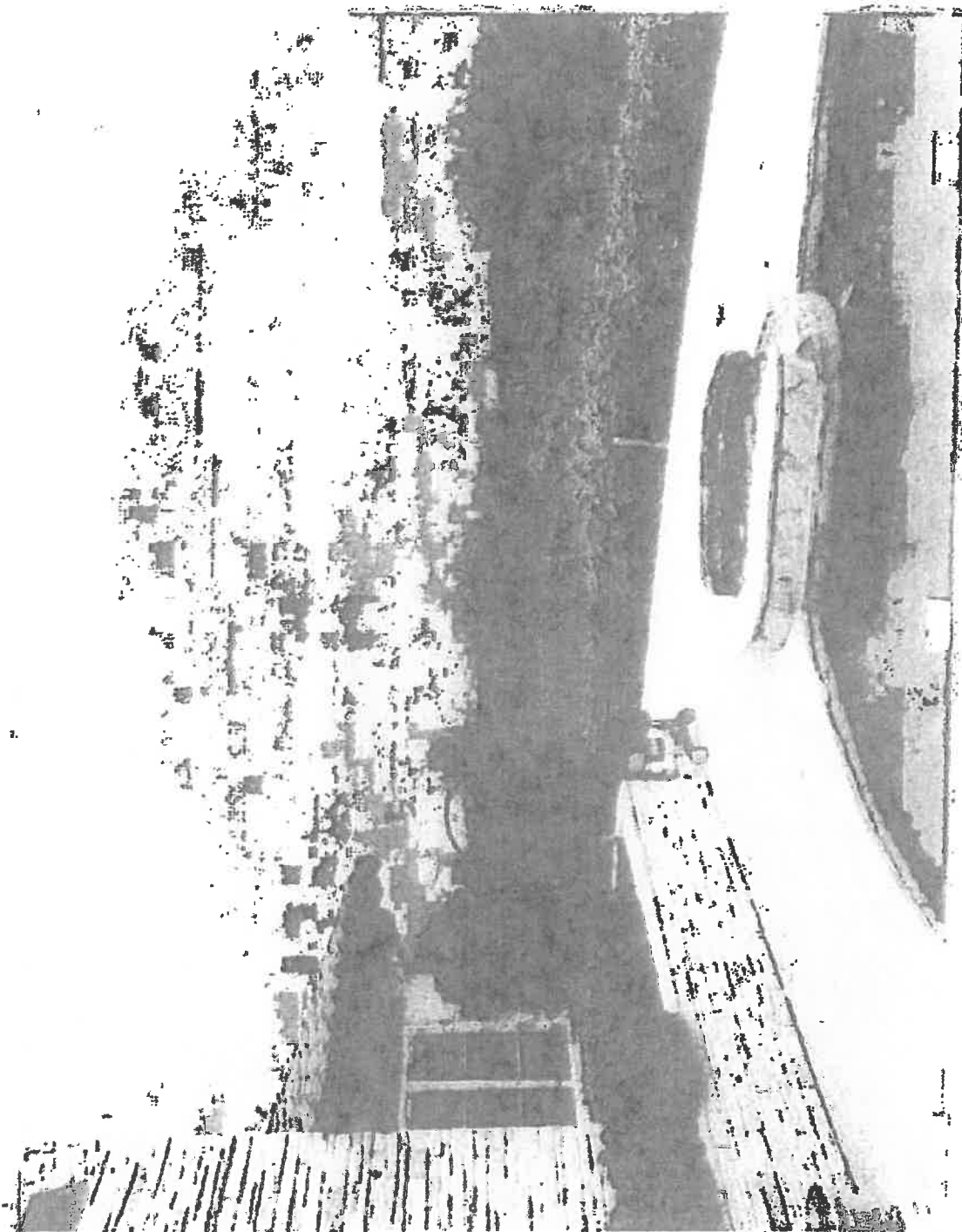


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Photo taken on May 10, 2017

EXHIBIT B

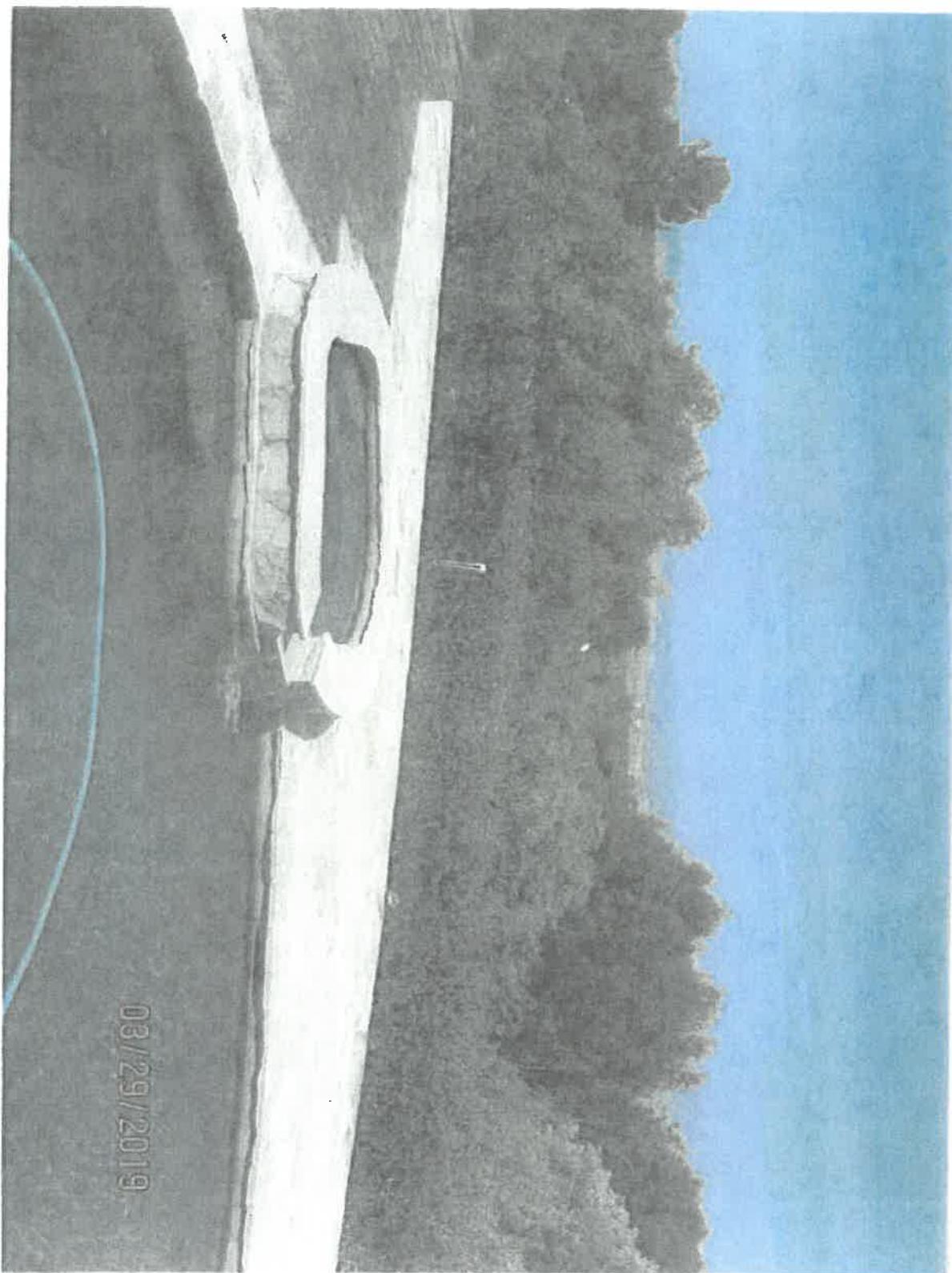
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Resolution No. 1196

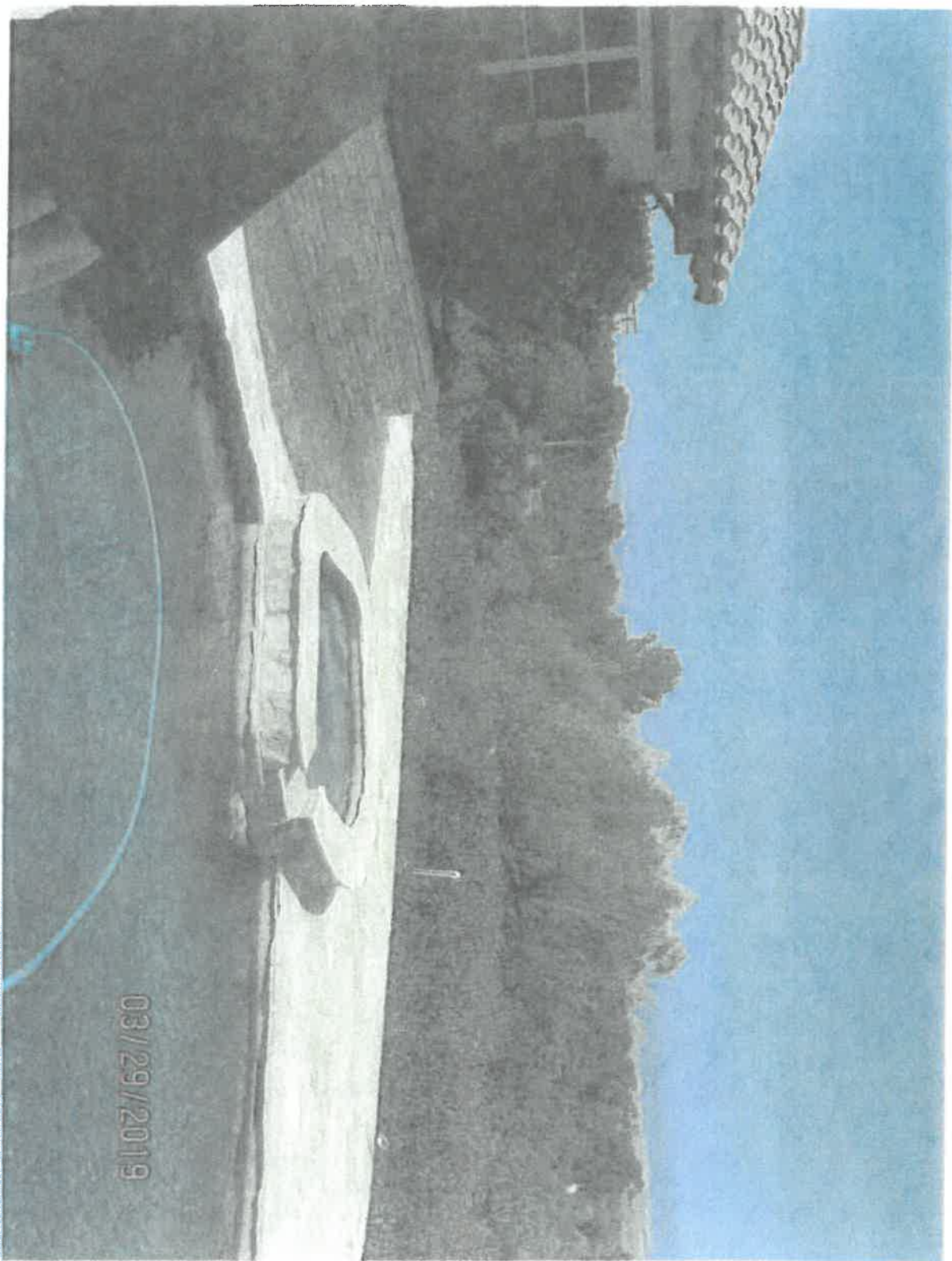
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**RECEIVED****APR 12 2019**City of Rolling Hills  
By \_\_\_\_\_

Travers Tree Service Inc.  
Fully Insured State Contractor License # 438273  
TTS@TraversTree.com  
904 Silver Spur Road #434  
Rolling Hills Estates, CA 90274  
PH: (310) 530-3920 Fax (310) 534-3020

3/4/2019

**PROPOSAL**

Hassoldt  
10 Pine Tree Lane  
Rolling Hills Estates, CA 90274  
Cust #: Hass10221  
Phone: 310 377 4114  
Email: hassoldt@earthlink.net

Tuesday, April 2, 2019

**Job Name:** Hassoldt 20190402

**Worksite:** 15 Portuguese Bend Rd  
Palos Verdes Estates, CA 90274

**Proposal By:** Don Lorenzen**Thank you, for the opportunity to provide you with this proposal!**

Travers Tree Services: Proposes the following tree trimming/ removal services at the above reference job location. All Tree trimming will conform to standards established by the International Society of Arboriculture.

**Need Firewood?**

**Travers Tree Service sells top quality aged and seasoned firewood to keep you warm throughout the winter!**

**Please contact our office for more information**

**Proposals valid 60 days**

Item #	Plant	Description	Qty	Cost
1	Far Palm	Front North East Side of Property - (Tree #3 & 3-A) Trim and clean out (No Skinning)	2	\$215.00
2	Eucalyptus	Front Along Roadway Easement (Tree #2)	1	\$485.00
3	California Pepper	Front (Tree #6 & 6-A) - Crown Reduce and shape	2	\$670.00
4	Olive Tree	Front (Tree #7) - Lace - Crown reduce and shape	1	\$135.00
5	Eucalyptus	North side of property North Side - Garage (Tree #5) Top by approx. 8 feet - Remove 2 lateral limbs - shape tree	1	\$490.00
6		Back Various - South West Side (Tree #4 & 4-A) • Eucalyptus tree - Top as necessary & shape • Olive tree - Top to old cut marks & shape	2	\$695.00

Notes:

**Subtotal: \$2,590.00****Tax: \$0.00****Total: \$2,590.00**

Travers Tree Service Inc.  
 Fully Insured State Contractor License # 438273  
 TTS@TraversTree.com  
 904 Silver Spur Road #434  
 Rolling Hills Estates, CA 90274  
 PH: (310) 530-3920 Fax (310) 534-3020

### TERMS AND CONDITIONS:

Please read this proposal carefully, all services are described explicitly, and this is exactly what Travers Tree Service intends to perform. Upon receipt of your signed contract we will put your job in our schedule queue. Scheduling is dependent upon the type of work to be completed, the supervision and equipment necessary and the location of the job.

**We will notify you when your job is scheduled.**

NOTE: We remove any and all debris generated from our work on your property. However, WE WILL NOT BE RESPONSIBLE FOR EXISTING ACCUMULATED DEBRIS on your property in yard areas and ESPECIALLY ON ROOFS. We will do our best to protect your property. However, we are not responsible for damage to "Malibu" lights or lights affixed to trees, the property owner is responsible for moving these prior to our arrival. In addition, we are not responsible for damage due to hidden conditions especially underground installations including but not limited to electrical lines, plumbing lines, sprinkler heads, water lines etc. In the event this account becomes delinquent purchaser agrees to pay In Preparation For Work To Be Performed On Your Property Please Use The Following Tips To Prevent Damage To Your Property:

**A few days before arrival:**

1. Notify neighbors that you are having your property worked on especially if we will be trimming their plants overhanging your property.
2. Move "Malibu" lights and other garden lights out of the work area.
3. Remove furniture, fountains, garden art, bird feeders items hanging in trees, and other breakable items from the work area.

**On the day work is to be performed:**

1. Move cars out of driveway and from under trees.
2. If possible/ necessary, block off street parking in front of property with trash cans, chairs, etc.

ACCEPTED: the prices, specifications, and conditions in this proposal are satisfactory and are hereby accepted. I authorize Travers Tree Service to perform the work as specified in this proposal.  
 PAYMENT IS DUE TO FOREMAN UPON COMPLETION OF WORK, OTHERWISE, YOU WILL BE CHARGED A LATE FEE OF \$10.00 PER DAY THEREAFTER.

Amount: 2390<sup>00</sup> Please Print-Proposal Name: William Hassoldt  
William Hassoldt 4/5/19  
 Customer Signature Date

### "NOTICE TO OWNER" (Section 7018, 7019- Contractors license law)

Under the mechanics' Lien Law, any contractor, subcontractor, laborer, material man or other person who helps to improve property and is not paid for his labor, services or material, has a right to enforce his claim against our property. This means that, after a court hearing, your property could be sold by court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full, if the subcontractor, laborer, or supplier remained unpaid. Under the law you may protect yourself against such claims by filing, before commencing such work of improvement, an original contract for the work of improvement or a modification thereof, in the office of the county recorder of the county where the property is situated and requiring that a contractor's payment bond be recorded in such office. Said bond shall be in an amount no less than fifty percent (50%) of the contract price and shall, in addition to any conditions for the performance of the contract, be conditioned for the payment in full of the claims of all persons furnishing labor, service, equipment or materials for the work described in said contract.



2049 Pacific Coast Hwy.  
Suite 214  
Lomita, CA  
90717

## Proposal

Date	Proposal #
3/21/2019	7680

Customer	Jobsite
Judith & William Hassoldt 10 Pine Tree Ln. RH, CA 90274 (310) 377-4114 hm	15 Portuguese Bend Rd. RH, CA 90274

Description	Qty	Rate	Total
Tree #3 & #3A (2) Washingtonia Fan Palms - trim, remove dead fronds & (1) row of low hanging green		325.00	325.00
Tree #2 (1) Eucalyptus at driveway entry - shape, crown reduce to height of palm, shape along front fence line & remove deadwood		1,200.00	1,200.00
Tree #6 & #6A (2) California Peppers - shape & crown reduce to 1st upper cut marks		900.00	900.00
Tree #7 (1) Olive tree on front fence line near California Pepper - shape only		300.00	300.00
Tree #4 & #4A Olive & Eucalyptus trees - crown reduce to old cuts		400.00	400.00
<b>Total</b>			

# RECEIVED

APR 12 2019

City of Rolling Hills  
By \_\_\_\_\_

Phone (310) 257-8686 Fax (310) 257-8666 stephanie13aac@gmail.com www.americanarborcare.net

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## **Chapter 8.24 ABATEMENT OF NUISANCES**

### Sections:

[8.24.010 Nuisance defined.](#)

[8.24.020 Duty of owner or possessor of property.](#)

[8.24.030 Notice to abate nuisance.](#)

[8.24.040 Notice to abate nuisance—Contents.](#)

[8.24.050 Hearing and decision.](#)

[8.24.060 Abatement by City—Notice of charge.](#)

[8.24.070 Lien.](#)

[8.24.080 Charges to be billed on tax bill.](#)

[8.24.090 Court action.](#)

[8.24.100 Summary abatement.](#)

### **8.24.010 Nuisance defined.**

For the purposes of this chapter, a "nuisance" shall be defined as anything which is injurious to health or safety, or is indecent or offensive to the senses, or an obstruction to the free use of property or injurious to the stability of real property so as to interfere with the comfortable enjoyment of life or property, or unlawfully obstructs the free passage or use, in the customary manner, of any street, and affects at the same time an entire community or neighborhood, or any considerable number of persons, although the extent of the annoyance or damage inflicted upon individuals may be unequal.

Notwithstanding any provisions of this chapter, the City Council may define by ordinance any particular condition constituting a nuisance.

(Ord. 190 § 1(part), 1981).

### **8.24.020 Duty of owner or possessor of property.**

Every person who owns or is in possession of any property, place or area within the boundaries of the City shall, at his or her own expense, maintain the property, place or area free from any nuisance.

(Ord. 190 § 1(part), 1981).

### **8.24.030 Notice to abate nuisance.**

Whenever the City Manager determines that a nuisance exists upon any property, place or area within the boundaries of the City, the City Manager may notify in writing the owner or person in possession of the property, place or area to abate the nuisance within fifteen days from the date of the notice. The notice shall be given by registered or certified mail addressed to the owner or person in possession of the property, place or area at his last known address.



(Ord. 190 § 1(part), 1981).

(Ord. No. 328, § 1, 5-14-2012)

**8.24.040 Notice to abate nuisance—Contents.**

The notice shall state that if the nuisance is not abated or good-faith efforts towards abatement not been made to the satisfaction of the City Manager within fifteen days from the date thereof, a hearing shall be held before the City Council to hear any protest of the owner, possessor or other interested person. The notice shall specify the time, date and place of the hearing, which shall be set for the regular meeting of the Council next following the expiration of the fifteen-day period.

(Ord. 190 § 1(part), 1981).

**8.24.050 Hearing and decision.**

If the nuisance is not abated or good faith efforts towards abatement have not been made within the time set forth in Section 8.24.030, the City Council shall conduct a hearing at the time and place fixed in the notice at which evidence may be submitted by interested persons. Upon consideration of the evidence, the Council may declare the condition to constitute a public nuisance and order the abatement thereof. The decision of the City Council shall be final. The City Clerk shall notify all owners and possessors of the subject property, place or area of the decision of the Council.

(Ord. 190 § 1(part), 1981).

**8.24.060 Abatement by City—Notice of charge.**

Upon failure, neglect or refusal by a person notified pursuant to Section 8.24.050 to abate a nuisance within thirty days after the date of notice, the City Council is authorized to cause the abatement of the nuisance and pay for the abatement. The City Council shall notify, in writing, the owner or possessor of the property, place or area upon which a nuisance has been abated by the City of the cost of abatement. Such notice shall be given in the same manner as required by Section 8.24.030.

(Ord. 190 § 1(part), 1981).

**8.24.070 Lien.**

If the total cost of the abatement of the nuisance by the City is not paid to the City in full within ten days after the date of the notice of the cost of the abatement, the City Clerk shall record, in the office of the County Recorder, a statement of the total balance due to the City, a legal description of the property, place or area involved, and the name of the owner or possessor concerned. From the date of such recording, the balance due will constitute a lien on the property. The lien will continue in full force and effect until the entire amount due, together with interest at the maximum legal rate accruing from the date of the completion of the abatement, is paid in full.

(Ord. 190 § 1(part), 1981).

**8.24.080 Charges to be billed on tax bill.**

The City may also, in accordance with the provisions of the laws of the State, cause the amount due to the City by reason of its abating a nuisance together with interest at the maximum legal rate, accruing from the date of the completion of the abatement, to be charged to the owners of the property, place or area on the next regular tax bill. All laws of the State applicable to the levy, collection and enforcement of City taxes and County taxes are hereby made applicable to the collection of these charges.

(Ord. 190 § 1(part), 1981).

**8.24.090 Court action.**

The City may bring appropriate actions, in a court of competent jurisdiction, to collect any amounts due by reason of the abatement of a nuisance by the City and to foreclose any existing liens for such amounts. Notwithstanding the provisions of this chapter, the City may bring the appropriate civil and criminal actions in a court of competent jurisdiction for abatement of any nuisance existing within the City pursuant to any other provision of law. In addition to costs recoverable pursuant to Section 8.24.060, attorney's fees, expert fees, and court costs shall be awarded to the prevailing party in any action taken by the City to abate a nuisance if, and only if, the City seeks the award of attorney's fees and court costs at the initiation of such legal action or proceeding. The attorney's fees recoverable pursuant to this section shall be limited to the reasonable attorney's fees incurred by the City in the legal action or proceeding, regardless of the actual cost of any party's attorney's fees.

(Ord. 190 § 1(part), 1981).

(Ord. No. 328, § 2, 5-14-2012)

**8.24.100 Summary abatement.**

Notwithstanding any provisions of this chapter, the City Council may cause a nuisance to be summarily abated if the City Council determines that the nuisance creates an emergency condition involving an immediate threat to the physical safety of the population. Prior to abating the nuisance, the City Manager shall attempt to notify the owner or possessor of the property, place, or area involved of the nuisance and request him to immediately abate the nuisance. If, in the sole discretion of the City Council, the owner or possessor of the property, place or area containing the nuisance which creates an emergency condition fails to take immediate and meaningful steps to abate the nuisance, the City may abate the nuisance and charge the cost of abating such nuisance to the owner or possessor of the property, place or area involved. The City shall notify in writing the owner or possessor of the property, place or area upon which a nuisance has been abated by the City, of the cost of said abatement. Such notification shall be given in the same manner as required by Section 8.24.030. The provisions of Sections 8.24.070, 8.24.080 and 8.24.090 shall be applicable.

(Ord. 190 § 1 (part), 1981).

## **Chapter 8.28 ABATEMENT OF NUISANCES IN ACTIVE LANDSLIDE AREAS**

### Sections:

8.28.010 Nuisances in active landslide areas.

8.28.020 Abatement.



## *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: 04/22/2019**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**  
**FROM: ELAINE JENG, P.E., CITY MANAGER**  
**SUBJECT: CONSIDERATION OF A MEMORANDUM OF UNDERSTANDING (MOU) WITH ROLLING HILLS COMMUNITY ASSOCIATION TO COST SHARE DESIGN FEES ASSOCIATED WITH ASSESSMENT DISTRICT PROJECTS.**

**DATE: APRIL 22, 2019**

**ATTACHMENT:**

- 1. Draft Memorandum of Understanding with RHCA**

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### **BACKGROUND**

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.

## **DISCUSSION**

At the March 11, 2019 City Council meeting, the City Council approved staff's recommendation to execute a memorandum of understanding (MOU) with RHCA to continue the practice of contributing 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.

The draft MOU was shared with the RHCA and was approved by the RHCA Board on April 18, 2019. To be consistent with the City's policy, RHCA's contribution is also capped at \$50,000 per project.

## **FISCAL IMPACT**

Funds collected from residents, and RHCA would be deposited in an account held by the City dedicated to the specific assessment district project solely to pay for design fees.

## **RECOMMENDATION**

Staff recommends that the City Council approve the proposed MOU with RHCA.

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered into upon the date of full and complete execution of the MOU by and between the City of Rolling Hills, a California municipal corporation ("City"), and the Rolling Hills Community Association of Rancho Palos Verdes, a California corporation ("RHCA"), hereinafter together occasionally referred to as "the parties."

### RECITALS

A. The City and RHCA find that the undergrounding of utilities enhances the aesthetic of the City of Rolling Hills but more importantly is essential to preventing destructive fires.

B. The City and RHCA recognize that to proceed with an undergrounding project, a property owner must first incur the cost of a utility company preparing a preliminary design to underground the above ground infrastructure. Such cost is a necessary expenditure to determine the ultimate cost of construction but often is also an obstacle for residents to commit to the formation of an assessment district; the upfront cost does not guarantee that all participants will remain committed to the undergrounding and the final cost of the assessment district is unknown until long after the upfront cost is paid.

C. In an effort to alleviate the financial burden on residents and to incentivize residents to follow through with undergrounding assessment districts, the City and RHCA have unofficially shared the cost of the preliminary design with property owners with each paying one-third of the total cost.

D. The purpose of this MOU is to formalize the unofficial contribution policy to reflect each party's commitment to contributing 1/3 of the cost of the preliminary design.

E. At the March 25, 2019 City Council meeting, the City Council adopted a resolution memorializing a formal policy of the City to fund one-third of the total preliminary design cost for each assessment district subject to a \$50,000 limit per assessment district.

**NOW, THEREFORE**, in consideration of the foregoing, the parties agree as follows:

1. Obligation of City. City agrees to fund one-third of the total preliminary design cost for each assessment district subject to a \$50,000 limit per assessment district.
  - a. Such obligation shall become due upon all of the following conditions:



i. City's receipt of letters of interest from sixty percent (60%) of the properties located within the proposed assessment district; and

ii. City's receipt of cost proposals from the utilities company for the preliminary design of the undergrounding in the proposed assessment district; and

iii. City's receipt of one-third of the total preliminary design cost from the property owners in the proposed assessment district.

2. Obligation of RHCA. RHCA agrees to fund one-third of the total preliminary design cost for each assessment district subject to a \$50,000 limit per assessment district.

a. Such obligation shall become due upon all of the following conditions:

i. City's receipt of letters of interest from sixty percent (60%) of the properties located within the proposed assessment district; and

ii. City's receipt of a cost proposal from the utility company for the preliminary design of the undergrounding in the proposed assessment district; and

iii. City's receipt of one-third of the total preliminary design cost from the property owners in the proposed assessment district.

b. Such obligation shall be refunded to RHCA should the proposed assessment district fail to be affirmatively voted upon by at least 51% of the properties located in the proposed assessment district.

3. Term and Termination.

This MOU shall commence upon the date of full and complete execution of the MOU and remain in effect until terminated by either party, with or without cause, by providing thirty (30) days' written notice to the other at the address referenced in Section 7. "Notices."

4. Binding Effect

This MOU is binding on the parties in accordance with its terms. The parties signing below represent and warrant that they have the legal authority to bind the party for whom they are signing.

5. Indemnity

Each party agrees to indemnify, defend, and hold harmless the other parties, their officers, agents and employees, from any and all liabilities, claims, or losses of any nature, including reasonable attorneys' fees and costs of suit, to the extent caused by, arising out of, or in connection with, the indemnifying party's negligent or wrongful acts or omissions arising from its respective activities pursuant to this MOU.

6. Governing Law

This MOU shall be governed by the laws of the State of California. Any action, suit, or proceeding related to or arising under this MOU shall be filed in the Los Angeles County Superior Court.

7. Notices.

All notices permitted or required under this MOU shall be in writing, and shall be deemed made when delivered to the applicable party at the following addresses either by first class mail postage prepaid, facsimile or personal delivery:

City:  
City of Rolling Hills  
2 Portuguese Bend Road  
Rolling Hills, California 90274  
Facsimile: 310-377-7288  
Attention: City Manager

RHCA:  
Rolling Hills Community Association  
1 Portuguese Bend Road  
Rolling Hills, California 90274  
Facsimile:  
Attention: Manager

8. Entire Agreement

This MOU represents the entire integrated agreement between the parties pertaining to the subject matter hereof and supersedes all prior negotiations, representations or agreements, written or oral, regarding the matters described herein. This MOU may be amended only by a written instrument signed by the parties.

9. Counterparts

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but such counterparts together shall constitute one and the same instrument.

10. Severability

Each provision of this Agreement is severable from the other provisions. If, for any reason, any provision of this Agreement is declared invalid or contrary to existing law, the inoperability of that provision shall have no effect on the remaining provisions of this Agreement, which shall continue in full force and effect to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding as of the date and year first written above.

Dated: \_\_\_\_\_, 2019

CITY OF ROLLING HILLS

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 2019

ROLLING HILLS COMMUNITY  
ASSOCIATION

By: \_\_\_\_\_



# *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: 7B**  
**Mtg. Date: 04/22/19**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: YOLANTA SCHWARTZ, PLANNING DIRECTOR**

**THROUGH: ELAINE JENG, P.E., CITY MANAGER**

**SUBJECT: CONSIDERATION AND APPROVAL OF RESOLUTION 1236 TO EXCHANGE PROPOSITION A FUNDS WITH THE PALOS VERDES PENINSULA TRANSIT AUTHORITY FOR GENERAL FUNDS AT A RATE OF \$0.75 TO \$1.00.**

**DATE: APRIL 22, 2019**

**ATTACHMENT:**

- 1. Resolution 1236 to Exchange Proposition A funds**
- 2. PVP Transit April 18, 2019 Board Report**

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## **BACKGROUND**

At the January 28, 2019 City Council meeting, the City Council approved the exchange of Prop A Funds with the Palos Verdes Transit Authority pending the Transit Board's approval of the exchange at their April 18, 2019 meeting.

PVP Transit staff presented the proposed exchange of \$75,000 of Proposition A funds for \$56,250 of general fund to the PVP Transit Board on April 18, 2019, and the Board approval the exchange.

## **FISCAL IMPACT**

The following summarizes the disposition of Proposition A funds over the past 10 years including the current exchange:

Fiscal Year (FY)	Amount	Benefiting Agency	Exchange Rate	General Fund Revenue
1999/2000	\$ 40,000	Torrance	\$0.65	\$26,000
2001/2002	\$ 80,000	Torrance	\$0.65	\$52,000
2004/2005	\$ 87,475	Torrance	\$0.65	\$56,858
2007/2008	\$100,000	PVP Transit	\$0.70	\$70,000
2010/2011	\$ 65,000	Rancho PV	\$0.75	\$48,750
2012/2013	\$ 60,000	Rancho PV	\$0.75	\$45,000
2014/2015	\$ 75,000	PVP Transit	\$0.75	\$56,250
2016/2017	\$ 75,000	Rancho PV	\$0.75	\$56,250
2018/2019	<b>\$75,000</b>	<b>PVP Transit</b>	<b>\$0.75</b>	<b>\$56,250</b>

The exchanged funds would not be restricted and can be used as general funds.

#### **NOTIFICATION**

The PVP Transit staff has been advised that this matter is being presented to the City Council.

#### **RECOMMENDATION**

It is recommended that the City Council approve Resolution 1236 to Exchange of \$75,000 in Proposition A funds with the Palos Verdes Peninsula Transit Authority (PVP Transit) for \$56,250 of general fund.

RESOLUTION NO. 1236

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS, CALIFORNIA APPROVING AN AGREEMENT BY AND BETWEEN THE CITY OF ROLLING HILLS AND PALOS VERDES PENINSULA TRANSIT AUTHORITY THAT AUTHORIZES THE EXCHANGE OF PROPOSITION "A" TRANSPORTATION LOCAL RETURN FUNDS FOR GENERAL FUNDS.

WHEREAS, the City of Rolling Hills has uncommitted Proposition "A" Funds within its reserve allocation in the amount of \$75,000; and

WHEREAS, Proposition "A" Funds are dedicated to transit and major arterial improvements; and

WHEREAS, the roads within the City are privately owned and maintained, and there are no, and will be no, projects within the City that are eligible for Proposition "A" Funds; and

WHEREAS, on November 7, 2018, the City sent a letter to neighboring Peninsula cities inquiring as to interest in an exchange of Proposition "A" Funds at the requested exchange rate of \$0.75 in General Funds for \$1.00 in Proposition "A" Funds; and

WHEREAS, the Palos Verdes Peninsula Transit Authority staff expressed interest in the requested exchange to City of Rolling Hills staff as the Palos Verdes Peninsula Transit Authority has transportation programs eligible to be funded by Proposition "A" Funds; and

WHEREAS, on January 28, 2019, the City Council voted to approve the requested exchange of \$75,000 in Proposition "A" Funds for \$56,250 in General Funds with the Palos Verdes Peninsula Transit Authority pending Palos Verdes Peninsula Transit Authority approval; and

WHEREAS, on April 18, 2019, the Palos Verdes Peninsula Transit Authority approved the requested exchange rate of \$0.75 in General Funds for \$1.00 in Proposition "A" Funds; and

WHEREAS, both agencies agree that this exchange of funds would provide a benefit to both agencies.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROLLING HILLS, AS FOLLOWS:

Section 1. The City Council approves an Agreement for the acquisition of General Funds from Palos Verdes Peninsula Transit Authority in exchange for Proposition "A" Funds from the City of Rolling Hills. Said Agreement is hereto attached as Exhibit "A", and is made a part hereof by reference.

Section 2. The Mayor or her representative is hereby authorized to affix her signature to this Resolution, indicating its approval.

Section 3. The City Manager is hereby directed and authorized to execute any necessary documents, including, but not limited to agreements, amendments, forms, applications, etc., to follow through with the exchange of funds.



Section 4. The City Clerk, or duly appointed deputy, is directed to attest thereto.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY  
OF ROLLING HILLS ON THIS 22 DAY OF APRIL, 2019.

---

Leah Mirsch  
Mayor

ATTEST:

---

City Clerk

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES       )       SS  
CITY OF ROLLING HILLS         )

The foregoing Resolution No. 1236 entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS, CALIFORNIA APPROVING AN AGREEMENT BY AND BETWEEN THE CITY OF ROLLING HILLS AND PALOS VERDES PENINSULA TRANSIT AUTHORITY THAT AUTHORIZES THE EXCHANGE OF PROPOSITION “A” TRANSPORTATION LOCAL RETURN FUNDS FOR GENERAL FUNDS.

was approved and adopted at a regular meeting of the City Council on April 22, 2019 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

City Clerk

## EXHIBIT A

### PROPOSITION "A" FUNDS FOR GENERAL FUNDS ASSIGNMENT AGREEMENT

This Agreement is made and entered into this \_\_\_ day of \_\_\_, 2019 by and between the City of Rolling Hills and the Palos Verdes Peninsula Transit Authority, with respect to the following facts:

A. The City of Rolling Hills has accumulated \$75,000 in Proposition "A" Funds, which are dedicated to transit and major arterial improvements;

B. Proposition "A" Funds are not eligible for use in the City of Rolling Hills due to the fact that the roads are privately owned and maintained; and

C. The Palos Verdes Peninsula Transit Authority has expressed an interest in an exchange of Proposition "A" Funds at the requested exchange rate of \$0.75 in General Funds for \$1.00 in Proposition "A" Funds.

Now, therefore, in consideration of the mutual benefits to be derived by the parties, it is mutually agreed as follows:

1. Scope of Agreement.

a. The City of Rolling Hills and the Palos Verdes Peninsula Transit Authority agree that the City will assign \$75,000 of its uncommitted Proposition "A" Funds (at the requested exchange rate of \$0.75 in General Funds for \$1.00 in Proposition "A" Funds) to Palos Verdes Peninsula Transit Authority in exchange for Palos Verdes Peninsula Transit Authority assigning \$56,250 of its uncommitted General Funds to the City of Rolling Hills.

b. The City of Rolling Hills and Palos Verdes Peninsula Transit Authority shall assign the agreed upon funds identified in this Section in one payment no later than June 30, 2019.

2. Term.

This Agreement is effective on the date above written and for such time as is necessary for both parties to complete their mutual obligations under this Agreement.

3. Termination.

Termination of this Agreement may be made by either party before the due date for payment referenced in Section 1 of this Agreement so long as written notice of intent to terminate is given to the other party at least five (5) days prior to the termination.

4. Notices.

Notices shall be given pursuant to this Agreement by personal service or written notice deposited in the custody of the United States Postal Service as follows:

- a. Elaine Jeng, City Manager  
City of Rolling Hills  
2 Portuguese Bend Road

Rolling Hills, California 90274

- b. Martin Gombert, Administrator  
Palos Verdes Peninsula Transit Authority  
38 Crest Road West  
Rolling Hills, CA 90274

5. Assurances. Palos Verdes Peninsula Transit Authority shall use the assigned Proposition "A" funds only for the funds' intended purposes including but not limited to transit and major arterial improvements.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement to be executed by their respective officers, duly authorized, on the day and year written above.

PALOS VERDES PENINSULA TRANSIT  
AUTHORITY

CITY OF ROLLING HILLS

By: \_\_\_\_\_  
Administrator

By: \_\_\_\_\_  
City Manager

Attest:

Attest:

By: \_\_\_\_\_

By: \_\_\_\_\_  
City Clerk

Approved as to Form:

By: \_\_\_\_\_

By: \_\_\_\_\_  
City Attorney

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**AGENDA**  
**PALOS VERDES PENINSULA TRANSIT AUTHORITY**  
**REGULAR MEETING**  
**April 18, 2019**  
**ROLLING HILLS ESTATES CITY HALL, 4045 Palos Verdes Drive North**  
**Rolling Hills Estates, CA 90274**

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**Time Estimates:** The time noted next to an agenda item is only an estimate of the amount of time that will be spent during the meeting on that particular item. Accordingly, these estimates should not be relied on in determining when a matter will be heard, especially since agenda items are often re-ordered during a meeting and may be discussed at any time.

**6:00 P.M. REGULAR SESSION**

**(5 mins) CALL TO ORDER:**

**ROLL CALL:**

**FLAG SALUTE:**

**CONFIRM POSTING OF THE AGENDA BY ROLLING HILLS ESTATES CITY CLERK:**

**PUBLIC COMMENTS:** (All matters listed under the Consent Calendar are considered to be routine and will be enacted by one vote. There will be no discussion of these items unless members of the Board request specific items to be removed from the Consent Calendar for separate action.

**(5 mins) APPROVAL OF CONSENT CALENDAR:**

1. Register of Standing demands and Previously Authorized demands under Resolution 94/95-01 and per attached listing:

Page 4

	<b>Checks</b>	<b>Amount</b>
July-Sep. '18	6105-6169	\$662,642.21
Oct.-Dec. '18	6170-6227	\$939,810.48
Jan.-Mar. '19	6228-6287	\$513,540.45
<b>TOTAL</b>		<b>\$2,115,993.14</b>

If you need special assistance to participate in an Authority meeting under the Americans with Disabilities Act (ADA) or as a person with limited English proficiency (LEP) under Executive Order 13166, please contact the Secretary (310-544-7108) with request for reasonable accommodation at least forty-eight hours prior to the meeting.

PVPTA Agenda  
April 18, 2019  
Page 1 of 3



- |  |         |
|--|---------|
| 2. Approval of June 14 <sup>th</sup> and December 15, 2018 Board Minutes | Page 8  |
| 3. Administrative Services Co-Op Contract Extension                      | Page 14 |
| 4. Reaffirmation of Investment Policy                                    | Page 16 |

**Recommendation:** Approve Consent Calendar items

(10 mins) **ADMINISTRATOR REPORT:**

(45 mins) **REGULAR BUSINESS:**

**I. MONTHLY & REGULAR REPORTS**

- |  |         |
|--|---------|
| A. <u>Operations Report</u>                                | Page 20 |
| 1. Review of ridership data for the period ending 03/31/19 |         |

**Recommendation:** Receive and file report

- |  |         |
|--|---------|
| B. <u>Finance</u>                                      |         |
| 1. <u>Financial Statements as of December 31, 2018</u> | Page 26 |

**Recommendation:** Receive and file statements.

**II. NEW BUSINESS**

- |  |         |
|--|---------|
| A. Contract for Authority Administration | Page 30 |
|--|---------|

**Recommendation:** Approve Amendment #5

- |   |         |
|---|---------|
| B. Proposition A Fund Exchange with Rolling Hills | Page 32 |
|---|---------|

**Recommendation:** Approve Agreement with Rolling Hills

- |  |         |
|--|---------|
| C. Modifications to PV Transit Dial-A-Ride Program | Page 37 |
|--|---------|

**Recommendation:** Provide Direction to Staff

**III. OLD BUSINESS**

None

(5 mins) **FUTURE AGENDA ITEMS:** (This section of the agenda is designated for individual Board Members to request that an item be placed on a future PVPTA meeting agenda.)

**(10 mins) CHAIR AND MEMBER ITEMS REPORT:**

Election of Officers

Page 47

**ADJOURNMENT: Rolling Hills Estates City Hall, May 16, 2019**

## **MEMORANDUM**

TO: AUTHORITY MEMBERS  
FROM: Martin Gombert, Administrator  
DATE: April 13, 2019  
RE: Fund Exchange with Rolling Hills

### **BACKGROUND**

In November 2018 the City of Rolling Hills inquired if the Palos Verdes Peninsula Transit Authority was interested in exchanging general funds for Proposition A Local Return funds. The City's Proposition C and/or Measure R Funds could only be "gifted" to another jurisdiction for transportation/transit-related projects.

The Authority submitted a proposal to the City of Rolling Hills on November 28, 2018 for the exchange of \$75,000 of Proposition A Local Return Funds.

At the January 28, 2019 Rolling Hills City Council Meeting, the City Council approved a Proposition A Assignment Agreement with the Palos Verdes Peninsula Transit Authority.

### **FINANCIAL IMPACT**

The exchange of funds will increase the Authority's revenue for FY 2018-19 by \$18,750.

### **RECOMMENDATION**

Staff recommends that the Board approve the Proposition A Assignment Agreement with the City of Rolling Hills.

### **Attached**

-January 2019 Rolling Hills Staff Report  
-Proposition A Assignment Agreement



# 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: 01/28/19

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: YOLANTA SCHWARTZ, PLANNING DIRECTOR *YJS*

THROUGH: ELAINE JENG, P.E., CITY MANAGER *EJ*

SUBJECT: CONSIDER AND APPROVE THE GIFTING OF PROPOSITION A FUNDS TO PVP TRANSIT; GIFTING OF PROPOSITION C FUNDS TO THE CITY OF ROLLING HILLS ESTATES TOWARDS RESURFACING PALOS VERDES DRIVE NORTH PROJECT; AND THE USE OF MEASURE M AND MEASURE R FUNDS FOR RESURFACING OF THE CITY HALL CAMPUS PARKING LOT AND SMALL SEGMENT OF PORTUGUESE BEND ROAD.

DATE: JANUARY 28, 2019

**ATTACHMENTS:**

City of Rolling Hills letter  
City of Rolling Hills Estates response  
Willdan Engineering Cost Estimate proposal

**RECOMMENDATION**

It is recommended that the City Council consider and approve the following:

- 
1. Exchange of \$75,000 (\$0.75 per \$1.00) in Proposition A funds with the Palos Verdes Peninsula Transit Authority (PVP Transit) pending Transit Board approval;
  2. Gift a total of \$65,000 of Proposition C funds to the City of Rolling Hills Estates for resurfacing Palos Verdes Drive North from Portuguese Bend Road/Rolling Hills Road to the Rolling Hills Estates' easterly boundary; and
  3. Appropriate Measure M funds in the amount of \$65,000 and Measure R funds in the amount of \$50,000 for the design and construction of the City Hall campus parking

- 1 -

1/18

13/16

33

lot (including the segment of Portuguese Bend Road between Palos Verdes Drive North and the main gate) resurfacing project; and

4. Appropriate an additional \$32,800 to supplement the City Hall campus parking lot resurfacing project.

## **BACKGROUND**

The City annually receives countywide tax disbursements from Proposition A, Proposition C, Measure R and Measure M funds to be used for transportation and transit-related purposes. Proposition A and C funds are dedicated to transit and major arterial improvements; they are not eligible for use in Rolling Hills due to the roads within the City being privately owned and maintained. Measure R and Measure M funds are eligible for transportation improvement projects on public properties. In years past, the City would accumulate local return funds and solicit interest in exchanging the local return funds for General Fund monies or gift funds towards other transportation-related purposes with another public agency. The first disbursement of Measure R funds was in FY 2009/10 and FY 2017/18 for Measure M funds. These funds have a five year spend down period.

Since 2016 the City has accumulated \$75,000 Proposition A, \$65,000 in Proposition C Funds, \$50,000 in Measure R Funds and \$65,000 in Measure M funds. On November 7, 2018, a letter was sent to the neighboring Peninsula cities and PVP Transit inquiring as to their interest in an exchange of Proposition A funds and gifting of the remaining funds.

## **DISCUSSION**

PVP Transit and the City of Rolling Hills Estate responded to Rolling Hills' solicitation.

PVP Transit staff expressed interest in an exchange of Proposition A Funds at the requested exchange rate of \$0.75 in General Funds for \$1.00 in Proposition A Funds. PVP Transit staff will present the proposed exchange to the PVP Transit Board on April 18, 2019. Staff recommends that the City Council approve the exchange rate of \$0.75 in General Funds for \$1.00 in Proposition A funds and direct staff to prepare documents to finalize the exchange, pending PVP Transit Board's approval at the April 22, 2019 meeting.

City of Rolling Hills Estates is interested in Proposition C, Measure R and Measure M funds to resurface Palos Verdes Drive North from Rolling Hills Road/Portuguese Bend Road to Rolling Hills Estates' eastern limit (PVDN Resurfacing Project). The project limit includes the segment of new water line along Palos Verdes Drive North. Palos Verdes Drive North is a major arterial serving the residents of Rolling Hills. Staff recommends gifting of the City's available Proposition C funds to Rolling Hills Estates to supplement the PVDN resurfacing project.

## PROPOSITION 'A' FUND EXCHANGE AGREEMENT

This Fund Exchange Agreement (Agreement) is made and entered into this 18<sup>th</sup> day of April 2019, by and between the Palos Verdes Peninsula Transit Authority (PVPTA) and the City of Rolling Hills, with respect to the following facts:

A. The Palos Verdes Peninsula Transit Authority provides fixed route transit services to serve residents on the Palos Verdes Peninsula and the Palos Verdes Palos Verdes Peninsula Transit Authority operates and maintains transit-related equipment.

B. The City of Rolling Hills has an accumulation of uncommitted Proposition A Local Return funds which could be made available to the PVPTA to assist in providing the project described in Paragraph A of this Agreement. The City of Rolling Hills is willing to assign uncommitted Proposition A Local Return funds to the Palos Verdes Peninsula Transit Authority for the purpose identified in Paragraph A.

NOW THEREFORE, in consideration of the mutual benefits to be derived by the parties and of the premises herein contained, it is mutually agreed as follows:

1. Exchange. The City of Rolling Hills shall transfer \$75,000 of its uncommitted Proposition A Local Return funds to the PVPTA in Fiscal Year 2018/19. In return, the PVPTA shall transfer \$56,250 (exchange rate: \$1.00/\$0.75) in General Funds to the City of Rolling Hills in Fiscal Year 2018/19.

2. Consideration. The City of Rolling Hills shall transfer the agreed upon Proposition A Local Return funds to the PVPTA in one (1) lump sum payment no later than June 30, 2019. The PVPTA shall transfer the agreed upon general funds to the City of Rolling Hills in one (1) lump sum payment no later than June 30, 2019.

3. Term. This Agreement is effective on the date above written and for such time as is necessary for both parties to complete their mutual obligations under this Agreement.

4. Termination. Termination of this Agreement may be made by either party before the date of approval of the project description covering the funds in question by the Metropolitan Transportation Authority (LACMTA), so long as written notice of intent to terminate is given to the other party at least five (5) days prior to the termination.

5. Notices. Notices shall be given pursuant to this Agreement by personal service on the party to be notified, or by written notice upon such party deposited in the custody of the United States Postal Service addressed as follows:

- a. Elaine Jeng, P.E., City Manager  
City of Rolling Hills  
2 Portuguese Bend Road  
Rolling Hills, California 90274



- b. Mr. Martin Gombert Administrator  
Palos Verdes Peninsula Transit Authority  
38 Crest Road West  
Rolling Hills, CA 90274

6. Assurances.

a. The PVPTA shall use the assigned Proposition A Local Return Funds only for the purpose of providing the project discussed in Paragraph A of this Agreement and within the time limits specified in Metropolitan Transportation Authority's Proposition A Local Return Program Guidelines.

b. Concurrently with the Execution of this Agreement, the PVPTA shall provide the Metropolitan Transportation Authority with the Standard Assurances and Understandings Regarding Receipt and Use of Proposition A Funds specified in the Guidelines regarding the use of the assigned Proposition A Local Return Funds.

IN WITNESS WHEREOF, the parties hereto have caused this Fund Exchange Agreement to be executed by their respective officers, duly authorized, on the day and year written above.

PALOS VERDES PENINSULA TRANSIT AUTHORITY

CITY OF ROLLING HILLS

By: \_\_\_\_\_  
Chair

By: \_\_\_\_\_  
City Manager

Attest:

\_\_\_\_\_  
Administrator

\_\_\_\_\_  
City Clerk

Approved as to Form

\_\_\_\_\_  
Attorney

\_\_\_\_\_  
City Attorney



*City of Rolling Hills*

INCORPORATED JANUARY 24, 1957

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

**Agenda Item No: 7C**  
**Mtg. Date: 04/22/2019**

**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, 2020**

**DATE: APRIL 22, 2019**

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**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.

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.

## **DISCUSSION**

At the March 11, 2019 City Council meeting, staff was directed to contact solid waste providers serving adjacent cities to inquire interest in servicing Rolling Hills. Staff reached out to Athens Services and Waste Management Services. Athens Services is currently servicing Redondo Beach and Palos Verdes Estates. Waste Management Services is currently servicing Manhattan Beach and Rolling Hills Estates. Both companies express interest in serving the City of Rolling Hills.

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  
FAX (310) 377-7288

**Agenda Item No.: 7D**  
**Mtg. Date: 04/22/19**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: YOLANTA SCHWARTZ, PLANNING DIRECTOR**  
**JANE ABZUG, ASSISTANT CITY ATTORNEY**

**THROUGH: ELAINE JENG, CITY MANAGER**

**SUBJECT: CONSIDERATION OF AN ORDINANCE NO. 361. AN ORDINANCE OF THE CITY OF ROLLING HILLS, CALIFORNIA AMENDING CHAPTER 13.18 (WATER EFFICIENT LANDSCAPE) OF TITLE 13, WATER AND SEWERS OF THE ROLLING HILLS MUNICIPAL CODE, AND WAIVE THE FULL READING AND INTRODUCE ON FIRST READING ORDINANCE NO. 361.**

**DATE: APRIL 22, 2019**

**ATTACHMENT:**  
**DRAFT ORDINANCE NO. 361**

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## **BACKGROUND**

In 1992, the State of California enacted the Water Conservation in Landscaping Act, (AB 325) requiring the adoption of a water efficient landscape ordinances by cities and counties throughout the state. In 1993, the City of Rolling Hills adopted such ordinance as part of the Zoning Code. This ordinance was very basic with few provisions.

In 2004 the State of California enacted Assembly Bill 2717 establishing a stakeholder based Landscape Taskforce charged with formulating recommendations to improve irrigation efficiency in new and existing landscaping. In 2006 the Governor signed Assembly Bill 1881 requiring cities and counties to implement the Taskforce's recommendation, and in 2010 the taskforce developed a Model Water Efficient Landscape Ordinance (MWELo), which was codified in the California Code of Regulations Title, 23, Waters. The purpose of the State's MWELo is to protect the State's

water supply, encourage water conservation, and to provide cities with the appropriate authority to ensure efficient water use for public and private landscape projects. A city may adopt the State's MWELO as is or it may adopt its own Water Efficiency Landscape Ordinance (WELO) that is at least as effective as the State's MWELO. (Cal. Gov. Code § 65595(c).) If a city takes no action or if a city's WELO is out of compliance, then the city must follow the State's MWELO. (Gov. Code § 65585(d).) In 2010 the City of Rolling Hills adopted its own WELO based on the State's 2010 MWELO. (RHMC Chapter 13.18).

In 2015, the California Legislature adopted new regulations and updated its MWELO. (*See* Cal. Code. Regs., tit. 23, § 490 et seq.) The City of Rolling Hills did not amend its 2010 ordinance and is currently operating under the 2010 MWELO. In October 2018, a resident of Rolling Hills who is a landscape architect brought to the City's attention that the City is not in compliance with the state law in regards to the 2015 MWELO. The City must amend RHMC Chapter 13.18 by making it at least as effective as the State's MWELO or repeal RHMC Chapter 13.18 and apply the 2015 MWELO within the City.

The 2015 MWELO is more stringent than the 2010 MWELO. The 2010 MWELO applied to public agency projects, private development projects, and developer-installed single-family residence projects that are for new construction and rehabilitated landscapes, requiring administrative or discretionary review for a landscape area of 2,500 square feet or more, and to homeowner-initiated single-family residential projects that are for new construction and rehabilitated landscapes, requiring administrative or discretionary review for a landscape area of 5,000 square feet or more.

By comparison, the 2015 MWELO applies to all new construction projects requiring administrative or discretionary review for a landscape area of 500 square feet or more, and rehabilitated landscape projects requiring administrative or discretionary review for a landscape area of 2,500 square feet or more. (23 CCR Section 490.1.)

Property owners are still to comply by submitting detailed plans, worksheets on water usage, irrigation plans and schedule, soils reports and other documentation. Property owners are also required to maintain the water efficient landscaping. Local agencies are now required to report to the State Water Resources Board annually on the number of projects, project types, completed projects, and actions to verify compliance. (23 CCR Section 495.)

On March 25, 2019, staff presented a draft of amended RHMC Chapter 13.18 that incorporated the requirements of the 2015 MWELO. Given the unique characteristics of the City, the proposed ordinance applies to public agency development projects subject to discretionary review for a landscape area of 1,000 square feet or more; to single family residential development projects subject to discretionary review for a landscape area of 500 square feet or more; and to single family residential development projects subject to administrative review for a landscape area of 2,500 square feet or more.



## **CHANGES MADE AT THE MARCH 25, 2019 MEETING**

A resident landscape architect attended the City Council meeting on March 25, 2019, and she recommended several changes to the ordinance. In addition, following the public hearing, the City Council made several changes. Being that the changes are substantive in nature, the ordinance is being introduced for first reading again.

The following changes were made and were incorporated into the ordinance that is being considered at tonight's meeting:

- Section 13.18.035 (Landscape Documentation Package) was amended to reflect that the City would collect the following: 1) a deposit of \$1,500 to cover processing of an application, subject to an additional deposit or refund, as needed to cover the actual costs incurred to process the application; and 2) a deposit of \$5,000 to be refunded upon staff's verification of an applicant's Certificate of Completion.
- Section 13.18.043 (Irrigation Plan and Schedule) was amended by adding the following requirements:
  - Applicant will identify water supply;
  - Applicant will use a recirculating water system for water features;
  - Applicant will provide a water schedule for each area served by one valve or by a set of valves that operate simultaneously;
- Section 13.18.070 (the title of this section was changed to read "Verification of Applicant's Certificate of Completion"), and the section was amended to provide an applicant with a onetime 120-day extension to complete installation of the landscaping and submit the Certificate of Completion, following a final inspection of the project; and another paragraph was added (paragraph "B") to explain that upon City verification of the Certificate of Completion, the City Manager will refund the \$5,000 deposit back to the applicant. If the City Manager determines that the installation does not substantially conform to the approved plans, the City Manager will withhold the deposit until the applicant fully complies with the requirements.
- Section 13.18.080 (Nuisance) was deleted. Instead of including a section relating to administrative fines, City staff proposes that enforcement be conducted through the collection of a \$5,000 deposit to be refunded upon the City Manager's verification of the Certificate of Completion. (See Section 13.18.070.)

## **FISCAL IMPACT**

City staff does not have expertise in this area. Consultant services are needed for this purpose, at a cost of approximately \$26,000-\$30,000 annually (at \$120/hour). In order to offset this impact on the City's budget, staff recommends charging the applicant a deposit of \$1,500 to pay for the fee of consultant services to process the applications. Any unused balance will be refunded to the applicant. If additional funds are needed

for the review, an additional deposit will be collected from the applicant to cover the actual costs of processing the application. A refundable deposit of \$5,000 is recommended to be collected at the same time as the application review fee deposit. The \$5,000 deposit is to incentivize an applicant to install landscaping features in compliance with the approved plans and to submit a timely Certificate of Completion to the City. The amount of the deposit will be returned once the City verifies the applicant's Certificate of Completion.

### **RECOMMENDATION**

1) Waive full reading and introduce on first reading Ordinance No. 361 an ordinance of the City of Rolling Hills, California, amending chapter 13.18 Water Efficiency Landscape (MWELo) of Title 13, Water and Sewers of the Rolling Hills Municipal Code; and 2) Approve Ordinance No. 361 and bring it back at the next City Council meeting for second reading.

## **ORDINANCE NO. 361**

### **AN ORDINANCE OF THE CITY OF ROLLING HILLS AMENDING CHAPTER 13.18 (WATER EFFICIENT LANDSCAPE) OF TITLE 13 (WATER AND SEWERS) OF THE ROLLING HILLS MUNICIPAL CODE**

The City Council of the City of Rolling Hills, California, does hereby ordain as follows:

#### Section 1: Findings

A. The waters of the State of California are of limited supply and are subject to increasing demands;

B. It is the policy of the State of California and the City of Rolling Hills to promote the conservation and efficient use of water and to prevent the waste of this valuable resource;

C. The State's Model Water Efficiency Landscape Ordinance (MWELo) is codified in the Department of Water Resources Code of Regulations. (Cal. Code. Regs. Tit. 23, § 490 et seq.) The purpose of the State's MWELo is to protect the State's water supply, encourage water conservation, and to provide cities with the appropriate authority to ensure efficient water use for public and private landscape projects;

D. Governor Brown's Drought Executive Order of April 1, 2015 (EO B-29-15) directed Department of Water Resources to update the State's MWELo. On July 15, 2015, the California Water Commission approved the updated MWELo (the 2015 MWELo);

E. A city may adopt the State's MWELo as is or may adopt its own Water Efficiency Landscape Ordinance that is at least as effective as the State's. (Cal. Gov. Code, § 65595(c));

F. The City of Rolling Hills is a unique, well-established residential community where development consists exclusively of single-family residential homes on large lots and the existing non-residential development in the community consists of City administration, homeowners' association, fire, school, and school maintenance facilities;

G. The water efficient landscaping standards adopted herein serve to advance the foregoing goals, advance the goal of conserving water and further public health, safety and welfare;

H. The City's water efficient landscape ordinance is at least as effective in conserving water as the California Department of Water Resource's updated Model Water Efficient Landscape Ordinance due to the following:

1. The ordinance is applicable to all development subject to discretionary review by the City as well as landscape for residential projects subject to administrative review.
2. Under the ordinance, landscaping shall be designed and irrigated so as not to exceed 39.7% of the local evapotranspiration rate (ET<sub>o</sub>) established by the State for the City of Long Beach and surrounding areas of Los Angeles County.
3. Under the ordinance, landscaping shall incorporate compost at a rate of at least four cubic yards per 1,000 square feet to a depth of six inches into landscape area (unless contra-indicated by a soil test);
4. Under the ordinance, landscape areas for residential type projects must include water wise plants that require occasional, little or no summer water (average WUCOLS plant factor 0.3) for 75% of plant area excluding edibles and areas using recycled water. Landscape areas for institutional type projects must include water wise plants that require occasional, little or no summer water (average WUCOLS plant factor 0.3) for 100% of plant area excluding edibles and areas using recycled water.
5. Under the ordinance, a minimum three inch (3") layer of mulch shall be applied on all exposed soil surfaces of planting areas except in turf areas, creeping or rooting groundcovers, or direct seeding applications where mulch is contraindicated.
6. Under the ordinance, landscape areas for residential type projects shall be designed with less than 25% turf. Turf shall not be placed on sloped areas that exceed a slope of 1-foot vertical elevation change for every 4 feet of horizontal length. Landscape areas for institutional type projects shall be designed with no turf.
7. Under the ordinance, automatic irrigation systems with pressure regulators and manual shut-off valves are required and shall be designed to avoid overspray and runoff with optimum distribution uniformity and setbacks from hardscape, and shall employ a weather-based irrigation controller with a rain shut off sensor and check valves

at the end of each line to hold water in the system, preventing unwanted drainage from sprinkler heads.

8. Under the ordinance, all irrigation emission devices must meet the requirements set in the ANSI standard, ASABE/ICC 802-2014 and document distribution uniformity.
9. Under the ordinance, landscape areas of 1,000 sq. ft. or more for institutional type projects must have a private submeter to measure landscape water use.
10. Exceptions to the ordinance standards are allowed only upon a finding that alternative design will promote equivalent or greater water conservation.
11. Under the ordinance, installation and compliance verifications are required for the landscape plan, irrigation plan and schedule, grading plan, and any necessary soil management report.
12. Under the ordinance, the maximum annual applied water allowance calculation matches the California Department of Water Resource's formula in its Model Water Efficient Landscape Ordinance.
13. Under the ordinance, the identification of water wise plants matches that used by the California Department of Water Resource's in its Model Water Efficient Landscape Ordinance.

Section 2: CEQA. The City Council determines that this ordinance is categorically exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") in accordance with CEQA Guidelines §§ 15305 as a minor alteration in land use limitations which do not result in any changes in land use or density; and 15308 as an action taken by a regulatory agency as authorized by California law to assure maintenance or protection of the environment.

Section 3: Title 13, Chapter 13.18 of the Rolling Hills Municipal Code, commencing with Section 13.18.010 is hereby amended to read as follows:

## Chapter 13.18

### WATER EFFICIENT LANDSCAPE

#### Sections:

- 13.18.010 Purpose.
- 13.18.020 Applicability.
- 13.18.030 Definitions.
- 13.18.035 Landscape Documentation Package.
- 13.18.040 Landscape Plan Design Standards.
- 13.18.043 Irrigation Plan and Schedule
- 13.18.046 Grading Plan
- 13.18.049 (Reserved.)
- 13.18.050 Exceptions.
- 13.18.060 Submittal Requirements.
- 13.18.070 Verification of Applicant's Certificate of Completion.

#### **13.18.010 Purpose.**

It is the policy of the City of Rolling Hills to promote water conservation. The landscape water conservation standards detailed in this Chapter are intended to promote water conservation while allowing the maximum possible flexibility in designing healthy, attractive, and cost-effective water efficient landscapes.

#### **13.18.020 Applicability.**

This Chapter applies to:

A. All public agency development projects which are subject to discretionary review by the City and propose an aggregate landscape area of 1,000square feet or more; and

B. Any single family residential development projects with an aggregate landscape area equal to or greater than 500 square feet requiring discretionary review by the City; and

C. Any single family residential development projects with an aggregate landscape area equal to or greater than 2,500 square feet requiring administrative review by the City.



### **13.18.030**

### **Definitions**

“Administrative Review” means review of a development project requiring review and approval of the City Manager or designee of an application for a building permit or zone clearance permit.

“Application rate” means the rate of irrigation (inches/hour or gallons per minute) at which water is applied by an irrigation system.

“Automatic irrigation system” means an irrigation system that can be controlled without manual manipulation and which operates on a preset program.

“Discretionary review” means review of a development project by the Planning Commission and/or City Council that requires that the Planning Commission or City Council ascertain compliance with this Chapter, and that also requires the exercise of judgment, deliberation or decision by the Planning Commission and/or City Council.

“Evapotranspiration” or “ET” means the approximate summation of water losses through evaporation from soil and transpiration from the plants during a specified period of time.

“ET<sub>o</sub>” or “reference evapotranspiration” means the approximation of water loss expressed in inches per year from a field of 4-to-7-inch-tall cool season grass that is not water stressed.

“ET Adjustment Factor” or “ETAF” means a factor used to set an efficiency goal, that when applied to ET<sub>o</sub> adjusts for plant factor and irrigation efficiency, two of the major influences upon the amount of water that needs to be applied to a landscape.

“Graywater” means untreated wastewater that has not been contaminated by any toilet discharge, has not been affected by infectious, contaminated, or unhealthy bodily wastes, and does not present a threat from contamination by unhealthful processing, manufacturing, or operating wastes. “Graywater” includes, but is not limited to, wastewater from bathtubs, showers, bathroom washbasins, clothes washing machines, and laundry tubs, but does not include wastewater from kitchen sinks or dishwashers. Health and Safety Code Section 17922.12.

“Hydrozone” means a portion of the planting area having plants grouped according to water need.

“Irrigation system” means a complete connection of system components, including the water distribution network and the necessary irrigation equipment and downstream from the backflow prevention device.

“Landscape Area” means all areas where landscaping is proposed as part of a development proposal.

“Landscape Architect” means a person who holds a license to practice landscape architecture in the state of California Business and Professions Code, Section 5615.

“Landscape Contractor” means a person licensed by the state of California to construct, maintain, repair, install, or subcontract the development of landscape systems.

“Landscape Documentation Package” means documents required as part of development projects identified in Section 13.18.020, including the landscape design

plan, irrigation design plan, grading design plan, irrigation schedule, and soil management report.

“Landscape Plan” means design plans with a planting plan and irrigation plan, and plans with supporting detail sheets to include notes and/or specifications.

“Development” means any construction requiring a building permit or zone clearance permit, a new building on a vacant site, an addition to an existing building on a site, a new building on a developed site, or a change in land use type that requires a discretionary permit from the City.

“Plant Factor” means a factor that when multiplied by the ETo, estimates the amount of water used by a given plant species.

“Planting area” means the parcel area less building pad(s), driveway(s), patio(s), deck(s), walkway(s) and parking area(s). Planting area includes water bodies (i.e., fountains, ponds, lakes) and natural areas.

“Special Landscape Area (SLA)” means park and recreational areas permanently and solely dedicated to edible plants such as orchards and vegetable gardens, and areas irrigated with recycled water are subject to the MAWA with an ET adjustment factor not to exceed 1.0.

“Turf” means a groundcover surface of mowed grass with an irrigation water need of greater than 30% of the ETo.

“Water Budget Calculation” means the Maximum Annual Applied Water Allowance, which shall be calculated using the following formula, per Section 492.4 of the State of California Model Water Efficient Landscape Ordinance, which may be amended from time to time:

$$\text{Residential: MAWA} = (\text{ETo}) (0.62) [0.55 \times \text{LA} + 0.45 \times \text{SLA}]$$

$$\text{Institutional: MAWA} = (\text{ETo}) (0.62) [0.45 \times \text{LA} + 0.55 \times \text{SLA}]$$

MAWA	=	Maximum Applied Water Allowance (maximum gallons per year available for the project).
Eto	=	Reference Evapotranspiration (39.7 inches per year for the City of Rolling Hills).
0.55 (residential) 0.45 (institutional)	=	ETAF (as designated by the state of California).
LA	=	Landscape Area (square feet, including SLA)
0.62	=	Conversion Factor (inches to gallons)
SLA	=	Special Landscape Area (square feet)

0.45 (residential) = The additional ET Adjustment Factor for the Special  
0.55 (institutional) Landscape Area

“Water Wise Plants” means those plants that are evaluated as needing “moderate” (40-60% of ETo), “low” (10-30% of ETo) and “very low” (< 10% of ETo) amounts of water as defined and listed by Water Use Classifications of Landscape Species (WUCOLS) available from the State of California Department of Water Resources. Other sources of water wise plant classifications may be used if approved by the City Manager.

“Weather Based Irrigation Controller” means an irrigation controller that automatically adjusts the irrigation schedule based on changes in the weather.

### **13.18.035 Landscape Documentation Package.**

An applicant proposing landscaping, which is subject to the requirements of this Chapter, shall submit the documents required by the Landscape Documentation Package in accordance with the requirements of this Chapter and a deposit of \$1,500 to cover City staff application processing fees at a rate of \$120 per hour. Should processing the application exceed the initial deposit, the City may request additional deposits as necessary to reimburse the City its actual costs incurred in processing the application. Should the deposit exceed the total cost of processing, the applicant will be refunded the difference. Applicant shall additionally submit a performance security deposit of \$5,000 to be refunded upon verification by the City Manager, or his or her designee, of applicant’s Certificate of Completion.

### **13.18.040 Landscape Plan Design Standards.**

An applicant proposing landscaping, which is subject to the requirements of this Chapter, shall comply with each of the following in the design, installation, and maintenance of the landscaped area, unless an exception is granted pursuant to Section 13.18.050.

#### **A. Landscape Plan Content:**

1. Applicants shall submit a Landscape Plan depicting the landscaped area and all existing landscaping to remain on the lot. Landscaping shall be designed to be irrigated at no more than the reference evapotranspiration (ETo) and shall not exceed the MAWA. The City reserves the right to modify plans in quantity and quality of the landscape to meet the requirements of this Chapter.

2. Applicants shall provide all relevant information on the landscape plan including botanical names for plants and turf species; container sizes; percentage calculations of allowable areas of turf; low, medium or high water use plants and water-wise plants; water budget calculations; applicable graywater

discharge piping, system components, and areas of distribution; any necessary soil management report; and specific requests for any exceptions to the requirements of this Chapter in accordance with Section 13.18.050. Areas of existing landscaping to remain unaltered shall be indicated on the landscape plan.

**B. Use of Compost, Water Wise Plants, and Turf:**

1. The landscape area of a single family residential or institutional use project shall incorporate compost at a rate of at least four cubic yards per 1,000 square feet to a depth of six inches into landscape area (unless contra-indicated by a soil test).

2. The landscape area of a single family residential use project shall be designed with water wise plants that require occasional, little or no summer water (average WUCOLS plant factor 0.3) for 75% of the plant area excluding edibles and areas using recycled water. The landscape area of a institutional use project shall be designed with water wise plants that require occasional, little or no summer water (average WUCOLS plant factor 0.3) for 100% of the plant area excluding edibles and areas using recycled water;

3. The landscape area of a single family residential use project shall be designed with no more than 25% of the landscape area in turf . The landscape area of an institutional use project shall be designed with no turf.

4. Turf shall not be used on a slope that exceeds 1 foot vertical elevation change for every 4 feet of horizontal length.

5. Additional turf areas may be approved by the City for areas designed and used for outdoor sporting and recreational activities. Approved turf areas may be watered at 1.0 of the referenced evapotranspiration (ET<sub>o</sub>).

**C. Mulch:** The landscape area, except those portions of the landscape area planted in turf, creeping or rooting groundcovers, or direct seeding applications where mulch is contraindicated, shall be covered with mulch material to a minimum thickness of at least 3 inches throughout. In areas with groundcover planted from flats, mulch shall be installed to an average thickness of 1-½ inches. Additional mulch material shall be added from time to time as necessary in order to maintain the required depth of mulch.

**D. Graywater Systems:**

All graywater systems shall conform to the City's Plumbing Code adopted in Chapter 15.08 of the RHMC.

E. Soil Management Report:

1. Applicant shall submit soil samples to a laboratory for analysis of soil texture, infiltration rate, pH, total soluble salts, sodium, percent organic matter and for recommendations in accordance with laboratory protocol, including protocols regarding adequate sampling depth for the intended plants and at a sampling rate equivalent to approximately 15% of the development.

2. A soil management report shall be submitted as follows:

i. If grading requiring Site Plan Review pursuant to RHMC Section 17.46.020(A)(1) is not planned, the soil analysis report shall be submitted to the City as part of the Landscape Plan; or

ii. If grading requiring Site Plan Review pursuant to RHMC Section 17.46.020(A)(1) is planned, the soil analysis report shall be submitted to the City as part of the certificate of compliance with documentation verifying implementation of soil report recommendations.

**13.18.043 Irrigation Plan and Schedule.**

A. Irrigation Plan: All irrigation systems proposed as part of a development shall identify water supply and incorporate the following requirements in their design, installation and maintenance:

1. Irrigation systems shall be designed and installed to avoid overspray and runoff. Valves shall be separated for individual hydrozones based on plant water needs and sun or shade requirements.

2. An automatic irrigation system is required and shall include a weather-based irrigation controller, including a rain shut-off sensor.

3. Manual shut-off valves (such as a gate valve, ball valve, or butterfly valve) shall be installed as close as possible to the point of connection of the water supply.

4. Irrigation controllers shall be of a type that do not lose programming data in the event the primary power source is interrupted.

5. Areas less than ten feet wide shall be irrigated with appropriately selected equipment that provides the proper amount of water coverage without causing runoff or overspray onto adjacent surfaces.

6. All sprinklers shall have matched precipitation rates within each valve and circuit. All irrigation systems shall be designed to include optimum distribution uniformity, head to head spacing, and setbacks from walkways and pavement.

7. All irrigation systems shall provide check valves at the low end of irrigation lines to prevent unwanted draining of irrigation lines.

8. Pressure regulators shall be installed on the irrigation system to ensure the dynamic pressure of the system is within the manufacturers recommended pressure range.

9. Flow sensors that detect and report high flow conditions shall be installed for landscaped areas greater than 5,000 square feet

10. All irrigation emission devices must meet the requirements set in the ANSI standard, ASABE/ICC 802-2014. "Landscape Irrigation Sprinkler and Emitter Standard," All sprinkler heads installed in the landscape must document a distribution uniformity low quarter of 0.65 or higher using the protocol defined in ASABE/ICC 802-2014.

11. Recirculating water shall be used for water features as defined in RHMC Section 17.12.230.

12. For institutional projects with landscape areas of 1,000 sq. ft. or more, a private submeter to measure landscape water use shall be installed.

#### B. Irrigation Schedule.

1. Irrigation schedules shall be developed, managed, and evaluated to utilize the minimum amount of water required to maintain plant health.

2. Irrigation schedules shall meet the following criteria:

i. Actual irrigation schedules shall be regulated by automatic irrigation controllers using current reference evapotranspiration data (e.g., CIMIS) or soil moisture sensor data.

ii. Parameters used to set the automatic controller shall be developed and submitted for each of the following:

a. The plant establishment period;

b. The established landscape; and



c. Temporarily irrigated areas.

iii. Each irrigation schedule shall consider all of the following that apply:

- a. Irrigation interval (days between irrigation);
- b. Irrigation run times (hours or minutes per irrigation event to avoid runoff);
- c. Number of cycle starts required for each irrigation event to avoid runoff;
- d. Amount of applied water scheduled to be applied on a monthly basis for each area served by one valve or by a set of valves that operate simultaneously;
- e. Application rate setting;
- f. Root depth setting;
- g. Plant type setting;
- h. Soil type;
- i. Slope factor setting;
- j. Shade factor setting; and
- k. Irrigation uniformity or efficiency setting.

iv. Overhead irrigation shall be scheduled between 8:00 p.m. and 10:00 a.m. unless weather conditions prevent it. If allowable hours of irrigation differ from the local water purveyor, the stricter of the two shall apply. Operation of the irrigation system outside the normal watering window is allowed for auditing and system maintenance.

3. For implementation of the irrigation schedule, particular attention must be paid to irrigation run times, emission device, flow rate, and current reference evapotranspiration, so that applied water meets the Estimated Total Water Use. Total annual applied water shall be less than or equal to MAWA.

**13.18.046                    Grading Plan.**

A.     A grading plan shall be submitted as part of the Landscape Plan and must include the finished configurations and elevations of the landscape area including:

1.     height of graded slopes;
2.     drainage patterns;
3.     pad elevations;
4.     finish grade; and
5.     stormwater retention improvements, if applicable.

B.     Project applicants are encouraged to prepare a grading plan that does the following:

1.     grade so that all irrigation and normal rainfall remains within property lines and does not drain on to non-permeable hardscapes;
2.     avoid disruption of natural drainage patterns and undisturbed soil;  
and
3.     avoid soil compaction in landscape areas.

C.     The grading design plan shall contain the following statement: “I have complied with the criteria of the ordinance and applied them accordingly for the efficient use of water in the grading design plan” and shall bear the signature of a licensed professional as authorized by law.

**13.18.049                    (Reserved).**

**13.18.050                    Exceptions.**

Exceptions to these landscape water conservation standards may be granted by the City Manager upon a finding, based on substantial evidence, that the exceptions will promote equivalent or greater water conservation than is provided for in these standards. Requests for exceptions shall be in writing and shall be submitted to the City Manager at the time the application is submitted to the City for review. Requests for exceptions must be accompanied by documentary evidence supporting the finding of equivalent or greater water conservation.

**13.18.060****Submittal Requirements.**

A. The landscape design plan shall bear the signature of a licensed landscape architect, licensed landscape contractor, or any other person authorized to design landscape. The irrigation plan and schedule shall bear the signature of a licensed landscape architect, licensed landscape contractor, or any other person authorized to design an irrigation system. The grading design plan shall contain the following statement: "I have complied with the criteria of the ordinance and applied them accordingly for the efficiency use of water in the grading design plan" and shall bear the signature of a licensed professional as authorized by law.

B. The Landscape Documentation Package consisting of the landscape plan, irrigation plan and schedule, grading plan, and any necessary soil management report shall include a "Statement of Compliance" in a form approved by the City Manager certifying that the design complies with the mandatory elements of this Chapter. The Statement of Compliance shall be signed by the person who prepared the landscape plan, irrigation plan and schedule, and grading plan and shall be submitted to the City prior to or concurrent with submitting final development plans to the Building and Safety Department.

C. The Planning Commission or City Council may require, on a case-by-case basis, that the landscaping plan, irrigation plan and schedule, grading plan, any necessary soil management report, and Statement of Compliance be submitted concurrently with the development application or prior to rendering a decision for the development.

**13.18.070****Verification of Applicant's Certificate of Completion.**

A. The person who prepared the landscape plan irrigation plan and schedule, grading plan, and any necessary soil management report shall inspect the installation and shall certify in writing to the City Manager that the installation substantially conforms to the approved plans through an Certificate of Completion. The Certificate of Completion shall be submitted prior to final inspection from the Building and Safety Department. The applicant is eligible for a one-time extension in submitting the Certificate of Completion up to 120 days, based on findings of good cause as reasonably determined by the City Manager or his or her designee.

B. Verification of the Certificate of Completion and compliance with this Chapter, as applicable, shall be made by the City Manager. Upon such verification, the City Manager shall cause the deposit, as required pursuant to RHMC Section 13.18.035, to be refunded to the applicant. Should the City Manager determine that the installation does not substantially conform to the approved plans or that the applicant is not in compliance with this Chapter, the City Manager shall withhold the deposit until applicant fully complies with this Chapter.

Section 4: Severability. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections subsections, subdivisions, sentences, clauses, phrases, or portion thereof be declared invalid or unconstitutional.

Section 5: Notice. The City Clerk shall certify as to the adoption of this ordinance and post a certified copy of this ordinance, including the vote for and against the same, in the office of the City Clerk, in accordance with Government Code Section 36993.

Section 6: Effective date. This ordinance shall go into effect and be in full force and operation from and after thirty (30) days after its final passage and adoption.

PASSED, APPROVED, AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

\_\_\_\_\_  
LEAH MIRSCH, MAYOR

Attest:

\_\_\_\_\_  
CITY CLERK

STATE OF CALIFORNIA       )  
COUNTY OF LOS ANGELES   ) §§  
CITY OF ROLLING HILLS       )

I certify that the foregoing Ordinance No. 361 entitled:

**AN ORDINANCE OF THE CITY OF ROLLING HILLS  
AMENDING CHAPTER 13.18 (WATER EFFICIENT  
LANDSCAPE) OF TITLE 13 (WATER AND SEWERS)  
OF THE ROLLING HILLS MUNICIPAL CODE**

was approved and adopted at a regular meeting of the City Council on \_\_\_\_\_,  
2019 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

and in compliance with the laws of California was posted at the following:

Administrative Offices

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City Clerk



# *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: 8A**

**Mtg. Date: 04/22/19**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: ELAINE JENG P.E., CITY MANAGER**  
**TERRY SHEA, FINANCE DIRECTOR**

**SUBJECT: A. REPORT ON FINANCE/BUDGET/AUDIT COMMITTEE**  
**RECOMMENDATIONS ON FINANCIAL AND INVESTMENT**  
**POLICIES AND SCHEDULE OF FEES AND CHARGES**

**AND**

**B. DISCUSSION OF FISCAL YEAR 2018/19 BUDGET PRIORITIES**

**DATE: APRIL 22, 2019**

**ATTACHMENTS:**

- 1. Financial, Budget and Debt Policies**
- 2. Current Schedule of Fees and Charges**
- 3. Investment Policy**
- 4. RESOLUTION NO. 953 - Asset Capitalization Policy**
- 5. Finance/Budget/Audit Committee Notes**

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## **CITY COUNCIL FINANCE/BUDGET/AUDIT COMMITTEE**

At its meeting of April 8, 2019, the City Council Finance/Budget/Audit Committee reviewed the Investment Policy, the Financial, Budget and Debt Policies, Resolution No. 953-Asset Capitalization Policy and Schedule of Fees and Charges.

1. The Committee did not recommend any changes to the Investment Policy or the Asset Capitalization Policy.
2. The Committee recommended one change to Financial, Budget and Debt Policy. The change is to the Policy Framework section, paragraph three concerning the audit bidding process. The change would be from every five years to every six years to be in conformance with California Government Code Section 12410.6. (b).

3. The Committee recommended the following change to the Schedule of Fees and Charges:

- a) Increase the Construction and Demolition permit fee from \$25 (single project permit) to \$100 and collect a refundable deposit of \$750 from the applicant at the time of permit issuance.

### **RECOMMENDATION**

It is recommend the City Council discuss the Finance/Budget/Audit Committee's Recommendations.

### **DISCUSSION OF FISCAL YEAR 2019-20 BUDGET PRIORITIES**

Annually, as part of the process of preparing the upcoming fiscal year budget, the City Council is asked to identify budget priorities. In turn, the priorities are incorporated into the draft budget that is prepared by staff, reviewed and modified by the City Council Finance/Budget/Audit Committee, and ultimately presented to and adopted by the City Council.

Staff is currently in the process of developing the proposed FY 2019/20 budget and is scheduled to review it draft form with the City Council Finance/Budget/Audit Committee at its meeting on May 13, 2019. Incorporated into the draft budget will be priorities identified herein by the City Council, based on an assessment of current and anticipated projects. It is requested the City Council review the priorities and consider additions, changes or modifications for preparation of the final proposed budget.

Without further direction, staff will budget for maintaining existing practices and routing projects, furthering the implementation and development of City Council policies, and pursuing efficiencies and best practices in operations. However, some of the non-routine more complicated or higher profile projects that are being proposed for consideration in the FY 2019-20 budget, in no particular order, include as follows:

- Construction of tennis courts ADA Improvements;
- Design of ADA improvements at City Hall per the City's Transition Plan;
- Modernization of the City's Information Technology infrastructure to address reliability issues;
- Completion of Phase II of the Sewer Feasibility Study (mainline along Portuguese Bend Road);
- Update of the Employee Handbook; and
- Implementation of records management



<b>CITY OF ROLLING HILLS</b>	<b>ADMINISTRATIVE POLICY/PROCEDURES</b>
<b>FINANCIAL, BUDGET AND DEBT POLICIES</b>	
<i>Original Version Effective: 09/24/2007</i>	<i>See end of document for complete policy history.</i>
<i>Current Version Effective: 04/09/2018</i>	

### **Policy Framework:**

The purpose of the Financial, Budget and Debt Policies is to guide the City Council and other City officials in developing sustainable, balanced budgets and managing the City's finances in a prudent manner consistent with best practices. The City's commitment to adopting and operating within a balanced budget is a core financial value and policy of the City.

The City of Rolling Hills Financial Policies represents the City's framework for planning and management of the City's fiscal resources. Adherence to the Financial Policies promote sound financial management which can lead to unqualified annual audits, provide assurance to the taxpayers that tax dollars are being collected and spent per City Council direction and provide a minimum of unexpected impacts upon taxpayers and users of public services.

The City Council Finance / Budget Committee shall serve as the City's audit committee for the purpose of recommending the selection of an auditor to the City Council, meeting with the City Auditor, reviewing the annual audit and necessary financial statements, responding to conflicts between management and the auditor and responding to fraudulent activities. The City Council will conduct a competitive process for the selection of the independent external auditor every 5 years in conformance with GOFA standards commencing in 2015. Any non-audit work performed by the independent external auditor, if allowed, will be done under a separate contract approved by the City Council.

The City Manager shall be responsible for developing and, as appropriate, implementing and managing these policies as well as subsidiary policies that execute the City's Financial Policies.

The City's Financial Policies shall be in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

### **1. Financial Reporting Entity:**

The City of Rolling Hills was incorporated in 1957 under the general laws of the State of California. The City operates under the Council-Manager form of government. The City Council consists of five members elected at large for overlapping four-year terms. The Mayor and Mayor Pro-Tem are selected from the City Council members and serve a one-year term. The City Council appoints a City Manager, City Attorney and City Treasurer. In addition, the City Council appoints the members of advisory Commissions and Committees.

The City, directly or by contract, provides municipal services as authorized by statute. Services provided include:

- Public safety through the Los Angeles County Sheriff and Fire Department
- Refuse collection by contract with a private hauler
- Water through California Water Service Company

- Sewer through Los Angeles County Sanitation Districts
- Recreation
- Public improvements
- Planning and zoning
- Building and Safety
- General administrative and support services

## **2. Financial Reporting Policies:**

The City's accounting and financial reporting systems will be maintained in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA). Further, the City will make every attempt to implement all changes to governmental accounting practices at the earliest practical time.

- The financial report should be in conformity with GAAP, demonstrate compliance with finance related legal and contractual provisions, disclose thoroughly with detail sufficient to minimize ambiguity and potential for misleading interferences.
- An annual audit will be performed by an independent public accounting firm with an audit opinion to be included with the City's published Comprehensive Annual Financial Report.
- The City's budget should satisfy criteria as a financial and programmatic policy document, as a comprehensive financial plan, as an operations guide for all organizational units and as a communications device for all significant budgetary issues, trends, and resource choices.
- The City shall evaluate the fiscal impact of proposed changes in employee benefits to be provided. Prior to assuming liability for expanded benefits, a viable funding plan with estimates of long term impacts shall be incorporated into the analysis.
- The City shall endeavor to avoid committing to new spending for operating or capital improvement purposes until an analysis of all current and future cost implications is completed.
- The City shall endeavor to maintain cash reserves sufficient to fully fund the next present value of accruing liabilities, obligations to employees for vested payroll and benefits and similar obligations as they are incurred.
- The City shall prepare and present to the City Council monthly interim revenue and expenditure reports and a Mid-Year Review to allow evaluation of potential discrepancies from budget assumptions.

## **3. Internal Control Accounting Policies:**

To provide a reasonable basis for making management's required representations concerning the finances of the City.

- Accounting Records – Maintain accounting records in accordance with Generally Accepted Accounting Principles (GAAP).
- Monthly Posting – Post a monthly record, which maintains each month's activities separate and distinct from another month's work. This provides visibility in locating

errors and fixing corrections. Accounting ledgers will be reviewed and reconciled on a monthly basis to supporting documentation – Cash Receipts, Accounts Payable, Payroll and Monthly Journal Entries.

- Sequential Number – Sequentially numbered instruments will be used for checks and cash receipts. Pre-numbered receipts are controlled and accounted for by an individual with no accounting handling responsibilities. The City's pre-numbered checks and pre-numbered cash receipts should be safeguarded in the Vault. All copies of voided receipt forms are retained, accounted for, and documented.
- Audit Trail – The City's accounting records and systems shall provide an audit trail (e.g. paper document) that allows for the tracing of each transaction from its original document to completion.

#### **4. Operating Management Policies:**

The budget process is intended to weigh all competing requests for City resources within expected fiscal constraints. Requests for new, on-going programs made outside the budget process will be discouraged.

- Budget development will consider multi-year implications of current decisions and allocations and use conservative revenue forecasts.
- Revenues will not be dedicated for specific purposes, unless required by law or Generally Accepted Accounting Practices (GAAP). All non-restricted revenues will be deposited in the General Fund (or other designated fund as approved by the City Manager) and appropriated by the City Council.
- Current revenues will fund current expenditures. City revenues will be managed to protect programs from short-term fluctuations that impact expenditures.
- The City will endeavor to identify entrepreneurial solutions to cover or recover costs of operating program.
- The City shall strive to avoid returning to the City Council for new or expanded appropriations during the fiscal year. Exceptions may include emergencies, unforeseen impacts, mid-year adjustments or new opportunities.
- Additional personnel will be requested after service needs have been thoroughly examined and is substantiated for new program initiatives or policy directives.
- All non-Enterprise user fees and charges will be evaluated at least every three years to determine the direct and indirect cost recovery rate. The analysis will be presented to the City Council.
- The City shall endeavor to maintain adequate cash reserves to fund 100% replacement of capital equipment. Replacement costs will be based upon equipment lifecycle financial analysis developed by the Finance Director and approved by the City Manager.
- Balanced revenue and expenditure forecasts will be prepared to examine the City's ability to absorb operating costs due to changes in the economy, service demands, and capital improvements. The forecast will be updated annually and include a four-year outlook.

- Cash and investment programs will be maintained in accordance with the Government Code and the adopted investment policy will ensure that proper controls and safeguards are maintained. City funds will be managed in a prudent and diligent manner with an emphasis on safety of principal, liquidity, and financial return on principal, in that order. Pursuant to State law, the City, at least annually, revises and the City Council affirms a detailed investment policy.

## **5. Capital Management Policies:**

- Capital improvement projects are defined as infrastructure or equipment purchases or construction which results in a capitalized asset and having a useful (depreciable) life of at least one year with a cost of \$5,000 or more per the City's resolution Number 953.
- The Finance Department shall utilize the straight-line method of calculating depreciation over the estimated useful life for all classes of assets.
- The capital improvement plan will attempt to include, in addition to current operating maintenance expenditures, adequate funding to support, repair and replace deteriorating infrastructure and avoid a significant unfunded liability.
- Capital improvement lifecycle costs will be coordinated with the development of the City's operating budget. Future operating, maintenance, and replacement costs associated with new capital improvements will be forecast, matched to available revenue sources and be included in the operating budget. Capital project contract awards or purchases will include a fiscal impact statement disclosing the expected operating impact of the project or acquisition and when such cost is expected to occur.

## **6. Reserve Policies:**

It is the goal of the City to obtain and maintain a General Fund operating reserve (Rainy day fund) in the form of cash, of at least 40% of prior year audited annual General Fund revenues to cover normal seasonal cash flow variations, as well as unforeseen emergency or catastrophic impacts upon the City.

- One-time revenue windfalls should be designated as a reserve or used for one-time expenditures. The funds should not be used for on-going operations. For purposes of this policy, one-time revenue windfalls shall include:

CalPERS rebates

Tax revenue growth in excess of 10% in a single year

Unexpected revenues (e.g., litigation settlement)

Any other revenues the City Council may elect to designate as extraordinary

- All unexpended General Funds from the prior fiscal year will be deposited in the General Fund Reverse Fund (Rainy Day Fund.)
- The City will strive to maintain the Municipal Self-Insurance Fund with a July 1 balance of \$500,000.
- The City will strive to transfer \$250,000 annually into the Utilities Fund for the purpose of building up the necessary balance for underground projects.

- Enterprise Fund (e.g., for refuse collection) user fees and charges will be examined annually to ensure that they recover all direct and indirect costs of the service, provide for capital improvements and maintenance and maintain adequate reserves. Moreover, maintenance of cash reserves will provide a de facto rate stabilization plan. Rate increases shall be approved by the City Council following formal noticing and public hearing. Rate adjustments for enterprise operations will be based on five-year financial plans unless a conscious decision is made to the contrary. The current cash reserves shall be \$175,000.

## **7. Budget Policies:**

The function of the City of Rolling Hills is primarily administrative.

### **A. Categories of Funds**

- The City's annual budget contains thirteen different funds managed in conformance with the City's Fund Balance Policy:

General Fund  
 Community Facility Fund  
 Self-Insurance Fund  
 Refuse Fund  
 Traffic Fund  
 Transit Fund - Proposition A  
 Transit Fund - Proposition C  
 Transit Fund – Measure R  
 Transit Fund – Measure M  
 Capital Projects Fund  
 Citizens Options for Public Safety Fund (COPS) Fund  
 California Law Enforcement Equipment Program (CLEEP) Fund.  
 Utility Fund  
 OPEB (Post-Employment Benefits Other Than Pensions) Fund

- Each fund is considered to be a separate accounting entity for budgeting and financial reporting purposes.
- The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, equity, revenues and expenditures, as appropriate.
- The City resources are allocated to and for individual funds based upon the purpose of the spending activities.
- All funds and reserves will be evaluated annually for long-term adequacy and use requirements in conjunction with development of the City's long-term budget assumptions.

### **B. Operating Budget Guidelines**

- The Budget is detailed - Expenditures are authorized line by line, item by item. Line items are used to limit precisely the amount and narrowly define what can be spent.
- The Budget is annual - The annual budget period is from July 1 to June 30. The time

span of the authority to spend is restricted to one year. Each year the regular cycle of budgeting is repeated.

- The budget is comprehensive – The budget is prepared for all funds expended by the City.
- The City adopts a budget by June 30 of each year.
- Comparative Data - Comparative data from the prior year is presented in the annual budget in order to provide an understanding of changes in the City's financial position and operation.
- Public Hearing - The City Council reviews a tentative budget and adopts the final budget. A public hearing is conducted to receive comments prior to adoption.

#### C. Financial Review

Throughout the fiscal year, monthly financial reports comparing actual amounts with budgeted amounts are prepared by the Finance Director and submitted to the City Manager and members of the City Council. As these reports are reviewed, attention is drawn to variances between budgeted amounts and actual amounts.

#### D. Budgeted Revenues & Expenditures

The City reviews fees and charges to keep pace with the cost of providing the service.

### 8. Debt Management Policies:

The City will seek to avoid incurring debt. While the City is disposed to funding capital improvements and expenditures on a cash basis, the City will consider, and when necessary, enter into debt financing for citywide public improvement projects such as sewers and utility undergrounding.

- Lease Equipment - Office Equipment has been leased on a monthly basis with the expense incurred at the time of payment.

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#### ***Policy Administrative History:***

*Adopted September 24, 2007  
Revised and Adopted March 24, 2008  
Revised and Adopted February 23, 2009  
Revised and Adopted March 8, 2010  
Revised and Adopted February 28, 2011  
Revised and Adopted May 23, 2011  
Revised and Adopted May 14, 2012  
Revised and Adopted April 22, 2013  
Revised and Adopted September 9, 2013  
Revised and Adopted March 24, 2014  
Revised and Adopted April 27, 2015  
Revised and Revised April 25, 2016  
Revised and Adopted April 24, 2017  
Revised and Revised April 9, 2018*

**CITY OF ROLLING HILLS  
CONSOLIDATED TAX, FEE AND FINE SCHEDULE  
for FISCAL YEAR 2018/2019**

ITEM	FEES	CODE/RESO NO.	DATE ADOPTED
<b>TAXES</b>			
Real Property Transfer Tax	Property value exceeds \$100,000 - a tax at the rate of 27.5 cents for each five hundred dollars or fractional part thereof.	Ordinance No. 72	December 11, 1967
Cable Television Franchise	2.50% of gross annual receipts	Resolution No. 823	July 28, 1997
<b>BUILDING AND SAFETY PERMITS</b>			
<b>BUILDING, PLUMBING, MECHANICAL, AND ELECTRICAL PERMITS (LA COUNTY)</b>			
Building Permit	Two and one half times the amount set forth in the L.A. County Building Code for each fee.	Resolution No. 496	August 23, 1982
Plumbing Permit	Two and one half times the amount set forth in the L.A. County Plumbing Code for each fee.		
Mechanical Permit	Two and one half times the amount set forth in the L.A. County Mechanical Code for each fee.		
Electrical Permit	Two and one half times the amount set forth in the L.A. County Electrical Code for each fee.		
Park & Recreation Fund Fee	New residential dwelling - 2% of the first \$100,000 of construction valuation, plus 0.25% of such valuation over \$100,000	Resolution No. 1206	May 22, 2017
Solar and Photovoltaic Systems and Appurtenant Equipment	The amount set forth in the Los Angeles County Building and Electrical Codes for each fee, table and schedule therein, plus \$60.11 City administrative fee.	Resolution No. 1064	July 13, 2009
<b>GEOTECHNICAL FEES</b>			
	0.42% of the valuation of the proposed structure Minimum charge - \$525 Maximum charge - \$3,588	Resolution No. 931	April 14, 2003
<b>PERMITTING PROCESS THROUGH A CITY APPROVED CONSULTANT</b>			
Building, Plumbing, Mechanical, and Electrical	25% surcharge on Los Angeles County Department of Building and Safety fees	Resolution No. 1034	February 11, 2008
Solar and Photovoltaic Systems and Appurtenant Equipment	25% surcharge on Los Angeles County Department of Building and Safety fees, plus \$60.11 City administrative fee	Resolution No. 1064	July 13, 2009
<b>PLANNING, ZONING AND SUBDIVISIONS</b>			
Conditional Use Permits	\$1,500	Resolution No. 691	September 28, 1992
Site Plan Review	\$1,500		
Variance	\$1,250		
Variance, Minor	\$750		
Discretionary Approval Modification	2/3 of original application fee		
Zone Change	\$2,000		
Zoning Amendment	\$2,000		
General Plan Amendment	\$2,000		
Lot Line Adjustment	\$1,500		
Tentative Parcel Map	\$1,500 and county fees plus 20%		
Tentative Tract Map	\$1,500 and county fees plus 20%		
Appeal Fee	2/3 of original application fee		
Appeal of Zone Clearance	\$375	Resolution No. 1149	July 22, 2013
Environmental Impact Report	City consultant fee plus 10%	Resolution No. 1206	May 22, 2017
Extension of Time	\$200	Resolution No. 1149	July 22, 2013
Final Parcel or Tract Map	County fees	Resolution No. 1206	May 22, 2017
County Clerk Processing Fee	County fee	Resolution No. 1149	July 22, 2013
Multiple Discretionary Reviews	Most expensive fee for the first review and 1/2 of the fee for the second review. No fee for third or more reviews	Resolution No. 1060	May 11, 2009

Revised 5/22/17

1 of 3

Fees Effective 5/22/17 (Resolution No. 1206)



**CITY OF ROLLING HILLS  
CONSOLIDATED TAX, FEE AND FINE SCHEDULE  
for FISCAL YEAR 2018/2019**

ITEM	FEES	CODE/RESO NO.	DATE ADOPTED
Stable Use Permit	\$375	Resolution No. 1149	July 22, 2013
Major Remodel Review	\$375	Resolution No. 1149	July 22, 2013
Lighting Ordinance Modification	\$375	Resolution No. 1206	May 22, 2017
Outdoor Lighting Audit	\$150	Resolution No. 1149	July 22, 2013
City Council and Planning Commission Interpretation and Misc. Reviews	\$375 - fee to be credited if results in filing of formal application to the City Council or Planning Commission	Resolution No. 1149	July 22, 2013
<b>Environmental Review fees for Discretionary Permits</b>			
Preparation and Staff Review of Initial Study	\$200	Resolution No. 1119	April 23, 2012
Preparation of Negative Declaration or Mitigated Negative Declaration	\$50 plus fee charged by the CA Dept. of Fish and Game, if applicable, as adjusted annually	Resolution No. 1206	May 22, 2017
Service Request	County fees plus 20%	Resolution No. 1119	April 23, 2012
Construction and Demolition Waste Permit	\$25 single project permit	Resolution No. 1060	May 11, 2009
<b>ADDITIONAL PROCESSING FEE</b>			
Planning & Zoning Applications involving illegal or "as built" structures or grading that require Planning Commission review.	Administrative Fee \$1,500 Stop Work Order \$200	Resolution No. 854 Resolution No. 1206 Resolution No. 1060	January 25, 1999 May 22, 2017 May 11, 2009
<b>TRAFFIC COMMISSION REVIEW</b>			
New driveways or other traffic related items	\$300	Resolution No. 691	September 28, 1992
<b>VIEW IMPAIRMENT</b>			
Application Fee (includes costs of mediation)	\$1,000	Resolution No. 1119	April 23, 2012
Review by Committee on Trees and Views Processing fee	\$2,000		
<b>Environmental Review Fees</b>			
Preparation and Staff Review of Initial Study	\$200		
Preparation of Negative Declaration or Mitigated Negative Declaration	\$1,000 plus fee charged by the CA Dept. of Fish and Game, if applicable, as adjusted annually		
<b>GENERAL ADMINISTRATION - PROCESSING FEES</b>			
General Plan	\$30	Resolution No. 691	September 28, 1992
Zoning Code	\$25		
Budget	\$30		
Zoning Map	\$3		
Xeroxed Copies, each page	\$0.25		
<b>FALSE ALARM</b>			
Fee for 1st incident involving a false alarm is waived		Resolution No. 1119	April 23, 2012
2nd	\$50		
3rd	\$100		
4th	\$150		
5th	\$200		
6th	\$250		
<b>BAIL/FINE SCHEDULE FOR VEHICLE AND TRAFFIC VIOLATIONS</b>			
As set forth in Bail/Fine Schedule for Title 10 Violations.		Resolution No. 791 Resolution No. 799 Resolution No. 824 Resolution No. 1072 Resolution No. 1101	August 12, 1996 October 28, 1996 July 28, 1997 September 14, 2009 January 10, 2011
<b>PARKING VIOLATION/CITATION PENALTY SCHEDULE</b>			
Pursuant to California Vehicle Code Section 40203.5 and 40225		Resolution No. 717 Resolution No. 740 Resolution No. 824	November 22, 1993 May 9, 1994 July 28, 1997

Revised 5/22/17

2 of 3

Fees Effective 5/22/17 (Resolution No. 1206)

**CITY OF ROLLING HILLS  
CONSOLIDATED TAX, FEE AND FINE SCHEDULE  
for FISCAL YEAR 2018/2019**

ITEM	FEES	CODE/RESO NO.	DATE ADOPTED
<b>FINE SCHEDULE FOR ADMINISTRATIVE CITATIONS</b>			
Social Host Liability (RHMC Chapter 9.38)		Resolution No. 1206	May 22, 2017
1st Violation	\$2,500		
2nd Violation within one year of first	\$5,000		
Each add'l violation within one year of first	\$7,500		
<b>DOG/CAT LICENSE FEES</b>			
Dog, unaltered	\$18	Resolution No. 527	April 23, 1984
Dog, spayed/neutered with Certificate of Sterility	\$9		
Metallic dog tag	\$5		
Penalty for not renewing license	\$25		
Duplicate dog tag	\$5		
Transfer fee	\$3		
Appeal fee	\$40		
Cat, unaltered, lifetime (optional)	\$10		
Cat, spayed/neutered, lifetime (optional) with Certificate of Sterility	\$5		
<b>QUIMBY ACT FEES FOR SUBDIVISIONS</b>	Park in-lieu fees and/or dedication of land when subdividing property.	Municipal Code Section 16.28.150	March 2005
<b>SOLID WASTE COLLECTION FEES</b>	FY 2017/18 Annual Fee - \$1,100 *	Resolution No. 1051	January 12, 2009
<b>PERMITS RELATIVE TO EXTRA LARGE VEHICLES ACCESSING THE CITY</b>	\$75 per vehicle (The City does not collect this fee.)	Resolution No. 637	March 25, 1991

\* Solid Waste Collection Fee last updated 7/1/14 for FY 14/15 (City absorbed CPI increase for 15/16, 16/17 & 17/18)

## RESOLUTION NO. 1226

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS ESTABLISHING AND MODIFYING ROLLING HILLS FEES BY REDUCING THE BUILDING AND CONSTRUCTION FEES MULTIPLIER FROM 2.5 TO 2.25 TIMES THE ESTABLISHED LOS ANGELES COUNTY BUILDING PERMIT FEES AND RESCINDING RESOLUTION NOS. 1218 AND 1220.**

**THE CITY COUNCIL OF THE CITY OF ROLLING HILLS DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1:** The following fees are established and charged for applications for processing discretionary cases for Planning, Zoning and Subdivisions and shall be paid by the applicant prior to submission for public hearing, pursuant to Title 16 (Subdivision) and Title 17 (Zoning) of the Rolling Hills Municipal Code:

- |    |  |   |
|----|--|---|
| A. | Site Plan Review   | \$ 1,500  |
| B. | Conditional Use Permit   | \$ 1,500  |
| C. | Variance   | \$ 1,250  |
| D. | Variance, Minor  | \$ 750  |
|    | 1. Minor deviation into required yard setback, not exceeding 5' and attached to main residential structure |   |
| E. | Multiple discretionary reviews;  | Most expensive fee for the first review and 1/2 fee for second review. No cost for third or more reviews.     |
| F. | Lighting Ordinance Modification  | \$ 375  |
| G. | Outdoor Lighting Audit   | \$ 150 (initiated by resident)  |
| H. | Time extension   | \$ 200  |
| I. | Zone Change  | \$ 2,000  |
| J. | General Plan Amendment   | \$ 2,000  |
| K. | Zoning/Subdivision Code Amendment  | \$ 2,000  |
| L. | Discretionary Approval Modification  | \$ 2/3 of original application fee  |
| M. | Appeal Fee   | \$ 2/3 of original application fee  |
| N. | City Council and Planning Commission interpretation and miscellaneous reviews                              | \$ 375 Fee to be credited if results in filing of a formal application to City Council or Planning Commission |
| O. | Environmental Review fees for discretionary permits  |   |
|    | 1. Preparation and Staff Review of Initial Study   | \$ 200  |
|    | 2. Preparation of Negative Declaration or Mitigated Negative Declaration                                   | \$ 50 (plus fee charged by CA Department of Fish and Wildlife, applicable, as adjusted annually)              |
| P. | Environmental Impact Reports   | Consultant fee plus 10%   |

Q.	County Clerk Processing Fee	County fee
R.	Lot Line Adjustment	\$ 1,500, plus County fee
S.	Tentative Parcel/Tract Map	\$ \$1,500, plus County fee
T.	Final Parcel/Tract Map	County fee
U.	Zoning violation and construction penalty fee	\$ 1,500
	1. Applications for illegal or "as built" grading or construction or non-compliance with approved plans for projects that require Planning Commission review. Fee is charged in addition to the discretionary application review fee.	
V.	Stop work order	\$ 200
	1. Fee charged for each additional "stop work order" that is issued beyond the original stop work order for illegal construction and grading activity .	
W.	Service Request (For services provided by L.A. County not included in the General Services Agreement)	County fee plus 20%
X.	Appeal of Zone Clearance	\$ 375
Y.	Stable Use Permit (For stables under 800 sq ft considered by the Planning Commission)	\$ 375
Z.	Major Remodel Review (For remodels of more than 50% demolition)	\$375

**Section 2.** The following fees are established and charged for applications for processing View Impairment, Traffic Commission, and Accessory Dwelling Unit cases:

A.	View Impairment	
	1. Review by Committee on Trees and Views Processing fee	\$2,000
	2. Environmental Review Fees	
	A. Preparation and Staff Review of Initial Study	\$200
	B. Preparation of Negative Declaration or Mitigated Negative Declaration	\$50 (plus fee charged by CA Department of Fish and Wildlife, if applicable, as adjusted annually)
B.	Traffic Commission Review	
	1. New driveways or other traffic related items	\$ 300
C.	Accessory Dwelling Unit	
	1. Accessory Dwelling Unit or Junior Accessory Dwelling Unit	\$ 375

**Section 3.** The following fees are established and charged for General Administration processing:

A.	General Plan	\$ 30
B.	Zoning Code	\$ 25
C.	Subdivision Code	\$ 25
D.	Budget	\$ 30
E.	Zoning Map	\$ 3
F.	Xeroxed copies, each page	\$ 0.25
G.	False Alarms	Fee for 1 <sup>st</sup> incident involving a false alarm is waived
	2 <sup>nd</sup>	\$ 50
	3 <sup>rd</sup>	\$ 100
	4 <sup>th</sup>	\$ 150
	5 <sup>th</sup>	\$ 200
	6 <sup>th</sup>	\$ 250

**Section 4.** The following fees are established and shall be collected for each permit pursuant to Title 15, (Building and Construction) of the Rolling Hills Municipal Code:

A.	1. BUILDING PERMIT	Two and one-quarter times the amount set forth in the Building Code for each fee, table and schedule therein.
	2. PARKS AND RECREATION	Each new residential dwelling shall pay 2% of the first \$100,000 of construction valuation, plus 0.25% of such valuation over \$ 100,000.
B.	PLUMBING PERMIT	Two and one-quarter times the amount set forth in the Plumbing Code for each fee, table and schedule therein.
C.	MECHANICAL PERMIT	Two and one-quarter times the amount set forth in the Mechanical Code for each fee, table and schedule therein.
D.	ELECTRICAL PERMIT	Two and one-quarter times the amount set forth in the Electrical Code for each fee, table and schedule therein.
E.	GEOTECHNICAL REPORT, SITE AND PLAN REVIEW	0.42% of the valuation of the proposed structures; however, minimum fee shall be \$535.00 and the maximum fee shall be \$3,588.00
F.	SOLAR AND PHOTOVOLTAIC SYSTEMS AND APPURTENANT EQUIPMENT	The amount set forth in the Los Angeles County Building and Electrical Codes for each fee, table and schedule therein, plus \$60.11 City administrative fee.

**Section 5.** The following fees are established and shall be collected for each permit pursuant to Title 15, (Building and Construction) of the Rolling Hills Municipal Code for review conducted by the City's contract building official, other than Los Angeles County Department of Building and Safety:

- |  |   |
|--|---|
| <b>A. BUILDING PERMIT</b>  | In addition to the provisions of Section 4 A.1 of this resolution, a 25% surcharge on Los Angeles County Department of Building and Safety fees shall be charged for the alternative use of the City's contract building official.                                    |
| <b>B. PLUMBING PERMIT</b>  | In addition to the provisions of Section 4 B. of this resolution, a 25% surcharge on Los Angeles County Department of Building and Safety fees shall be charged for the alternative use of the City's contract building official.                                     |
| <b>C. MECHANICAL PERMIT</b>  | In addition to the provisions of Section 4 C of this resolution, a 25% surcharge on Los Angeles County Department of Building and Safety fees shall be charged for the alternative use of the City's contract building official.                                      |
| <b>D. ELECTRICAL PERMIT</b>  | In addition to the provisions of Section 4 D of this resolution, a 25% surcharge on Los Angeles County Department of Building and Safety fees shall be charged for the alternative use of the City's contract building official.                                      |
| <b>E. GEOTECHNICAL REPORT, SITE AND PLAN REVIEW</b>                | In addition to the provisions of Section 4 E of this resolution, a 25% surcharge on Los Angeles County Department of Building and Safety fees shall be charged for the alternative use of the City's contract building official.                                      |
| <b>F. SOLAR AND PHOTOVOLTAIC SYSTEMS AND APPURTENANT EQUIPMENT</b> | In addition to the provision of Section 4F of this resolution, a 25% surcharge on Los Angeles County Department of Building and Safety fees, plus \$60.11 City administrative fee, shall be charged for the alternative use of the City's contract building official. |

**Section 6.** The following fees are established and shall be collected for each permit relating to construction and demolition waste:

- |  |                                    |
|--|------------------------------------|
| <b>A. CONSTRUCTION AND DEMOLITION PERMIT</b> | <b>\$ 25 single project permit</b> |
|--|------------------------------------|

Section 7. The following fines are established for issuance of administrative citations relating to a violation of Chapter 9.58 of the Rolling Hills Municipal Code:

Administrative Penalty for	\$2,500	1 <sup>st</sup> violation
violation of Chapter 9.58	\$5,000	2 <sup>nd</sup> violation within one year of the 1 <sup>st</sup> violation
	\$7,500	Each additional violation within one year of the 1 <sup>st</sup> violation

Section 8. The fees set forth do not exceed the estimated reasonable cost of providing such services.

Section 9. The City Council Resolutions Nos. 1218 and 1220 are hereby rescinded.

PASSED, APPROVED, AND ADOPTED this 9<sup>th</sup> day of July, 2018.

  
\_\_\_\_\_  
Patrick Wilson  
Mayor

ATTEST:

  
\_\_\_\_\_  
Yvette Hall  
City Clerk



STATE OF CALIFORNIA       )  
COUNTY OF LOS ANGELES   ) §§  
CITY OF ROLLING HILLS     )

I certify that the foregoing Resolution No. 1226 entitled:

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
ROLLING HILLS ESTABLISHING AND MODIFYING  
ROLLING HILLS FEES BY REDUCING THE BUILDING AND  
CONSTRUCTION FEES MULTIPLIER FROM 2.5 TO 2.25  
TIMES THE ESTABLISHED LOS ANGELES COUNTY  
BUILDING PERMIT FEES AND RESCINDING RESOLUTION  
NOS. 1218 AND 1220.**

was approved and adopted at a regular meeting of the City Council on July 9, 2018 by the  
following roll call vote:

AYES:       Councilmembers Black, Mirsch, Pieper and Mayor Wilson.


NOES:       Dieringer.

ABSENT:     None.

ABSTAIN:   None.

and in compliance with the laws of California was posted at the following:

Administrative Offices.

  
\_\_\_\_\_  
YVETTE HALL  
CITY CLERK

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<b>CITY OF ROLLING HILLS</b>	<b>ADMINISTRATIVE POLICY/PROCEDURES</b>
<b>INVESTMENT POLICY</b>	
<i>Original Version Effective: 09/24/2007</i>	<i>See end of document for complete policy history.</i>
<i>Current Version Effective: 04/09/2018</i>	

## **1.0 Policy**

It is the policy of the City of Rolling Hills to protect, preserve and maintain the assets of the City. It shall invest public funds in a manner that will provide the highest investment return commensurate with maximum security while meeting the cash flow demands of the City and conforming to all State and Local statutes governing the investment of public funds.

## **2.0 Scope**

The City follows the practice of pooling cash and investments of all funds, except for funds in the City's employee deferred compensation plan. Funds contained in the City's pool are designated the "General Portfolio." These funds are accounted for in the Financial Statements of the City and include:

The General Fund  
All Special Revenue Funds  
All Capital Projects Funds  
All Enterprise Funds  
All Internal Service Funds  
All Trust and Agency Funds

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City's deferred compensation plans assets are with Nationwide Retirement Solutions and ICMA Retirement Corporation. The Nationwide Retirement Solutions and ICMA Retirement Corporation invests employee account assets in various investment options as directed by the individual employee. Accordingly, these assets are neither controlled by the City nor subject to this investment policy.

## **3.0 Prudence**

The City holds to the "prudent investor standard" in that all investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived and acting as a fiduciary of the public trust. The prudent investor standard set forth in Section 53600.3 of the Government Code states: "When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skills, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with the like aims to safeguard the principle and maintain the liquidity needs of the agency."

## **4.0 Objectives**

The primary objectives, in priority order, of the City of Rolling Hills' investment activities shall be:

4.1. **Safety:** Safety of principal is the foremost objective of the investment program. "Safety" means that the overall value of City funds shall not be diminished in the process of securing and investing those funds or over the duration of the investments.

4.2. **Liquidity:** The City of Rolling Hills' investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

The liquidity of each type of investment is included in its description in the "Authorized Investments" section of this policy.

4.3. **Return on Investment (Yield):** The City of Rolling Hills investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

In general, the California Government Code limits authorized investments to those classes of securities which have lower risk (and therefore lower yields) than other higher risk investment choices. In each investment transaction, the anticipated return on investment is subordinate to the preceding requirement of credit and investment risk.

## **5.0 Delegation of Authority**

The City Council has the authority to select financial institutions for the City' investment and bank accounts. The City Council has designated the City Council Finance / Budget Committee, the City Manager, and the City Finance Director with the responsibility for decisions and operations for the following investment and operating bank accounts:

### Operating Bank Accounts

- Local Agency Fund administered by the Treasurer of the State of California
- Money market savings accounts
- Checking accounts

### Certificates of Deposits/Negotiable Certificates of Deposits or Time Deposits

Certificates of Deposits, Negotiable Certificates of Deposit or Time Deposits with commercial banks and /or savings and loan associations issued by a nationally or state-chartered bank, a savings association, or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union with maturities ranging from 30 days to three years.

## **6.0 Ethics and Conflicts of Interest:**

Officers and employees involved in the investment process are required by the City of Rolling Hills' and State Government Code Section 81000 to disclose annually to the City Council any material financial interests in financial institutions that conduct business with the City and further to disclose any large personal financial / investment positions that could be related to the performance of the City, particularly with regard to the time of purchase and sales, as part of the City's conflict of interest reporting requirements. Said employees are also prohibited from accepting gifts proffered as a direct result of being employees of the City.

## **7.0 Authorized Financial Dealers, Institutions and Portfolio Managers:**

The Finance Director will maintain a list of financial institutions authorized to provide investment services, including portfolio management. No public deposit shall be made except in a qualified public depository as established by State law. Financial institutions authorized to provide investment services to the City, including portfolio management, shall utilize security broker / dealers who are duly licensed and authorized to provide investment services in the State of California.

Anyone providing financial services to the City, including portfolio management must adhere to the City's investment policies as adopted by the City Council.

## **8.0 Authorized and Suitable Investments:**

The surplus funds of the City may be invested in any of the following list of eligible securities.

Surplus funds are defined as those funds not immediately needed for City operations excepting those minimum balances required by the City's banks as compensation for services rendered to the City, or such other funds as otherwise determined by the Finance Director or City Manager.

The list of eligible securities is drawn from the approved investments contained in the California Government Code Sections 53600 et seq., limited further by the provisions of this policy.

For eligibility as a City investment, the following restrictions should be added to those contained in the California Government Code Sections 53601 et seq. They are:

### **8.1 U.S. Treasury Bonds, Notes & Bills – "Strips" and "Cubes"**

The principal and interest portions of U.S. Treasury securities are issued by the Federal Government. Frequently, broker / dealers make a market in these securities by separating the principal and interest components and marketing them separately. The principal portions of their "stripped" securities are marketed at deep discounts. "Strips" and "Cubes" do not provide income streams during the term of the investment, but rather pay a "par" amount at maturity. This makes these investments somewhat more volatile than standard U.S. Treasury securities.

The City will not invest in "strips" or "cubes."

### **8.2 U.S. Government Agencies**

There are numerous government agencies listed which issue debt instruments but many lack the liquidity necessary to fit the City's portfolio requirements possibly including, for example, the issues of Federal Farm Credit Bank, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank, and the Student Loan Mortgage Corporation.

The City will not purchase these government agency securities.

### **8.3 Repurchase Agreements**

A repurchase agreement is a contractual agreement between a financial institution or dealer and the City in which the City lends its funds to the financial institution or dealer for a certain number of days at a stated rate of interest. In return, the City takes title to securities as collateral until the funds and interest are repaid.

The City will not enter into repurchase agreements.

### **8.4 Medium Term Corporate Notes**

The City will not purchase medium term corporate notes.

### **8.5 Commercial Paper and Corporate Bonds**

The City will not purchase commercial paper or corporate bonds.

### **8.6 Prohibited Investments**

The list of eligible securities contained in the California Government Code is extensive and includes a number of categories which are not suitable investments for City funds because of limitations in the liquidity of the instruments or the interest rates obtainable thereon. The categories in the list which have such limitations are:

The notes or bonds or any obligations of the State of California or of any local agency or district of the State of California.

Notes, bonds or other obligations issued by any other state or the Commonwealth of Puerto Rico.

The city shall not invest any funds pursuant to Section 53600, et. Seq., in any security that could result in zero interest accrual if held to maturity.

## **9.0 Collateralization:**

All City of Rolling Hills' investments shall be collateralized as required by the State Government Code.

## **10.0 Maximum Maturities:**

To the extent possible, the City of Rolling Hills will match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than one (3) years from the date of purchase.

## **11.0 Internal Control:**

The City's external auditor with the support from the Finance Director shall annually conduct an independent review of the internal controls. Additionally, the City's external auditor with support from the Finance Director will annually perform a financial audit. Both may be conducted at the same time, when the City's annual financial audit performed. The external auditor will be an independent certified public accountant who performs his work under generally accepted auditing standards as adopted by the Auditing Standards Board (ASB) of the American Institute of Certified Public Accountants.

## **12.0 Performance Standards:**

The investment portfolio shall be designated with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of the City.

## **13.0 Investment Policy Adoption:**

The City Council shall consider and adopt a written Investment Policy annually and accept quarterly Investment Reports as provided in Government Code Section 53646 et al.

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### ***Policy Administrative History:***

*Adopted September 24, 2007  
Revised and Adopted February 23, 2009  
Revised and Adopted March 8, 2010  
Reviewed and Adopted February 28, 2011  
Reviewed and Adopted May 14, 2012  
Reviewed and Adopted April 22, 2013  
Reviewed and Adopted March 24, 2014  
Reviewed and Adopted April 27, 2015  
Reviewed and Revised April 25, 2016  
Reviewed and Adopted April 24, 2017  
Reviewed and Adopted April 09, 2018*



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RESOLUTION NO. 953

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF ROLLING HILLS ESTABLISHING AN ASSET  
CAPITALIZATION POLICY**

WHEREAS, Government Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, requires State and Local Government to include the original cost of fixed assets in the statement of net assets as part of the government-wide financial statements; and

WHEREAS, an asset capitalization policy is necessary to establish a reasonable capitalization threshold for all types of assets and this policy should facilitate depreciating those assets over their estimated useful lives; and

WHEREAS, a capitalization threshold is the monetary part of the criteria by which an organization determines whether an asset should be reported on the balance sheet; and

WHEREAS, the Office of Management and Budget (OMB) Circular A-87, Cost Principles for State and Local and Indian Tribal Governments, Attachment B, section 19(a)(2) and 19(d) allows property costing up to \$5,000 to be charged to federal grants as supplies, rather than capital outlay without specific awarding agency approval; and

WHEREAS, depreciation represents the recognition of the cost of an asset over time, by calculating its estimated loss in value during each accounting period; and

WHEREAS, GASB Statement No. 34 allows local government to use any established depreciation method;

NOW, THEREFORE, BE IT RESOLVED that in accordance with GASB Statement No. 34, the City of Rolling Hills Finance Department will:

- Capitalize all assets purchased which have a normal life of at least one year with a per-unit cost of \$5,000 or more; and
- Capitalize all site and building improvements with a cost of \$5,000 or more; and
- Utilize the straight-line method of depreciation over the estimated useful life for all classes of assets.

PASSED, APPROVED AND ADOPTED THIS 28<sup>th</sup> DAY OF JUNE, 2004.

  
THOMAS HEINEHEIMER  
MAYOR

ATTEST:

  
MARILYN KERN, DEPUTY CITY CLERK

STATE OF CALIFORNIA       )  
COUNTY OF LOS ANGELES   ) §§  
CITY OF ROLLING HILLS)   )

I certify that the foregoing Resolution No. 953 entitled:

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF ROLLING HILLS ESTABLISHING AN ASSET  
CAPITALIZATION POLICY**

was approved and adopted at a regular meeting of the City Council on June 28, 2004,  
by the following roll call vote:

**AYES:**       Councilmembers Black, Hill, Lay, Mayor Pro  
              Tem Pernell and Mayor Heinsheimer.

**NOES:**       None.

**ABSENT:**    None.

**ABSTAIN:**   None.

and in compliance with the laws of California was posted at the following:

Administrative Offices

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DEPUTY CITY CLERK

**Finance / Budget / Audit Committee**  
**April 8, 2019 6:00 PM**  
**Meeting Notes**

Participants

Patrick Wilson, Mayor  
James Black, Councilmember  
Elaine Jeng P.E., City Manager  
Terry Shea, Finance Director  
Jim Walker, Accountant

Review Investment Policy; Financial, Budget and Debt Policy; and Asset Capitalization Policy.

Staff indicated they have reviewed the aforementioned policies as well as the City's external auditors and are recommending only one change at this time. The change is to Policy Framework, paragraph three concerning the audit bidding process. The change would be from every five years to every six years to be in conformance with California Government Code Section 12410.6. (b). There was some discussion as to what year we are in with the current audit contract, fiscal year 2018-19 is the third year.

Staff indicated in the Financial, Budget and Debt Policies, Section 6. Reserve Policies for the Enterprise Fund, (City's Refuse Collection Fund), the cash reserve requirement is \$175,000. With the City not passing the annual increase on to the residents we may have to lower the Cash Reserve Requirement in the future. There was some discussion on the need for the Reserve amount, discontinuing the monthly transfer of \$2,000 per month to the General Fund for administration or to discontinue not passing the annual increases to the citizens.

The Finance Director indicated the current Investment Policy conforms to State law, so no recommended changes to the Policy.

**Consideration of Update to Schedule of Fees and Charges**

The City Manager went over the Schedule of Fees and Charges and indicated that Staff is recommending two changes to the current schedule.

- Increase the appeal fee relating to Animals from \$40 to \$200
- Increase Construction and Demolition permit fee from \$25 (single project permit) to \$100 and collect a deposit of \$750 from applicant at the time of the permit issuance.

Staff indicated the \$40 for the Animal appeal does not cover the costs the City incurs in investigating the complaint. Councilmember Black did not agree with increasing the fee from \$40 to \$200, he feels it should be free. Mayor Wilson was okay with the increase, but agreed with Councilmember Black to leave the fee at \$40.

Staff indicated the Construction and Demolition Permit Fee there is a lot of time involved going back and forth with the Applicants and that is why an increase is necessary. Mayor Wilson and Councilmember Black were okay with the increase in the Construction and Demolition Permit Fee being raised from \$25 to \$100.

There was some discussion of the \$750 Deposit requirement and Staff indicated the City was having a hard time getting the Applicants to submit the required reports, and a refundable deposit would help in that process. Committee Members asked how the \$750 was determined and Staff indicated it was arbitrary and hoped that it was high enough to motivate the Applicants to file the necessary reports with the City.

The Deposit would be returned to applicant upon submittal of waste diversion report from the applicant.

The Committee Members indicated that all of the other fees were fine and were not recommending any changes at this time.

Notes prepared by: Terry Shea



*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: 04/22/19**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: TERRY SHEA, FINANCE DIRECTOR**

**THROUGH: ELAINE JENG, P.E., CITY MANAGER**

**SUBJECT: RECEIVE AND FILE FY 2019/20 BUDGET PREPARATION DOCUMENTS**

- 1) FY 2018/2019 YEAR-END REVENUE AND EXPENDITURE PROJECTIONS**
- 2) FY 2019/2020 CONSUMER PRICE INDEX (CPI) ADJUSTMENT FOR BUDGET AND FY 2019-2020 SOLID WASTE COLLECTION SERVICES**

**DATE: APRIL 22, 2019**

**ATTACHMENTS:**

- 1. FY 2018/2019 Year-End Revenue and Expenditure Projections**
- 2. FY 2019/2020 March Consumer Price Index (CPI) Adjustment for Budget**
- 3. March 01, 2019 Letter from Republic Services FY 19-20 Consumer Price Index**

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**INTRODUCTION**

Included for your information are the FY 2018/2019 Year-end Revenue and Expenditure projections for the General Fund, March 2019 Consumer Price Index Table and staff's review of Republic Services' request for an annual CPI increase of 3.90%. This report is for informational purposes, recommended to be "received and filed".

## **BACKGROUND/DISCUSSION**

### **Year-End Projections**

Attached is the Finance Department's revenue and expenditure projections for the fiscal year ending June 30, 2019. This budget to actual report is through February 2019. We are projecting total General Fund Revenues through June 30, 2019 of \$2,222,137 which is \$10,187 higher than the amended Budget amount of \$2,211,950. The increased revenues are primarily Property Tax and Interest Earned. Also, Building & Other Permit Fees are projected to be lower than budget; at the FY 2018/2019 Mid-year revenues were lower than FY 2017/2018. For General Fund Expenditures through June 30, 2019 we are projecting \$2,043,921 which is \$323,604 lower than the amended budget amount of \$2,367,525. The decrease is due primarily to the following: City Administration Department projected Salary and Benefit savings associated with timing of City Manager hiring and City Clerk vacancy; Planning & Development Department projected Salary savings associated with staff leave; Legal Expense - Other and Special Project Study & Consultant expense; and Law Enforcement projected savings associated with unspent Wild Life Management & Pest Control expense. We are projecting a surplus of \$323,604 before all operating transfers. Also, General Fund projected savings of \$234,000 in Fund Transfers Out to CIP due to project timing issues. Total FY 2018/2019 projected surplus after transfers of \$567,791.

In addition, where appropriate for preparing the FY 2019/20 budget (e.g., where/if necessary for some contracts, materials and supplies and cost-of-living adjustments), staff is projecting a May-to-May CPI of 2.7%.

### **Republic Services FY 2019/2020 Consumer Price Index**

Attached from Republic Services, in conformance with its Franchise Agreement, is a letter identifying (requesting) an annual CPI increase for fiscal year (FY) 2019/20. Staff has reviewed and confirmed that the CPI of 3.90% for a corresponding increase in FY 2019/20 is accurate. The applicable sections of the Franchise Agreement are as follows:

#### ***Section 1.17 CPI***

***"CPI" means the Consumer Price Index for All Urban Consumers (CPI-U) for the Los Angeles-Riverside-Orange County area.***

#### ***Section 11.5 Adjustment of Service Fees***

***Beginning on July 1, 2011, and on each July 1 thereafter during the Term of this Agreement, Allied may request, and the City shall grant, an annual adjustment to the service fees shown in Exhibit A (or those service fees then in effect at the time of the requested adjustment). Each service fee adjustment shall be effective on July 1. Allied shall notify City of its request to adjust service fees no later than March 1 prior to the effective date of the adjustment. If Allied fails to so notify City by March 1, City shall not be obligated to adjust the service fees for the next Agreement Year.***



*Service fees shall be annually adjusted at the same rate of change as the annual percentage change in the CPI up to five percent (5.0%) and subject to Section 11.10.*

*If the annual percentage change in the CPI is zero or less than zero, the service fees shall not be adjusted.*

### **RECOMMENDATION**

Staff recommends that the City Council receive and file the proposed FY 2018/19 Year-end Projections for the General Fund and FY 2019/20 CPI adjustment information for budget and solid waste collection services. This report is for informational purposes and, the FY 2019/20 budget will reflect the CPI in the projected expenditures where appropriate.

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**CITY OF ROLLING HILLS  
GENERAL FUND REVENUES & EXPENDITURES  
FISCAL YEAR 2018-19 PROJECTIONS**

**FINAL**

	ADJUSTED ANNUAL BUDGET FY 18/19	% BUDGET USED THRU FEB	ACTUAL JULY TO FEB FY 18/19	PROJECTED MARCH TO JUNE FY 18/19	PROJECTED FY 18/19	VARIANCE FAVORABLE (UNFAVORABLE) BUDGET VS PROJECTED FY 18/19
<b>GENERAL FUND REVENUES &amp; EXPENDITURES SUMMARY</b>						
<b>GENERAL FUND REVENUES</b>						
TAXES	\$ 1,113,000	66.43%	\$ 739,374	417,500	\$ 1,156,874	\$ 43,874
OTHER AGENCIES	215,200	50.20%	108,029	107,100	215,129	(71)
LICENSES & PERMITS	620,300	33.37%	207,007	361,850	568,857	(51,443)
USE OF PROPERTY & MONEY	184,000	75.96%	139,762	62,992	202,754	18,754
EXCHANGE FUNDS	56,250	-	-	56,250	56,250	-
OTHER REVENUES	23,200	59.15%	13,723	8,550	22,273	(927)
<b>TOTAL REVENUES</b>	<b>\$ 2,211,950</b>	<b>54.61%</b>	<b>\$ 1,207,895</b>	<b>\$ 1,014,242</b>	<b>\$ 2,222,137</b>	<b>\$ 10,187</b>
<b>GENERAL FUND EXPENDITURES</b>						
<b>01 CITY ADMINISTRATION</b>						
EMPLOYEE SALARIES	\$ 314,100	56.70%	\$ 178,082	\$ 37,000	\$ 215,082	\$ 99,018
EMPLOYEE BENEFITS	334,050	25.91%	86,550	222,769	309,319	24,731
TOTAL PERSONNEL	648,150	40.83%	264,632	259,769	524,401	123,749
MATERIALS & SUPPLIES	118,650	50.49%	59,908	24,175	84,083	34,567
CONTRACTUAL SERVICES	135,000	41.08%	55,453	74,500	129,953	5,047
CAPITAL OUTLAY	32,000	-	11,987	20,000	31,987	13
<b>01 TOTAL CITY ADMINISTRATION</b>	<b>\$ 933,800</b>	<b>41.98%</b>	<b>\$ 391,981</b>	<b>\$ 378,444</b>	<b>\$ 770,424</b>	<b>\$ 163,376</b>
<b>05 FINANCE</b>						
MATERIALS & SUPPLIES	650	24.62%	160	-	160	490
CONTRACTUAL SERVICES	117,100	52.68%	61,693	54,600	116,293	807
CAPITAL OUTLAY	-	-	-	-	-	-
<b>05 TOTAL FINANCE</b>	<b>\$ 117,750</b>	<b>52.53%</b>	<b>\$ 61,853</b>	<b>\$ 54,600</b>	<b>\$ 116,453</b>	<b>\$ 1,297</b>
<b>15 PLANNING &amp; DEVELOPMENT</b>						
EMPLOYEE SALARIES	\$ 230,000	62.62%	\$ 144,028	\$ 38,000	\$ 182,028	\$ 47,972
EMPLOYEE BENEFITS	95,000	61.30%	58,231	29,427	87,658	7,342
TOTAL PERSONNEL	325,000	62.23%	202,259	67,427	269,686	55,314
MATERIALS & SUPPLIES	13,600	49.78%	6,770	4,600	11,370	2,230
CONTRACTUAL SERVICES	527,500	43.00%	226,801	267,141	493,942	33,558
CAPITAL OUTLAY	-	-	-	-	-	-
<b>15 TOTAL PLANNING &amp; DEVELOPMENT</b>	<b>\$ 866,100</b>	<b>50.32%</b>	<b>\$ 435,831</b>	<b>\$ 339,168</b>	<b>\$ 774,998</b>	<b>\$ 91,102</b>
<b>25 LAW ENFORCEMENT</b>	<b>\$ 297,600</b>	<b>44.96%</b>	<b>\$ 133,790</b>	<b>\$ 131,200</b>	<b>\$ 264,990</b>	<b>\$ 32,610</b>
<b>65 NON-DEPARTMENT</b>	<b>\$ 80,775</b>	<b>35.55%</b>	<b>\$ 28,713</b>	<b>\$ 24,375</b>	<b>\$ 53,087</b>	<b>\$ 27,688</b>
<b>75 CITY PROPERTIES</b>	<b>\$ 71,500</b>	<b>54.85%</b>	<b>\$ 39,220</b>	<b>\$ 24,750</b>	<b>\$ 63,970</b>	<b>\$ 7,530</b>
<b>GENERAL FUND TOTAL EXPENDITURES</b>	<b>\$ 2,367,525</b>	<b>46.10%</b>	<b>\$ 1,091,387</b>	<b>\$ 952,537</b>	<b>\$ 2,043,921</b>	<b>\$ 323,604</b>
<b>NET REVENUES BEFORE TRANSFERS</b>	<b>\$ (155,575)</b>		<b>\$ 116,508</b>	<b>\$ 61,705</b>	<b>\$ 178,216</b>	<b>\$ 333,791</b>
<b>TRANSFERS</b>	<b>\$ (262,800)</b>	<b>-0.61%</b>	<b>\$ 1,602</b>	<b>\$ (30,402)</b>	<b>\$ (28,800)</b>	<b>\$ 234,000</b>
<b>NET REVENUE(DEFICIT) AFTER TRANSFERS</b>	<b>\$ (418,375)</b>		<b>\$ 118,109</b>	<b>\$ 31,304</b>	<b>\$ 149,416</b>	<b>\$ 567,791</b>

**CITY OF ROLLING HILLS  
GENERAL FUND REVENUES & EXPENDITURES  
FISCAL YEAR 2018-19 PROJECTIONS**

**FINAL**

	ADJUSTED ANNUAL BUDGET FY 18/19	% BUDGET USED THRU FEB	ACTUAL JULY TO FEB FY 18/19	PROJECTED MARCH TO JUNE FY 18/19	PROJECTED FY 18/19	VARIANCE FAVORABLE (UNFAVORABLE) BUDGET VS PROJECTED FY 18/19
<b>GENERAL FUND REVENUES</b>						
4001 TAXES:						
401 Property Taxes	\$ 1,063,200	66.28%	\$ 704,695	\$ 400,000	\$ 1,104,695	\$ 41,495
405 Sales Tax	8,000	34.56%	2,765	2,500	5,265	(2,735)
410 Real Estate Transfer Tax	41,800	76.35%	31,914	15,000	46,914	5,114
4001 Total	1,113,000	66.43%	739,374	417,500	1,156,874	43,874
4030 OTHER AGENCIES						
420 Motor Vehicle in Lieu Tax-VLF	215,200	50.20%	108,029	107,100	215,129	(71)
4050 LICENSES & PERMITS						
440 Building & Other Permit Fees	560,000	30.71%	171,954	340,000	511,954	(48,046)
450 Variance, Planning & Zoning Fees	40,000	67.75%	27,099	12,000	39,099	(901)
455 Animal Control Fees	1,300	33.08%	430	350	780	(520)
460 Franchise Fees	19,000	39.60%	7,524	9,500	17,024	(1,976)
4050 Total	620,300	33.37%	207,007	361,850	568,857	(51,443)
4060 FINES & VIOLATIONS						
480 Fines & Traffic Violations	14,300	72.86%	10,419	6,000	16,419	2,119
5000 USE OF PROPERTY & MONEY						
600 City Hall Leasehold RHCA	84,000	66.65%	55,984	27,992	83,976	(24)
670 Interest Earned	100,000	83.78%	83,778	35,000	118,778	18,778
5000 Total	184,000	75.96%	139,762	62,992	202,754	18,754
6000 CHARGES FOR SERVICES						
601 Reimbursement GA M&O - RHCA	-	-	-	-	-	-
602 Reimbursement PW M&O - RHCA	-	-	-	-	-	-
6000 Total	-	-	-	-	-	-
6500 EXCHANGE FUNDS						
620 Proposition A	56,250	-	-	56,250	56,250	-
6700 OTHER REVENUE						
650 PSAF & COPS	800	81.50%	652	300	952	152
655 Burglar Alarm Responses	600	41.67%	250	250	500	(100)
675 Miscellaneous	7,500	32.03%	2,402	2,000	4,402	(3,098)
6700 Total	8,900	37.13%	3,304	2,550	5,854	(3,046)
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$ 2,211,950</b>	<b>54.61%</b>	<b>\$ 1,207,895</b>	<b>\$ 1,014,242</b>	<b>\$ 2,222,137</b>	<b>\$ 10,187</b>

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GENERAL FUND REVENUES & EXPENDITURES  
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<b>GENERAL FUND EXPENDITURES</b>						
<b>01 CITY ADMINISTRATION</b>						
7001 Employee Salaries						
702 Salaries Full Time	\$ 304,100	58.56%	\$ 178,082	\$ 37,000	\$ 215,082	\$ 89,018
703 Salaries Part Time	10,000		-	-	-	10,000
7001 Total	314,100	56.70%	178,082	37,000	215,082	99,018
7005 Employee Benefits						
710 Retirement CalPERS - Employer	229,050	12.92%	29,588	193,000	222,588	6,462
715 Workers Compensation Insurance	7,400	59.88%	4,431	2,969	7,400	-
716 Group Insurance	47,500	44.21%	21,000	10,500	31,500	16,000
717 Retiree Medical	18,200	72.92%	13,271	9,200	22,471	(4,271)
718 Employer Payroll Taxes	25,100	59.88%	15,031	5,300	20,331	4,769
719 Deferred Compensation	4,600	46.28%	2,129	1,000	3,129	1,471
720 Auto Allowance	2,200	50.00%	1,100	800	1,900	300
7005 Total	334,050	25.91%	86,550	222,769	309,319	24,731
7500 Materials & Supplies						
740 Office Supplies & Expense	43,600	54.22%	23,640	7,500	31,140	12,460
745 Equipment Leasing Costs	7,750	57.48%	4,455	950	5,405	2,345
750 Dues & Subscriptions	11,300	90.06%	10,177	500	10,677	623
755 Conference Expense	9,500	13.39%	1,272	2,000	3,272	6,228
757 Meeting Expense	1,300	30.31%	394	100	494	806
759 Training & Education	2,700	0.00%	-	1,000	1,000	1,700
761 Auto Mileage	500	26.00%	130	125	255	245
765 Postage	13,000	38.46%	5,000	2,000	7,000	6,000
770 Telephone	5,800	70.14%	4,068	2,000	6,068	(268)
775 City Council Expense	7,200	40.54%	2,919	3,000	5,919	1,281
776 Miscellaneous Expenses	-		80	-	80	(80)
780 Minutes Clerk Meetings	4,800	114.54%	5,498	2,000	7,498	(2,698)
785 Codification	5,000	11.00%	550	1,000	1,550	3,450
790 Advertising	1,000	-	-	1,000	1,000	-
795 Other General Administrative Expense	5,200	33.17%	1,725	1,000	2,725	2,475
7500 Total	118,650	50.49%	59,908	24,175	84,083	34,567
8000 Contractual Services						
801 City Attorney	70,000	65.47%	45,829	33,000	78,829	(8,829)
802 Legal Expenses - Other	3,000	0.00%	-	1,000	1,000	2,000
820 Website	11,000	28.34%	3,117	3,000	6,117	4,883
850 Election Expense City Council	5,000	0.00%	1,269	-	1,269	3,731
890 Consulting Fees	46,000	11.39%	5,238	37,500	42,738	3,262
8000 Total	135,000	41.08%	55,453	74,500	129,953	5,047
9000 Capital Outlay						
950 Capital Outlay - Equipment	32,000	-	11,987	20,000	31,987	13
948 Capital Outlay - City Hall Improvements	-	-	-	-	-	-
955 Disaster Emergency - Equipment	-	-	-	-	-	-
9000 Total	32,000	-	11,987	20,000	31,987	13
01 TOTAL CITY ADMINISTRATION	\$ 933,800	41.98%	\$ 391,981	\$ 378,444	\$ 770,424	\$ 163,376

**CITY OF ROLLING HILLS  
GENERAL FUND REVENUES & EXPENDITURES  
FISCAL YEAR 2018-19 PROJECTIONS**

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05	FINANCE						
7500	Materials & Supplies						
750	Dues & Subscriptions	\$ 650	24.62%	\$ 160	\$ -	\$ 160	\$ 490
776	Miscellaneous Expenses	-		-	-	-	-
7500	Total	650	24.62%	160	-	160	490
8000	Contractual Services						
810	Annual Audit	17,100	78.95%	13,500	3,600	17,100	-
890	Consulting Fees	100,000	48.19%	48,193	51,000	99,193	807
8000	Total	117,100	52.68%	61,693	54,600	116,293	807
9000	Capital Outlay						
950	Capital Outlay - Equipment	-	-	-	-	-	-
9000	Total Capital Outlay	-	-	-	-	-	-
05	TOTAL FINANCE	\$ 117,750	52.53%	\$ 61,853	\$ 54,600	\$ 116,453	\$ 1,297
15	PLANNING & DEVELOPMENT						
7001	Employee Salaries						
702	Salaries Full Time	\$ 215,000	66.66%	\$ 143,317	\$ 38,000	\$ 181,317	\$ 33,683
703	Salaries Part Time	15,000		711	-	711	14,289
7001	Total	230,000	62.62%	144,028	38,000	182,028	47,972
7005	Employee Benefits						
710	Retirement CalPERS - Employer	31,150	73.87%	23,012	5,000	28,012	3,138
715	Workers Compensation Insurance	5,300	59.87%	3,173	2,127	5,300	-
716	Group Insurance	30,600	65.02%	19,895	10,000	29,895	705
718	Employer Payroll Taxes	18,400	49.43%	9,095	6,700	15,795	2,605
719	Deferred Compensation	7,150	20.36%	1,456	4,800	6,256	894
720	Auto Allowance	2,400	66.67%	1,600	800	2,400	-
7005	Total	95,000	61.30%	58,231	29,427	87,658	7,342
7500	Materials & Supplies						
758	Planning Commission Meeting	2,000	112.70%	2,254	800	3,054	(1,054)
776	Miscellaneous Expenses	2,000	212.12%	4,242	100	4,342	(2,342)
750	Dues & Subscriptions	600	0.00%	-	-	-	600
755	Conference Expense	6,800	0.37%	25	2,700	2,725	4,075
759	Training & Education	2,200	11.32%	249	1,000	1,249	951
7500	Total	13,600	49.78%	6,770	4,600	11,370	2,230
8000	Contractual Services						
802	Legal Expense - Other	13,000	0.00%	-	2,000	2,000	11,000
872	Property Development - Legal Expense	57,000	51.87%	29,564	25,000	54,564	2,436
878	Build Inspection LA County/Willdan	195,000	34.40%	67,084	130,000	197,084	(2,084)
881	Storm Water Management	159,400	54.55%	86,948	63,000	149,948	9,452
882	Variance & CUP Expense	6,000	62.87%	3,772	3,000	6,772	(772)
884	Special Project Study & Consultant	97,100	40.61%	39,433	44,141	83,574	13,526
8000	Total	527,500	43.00%	226,801	267,141	493,942	33,558
9000	Capital Outlay						
950	Capital Outlay - Equipment	-	-	-	-	-	-
9000	Total Capital Outlay	-	-	-	-	-	-
15	TOTAL PLANNING & DEVELOPMENT	\$ 866,100	50.32%	\$ 435,831	\$ 339,168	\$ 774,998	\$ 91,102

**CITY OF ROLLING HILLS  
GENERAL FUND REVENUES & EXPENDITURES  
FISCAL YEAR 2018-19 PROJECTIONS**

**FINAL**

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<b>25 LAW ENFORCEMENT</b>						
8200 Law Enforcement						
830 Law Enforcement	\$ 223,100	51.58%	\$ 115,077	\$ 100,000	\$ 215,077	\$ 8,023
832 Parking Citation	-	0.00%	-	-	-	-
833 Other Law Enforcement Expenses	3,000	18.69%	561	2,700	3,261	(261)
837 Wild Life Management & Pest Control	61,500	25.46%	15,657	25,000	40,657	20,843
838 Animal Control Expense	10,000	24.95%	2,495	3,500	5,995	4,005
8200 Total	297,600	44.96%	133,790	131,200	264,990	32,610
<b>25 TOTAL LAW ENFORCEMENT</b>	<b>\$ 297,600</b>	<b>44.96%</b>	<b>\$ 133,790</b>	<b>\$ 131,200</b>	<b>\$ 264,990</b>	<b>\$ 32,610</b>
<b>65 NON-DEPARTMENT</b>						
7500 Materials & Supplies						
776 Miscellaneous Expenses	\$ -	-	\$ -	\$ -	\$ -	\$ -
901 South Bay Community Organization	4,100	87.80%	3,600	500	4,100	-
985 Contingency	25,000	0.00%	-	8,000	8,000	17,000
7500 Total	29,100	12.37%	3,600	8,500	12,100	17,000
8000 Contractual Services						
895 Insurance & Bond Expense	26,650	51.40%	13,698	7,000	20,698	5,952
8000 Total	26,650	51.40%	13,698	7,000	20,698	5,952
8500 Community Promotion						
915 Community Recognition	9,500	67.87%	6,448	-	6,448	3,052
916 Civil Defense Expense	650	98.77%	642	-	642	8
917 Emergency Preparedness	14,875	29.07%	4,324	8,875	13,199	1,676
8500 Total	25,025	45.61%	11,414	8,875	20,289	4,736
<b>65 TOTAL NON-DEPARTMENT</b>	<b>\$ 80,775</b>	<b>35.55%</b>	<b>\$ 28,713</b>	<b>\$ 24,375</b>	<b>\$ 53,087</b>	<b>\$ 27,688</b>
<b>75 CITY PROPERTIES</b>						
8000 Contractual Services						
925 Utilities	\$ 30,200	74.44%	\$ 22,481	\$ 11,250	\$ 33,731	\$ (3,531)
930 Repairs & Maintenance	16,000	36.81%	5,889	5,000	10,889	5,111
932 Area Landscaping	25,300	42.89%	10,850	8,500	19,350	5,950
8000 Total	71,500	54.85%	39,220	24,750	63,970	7,530
9000 Capital Outlay						
946 Building & Equipment	-	-	-	-	-	-
9000 Total	-	-	-	-	-	-
<b>75 TOTAL CITY PROPERTIES</b>	<b>\$ 71,500</b>	<b>54.85%</b>	<b>\$ 39,220</b>	<b>\$ 24,750</b>	<b>\$ 63,970</b>	<b>\$ 7,530</b>
<b>131 GENERAL FUND TOTAL EXPENDITURES</b>	<b>\$ 2,367,525</b>	<b>46.10%</b>	<b>\$ 1,091,387</b>	<b>\$ 952,537</b>	<b>\$ 2,043,921</b>	<b>\$ 323,604</b>
<b>NET REVENUES BEFORE TRANSFERS</b>	<b>\$ (155,575)</b>		<b>\$ 116,508</b>	<b>\$ 61,705</b>	<b>\$ 178,216</b>	<b>\$ 333,791</b>
<b>699 Fund Transfers (OUT) IN</b>						
Traffic Safety Fund	\$ (46,500)	0.00%	\$ (14,399)	\$ (32,102)	\$ (46,500)	\$ -
Capital Improvement Fund	(234,000)	0.00%	-	-	-	234,000
Underground Utility Fund	-	0.00%	-	-	-	-
Community Facilities Fund	(6,300)	0.00%	-	(6,300)	(6,300)	-
Refuse Collection Fund	24,000	66.67%	16,000	8,000	24,000	-
699 Total	(262,800)	-0.61%	1,602	(30,402)	(28,800)	234,000
<b>NET REVENUE(DEFICIT) AFTER TRANSFERS</b>	<b>\$ (418,375)</b>		<b>\$ 118,109</b>	<b>\$ 31,304</b>	<b>\$ 149,416</b>	<b>\$ 567,791</b>



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U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS

Western Information Office, 90 7th St., Suite 14-100, San Francisco, CA 94103

Information Staff (415) 625-2270 / Fax (415) 625-2351

This page will no longer be updated as of June 2019.

Current and historical data can now be accessed at:

[https://www.bls.gov/regions/west/data/cpi\\_tables.pdf](https://www.bls.gov/regions/west/data/cpi_tables.pdf)

LOS ANGELES-LONG BEACH-ANAHEIM CA

Consumer Price Index, All Items, 1982-84=100 for All Urban Consumers (CPI-U)

YEAR	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	SEMIANNUAL		ANNUAL AVERAGE
													1ST HALF	2ND HALF	
2000	167.9	169.3	170.7	170.6	171.1	171.0	171.7	172.2	173.3	173.8	173.5	173.5	170.1	173.0	171.6
2001	174.2	175.4	176.2	176.6	177.5	178.9	178.3	178.4	178.8	178.3	178.1	177.1	176.5	178.2	177.3
2002	178.9	180.1	181.1	182.2	182.6	181.9	182.2	183.0	183.4	183.7	184.0	183.7	181.1	183.3	182.2
2003	185.2	186.5	188.2	187.6	186.4	186.3	186.3	186.9	188.2	187.8	187.1	187.0	186.7	187.2	187.0
2004	188.5	190.1	191.5	191.9	193.3	193.7	193.4	193.1	194.5	196.3	196.9	195.2	191.5	194.9	193.2
2005	195.4	197.4	199.2	201.1	201.5	200.7	201.4	203.1	205.8	206.9	205.6	203.9	199.2	204.5	201.8
2006	206.0	207.5	208.5	210.5	212.4	211.1	211.4	211.9	212.9	211.4	211.1	210.6	209.3	211.6	210.4
2007	212.584	214.760	216.500	217.845	218.596	217.273	217.454	217.330	217.697	218.696	219.943	219.373	216.260	218.416	217.338
2008	220.918	221.431	223.606	224.625	226.651	229.033	229.886	228.484	227.449	226.159	222.229	219.620	224.377	225.638	225.008
2009	220.719	221.439	221.376	221.693	222.522	223.906	224.010	224.507	225.226	225.264	224.317	223.643	221.943	224.495	223.219
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.981	226.373	226.048	226.794	225.941	226.639	225.491	226.298	225.894
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.606	232.251	231.928
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	235.807	237.488	236.648
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.229	239.185	239.207
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.122	242.745	242.434
2015	239.724	241.297	243.738	243.569	246.093	245.459	247.066	246.328	245.431	245.812	245.711	245.357	243.313	245.951	244.632
2016	247.155	247.113	247.873	248.388	249.554	249.789	249.784	249.700	250.145	251.098	250.185	250.189	248.309	250.184	249.246
2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.890	258.883	259.135	259.220	254.439	257.982	256.210
2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.560	267.631	264.195	267.730	265.962
2019	269.468	269.608	271.311												

Table of over-the-year percent increases. An entry for Feb. 2006 indicates the percentage increase from Feb. 2005 to Feb. 2006.

2001	3.8	3.6	3.2	3.5	3.7	4.6	3.8	3.6	3.2	2.6	2.7	2.1	3.8	3.0	3.3
2002	2.7	2.7	2.8	3.2	2.9	1.7	2.2	2.6	2.6	3.0	3.3	3.7	2.6	2.9	2.8
2003	3.5	3.6	3.9	3.0	2.1	2.4	2.3	2.1	2.6	2.2	1.7	1.8	3.1	2.1	2.6
2004	1.8	1.9	1.8	2.3	3.7	4.0	3.8	3.3	3.3	4.5	5.2	4.4	2.6	4.1	3.3
2005	3.7	3.8	4.0	4.8	4.2	3.6	4.1	5.2	5.8	5.4	4.4	4.5	4.0	4.9	4.5
2006	5.4	5.1	4.7	4.7	5.4	5.2	5.0	4.3	3.4	2.2	2.7	3.3	5.1	3.5	4.3
2007	3.2	3.5	3.8	3.5	2.9	2.9	2.9	2.6	2.3	3.5	4.2	4.2	3.3	3.2	3.3
2008	3.9	3.1	3.3	3.1	3.7	5.4	5.7	5.1	4.5	3.4	1.0	0.1	3.8	3.3	3.5
2009	-0.1	0.0	-1.0	-1.3	-1.8	-2.2	-2.6	-1.7	-1.0	-0.4	0.9	1.8	-1.1	-0.5	-0.8
2010	1.8	1.4	1.9	1.9	1.8	0.9	0.9	0.8	0.4	0.7	0.7	1.3	1.6	0.8	1.2
2011	1.8	2.3	3.0	3.3	3.1	2.9	2.4	2.4	3.1	2.8	3.0	2.2	2.7	2.6	2.7
2012	2.1	2.1	2.0	1.5	1.6	1.6	1.9	2.3	2.2	3.0	2.1	1.9	1.8	2.3	2.0
2013	2.0	2.2	1.3	0.9	1.0	1.4	1.3	0.8	0.6	-0.1	0.4	1.1	1.5	0.7	1.1
2014	0.8	0.5	1.0	1.4	1.7	1.8	2.0	1.8	1.7	1.4	1.3	0.7	1.2	1.5	1.3
2015	-0.1	0.1	0.5	0.5	1.1	0.8	1.4	1.1	0.7	1.0	1.6	2.0	0.5	1.3	0.9
2016	3.1	2.4	1.7	2.0	1.4	1.8	1.1	1.4	1.9	2.2	1.8	2.0	2.1	1.7	1.9
2017	2.1	2.7	2.7	2.7	2.5	2.2	2.5	2.8	3.1	3.1	3.6	3.6	2.5	3.1	2.8
2018	3.5	3.6	3.8	4.0	4.1	4.0	3.9	3.9	3.9	4.1	3.6	3.2	3.8	3.8	3.8
2019	3.2	2.5	2.7												

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REPUBLIC  
SERVICES

RECEIVED

MAR 04 2019

City of Rolling Hills  
By \_\_\_\_\_

3/1/2019

Elaine Jeng, City Manager  
City of Rolling Hills  
2 Portuguese Bend Road  
Rolling Hills CA 90274

Re: Petition for Rate Adjustment Related to Trash Collection Services

Dear Ms. Jeng,

Per the agreement between the City of Rolling Hills and Allied Waste Services (a subsidiary of Republic Services, Inc.) dated April 26, 2010, and in accordance with Section 11.5 of the agreement, we respectfully request an adjustment to the rates for waste collection for your City.

Attached please find supporting information substantiating our request for an adjustment in the amount of 3.90%, which matches the year over year change in the Consumer Price Index.

Thank you for your consideration of this request. Please do not hesitate to contact me with any questions at all.

Kindest regards,

*Dawn M. Harris-Benton*

Dawn M. Harris-Benton  
Republic Services, Gardena Hauling Division  
[dharris@republicservices.com](mailto:dharris@republicservices.com)  
310.436.7339

## Bureau of Labor Statistics

Consumer Price Index - All Urban Consumers

Series Id: CUURSA9ASAO

Not Seasonally Adjusted

Series Title: All items in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted

Area: Los Angeles-Long Beach-Anaheim, CA

Item: All items

Base Period: 1982-84=100

Download:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2002	178.90	180.10	181.10	182.20	182.90	183.90	184.00	183.70	183.40	183.70	184.00	183.70	182.20	181.10	183.20
2003	185.20	186.50	188.20	187.60	186.40	186.30	186.30	186.90	186.20	187.80	187.10	187.00	187.00	186.70	187.20
2004	188.50	190.10	191.50	191.90	193.30	193.70	193.40	193.10	194.50	196.30	196.90	195.20	193.20	191.50	194.90
2005	195.40	197.40	199.20	201.10	201.50	200.70	201.40	203.10	205.80	206.90	205.60	203.90	201.80	199.20	204.50
2006	206.00	207.50	208.50	210.50	212.40	211.10	211.40	211.90	212.90	211.40	211.10	210.60	210.40	209.30	211.60
2007	212.98	214.76	216.50	217.85	218.60	217.27	217.45	217.33	217.70	218.70	219.94	219.37	217.34	216.26	218.42
2008	220.72	221.44	221.38	221.69	221.52	223.91	224.01	224.51	227.45	226.15	222.23	219.62	225.01	224.38	225.64
2009	224.61	224.62	225.48	225.92	226.44	225.88	225.99	226.37	226.05	226.79	225.94	226.64	225.22	223.94	224.50
2010	228.65	229.73	232.24	233.32	235.37	232.33	231.30	231.03	233.02	233.05	232.73	231.57	231.93	231.61	232.25
2011	233.44	234.54	236.94	236.87	237.03	236.03	235.78	237.22	238.10	240.11	237.68	236.04	236.65	235.81	237.49
2012	238.02	239.75	240.00	239.04	239.35	239.22	238.92	239.22	239.61	239.94	238.68	238.74	239.21	239.23	239.19
2013	239.66	241.06	242.49	242.44	243.36	243.53	243.73	243.56	243.62	243.34	241.75	240.48	242.43	242.12	242.75
2014	239.72	241.30	243.74	243.57	246.09	245.46	247.07	246.33	245.43	245.81	245.71	245.36	244.63	243.31	245.95
2015	247.16	247.11	247.87	248.37	249.55	249.79	249.78	249.70	250.15	251.10	250.19	250.19	249.25	248.31	250.18
2016	252.37	253.82	254.53	254.97	255.67	255.28	256.02	256.74	257.89	258.88	259.14	259.22	258.21	254.44	257.98
2017	261.24	263.01	264.16	265.10	266.15	265.52	266.01	266.67	268.03	269.48	268.56	267.63	265.96	264.20	267.73

Current Index

265.01

Prior Index

258.02

Nominal Change

10.0

Prior Index

258.02

Percentage Change

3.90%

**City of Rolling Hills**

**Proposed Adjusted Rates, Effective July 1st, 2019**

<b>Service Fees</b>		<b>Proposed Adjusted Rates</b>
<b>Bill on Property Tax Bill</b>		
Annual Base Service Fee (per year)		\$ 1,204.51
<b>Billed Directly to Customer</b>		
On-Call Bulky Item Collection in Excess of One Item per Year (per item)		\$ 30.10
On-Call Brush Collection in Excess of One Load per Year (per load)		\$ 451.46
<b>Emergency Services</b>		
Disposal Tipping Fee at Sunshine Canyon Landfill (per ton)		\$ 50.58
Rolloff Box Service Fee (includes cost of disposal) (per load)		\$ 451.46

**Subject:** RE: Petition for Rate Adjustment Related to Trash Collection Services

**Date:** Thursday, March 14, 2019 at 9:40:47 AM Pacific Daylight Time

**From:** Terry Shea <Terry@Ramscpa.net>

**To:** Connie Viramontes <cviramontes@cityofrh.net>

The 2017-18 Increase was 1.10%, the 2018-19 increase was 2.5%. Terry

**From:** Connie Viramontes [mailto:cviramontes@cityofrh.net]

**Sent:** Thursday, March 14, 2019 7:51 AM

**To:** Terry Shea <Terry@Ramscpa.net>

**Subject:** Petition for Rate Adjustment Related to Trash Collection Services

Good Morning Terry, per Elaine's request, she is requesting to know if we were given an increase 2017-2018? If so, what is the percentage?

Please advise.

Thank you

**Connie Viramontes**

Administrative Assistant

City of Rolling Hills

2 Portuguese Bend Road, Rolling Hills, CA 90274

310-377-1521 Fax: 310-377-7288 [www.Rolling-Hills.org](http://www.Rolling-Hills.org)

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*City of Rolling Hills*

INCORPORATED JANUARY 24, 1957

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

**Agenda Item No: 8C**  
**Mtg. Date: 04/22/2019**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

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

**SUBJECT: CONSIDERATION AND APPROVAL OF AMENDING THE  
EMPLOYEE HANDBOOK AND PERSONNEL POLICY MANUAL  
CHAPTER IV CLASSIFICATION TO CHANGE THE CITY  
CLERK/EXECUTIVE ASSISTANT TO THE CITY MANAGER FROM  
FULL-TIME NON-EXEMPT TO FULL-TIME EXEMPT**

**DATE: APRIL 22, 2019**

**ATTACHMENTS:**

- 1. Employee Handbook and Personnel Policy Manual Chapter IV**
- 2. Fair Labor Standards Act of 1938, 29 U.S.C.A. § 213**
- 3. Industrial Welfare Commission Order No. 4-2001 (California Wage Order)**

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## **BACKGROUND**

Per the City's Employee Handbook and Personnel Policy Manual Chapter IV Classification, the City Clerk/Executive Assistant to the City Manager is a non-exempt position. The core function of the City Clerk is to prepare/post agendas, respond to public records request, records management, and comply with California Fair Political Practices Commission (FPPC) requirements. Additionally, the City Clerk position in Rolling Hills also serves as the Executive Assistant to the City Manager and the core function of the executive assistant is much like an analyst - research data, manage calendar, data analysis, external customer service and serve as the conduit to the City Manager and the City Council.

## **STATUS DETERMINATION**

In determining whether the position is exempt, the legal counsel reviewed the Federal Fair Labor Standards Act (FLSA) and the California Wage Orders. The California Wage Orders are generally not applicable to public employees; however, it is a best practice to comply with the salary requirements for an exempt position under the California Wage Orders.

Legal Counsel's analysis is that clearly the City Clerk exercises significant discretion on matters of importance to qualify as exempt. For example, City Clerks make agenda decisions, contend with Form 700 issues and determine the complexity of public records requests. Per FLSA, "any employee employed in a bona fide executive, administrative, or professional capacity..." is exempt from the minimum wage and maximum hour requirements. Additionally, to be exempt, the employee's salary must be equal to at least two times the minimum wage. For Employers with 25 employees or less, the minimum wage is \$11/hour as of January 1, 2019. To be exempt, the employee must make at least \$45,760 per year. The City Clerk's salary range currently exceeds \$45,760 per year (\$58,568 - \$76,885 updated 11/14/2014). Legal Counsel's analysis is that the current City Clerk/Executive Assistant would qualify for exempt status.

## **PERSONNEL COMMITTEE**

The Personnel Committee met on January 23, 2019 and reviewed the proposed change. The committee supports the status change for the City Clerk/Executive Assistant from non-exempt to exempt without adjustments to the current salary range for the position.

## **CLASSIFICATION STUDY PER EMPLOYEE HANDBOOK**

Per the City's Employee Handbook and Personnel Policy Manual Chapter IV Classification Section 4, Classification Studies, "Classification studies shall be conducted from time to time to determine if the duties and responsibilities of a position have substantively changed, have become inequitably aligned in relation to other classifications within the City service, and/or are otherwise incorrectly designated. The City Manager or designee shall conduct the classification study and as a result, a position may be reclassified to a more appropriate classification, whether new or already authorized, at a higher or lower maximum salary level. After conducting a classification study of the position(s), the City Manager will recommend classification changes, if any, to the City Council for approval."

Per the City's Employee Handbook and Personnel Policy Manual Chapter I Purpose and Application, Section 1 Purpose, "...Unless amended by a subsequent Resolution of the City Council, the personnel provisions set forth herein constitutes the personnel rules and regulations for the City of Rolling Hills."

## **RECOMMENDATION**

Staff recommends that the City Council approve the proposed FLSA status change for the City Clerk/Executive Assistant to the City Manager from non-exempt to exempt and direct staff to prepare a resolution to amend the Employee Handbook and Personnel Policy Manual Chapter IV Classification Section 1, Classification Plan.

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## CHAPTER IV CLASSIFICATION

Section 1. Classification Plan: The City of Rolling Hills has an established list of classifications as follows:

**Full-time Exempt**

City Manager  
Planning Director

**Full-time Non-Exempt**

City Clerk/Executive Assistant to the City Manager  
Administrative Assistant

**Hourly Non-Benefited**

Finance Director  
Planning Assistant  
Code Enforcement Official  
Bookkeeper  
Administrative Intern

Each position in the City service is defined by specifications, including title, definition of the position, supervision received and exercised, a description of the duties and responsibilities of positions in each class, and the training, experience, and other qualifications to be required of applicants for positions in each class.

Section 2. Adoption, Amendment, and Revision of Plan: The list of classifications may be amended from time to time by resolution of the City Council.

Section 3. New Positions: When a new position is created, an employment eligibility list will be established before an appointment is made, unless the position is filled by a promotional appointment.

Section 4. Classification Studies: Classification studies shall be conducted from time to time to determine if the duties and responsibilities of a position have substantively changed, have become inequitably aligned in relation to other classifications within the City service, and/or are otherwise incorrectly designated. The City Manager or designee shall conduct the classification study and as a result, a position may be reclassified to a more appropriate classification, whether new or already authorized, at a higher or lower maximum salary level.

After conducting a classification study of the position(s), the City Manager will recommend classification changes, if any, to the City Council for approval.

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KeyCite Yellow Flag - Negative Treatment  
Proposed Legislation

United States Code Annotated  
Title 29. Labor  
Chapter 8. Fair Labor Standards (Refs & Annos)

29 U.S.C.A. § 213

§ 213. Exemptions

Effective: March 23, 2018  
Currentness

**(a) Minimum wage and maximum hour requirements**

The provisions of sections 206 (except subsection (d) in the case of paragraph (1) of this subsection) and 207 of this title shall not apply with respect to--

(1) any employee employed in a bona fide executive, administrative, or professional capacity (including any employee employed in the capacity of academic administrative personnel or teacher in elementary or secondary schools), or in the capacity of outside salesman (as such terms are defined and delimited from time to time by regulations of the Secretary, subject to the provisions of subchapter II of chapter 5 of Title 5, except that an employee of a retail or service establishment shall not be excluded from the definition of employee employed in a bona fide executive or administrative capacity because of the number of hours in his workweek which he devotes to activities not directly or closely related to the performance of executive or administrative activities, if less than 40 per centum of his hours worked in the workweek are devoted to such activities); or

(2) Repealed. Pub.L. 101-157, § 3(c)(1), Nov. 17, 1989, 103 Stat. 939

(3) any employee employed by an establishment which is an amusement or recreational establishment, organized camp, or religious or non-profit educational conference center, if (A) it does not operate for more than seven months in any calendar year, or (B) during the preceding calendar year, its average receipts for any six months of such year were not more than 33 # per centum of its average receipts for the other six months of such year, except that the exemption from sections 206 and 207 of this title provided by this paragraph does not apply with respect to any employee of a private entity engaged in providing services or facilities (other than, in the case of the exemption from section 206 of this title, a private entity engaged in providing services and facilities directly related to skiing) in a national park or a national forest, or on land in the National Wildlife Refuge System, under a contract with the Secretary of the Interior or the Secretary of Agriculture; or

(4) Repealed. Pub.L. 101-157, § 3(c)(1), Nov. 17, 1989, 103 Stat. 939

(5) any employee employed in the catching, taking, propagating, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life, or in the first processing,



canning or packing such marine products at sea as an incident to, or in conjunction with, such fishing operations, including the going to and returning from work and loading and unloading when performed by any such employee; or

(6) any employee employed in agriculture (A) if such employee is employed by an employer who did not, during any calendar quarter during the preceding calendar year, use more than five hundred man-days of agricultural labor, (B) if such employee is the parent, spouse, child, or other member of his employer's immediate family, (C) if such employee (i) is employed as a hand harvest laborer and is paid on a piece rate basis in an operation which has been, and is customarily and generally recognized as having been, paid on a piece rate basis in the region of employment, (ii) commutes daily from his permanent residence to the farm on which he is so employed, and (iii) has been employed in agriculture less than thirteen weeks during the preceding calendar year, (D) if such employee (other than an employee described in clause (C) of this subsection) (i) is sixteen years of age or under and is employed as a hand harvest laborer, is paid on a piece rate basis in an operation which has been, and is customarily and generally recognized as having been, paid on a piece rate basis in the region of employment, (ii) is employed on the same farm as his parent or person standing in the place of his parent, and (iii) is paid at the same piece rate as employees over age sixteen are paid on the same farm, or (E) if such employee is principally engaged in the range production of livestock; or

(7) any employee to the extent that such employee is exempted by regulations, order, or certificate of the Secretary issued under section 214 of this title; or

(8) any employee employed in connection with the publication of any weekly, semiweekly, or daily newspaper with a circulation of less than four thousand the major part of which circulation is within the county where published or counties contiguous thereto; or

(9) Repealed. Pub.L. 93-259, § 23(a)(1), Apr. 8, 1974, 88 Stat. 69

(10) any switchboard operator employed by an independently owned public telephone company which has not more than seven hundred and fifty stations; or

(11) Repealed. Pub.L. 93-259, § 10(a), Apr. 8, 1974, 88 Stat. 63

(12) any employee employed as a seaman on a vessel other than an American vessel; or

(13), (14) Repealed. Pub.L. 93-259, §§ 9(b)(1), 23(b)(1), Apr. 8, 1974, 88 Stat. 63, 69

(15) any employee employed on a casual basis in domestic service employment to provide babysitting services or any employee employed in domestic service employment to provide companionship services for individuals who (because of age or infirmity) are unable to care for themselves (as such terms are defined and delimited by regulations of the Secretary); or

(16) a criminal investigator who is paid availability pay under section 5545a of Title 5;

(17) any employee who is a computer systems analyst, computer programmer, software engineer, or other similarly skilled worker, whose primary duty is--

(A) the application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software, or system functional specifications;

(B) the design, development, documentation, analysis, creation, testing, or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;

(C) the design, documentation, testing, creation, or modification of computer programs related to machine operating systems; or

(D) a combination of duties described in subparagraphs (A), (B), and (C) the performance of which requires the same level of skills, and

who, in the case of an employee who is compensated on an hourly basis, is compensated at a rate of not less than \$27.63 an hour; or

(18) any employee who is a border patrol agent, as defined in section 5550(a) of Title 5; or

(19) any employee employed to play baseball who is compensated pursuant to a contract that provides for a weekly salary for services performed during the league's championship season (but not spring training or the off season) at a rate that is not less than a weekly salary equal to the minimum wage under section 206(a) of this title for a workweek of 40 hours, irrespective of the number of hours the employee devotes to baseball related activities.

**(b) Maximum hour requirements**

The provisions of section 207 of this title shall not apply with respect to--

(1) any employee with respect to whom the Secretary of Transportation has power to establish qualifications and maximum hours of service pursuant to the provisions of section 31502 of Title 49; or

(2) any employee of an employer engaged in the operation of a rail carrier subject to part A of subtitle IV of Title 49; or

(3) any employee of a carrier by air subject to the provisions of title II of the Railway Labor Act; or

(4) Repealed. Pub.L. 93-259, § 11(c), Apr. 8, 1974, 88 Stat. 64

(5) any individual employed as an outside buyer of poultry, eggs, cream, or milk, in their raw or natural state; or

(6) any employee employed as a seaman; or

(7) Repealed. Pub.L. 93-259, § 21(b)(3), Apr. 8, 1974, 88 Stat. 68

(8) Repealed. Pub.L. 95-151, § 14(b), Nov. 1, 1977, 91 Stat. 1252

(9) any employee employed as an announcer, news editor, or chief engineer by a radio or television station the major studio of which is located (A) in a city or town of one hundred thousand population or less, according to the latest available decennial census figures as compiled by the Bureau of the Census, except where such city or town is part of a standard metropolitan statistical area, as defined and designated by the Office of Management and Budget, which has a total population in excess of one hundred thousand, or (B) in a city or town of twenty-five thousand population or less, which is part of such an area but is at least 40 airline miles from the principal city in such area; or

(10)(A) any salesman, partsman, or mechanic primarily engaged in selling or servicing automobiles, trucks, or farm implements, if he is employed by a nonmanufacturing establishment primarily engaged in the business of selling such vehicles or implements to ultimate purchasers; or

(B) any salesman primarily engaged in selling trailers, boats, or aircraft, if he is employed by a nonmanufacturing establishment primarily engaged in the business of selling trailers, boats, or aircraft to ultimate purchasers; or

(11) any employee employed as a driver or driver's helper making local deliveries, who is compensated for such employment on the basis of trip rates, or other delivery payment plan, if the Secretary shall find that such plan has the general purpose and effect of reducing hours worked by such employees to, or below, the maximum workweek applicable to them under section 207(a) of this title; or

(12) any employee employed in agriculture or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, or operated on a sharecrop basis, and which are used exclusively for supply and storing of water, at least 90 percent of which was ultimately delivered for agricultural purposes during the preceding calendar year; or

(13) any employee with respect to his employment in agriculture by a farmer, notwithstanding other employment of such employee in connection with livestock auction operations in which such farmer is engaged as an adjunct to the raising of livestock, either on his own account or in conjunction with other farmers, if such employee (A) is primarily employed during his workweek in agriculture by such farmer, and (B) is paid for his employment in connection with such livestock auction operations at a wage rate not less than that prescribed by section 206(a)(1) of this title; or

(14) any employee employed within the area of production (as defined by the Secretary) by an establishment commonly recognized as a country elevator, including such an establishment which sells products and services used in the operation of a farm, if no more than five employees are employed in the establishment in such operations; or

(15) any employee engaged in the processing of maple sap into sugar (other than refined sugar) or syrup; or

(16) any employee engaged (A) in the transportation and preparation for transportation of fruits or vegetables, whether or not performed by the farmer, from the farm to a place of first processing or first marketing within the same State, or (B) in transportation, whether or not performed by the farmer, between the farm and any point within the same State of persons employed or to be employed in the harvesting of fruits or vegetables; or

(17) any driver employed by an employer engaged in the business of operating taxicabs; or

(18), (19) Repealed. Pub.L. 93-259, §§ 15(c), 16(b), Apr. 8, 1974, 88 Stat. 65

(20) any employee of a public agency who in any workweek is employed in fire protection activities or any employee of a public agency who in any workweek is employed in law enforcement activities (including security personnel in correctional institutions), if the public agency employs during the workweek less than 5 employees in fire protection or law enforcement activities, as the case may be; or

(21) any employee who is employed in domestic service in a household and who resides in such household; or

(22) Repealed. Pub.L. 95-151, § 5, Nov. 1, 1977, 91 Stat. 1249

(23) Repealed. Pub.L. 93-259, § 10(b)(3), Apr. 8, 1974, 88 Stat. 64

(24) any employee who is employed with his spouse by a nonprofit educational institution to serve as the parents of children--

(A) who are orphans or one of whose natural parents is deceased, or

(B) who are enrolled in such institution and reside in residential facilities of the institution,

while such children are in residence at such institution, if such employee and his spouse reside in such facilities, receive, without cost, board and lodging from such institution, and are together compensated, on a cash basis, at an annual rate of not less than \$10,000; or

(25), (26) Repealed. Pub.L. 95-151, §§ 6(a), 7(a), Nov. 1, 1977, 91 Stat. 1249, 1250

(27) any employee employed by an establishment which is a motion picture theater; or

(28) any employee employed in planting or tending trees, cruising, surveying, or felling timber, or in preparing or transporting logs or other forestry products to the mill, processing plant, railroad, or other transportation terminal, if the number of employees employed by his employer in such forestry or lumbering operations does not exceed eight;

(29) any employee of an amusement or recreational establishment located in a national park or national forest or on land in the National Wildlife Refuge System if such employee (A) is an employee of a private entity engaged in providing services or facilities in a national park or national forest, or on land in the National Wildlife Refuge System, under a contract with the Secretary of the Interior or the Secretary of Agriculture, and (B) receives compensation for employment in excess of fifty-six hours in any workweek at a rate not less than one and one-half times the regular rate at which he is employed; or

(30) a criminal investigator who is paid availability pay under section 5545a of Title 5.

**(c) Child labor requirements**

(1) Except as provided in paragraph (2) or (4), the provisions of section 212 of this title relating to child labor shall not apply to any employee employed in agriculture outside of school hours for the school district where such employee is living while he is so employed, if such employee--

(A) is less than twelve years of age and (i) is employed by his parent, or by a person standing in the place of his parent, on a farm owned or operated by such parent or person, or (ii) is employed, with the consent of his parent or person standing in the place of his parent, on a farm, none of the employees of which are (because of subsection (a)(6)(A)) required to be paid at the wage rate prescribed by section 206(a)(5) of this title,

(B) is twelve years or thirteen years of age and (i) such employment is with the consent of his parent or person standing in the place of his parent, or (ii) his parent or such person is employed on the same farm as such employee, or

(C) is fourteen years of age or older.

(2) The provisions of section 212 of this title relating to child labor shall apply to an employee below the age of sixteen employed in agriculture in an occupation that the Secretary of Labor finds and declares to be particularly hazardous for the employment of children below the age of sixteen, except where such employee is employed by his parent or by a person standing in the place of his parent on a farm owned or operated by such parent or person.

(3) The provisions of section 212 of this title relating to child labor shall not apply to any child employed as an actor or performer in motion pictures or theatrical productions, or in radio or television productions.

(4)(A) An employer or group of employers may apply to the Secretary for a waiver of the application of section 212 of this title to the employment for not more than eight weeks in any calendar year of individuals who are less than twelve years of age, but not less than ten years of age, as hand harvest laborers in an agricultural operation which has been, and is customarily and generally recognized as being, paid on a piece rate basis in the region in which such individuals would be employed. The Secretary may not grant such a waiver unless he finds, based on objective data submitted by the applicant, that--

(i) the crop to be harvested is one with a particularly short harvesting season and the application of section 212 of this title would cause severe economic disruption in the industry of the employer or group of employers applying for the waiver;

(ii) the employment of the individuals to whom the waiver would apply would not be deleterious to their health or well-being;

(iii) the level and type of pesticides and other chemicals used would not have an adverse effect on the health or well-being of the individuals to whom the waiver would apply;

(iv) individuals age twelve and above are not available for such employment; and

(v) the industry of such employer or group of employers has traditionally and substantially employed individuals under twelve years of age without displacing substantial job opportunities for individuals over sixteen years of age.

**(B)** Any waiver granted by the Secretary under subparagraph (A) shall require that--

(i) the individuals employed under such waiver be employed outside of school hours for the school district where they are living while so employed;

(ii) such individuals while so employed commute daily from their permanent residence to the farm on which they are so employed; and

(iii) such individuals be employed under such waiver (I) for not more than eight weeks between June 1 and October 15 of any calendar year, and (II) in accordance with such other terms and conditions as the Secretary shall prescribe for such individuals' protection.

**(5)(A)** In the administration and enforcement of the child labor provisions of this chapter, employees who are 16 and 17 years of age shall be permitted to load materials into, but not operate or unload materials from, scrap paper balers and paper box compactors--

(i) that are safe for 16- and 17-year-old employees loading the scrap paper balers or paper box compactors; and

(ii) that cannot be operated while being loaded.

**(B)** For purposes of subparagraph (A), scrap paper balers and paper box compactors shall be considered safe for 16- or 17-year-old employees to load only if--

(i)(I) the scrap paper balers and paper box compactors meet the American National Standards Institute's Standard ANSI Z245.5-1990 for scrap paper balers and Standard ANSI Z245.2-1992 for paper box compactors; or

(II) the scrap paper balers and paper box compactors meet an applicable standard that is adopted by the American National Standards Institute after August 6, 1996, and that is certified by the Secretary to be at least as protective of the safety of minors as the standard described in subclause (I);

(ii) the scrap paper balers and paper box compactors include an on-off switch incorporating a key-lock or other system and the control of the system is maintained in the custody of employees who are 18 years of age or older;

(iii) the on-off switch of the scrap paper balers and paper box compactors is maintained in an off position when the scrap paper balers and paper box compactors are not in operation; and

(iv) the employer of 16- and 17-year-old employees provides notice, and posts a notice, on the scrap paper balers and paper box compactors stating that--

(I) the scrap paper balers and paper box compactors meet the applicable standard described in clause (i);

(II) 16- and 17-year-old employees may only load the scrap paper balers and paper box compactors; and

(III) any employee under the age of 18 may not operate or unload the scrap paper balers and paper box compactors.

The Secretary shall publish in the Federal Register a standard that is adopted by the American National Standards Institute for scrap paper balers or paper box compactors and certified by the Secretary to be protective of the safety of minors under clause (i)(II).

(C)(i) Employers shall prepare and submit to the Secretary reports--

(I) on any injury to an employee under the age of 18 that requires medical treatment (other than first aid) resulting from the employee's contact with a scrap paper baler or paper box compactor during the loading, operation, or unloading of the baler or compactor; and

(II) on any fatality of an employee under the age of 18 resulting from the employee's contact with a scrap paper baler or paper box compactor during the loading, operation, or unloading of the baler or compactor.

(ii) The reports described in clause (i) shall be used by the Secretary to determine whether or not the implementation of subparagraph (A) has had any effect on the safety of children.

(iii) The reports described in clause (i) shall provide--

(I) the name, telephone number, and address of the employer and the address of the place of employment where the incident occurred;

(II) the name, telephone number, and address of the employee who suffered an injury or death as a result of the incident;

(III) the date of the incident;

(IV) a description of the injury and a narrative describing how the incident occurred; and

(V) the name of the manufacturer and the model number of the scrap paper baler or paper box compactor involved in the incident.

(iv) The reports described in clause (i) shall be submitted to the Secretary promptly, but not later than 10 days after the date on which an incident relating to an injury or death occurred.

(v) The Secretary may not rely solely on the reports described in clause (i) as the basis for making a determination that any of the employers described in clause (i) has violated a provision of section 212 of this title relating to oppressive child labor or a regulation or order issued pursuant to section 212 of this title. The Secretary shall, prior to making such a determination, conduct an investigation and inspection in accordance with section 212(b) of this title.

(vi) The reporting requirements of this subparagraph shall expire 2 years after August 6, 1996.

(6) In the administration and enforcement of the child labor provisions of this chapter, employees who are under 17 years of age may not drive automobiles or trucks on public roadways. Employees who are 17 years of age may drive automobiles or trucks on public roadways only if--

(A) such driving is restricted to daylight hours;

(B) the employee holds a State license valid for the type of driving involved in the job performed and has no records of any moving violation at the time of hire;

(C) the employee has successfully completed a State approved driver education course;

(D) the automobile or truck is equipped with a seat belt for the driver and any passengers and the employee's employer has instructed the employee that the seat belts must be used when driving the automobile or truck;

(E) the automobile or truck does not exceed 6,000 pounds of gross vehicle weight;



(F) such driving does not involve--

(i) the towing of vehicles;

(ii) route deliveries or route sales;

(iii) the transportation for hire of property, goods, or passengers;

(iv) urgent, time-sensitive deliveries;

(v) more than two trips away from the primary place of employment in any single day for the purpose of delivering goods of the employee's employer to a customer (other than urgent, time-sensitive deliveries);

(vi) more than two trips away from the primary place of employment in any single day for the purpose of transporting passengers (other than employees of the employer);

(vii) transporting more than three passengers (including employees of the employer); or

(viii) driving beyond a 30 mile radius from the employee's place of employment; and

(G) such driving is only occasional and incidental to the employee's employment.

For purposes of subparagraph (G), the term "occasional and incidental" is no more than one-third of an employee's worktime in any workday and no more than 20 percent of an employee's worktime in any workweek.

(7)(A)(i) Subject to subparagraph (B), in the administration and enforcement of the child labor provisions of this chapter, it shall not be considered oppressive child labor for a new entrant into the workforce to be employed inside or outside places of business where machinery is used to process wood products.

(ii) In this paragraph, the term "new entrant into the workforce" means an individual who

(I) is under the age of 18 and at least the age of 14, and

(II) by statute or judicial order is exempt from compulsory school attendance beyond the eighth grade.

(B) The employment of a new entrant into the workforce under subparagraph (A) shall be permitted

(i) if the entrant is supervised by an adult relative of the entrant or is supervised by an adult member of the same religious sect or division as the entrant;

(ii) if the entrant does not operate or assist in the operation of power-driven woodworking machines;

(iii) if the entrant is protected from wood particles or other flying debris within the workplace by a barrier appropriate to the potential hazard of such wood particles or flying debris or by maintaining a sufficient distance from machinery in operation; and

(iv) if the entrant is required to use personal protective equipment to prevent exposure to excessive levels of noise and saw dust.

**(d) Delivery of newspapers and wreathmaking**

The provisions of sections 206, 207, and 212 of this title shall not apply with respect to any employee engaged in the delivery of newspapers to the consumer or to any homemaker engaged in the making of wreaths composed principally of natural holly, pine, cedar, or other evergreens (including the harvesting of the evergreens or other forest products used in making such wreaths).

**(e) Maximum hour requirements and minimum wage employees**

The provisions of section 207 of this title shall not apply with respect to employees for whom the Secretary of Labor is authorized to establish minimum wage rates as provided in section 206(a)(3) of this title, except with respect to employees for whom such rates are in effect; and with respect to such employees the Secretary may make rules and regulations providing reasonable limitations and allowing reasonable variations, tolerances, and exemptions to and from any or all of the provisions of section 207 of this title if he shall find, after a public hearing on the matter, and taking into account the factors set forth in section 206(a)(3) of this title, that economic conditions warrant such action.

**(f) Employment in foreign countries and certain United States territories**

The provisions of sections 206, 207, 211, and 212 of this title shall not apply with respect to any employee whose services during the workweek are performed in a workplace within a foreign country or within territory under the jurisdiction of the United States other than the following: a State of the United States; the District of Columbia; Puerto Rico; the Virgin Islands; outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act (ch. 345, 67 Stat. 462); American Samoa; Guam; Wake Island; Eniwetok Atoll; Kwajalein Atoll; and Johnston Island.

**(g) Certain employment in retail or service establishments, agriculture**

The exemption from section 206 of this title provided by paragraph (6) of subsection (a) of this section shall not apply with respect to any employee employed by an establishment (1) which controls, is controlled by, or is under common control with, another establishment the activities of which are not related for a common business purpose to, but materially support the activities of the establishment employing such employee; and (2) whose annual gross volume of sales made or business done, when combined with the annual gross volume of sales made or business done by each establishment

which controls, is controlled by, or is under common control with, the establishment employing such employee, exceeds \$10,000,000 (exclusive of excise taxes at the retail level which are separately stated).

**(h) Maximum hour requirement: fourteen workweek limitation**

The provisions of section 207 of this title shall not apply for a period or periods of not more than fourteen workweeks in the aggregate in any calendar year to any employee who--

(1) is employed by such employer--

(A) exclusively to provide services necessary and incidental to the ginning of cotton in an establishment primarily engaged in the ginning of cotton;

(B) exclusively to provide services necessary and incidental to the receiving, handling, and storing of raw cotton and the compressing of raw cotton when performed at a cotton warehouse or compress-warehouse facility, other than one operated in conjunction with a cotton mill, primarily engaged in storing and compressing;

(C) exclusively to provide services necessary and incidental to the receiving, handling, storing, and processing of cottonseed in an establishment primarily engaged in the receiving, handling, storing, and processing of cottonseed; or

(D) exclusively to provide services necessary and incidental to the processing of sugar cane or sugar beets in an establishment primarily engaged in the processing of sugar cane or sugar beets; and

(2) receives for--

(A) such employment by such employer which is in excess of ten hours in any workday, and

(B) such employment by such employer which is in excess of forty-eight hours in any workweek,

compensation at a rate not less than one and one-half times the regular rate at which he is employed.

Any employer who receives an exemption under this subsection shall not be eligible for any other exemption under this section or section 207 of this title.

**(i) Cotton ginning**

The provisions of section 207 of this title shall not apply for a period or periods of not more than fourteen workweeks in the aggregate in any period of fifty-two consecutive weeks to any employee who--

(1) is engaged in the ginning of cotton for market in any place of employment located in a county where cotton is grown in commercial quantities; and

(2) receives for any such employment during such workweeks--

(A) in excess of ten hours in any workday, and

(B) in excess of forty-eight hours in any workweek,

compensation at a rate not less than one and one-half times the regular rate at which he is employed. No week included in any fifty-two week period for purposes of the preceding sentence may be included for such purposes in any other fifty-two week period.

**(j) Processing of sugar beets, sugar beet molasses, or sugar cane**

The provisions of section 207 of this title shall not apply for a period or periods of not more than fourteen workweeks in the aggregate in any period of fifty-two consecutive weeks to any employee who--

(1) is engaged in the processing of sugar beets, sugar beet molasses, or sugar cane into sugar (other than refined sugar) or syrup; and

(2) receives for any such employment during such workweeks--

(A) in excess of ten hours in any workday, and

(B) in excess of forty-eight hours in any workweek,

compensation at a rate not less than one and one-half times the regular rate at which he is employed. No week included in any fifty-two week period for purposes of the preceding sentence may be included for such purposes in any other fifty-two week period.

**CREDIT(S)**

(June 25, 1938, c. 676, § 13, 52 Stat. 1067; Aug. 9, 1939, c. 605, 53 Stat. 1266; Oct. 26, 1949, c. 736, § 11, 63 Stat. 917; Aug. 8, 1956, c. 1035, § 3, 70 Stat. 1118; Pub.L. 85-231, § 1(1), Aug. 30, 1957, 71 Stat. 514; Pub.L. 86-624, § 21(b), July 12, 1960, 74 Stat. 417; Pub.L. 87-30, §§ 9, 10, May 5, 1961, 75 Stat. 71, 74; Pub.L. 89-601, Title II, §§ 201 to 204(a), (b), 205 to 212(a), 213, 214, 215(b), (c), Sept. 23, 1966, 80 Stat. 833 to 838; Pub.L. 89-670, § 8(e), Oct. 15, 1966, 80 Stat. 943; 1970 Reorg. Plan No. 2, § 102, eff. July 1, 1970, 35 F.R. 7959, 84 Stat. 2085; Pub.L. 92-318, Title IX, § 906(b)(1), June 23, 1972, 86 Stat. 375; Pub.L. 93-259, §§ 6(c)(2), 7(b)(3), (4), 8, 9(b), 10, 11, 12(a), 13(a) to (d), 14 to 18, 20(a) to (c), 21(b), 22, 23, 25(b), Apr. 8, 1974, 88 Stat. 61 to 69, 72; Pub.L. 95-151, §§ 4 to 8, 9(d), 11, 14, Nov. 1, 1977, 91 Stat. 1249, 1250 to 1252; Pub.L. 96-70, Title I, § 1225(a), Sept. 27, 1979, 93 Stat. 468; Pub.L. 101-157, § 3(c), Nov. 17, 1989, 103 Stat. 939; Pub.L. 103-329, Title VI, § 633(d), Sept. 30, 1994, 108 Stat. 2428; Pub.L. 104-88, Title III, § 340, Dec. 29, 1995, 109 Stat.

955; Pub.L. 104-174, § 1, Aug. 6, 1996, 110 Stat. 1553; Pub.L. 104-188, § 2105(a), Aug. 20, 1996, 110 Stat. 1929; Pub.L. 104-287, § 7(5), Oct. 11, 1996, 110 Stat. 3400; Pub.L. 105-78, Title I, § 105, Nov. 13, 1997, 111 Stat. 1477; Pub.L. 105-334, § 2(a), Oct. 31, 1998, 112 Stat. 3137; Pub.L. 108-199, Div. E, Title I, § 108, Jan. 23, 2004, 118 Stat. 236; Pub.L. 113-277, § 2(g)(2), Dec. 18, 2014, 128 Stat. 3005; Pub.L. 115-141, Div. S, Title II, § 201(a), Mar. 23, 2018, 132 Stat. 1126.)

Notes of Decisions (2107)

29 U.S.C.A. § 213, 29 USCA § 213

Current through P.L. 115-281. Also includes P.L. 115-283 to 115-333, and 115-335 to 115-338. Title 26 current through P.L. 115-442.

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## **OFFICIAL NOTICE**

**INDUSTRIAL WELFARE COMMISSION**

**ORDER NO. 4-2001**

**REGULATING**

**WAGES, HOURS AND WORKING CONDITIONS IN THE**

# **PROFESSIONAL, TECHNICAL, CLERICAL, MECHANICAL AND SIMILAR OCCUPATIONS**

*Effective January 1, 2002 as amended*

*Sections 4(A) and 10(C) amended and republished by the Department of Industrial Relations, effective January 1, 2017, pursuant to SB 13, Chapter 4, Statutes of 2016 and section 1182.13 of the Labor Code*

***This Order Must Be Posted Where Employees Can Read It Easily***

## OFFICIAL NOTICE

Effective January 1, 2001 as amended

Sections 4(A) and 10(C) amended and republished by the Department of Industrial Relations,  
effective January 1, 2017, pursuant to SB 3, Chapter 4, Statutes of 2016 and section 1182.13  
of the Labor Code



### INDUSTRIAL WELFARE COMMISSION

ORDER NO. 4-2001

REGULATING

## WAGES, HOURS AND WORKING CONDITIONS IN THE PROFESSIONAL, TECHNICAL, CLERICAL, MECHANICAL AND SIMILAR OCCUPATIONS

**TAKE NOTICE:** To employers and representatives of persons working in industries and occupations in the State of California: The Department of Industrial Relations amends and republishes the minimum wage and meals and lodging credits in the Industrial Welfare Commission's Orders as a result of legislation enacted (SB 3, Ch. 4, Stats of 2016, amending section 1182.12 of the California Labor Code), and pursuant to section 1182.13 of the California Labor Code. The amendments and republishing make no other changes to the IWC's Orders.

### 1. APPLICABILITY OF ORDER

This order shall apply to all persons employed in professional, technical, clerical, mechanical, and similar occupations whether paid on a time, piece rate, commission, or other basis, except that:

(A) Provisions of Sections 3 through 12 shall not apply to persons employed in administrative, executive, or professional capacities. The following requirements shall apply in determining whether an employee's duties meet the test to qualify for an exemption from those sections:

(1) Executive Exemption. A person employed in an executive capacity means any employee:

(a) Whose duties and responsibilities involve the management of the enterprise in which he/she is employed or of a customarily recognized department or subdivision thereof; and

(b) Who customarily and regularly directs the work of two or more other employees therein; and

(c) Who has the authority to hire or fire other employees or whose suggestions and recommendations as to the hiring or firing and as to the advancement and promotion or any other change of status of other employees will be given particular weight; and

(d) Who customarily and regularly exercises discretion and independent judgment; and

(e) Who is primarily engaged in duties which meet the test of the exemption. The activities constituting exempt work and non-exempt work shall be construed in the same manner as such items are construed in the following regulations under the Fair Labor Standards Act effective as of the date of this order: 29 C.F.R. Sections 541.102, 541.104-111, and 541.115-116. Exempt work shall include, for example, all work that is directly and closely related to exempt work and work which is properly viewed as a means for carrying out exempt functions. The work actually performed by the employee during the course of the workweek must, first and foremost, be examined and the amount of time the employee spends on such work, together with the employer's realistic expectations and the realistic requirements of the job, shall be considered in determining whether the employee satisfies this requirement.

(f) Such an employee must also earn a monthly salary equivalent to no less than two (2) times the state minimum wage for full-time employment. Full-time employment is defined in Labor Code Section 515(c) as 40 hours per week.

(2) Administrative Exemption. A person employed in an administrative capacity means any employee:

(a) Whose duties and responsibilities involve either:

(i) The performance of office or non-manual work directly related to management policies or general business operations of his/her employer or his/her employer's customers; or

(ii) The performance of functions in the administration of a school system, or educational establishment or institution, or of a department or subdivision thereof, in work directly related to the academic instruction or training carried on therein; and

(b) Who customarily and regularly exercises discretion and independent judgment; and

(c) Who regularly and directly assists a proprietor, or an employee employed in a bona fide executive or administrative capacity (as such terms are defined for purposes of this section); or

(d) Who performs under only general supervision work along specialized or technical lines requiring special training, experience, or knowledge; or

(e) Who executes under only general supervision special assignments and tasks; and

(f) Who is primarily engaged in duties that meet the test of the exemption. The activities constituting exempt work and non-exempt work shall be construed in the same manner as such terms are construed in the following regulations under the Fair Labor Standards Act effective as of the date of this order: 29 C.F.R. Sections 541.201-205, 541.207-208, 541.210, and 541.215. Exempt work shall include, for example, all work that is directly and closely related to exempt work and work which is properly viewed as a means for carrying out exempt functions. The work actually performed by the employee during the course of the workweek must, first and foremost, be examined and the amount of time the employee spends on such work, together with the employer's realistic expectations and the realistic requirements of the job, shall be considered in determining whether the employee satisfies this requirement.

(g) Such employee must also earn a monthly salary equivalent to no less than two (2) times the state minimum wage for full-time employment. Full-time employment is defined in Labor Code Section 515(c) as 40 hours per week.

(3) Professional Exemption. A person employed in a professional capacity means any employee who meets all of the following requirements:

(a) Who is licensed or certified by the State of California and is primarily engaged in the practice of one of the following recognized professions: law, medicine, dentistry, optometry, architecture, engineering, teaching, or accounting; or

(b) Who is primarily engaged in an occupation commonly recognized as a learned or artistic profession. For the purposes of this subsection, "learned or artistic profession" means an employee who is primarily engaged in the performance of:

(i) Work requiring knowledge of an advanced type in a field or science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study, as distinguished from a general academic education and from an apprenticeship, and from training in the performance of routine mental, manual, or physical processes, or work that is an essential part of or necessarily incident to any of the above work; or

(ii) Work that is original and creative in character in a recognized field of artistic endeavor (as opposed to work which can be produced by a person endowed with general manual or intellectual ability and training), and the result of which depends primarily on the invention, imagination, or talent of the employee or work that is an essential part of or necessarily incident to any of the above work; and

(iii) Whose work is predominantly intellectual and varied in character (as opposed to routine mental, manual, mechanical,

or physical work) and is of such character that the output produced or the result accomplished cannot be standardized in relation to a given period of time.

(c) Who customarily and regularly exercises discretion and independent judgment in the performance of duties set forth in subparagraphs (a) and (b).

(d) Who earns a monthly salary equivalent to no less than two (2) times the state minimum wage for full-time employment. Full-time employment is defined in Labor Code Section 515 (c) as 40 hours per week.

(e) Subparagraph (b) above is intended to be construed in accordance with the following provisions of federal law as they existed as of the date of this wage order: 29 C.F.R. Sections 541.207, 541.301(a)-(d), 541.302, 541.306, 541.307, 541.308, and 541.310.

(f) Notwithstanding the provisions of this subparagraph, pharmacists employed to engage in the practice of pharmacy, and registered nurses employed to engage in the practice of nursing, shall not be considered exempt professional employees, nor shall they be considered exempt from coverage for the purposes of this subparagraph unless they individually meet the criteria established for exemption as executive or administrative employees.

(g) Subparagraph (f) above shall not apply to the following advanced practice nurses:

(i) Certified nurse midwives who are primarily engaged in performing duties for which certification is required pursuant to Article 2.5 (commencing with Section 2746) of Chapter 6 of Division 2 of the Business and Professions Code.

(ii) Certified nurse anesthetists who are primarily engaged in performing duties for which certification is required pursuant to Article 7 (commencing with Section 2825) of Chapter 6 of Division 2 of the Business and Professions Code.

(iii) Certified nurse practitioners who are primarily engaged in performing duties for which certification is required pursuant to Article 8 (commencing with Section 2834) of Chapter 6 of Division 2 of the Business and Professions Code.

(iv) Nothing in this subparagraph shall exempt the occupations set forth in clauses (i), (ii), and (iii) from meeting the requirements of subsection 1(A)(3)(a)-(d) above.

(h) Except, as provided in subparagraph (i), an employee in the computer software field who is paid on an hourly basis shall be exempt, if *all* of the following apply:

(i) The employee is primarily engaged in work that is intellectual or creative and that requires the exercise of discretion and independent judgment.

(ii) The employee is primarily engaged in duties that consist of one or more of the following:

—The application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software, or system functional specifications.

—The design, development, documentation, analysis, creation, testing, or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications.

—The documentation, testing, creation, or modification of computer programs related to the design of software or hardware for computer operating systems.

(iii) The employee is highly skilled and is proficient in the theoretical and practical application of highly specialized information to computer systems analysis, programming, and software engineering. A job title shall not be determinative of the applicability of this exemption.

(iv) The employee's hourly rate of pay is not less than forty-one dollars (\$41.00). The Office of Policy, Research and Legislation shall adjust this pay rate on October 1 of each year to be effective on January 1 of the following year by an amount equal to the percentage increase in the California Consumer Price Index for Urban Wage Earners and Clerical Workers.\*

(i) The exemption provided in subparagraph (h) does not apply to an employee if *any* of the following apply:

(i) The employee is a trainee or employee in an entry-level position who is learning to become proficient in the theoretical and practical application of highly specialized information to computer systems analysis, programming, and software engineering.

(ii) The employee is in a computer-related occupation but has not attained the level of skill and expertise necessary to work independently and without close supervision.

(iii) The employee is engaged in the operation of computers or in the manufacture, repair, or maintenance of computer hardware and related equipment.

(iv) The employee is an engineer, drafter, machinist, or other professional whose work is highly dependent upon or facilitated by the use of computers and computer software programs and who is skilled in computer-aided design software, including CAD/CAM, but who is not in a computer systems analysis or programming occupation.

\* Pursuant to Labor Code section 515.5, subdivision (a)(4), the Office of Policy, Research and Legislation, Department of Industrial Relations, has adjusted the minimum hourly rate of pay specified in this subdivision to be \$49.77, effective January 1, 2007. This hourly rate of pay is adjusted on October 1 of each year to be effective on January 1, of the following year, and may be obtained at [www.dir.ca.gov/IWC](http://www.dir.ca.gov/IWC) or by mail from the Department of Industrial Relations.



(v) The employee is a writer engaged in writing material, including box labels, product descriptions, documentation, promotional material, setup and installation instructions, and other similar written information, either for print or for on screen media or who writes or provides content material intended to be read by customers, subscribers, or visitors to computer-related media such as the World Wide Web or CD-ROMs.

(vi) The employee is engaged in any of the activities set forth in subparagraph (h) for the purpose of creating imagery for effects used in the motion picture, television, or theatrical industry.

(B) Except as provided in Sections 1, 2, 4, 10, and 20, the provisions of this order shall not apply to any employees directly employed by the State or any political subdivision thereof, including any city, county, or special district.

(C) The provisions of this order shall not apply to outside salespersons.

(D) The provisions of this order shall not apply to any individual who is the parent, spouse, child, or legally adopted child of the employer.

(E) The provisions of this order shall not apply to any individual participating in a national service program, such as AmeriCorps, carried out using assistance provided under Section 12571 of Title 42 of the United States Code. (See Stats. 2000, ch. 365, amending Labor Code Section 1171.)

## 2. DEFINITIONS

(A) An "alternative workweek schedule" means any regularly scheduled workweek requiring an employee to work more than eight (8) hours in a 24-hour period.

(B) "Commission" means the Industrial Welfare Commission of the State of California.

(C) "Division" means the Division of Labor Standards Enforcement of the State of California.

(D) "Emergency" means an unpredictable or unavoidable occurrence at unscheduled intervals requiring immediate action.

(E) "Employ" means to engage, suffer, or permit to work.

(F) "Employee" means any person employed by an employer.

(G) "Employees in the health care industry" means any of the following:

(1) Employees in the health care industry providing patient care; or

(2) Employees in the health care industry working in a clinical or medical department, including pharmacists dispensing prescriptions in any practice setting; or

(3) Employees in the health care industry working primarily or regularly as a member of a patient care delivery team; or

(4) Licensed veterinarians, registered veterinary technicians and unregistered animal health technicians providing patient care.

(H) "Employer" means any person as defined in Section 18 of the Labor Code, who directly or indirectly, or through an agent or any other person, employs or exercises control over the wages, hours, or working conditions of any person.

(I) "Health care emergency" consists of an unpredictable or unavoidable occurrence at unscheduled intervals relating to health care delivery, requiring immediate action.

(J) "Health care industry" is defined as hospitals, skilled nursing facilities, intermediate care and residential care facilities, convalescent care institutions, home health agencies, clinics operating 24 hours per day, and clinics performing surgery, urgent care, radiology, anesthesiology, pathology, neurology or dialysis.

(K) "Hours worked" means the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so. Within the health care industry, the term "hours worked" means the time during which an employee is suffered or permitted to work for the employer, whether or not required to do so, as interpreted in accordance with the provisions of the Fair Labor Standards Act.

(L) "Minor" means, for the purpose of this order, any person under the age of 18 years.

(M) "Outside salesperson" means any person, 18 years of age or over, who customarily and regularly works more than half the working time away from the employer's place of business selling tangible or intangible items or obtaining orders or contracts for products, services or use of facilities.

(N) "Primarily" as used in Section 1, Applicability, means more than one-half the employee's work time.

(O) "Professional, Technical, Clerical, Mechanical, and Similar Occupations" includes professional, semiprofessional, managerial, supervisory, laboratory, research, technical, clerical, office work, and mechanical occupations. Said occupations shall include, but not be limited to, the following: accountants; agents; appraisers; artists; attendants; audio-visual technicians; bookkeepers; bundlers; billposters; canvassers; carriers; cashiers; checkers; clerks; collectors; communications and sound technicians; compilers; copy holders; copy readers; copy writers; computer programmers and operators; demonstrators and display representatives; dispatchers; distributors; door-keepers; drafters; elevator operators; estimators; editors; graphic arts technicians; guards; guides; hosts; inspectors; installers; instructors; interviewers; investigators; librarians; laboratory workers; machine operators; mechanics; mailers; messengers; medical and dental technicians and technologists; models; nurses; packagers; photographers; porters and cleaners; process servers; printers; proof readers; salespersons and sales agents; secretaries; sign erectors; sign painters; social workers; solicitors; statisticians; stenographers; teachers; telephone, radio-telephone, telegraph and call-out operators; tellers; ticket agents; tracers; typists; vehicle operators; x-ray technicians; their assistants and other related occupations listed as professional, semiprofessional, technical, clerical, mechanical, and kindred occupations.

(P) "Shift" means designated hours of work by an employee, with a designated beginning time and quitting time.

(Q) "Split shift" means a work schedule, which is interrupted by non-paid non-working periods established by the employer, other than bona fide rest or meal periods.

(R) "Teaching" means, for the purpose of Section 1 of this order, the profession of teaching under a certificate from the Commission for Teacher Preparation and Licensing or teaching in an accredited college or university.

(S) "Wages" includes all amounts for labor performed by employees of every description, whether the amount is fixed or ascertained by the standard of time, task, piece, commission basis, or other method of calculation.

(T) "Workday" and "day" mean any consecutive 24-hour period beginning at the same time each calendar day.

(U) "Workweek" and "week" mean any seven (7) consecutive days, starting with the same calendar day each week. "Workweek" is a fixed and regularly recurring period of 168 hours, seven (7) consecutive 24-hour periods.

### 3. HOURS AND DAYS OF WORK

#### (A) Daily Overtime - General Provisions

(1) The following overtime provisions are applicable to employees 18 years of age or over and to employees 16 or 17 years of age who are not required by law to attend school and are not otherwise prohibited by law from engaging in the subject work. Such employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1½) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek. Eight (8) hours of labor constitutes a day's work. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee is compensated for such overtime at not less than:

(a) One and one-half (1½) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including 12 hours in any workday, and for the first eight (8) hours worked on the seventh (7<sup>th</sup>) consecutive day of work in a workweek; and

(b) Double the employee's regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight (8) hours on the seventh (7<sup>th</sup>) consecutive day of work in a workweek.

(c) The overtime rate of compensation required to be paid to a nonexempt full-time salaried employee shall be computed by using the employee's regular hourly salary as one-fortieth (1/40) of the employee's weekly salary.

#### (B) Alternative Workweek Schedules

(1) No employer shall be deemed to have violated the daily overtime provisions by instituting, pursuant to the election procedures set forth in this wage order, a regularly scheduled alternative workweek schedule of not more than ten (10) hours per day within a 40 hour workweek without the payment of an overtime rate of compensation. All work performed in any workday beyond the schedule established by the agreement up to 12 hours a day or beyond 40 hours per week shall be paid at one and one-half (1½) times the employee's regular rate of pay. All work performed in excess of 12 hours per day and any work in excess of eight (8) hours on those days worked beyond the regularly scheduled number of workdays established by the alternative workweek agreement shall be paid at double the employee's regular rate of pay. Any alternative workweek agreement adopted pursuant to this section shall provide for not less than four (4) hours of work in any shift. Nothing in this section shall prohibit an employer, at the request of the employee, to substitute one day of work for another day of the same length in the shift provided by the alternative workweek agreement on an occasional basis to meet the personal needs of the employee without the payment of overtime. No hours paid at either one and one-half (1½) or double the regular rate of pay shall be included in determining when 40 hours have been worked for the purpose of computing overtime compensation.

(2) If an employer whose employees have adopted an alternative workweek agreement permitted by this order requires an employee to work fewer hours than those that are regularly scheduled by the agreement, the employer shall pay the employee overtime compensation at a rate of one and one-half (1½) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours, and double the employee's regular rate of pay for all hours worked in excess of 12 hours for the day the employee is required to work the reduced hours.

(3) An employer shall not reduce an employee's regular rate of hourly pay as a result of the adoption, repeal or nullification of an alternative workweek schedule.

(4) An employer shall explore any available reasonable alternative means of accommodating the religious belief or observance of an affected employee that conflicts with an adopted alternative workweek schedule, in the manner provided by subdivision (j) of Section 12940 of the Government Code.

(5) An employer shall make a reasonable effort to find a work schedule not to exceed eight (8) hours in a workday, in order to accommodate any affected employee who was eligible to vote in an election authorized by this section and who is unable to work the alternative workweek schedule established as the result of that election.

(6) An employer shall be permitted, but not required, to provide a work schedule not to exceed eight (8) hours in a workday to accommodate any employee who is hired after the date of the election and who is unable to work the alternative workweek schedule established by the election.

(7) Arrangements adopted in a secret ballot election held pursuant to this order prior to 1998, or under the rules in effect prior to 1998, and before the performance of the work, shall remain valid after July 1, 2000 provided that the results of the election are reported by the employer to the Office of Policy, Research and Legislation by January 1, 2001, in accordance with the requirements of subsection (C) below (Election Procedures). If an employee was voluntarily working an alternative workweek schedule of not more than ten (10) hours a day as of July 1, 1999, that alternative workweek schedule was based on an individual agreement made after January 1, 1998 between the employee and employer, and the employee submitted, and the employer approved, a written request on or before May 30, 2000 to continue the agreement, the employee may continue to work that alternative workweek schedule without payment of an overtime rate of compensation for the hours provided in the agreement. The employee may revoke his/her voluntary authorization to continue such a schedule with 30 days written notice to the employer. New arrangements can only be entered into pursuant to the provisions of this section. Notwithstanding the foregoing, if a health care industry employer implemented a reduced rate for 12-hour shift employees in the last quarter of 1999 and desires to reimplement a flexible work arrangement that includes 12-hour shifts at straight time for the same work unit, the employer must pay a base rate to each affected employee in the work unit that is no less than that employee's base rate in 1999 immediately prior to the date of the rate reduction.

(8) Notwithstanding the above provisions regarding alternative workweek schedules, no employer of employees in the health care industry shall be deemed to have violated the daily overtime provisions by instituting, pursuant to the election procedures set forth in this wage order a regularly scheduled alternative workweek schedule that includes workdays exceeding ten (10) hours but not more than 12 hours within a 40 hour workweek without the payment of overtime compensation, provided that:

(a) An employee who works beyond 12 hours in a workday shall be compensated at double the employee's regular rate of pay for all hours in excess of 12;

(b) An employee who works in excess of 40 hours in a workweek shall be compensated at one and one-half (1½) times the employee's regular rate of pay for all hours over 40 hours in the workweek;

(c) Any alternative workweek agreement adopted pursuant to this section shall provide for not less than four (4) hours of work in any shift;

(d) The same overtime standards shall apply to employees who are temporarily assigned to a work unit covered by this subsection;

(e) Any employer who instituted an alternative workweek schedule pursuant to this subsection shall make a reasonable effort to find another work assignment for any employee who participated in a valid election prior to 1998 pursuant to the provisions of Wage

Orders 4 and 5 and who is unable to work the alternative workweek schedule established;

(f) An employer engaged in the operation of a licensed hospital or in providing personnel for the operation of a licensed hospital who institutes, pursuant to a valid order of the Commission, a regularly scheduled alternative workweek that includes no more than three (3) 12-hour workdays, shall make a reasonable effort to find another work assignment for any employee who participated in the vote which authorized the schedule and is unable to work the 12-hour shifts. An employer shall not be required to offer a different work assignment to an employee if such a work assignment is not available or if the employee was hired after the adoption of the 12 hour, three (3) day alternative workweek schedule.

(9) No employee assigned to work a 12-hour shift established pursuant to this order shall be required to work more than 12 hours in any 24-hour period unless the chief nursing officer or authorized executive declares that:

(a) A "health care emergency", as defined above, exists in this order; and

(b) All reasonable steps have been taken to provide required staffing; and

(c) Considering overall operational status needs, continued overtime is necessary to provide required staffing.

(10) Provided further that no employee shall be required to work more than 16 hours in a 24-hour period unless by voluntary mutual agreement of the employee and the employer, and no employee shall work more than 24 consecutive hours until said employee receives not less than eight (8) consecutive hours off duty immediately following the 24 consecutive hours of work.

(11) Notwithstanding subsection (B)(9) above, an employee may be required to work up to 13 hours in any 24-hour period if the employee scheduled to relieve the subject employee does not report for duty as scheduled and does not inform the employer more than two (2) hours in advance of that scheduled shift that he/she will not be appearing for duty as scheduled.

#### (C) Election Procedures

Election procedures for the adoption and repeal of alternative workweek schedules require the following:

(1) Each proposal for an alternative workweek schedule shall be in the form of a written agreement proposed by the employer. The proposed agreement must designate a regularly scheduled alternative workweek in which the specified number of work days and work hours are regularly recurring. The actual days worked within that alternative workweek schedule need not be specified. The employer may propose a single work schedule that would become the standard schedule for workers in the work unit, or a menu of work schedule options, from which each employee in the unit would be entitled to choose. If the employer proposes a menu of work schedule options, the employee may, with the approval of the employer, move from one menu option to another.

(2) In order to be valid, the proposed alternative workweek schedule must be adopted in a secret ballot election, before the performance of work, by at least a two-thirds (2/3) vote of the affected employees in the work unit. The election shall be held during regular working hours at the employees' work site. For purposes of this subsection, "affected employees in the work unit" may include all employees in a readily identifiable work unit, such as a division, a department, a job classification, a shift, a separate physical location, or a recognized subdivision of any such work unit. A work unit may consist of an individual employee as long as the criteria for an identifiable work unit in this subsection are met.

(3) Prior to the secret ballot vote, any employer who proposed to institute an alternative workweek schedule shall have made a disclosure in writing to the affected employees, including the effects of the proposed arrangement on the employees' wages, hours, and benefits. Such a disclosure shall include meeting(s), duly noticed, held at least 14 days prior to voting, for the specific purpose of discussing the effects of the alternative workweek schedule. An employer shall provide that disclosure in a non-English language, as well as in English, if at least five (5) percent of the affected employees primarily speak that non-English language. The employer shall mail the written disclosure to employees who do not attend the meeting. Failure to comply with this paragraph shall make the election null and void.

(4) Any election to establish or repeal an alternative workweek schedule shall be held at the work site of the affected employees. The employer shall bear the costs of conducting any election held pursuant to this section. Upon a complaint by an affected employee, and after an investigation by the labor commissioner, the labor commissioner may require the employer to select a neutral third party to conduct the election.

(5) Any type of alternative workweek schedule that is authorized by the Labor Code may be repealed by the affected employees. Upon a petition of one-third (1/3) of the affected employees, a new secret ballot election shall be held and a two-thirds (2/3) vote of the affected employees shall be required to reverse the alternative workweek schedule. The election to repeal the alternative workweek schedule shall be held not more than 30 days after the petition is submitted to the employer, except that the election shall be held not less than 12 months after the date that the same group of employees voted in an election held to adopt or repeal an alternative workweek schedule. However, where an alternative workweek schedule was adopted between October 1, 1999 and October 1, 2000, a new secret ballot election to repeal the alternative workweek schedule shall not be subject to the 12-month interval between elections. The election shall take place during regular working hours at the employees' work site. If the alternative workweek schedule is revoked, the employer shall comply within 60 days. Upon proper showing of undue hardship, the Division of Labor Standards Enforcement may grant an extension of time for compliance.

(6) Only secret ballots may be cast by affected employees in the work unit at any election held pursuant to this section. The results of any election conducted pursuant to this section shall be reported by the employer to the Office of Policy, Research and Legislation within 30 days after the results are final, and the report of election results shall be a public document. The report shall include the final tally of the vote, the size of the unit, and the nature of the business of the employer.

(7) Employees affected by a change in the work hours resulting from the adoption of an alternative workweek schedule may not be required to work those new work hours for at least 30 days after the announcement of the final results of the election.

(8) Employers shall not intimidate or coerce employees to vote either in support of or in opposition to a proposed alternative workweek. No employees shall be discharged or discriminated against for expressing opinions concerning the alternative workweek election or for opposing or supporting its adoption or repeal. However, nothing in this section shall prohibit an employer from expressing his/her position concerning that alternative workweek to the affected employees. A violation of this paragraph shall be subject to Labor Code Section 98 *et seq.*

(D) The provisions of subsections (A), (B) and (C) above shall not apply to any employee whose earnings exceed one and one-half (1½) times the minimum wage if more than half of that employee's compensation represents commissions.

(E) One and one-half (1½) times a minor's regular rate of pay shall be paid for all work over 40 hours in any workweek except minors 16 or 17 years old who are not required by law to attend school and may therefore be employed for the same hours as an adult are subject to subsection (A) or (B) and (C) above.

**(VIOLATIONS OF CHILD LABOR LAWS** are subject to civil penalties of from \$500 to \$10,000 as well as to criminal penalties. Refer to California Labor Code Sections 1285 to 1312 and 1390 to 1399 for additional restrictions on the employment of minors and for descriptions of criminal and civil penalties for violation of the child **26/31**s. Employers should ask school districts about any required work permits.)

(F) An employee may be employed on seven (7) workdays in one workweek when the total hours of employment during such workweek do not exceed 30 and the total hours of employment in any one workday thereof do not exceed six (6).

(G) If a meal period occurs on a shift beginning or ending at or between the hours of 10 p.m. and 6 a.m., facilities shall be available for securing hot food and drink or for heating food or drink, and a suitable sheltered place shall be provided in which to consume such food or drink.

(H) The provisions of Labor Code Sections 551 and 552 regarding one (1) day's rest in seven (7) shall not be construed to prevent an accumulation of days of rest when the nature of the employment reasonably requires the employee to work seven (7) or more consecutive days; provided, however, that in each calendar month, the employee shall receive the equivalent of one (1) day's rest in seven (7).

(I) Except as provided in subsections (E), (H) and (L), this section shall not apply to any employee covered by a valid collective bargaining agreement if the agreement expressly provides for the wages, hours of work, and working conditions of the employees, and if the agreement provides premium wage rates for all overtime hours worked and a regular hourly rate of pay for those employees of not less than 30 percent more than the state minimum wage.

(J) Notwithstanding subsection (I) above, where the employer and a labor organization representing employees of the employer have entered into a valid collective bargaining agreement pertaining to the hours of work of the employees, the requirement regarding the equivalent of one (1) day's rest in seven (7) (see subsection (H) above) shall apply, unless the agreement expressly provides otherwise.

(K) The provisions of this section are not applicable to employees whose hours of service are regulated by:

(1) The United States Department of Transportation Code of Federal Regulations, Title 49, Sections 395.1 to 395.13, Hours of Service of Drivers; or

(2) Title 13 of the California Code of Regulations, subchapter 6.5, Section 1200 and following sections, regulating hours of drivers.

(L) No employee shall be terminated or otherwise disciplined for refusing to work more than 72 hours in any workweek, except in an emergency as defined in Section 2(D).

(M) If an employer approves a written request of an employee to make up work time that is or would be lost as a result of a personal obligation of the employee, the hours of that makeup work time, if performed in the same workweek in which the work time was lost, may not be counted toward computing the total number of hours worked in a day for purposes of the overtime requirements, except for hours in excess of 11 hours of work in one (1) day or 40 hours of work in one (1) workweek. If an employee knows in advance that he/she will be requesting makeup time for a personal obligation that will recur at a fixed time over a succession of weeks, the employee may request to make up work time for up to four (4) weeks in advance; provided, however, that the makeup work must be performed in the same week that the work time was lost. An employee shall provide a signed written request for each occasion that the employee makes a request to make up work time pursuant to this subsection. While an employer may inform an employee of this makeup time option, the employer is prohibited from encouraging or otherwise soliciting an employee to request the employer's approval to take personal time off and make up the work hours within the same workweek pursuant to this subsection.

## **4. MINIMUM WAGES**

(A) Every employer shall pay to each employee wages not less than the following:

(1) Any employer who employs 26 or more employees shall pay to each employee wages not less than the following:

(a) Ten dollars and fifty cents (\$10.50) per hour for all hours worked, effective January 1, 2017; and

(b) Eleven dollars (\$11.00) per hour for all hours worked, effective January 1, 2018;

(2) Any employer who employs 25 or fewer employees shall pay to each employee wages not less than the following:

(a) Ten dollars (\$10.00) per hour for all hours worked, effective January 1, 2016 through December 31, 2017; and

(b) Ten dollars and fifty cents (\$10.50) per hour for all hours worked, effective January 1, 2018.

Employees treated as employed by a single qualified taxpayer pursuant to Revenue and Taxation Code section 23626 are treated as employees of that single taxpayer. LEARNERS. Employees during their first 160 hours of employment in occupations in which they have no previous similar or related experience, may be paid not less than 85 percent of the minimum wage rounded to the nearest nickel.

(B) Every employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period, whether the remuneration is measured by time, piece, commission, or otherwise.

(C) When an employee works a split shift, one (1) hour's pay at the minimum wage shall be paid in addition to the minimum wage for that workday, except when the employee resides at the place of employment.

(D) The provisions of this section shall not apply to apprentices regularly indentured under the State Division of Apprenticeship Standards.

## **5. REPORTING TIME PAY**

(A) Each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay, which shall not be less than the minimum wage.

(B) If an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay, which shall not be less than the minimum wage.

(C) The foregoing reporting time pay provisions are not applicable when:

(1) Operations cannot commence or continue due to threats to employees or property; or when recommended by civil authorities;

or

(2) Public utilities fail to supply electricity, water, or gas, or there is a failure in the public utilities, or sewer system; or

(3) The interruption of work is caused by an Act of God or other cause not within the employer's control.

(D) This section shall not apply to an employee on paid standby status who is called to perform assigned work at a time other than the employee's scheduled reporting time.

## **6. LICENSES FOR DISABLED WORKERS**

(A) A license may be issued by the Division authorizing employment of a person whose earning capacity is impaired by physical disability or mental deficiency at less than the minimum wage. Such licenses shall be granted only upon joint application of employer and employee and employee's representative if any.

(B) A special license may be issued to a nonprofit organization such as a sheltered workshop or rehabilitation facility fixing special minimum rates to enable the employment of such persons without requiring individual licenses of such employees.

(C) All such licenses and special licenses shall be renewed on a yearly basis or more frequently at the discretion of the Division. (See California Labor Code, Sections 1191 and 1191.5)

## 7. RECORDS

(A) Every employer shall keep accurate information with respect to each employee including the following:

- (1) Full name, home address, occupation and social security number.
- (2) Birth date, if under 18 years, and designation as a minor.
- (3) Time records showing when the employee begins and ends each work period. Meal periods, split shift intervals and total daily hours worked shall also be recorded. Meal periods during which operations cease and authorized rest periods need not be recorded.
- (4) Total wages paid each payroll period, including value of board, lodging, or other compensation actually furnished to the employee.
- (5) Total hours worked in the payroll period and applicable rates of pay. This information shall be made readily available to the employee upon reasonable request.
- (6) When a piece rate or incentive plan is in operation, piece rates or an explanation of the incentive plan formula shall be provided to employees. An accurate production record shall be maintained by the employer.

(B) Every employer shall semimonthly or at the time of each payment of wages furnish each employee, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately, an itemized statement in writing showing: (1) all deductions; (2) the inclusive dates of the period for which the employee is paid; (3) the name of the employee or the employee's social security number; and (4) the name of the employer, provided all deductions made on written orders of the employee may be aggregated and shown as one item.

(C) All required records shall be in the English language and in ink or other indelible form, properly dated, showing month, day and year, and shall be kept on file by the employer for at least three years at the place of employment or at a central location within the State of California. An employee's records shall be available for inspection by the employee upon reasonable request.

(D) Clocks shall be provided in all major work areas or within reasonable distance thereto insofar as practicable.

## 8. CASH SHORTAGE AND BREAKAGE

No employer shall make any deduction from the wage or require any reimbursement from an employee for any cash shortage, breakage, or loss of equipment, unless it can be shown that the shortage, breakage, or loss is caused by a dishonest or willful act, or by the gross negligence of the employee.

## 9. UNIFORMS AND EQUIPMENT

(A) When uniforms are required by the employer to be worn by the employee as a condition of employment, such uniforms shall be provided and maintained by the employer. The term "uniform" includes wearing apparel and accessories of distinctive design or color.

**NOTE:** This section shall not apply to protective apparel regulated by the Occupational Safety and Health Standards Board.

(B) When tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft. This subsection (B) shall not apply to apprentices regularly indentured under the State Division of Apprenticeship Standards.

**NOTE:** This section shall not apply to protective equipment and safety devices on tools regulated by the Occupational Safety and Health Standards Board.

(C) A reasonable deposit may be required as security for the return of the items furnished by the employer under provisions of subsections (A) and (B) of this section upon issuance of a receipt to the employee for such deposit. Such deposits shall be made pursuant to Section 400 and following of the Labor Code or an employer with the prior written authorization of the employee may deduct from the employee's last check the cost of an item furnished pursuant to (A) and (B) above in the event said item is not returned. No deduction shall be made at any time for normal wear and tear. All items furnished by the employer shall be returned by the employee upon completion of the job.

## 10. MEALS AND LODGING

(A) "Meal" means an adequate, well-balanced serving of a variety of wholesome, nutritious foods.

(B) "Lodging" means living accommodations available to the employee for full-time occupancy which are adequate, decent, and sanitary according to usual and customary standards. Employees shall not be required to share a bed.

(C) Meals or lodging may not be credited against the minimum wage without a voluntary written agreement between the employer and the employee. When credit for meals or lodging is used to meet part of the employer's minimum wage obligation, the amounts so credited may not be more than the following:

	Effective January 1, 2017		Effective January 1, 2018	
	For an employer who employs: 26 or More Employees	25 or Fewer Employees	26 or More Employees	25 or Fewer Employees
<b>Lodging:</b>				
Room occupied alone .....	\$49.38/week	\$47.03/week	\$51.73/week	\$49.38/week
Room shared .....	\$40.76/week	\$38.82/week	\$42.70/week	\$40.76/week
Apartment—two-thirds (2/3) of the ordinary rental value, and in no event more than .....	\$593.05/month	\$564.81/month	\$621.29/month	\$593.05/month
Where a couple are both employed by the employer, two-thirds (2/3) of the ordinary rental value, and in no event more than .....	\$877.27/month	\$835.49/month	\$919.04/month	\$877.26/month
<b>Meals:</b>				
Breakfast .....	\$3.80	\$3.62	\$3.98	\$3.80
Lunch .....	\$5.22	\$4.97	\$5.47	\$5.22
Dinner .....	28/31	\$6.68	\$7.35	\$7.01

(D) Meals evaluated as part of the minimum wage must be bona fide meals consistent with the employee's work shift. Deductions shall not be made for meals not received or lodging not used.

(E) If, as a condition of employment, the employee must live at the place of employment or occupy quarters owned or under the control of the employer, then the employer may not charge rent in excess of the values listed herein.

## 11. MEAL PERIODS

(A) No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of the employer and the employee. Unless the employee is relieved of all duty during a 30 minute meal period, the meal period shall be considered an "on duty" meal period and counted as time worked. An "on duty" meal period shall be permitted only when the nature of the work prevents an employee from being relieved of all duty and when by written agreement between the parties an on-the-job paid meal period is agreed to. The written agreement shall state that the employee may, in writing, revoke the agreement at any time.

(B) If an employer fails to provide an employee a meal period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided.

(C) In all places of employment where employees are required to eat on the premises, a suitable place for that purpose shall be designated.

(D) Notwithstanding any other provision of this order, employees in the health care industry who work shifts in excess of eight (8) total hours in a workday may voluntarily waive their right to one of their two meal periods. In order to be valid, any such waiver must be documented in a written agreement that is voluntarily signed by both the employee and the employer. The employee may revoke the waiver at any time by providing the employer at least one (1) day's written notice. The employee shall be fully compensated for all working time, including any on-the-job meal period, while such a waiver is in effect.

## 12. REST PERIODS

(A) Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3½) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages.

(B) If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided.

## 13. CHANGE ROOMS AND RESTING FACILITIES

(A) Employers shall provide suitable lockers, closets, or equivalent for the safekeeping of employees' outer clothing during working hours, and when required, for their work clothing during non-working hours. When the occupation requires a change of clothing, change rooms or equivalent space shall be provided in order that employees may change their clothing in reasonable privacy and comfort. These rooms or spaces may be adjacent to but shall be separate from toilet rooms and shall be kept clean.

**NOTE:** This section shall not apply to change rooms and storage facilities regulated by the Occupational Safety and Health Standards Board.

(B) Suitable resting facilities shall be provided in an area separate from the toilet rooms and shall be available to employees during work hours.

## 14. SEATS

(A) All working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.

(B) When employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.

## 15. TEMPERATURE

(A) The temperature maintained in each work area shall provide reasonable comfort consistent with industry-wide standards for the nature of the process and the work performed.

(B) If excessive heat or humidity is created by the work process, the employer shall take all feasible means to reduce such excessive heat or humidity to a degree providing reasonable comfort. Where the nature of the employment requires a temperature of less than 60° F., a heated room shall be provided to which employees may retire for warmth, and such room shall be maintained at not less than 68°.

(C) A temperature of not less than 68° shall be maintained in the toilet rooms, resting rooms, and change rooms during hours of use.

(D) Federal and State energy guidelines shall prevail over any conflicting provision of this section.

## 16. ELEVATORS

Adequate elevator, escalator or similar service consistent with industry-wide standards for the nature of the process and the work performed shall be provided when employees are employed four floors or more above or below ground level.

## 17. EXEMPTIONS

If, in the opinion of the Division after due investigation, it is found that the enforcement of any provision contained in Section 7, Records; Section 12, Rest Periods; Section 13, Change Rooms and Resting Facilities; Section 14, Seats; Section 15, Temperature; or Section 16, Elevators, would not materially affect the welfare or comfort of employees and would work an undue hardship on the employer, exemption may be made at the discretion of the Division. Such exemptions, in writing to be effective and may be revoked after reasonable



notice is given in writing. Application for exemption shall be made by the employer or by the employee and/or the employee's representative to the Division in writing. A copy of the application shall be posted at the place of employment at the time the application is filed with the Division.

## 18. FILING REPORTS

(See California Labor Code, Section 1174(a))

## 19. INSPECTION

(See California Labor Code, Section 1174)

## 20. PENALTIES

(See California Labor Code, Section 1199)

(A) In addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty of:

(1) Initial Violation — \$50.00 for each underpaid employee for each pay period during which the employee was underpaid in addition to the amount which is sufficient to recover unpaid wages.

(2) Subsequent Violations — \$100.00 for each underpaid employee for each pay period during which the employee was underpaid in addition to an amount which is sufficient to recover unpaid wages.

(3) The affected employee shall receive payment of all wages recovered.

(B) The labor commissioner may also issue citations pursuant to California Labor Code Section 1197.1 for non-payment of wages for overtime work in violation of this order.

## 21. SEPARABILITY

If the application of any provision of this order, or any section, subsection, subdivision, sentence, clause, phrase, word, or portion of this order should be held invalid or unconstitutional or unauthorized or prohibited by statute, the remaining provisions thereof shall not be affected thereby, but shall continue to be given full force and effect as if the part so held invalid or unconstitutional had not been included herein.

## 22. POSTING OF ORDER

Every employer shall keep a copy of this order posted in an area frequented by employees where it may be easily read during the workday. Where the location of work or other conditions make this impractical, every employer shall keep a copy of this order and make it available to every employee upon request.

**QUESTIONS ABOUT ENFORCEMENT** of the Industrial Welfare Commission orders and reports of violations should be directed to the Labor Commissioner's Office. A listing of offices is on the back of this wage order. For the address and telephone number of the office nearest you, information can be found on the internet at <http://www.dir.ca.gov/DLSE/dlse.html> or under a search for "California Labor Commissioner's Office" on the internet or any other directory. The Labor Commissioner has offices in the following cities: Bakersfield, El Centro, Fresno, Long Beach, Los Angeles, Oakland, Redding, Sacramento, Salinas, San Bernardino, San Diego, San Francisco, San Jose, Santa Ana, Santa Barbara, Santa Rosa, Stockton, Van Nuys.

### SUMMARIES IN OTHER LANGUAGES

The Department of Industrial Relations will make summaries of wage and hour requirements in this Order available in Spanish, Chinese and certain other languages when it is feasible to do so. Mail your request for such summaries to the Department at:  
P.O. Box 420603, San Francisco, CA 94142-0603.

### RESUMEN EN OTROS IDIOMAS

El Departamento de Relaciones Industriales confeccionará un resumen sobre los requisitos de salario y horario de esta Disposición en español, chino y algunos otros idiomas cuando sea posible hacerlo. Envíe por correo su pedido por dichos resúmenes al Departamento a: P.O. Box 420603, San Francisco, CA 94142-0603.

### 其他文字的摘錄

工業關係處將摘錄本規則中有關工資和工時的規定，用西班牙文、中文印出。其他文字如有需要，也將同樣辦理。如果您有需要，可以來信索閱，請寄到：

Department of Industrial Relations  
P.O. Box 420603  
San Francisco, CA 94142-0603

All complaints are handled confidentially. For further information or to file your complaints, contact the State of California at the following department offices:

**California Labor Commissioner's Office, also known as, Division of Labor Standards Enforcement (DLSE)**

**BAKERSFIELD**

Labor Commissioner's Office/DLSE  
7718 Meany Ave.  
Bakersfield, CA 93308  
661-587-3060

**REDDING**

Labor Commissioner's Office/DLSE  
250 Hemsted Drive, 2nd Floor, Suite A  
Redding, CA 96002  
530-225-2655

**SAN JOSE**

Labor Commissioner's Office/DLSE  
100 Paseo De San Antonio, Room 120  
San Jose, CA 95113  
408-277-1266

**EL CENTRO**

Labor Commissioner's Office/DLSE  
1550 W. Main St.  
El Centro, CA 92643  
760-353-0607

**SACRAMENTO**

Labor Commissioner's Office/DLSE  
2031 Howe Ave, Suite 100  
Sacramento, CA 95825  
916-263-1811

**SANTA ANA**

Labor Commissioner's Office/DLSE  
605 West Santa Ana Blvd., Bldg. 28, Room 625  
Santa Ana, CA 92701  
714-558-4910

**FRESNO**

Labor Commissioner's Office/DLSE  
770 E. Shaw Ave., Suite 222  
Fresno, CA 93710  
559-244-5340

**SALINAS**

Labor Commissioner's Office/DLSE  
950 E. Blanco Rd., Suite 204  
Salinas, CA 93901  
831-443-3041

**SANTA BARBARA**

Labor Commissioner's Office/DLSE  
411 E. Canon Perdido, Room 3  
Santa Barbara, CA 93101  
805-568-1222

**LONG BEACH**

Labor Commissioner's Office/DLSE  
300 Oceangate, 3<sup>rd</sup> Floor  
Long Beach, CA 90802  
562-590-5048

**SAN BERNARDINO**

Labor Commissioner's Office/DLSE  
464 West 4<sup>th</sup> Street, Room 348  
San Bernardino, CA 92401  
909-383-4334

**SANTA ROSA**

Labor Commissioner's Office/DLSE  
50 "D" Street, Suite 360  
Santa Rosa, CA 95404  
707-576-2362

**LOS ANGELES**

Labor Commissioner's Office/DLSE  
320 W. Fourth St., Suite 450  
Los Angeles, CA 90013  
213-620-6330

**SAN DIEGO**

Labor Commissioner's Office/DLSE  
7575 Metropolitan, Room 210  
San Diego, CA 92108  
619-220-5451

**STOCKTON**

Labor Commissioner's Office/DLSE  
31 E. Channel Street, Room 317  
Stockton, CA 95202  
209-948-7771

**OAKLAND**

Labor Commissioner's Office/DLSE  
1515 Clay Street, Room 801  
Oakland, CA 94612  
510-622-3273

**SAN FRANCISCO**

Labor Commissioner's Office/DLSE  
455 Golden Gate Ave. 10<sup>th</sup> Floor  
San Francisco, CA 94102  
415-703-5300

**VAN NUYS**

Labor Commissioner's Office/DLSE  
6150 Van Nuys Boulevard, Room 206  
Van Nuys, CA 91401  
818-901-5315

**OAKLAND – HEADQUARTERS**

Labor Commissioner's Office/DLSE  
1515 Clay Street, Room 401  
Oakland, CA 94612  
510-285-2118  
DLSE2@dir.ca.gov

**EMPLOYERS:** Do not send copies of your alternative workweek  
election ballots or election procedures.

Prevailing Wage Hotline (415) 703-4774

Only the results of the alternative workweek election  
shall be mailed to:

Department of Industrial Relations  
Office of Policy, Research and Legislation  
P.O. Box 420603  
San Francisco, CA 94142-0603  
(415) 703-4780





# *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: 10A**  
**Mtg. Date: 04/22/19**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**  
**FROM: TERRY SHEA, FINANCE DIRECTOR**  
**THRU: ELAINE JENG P.E., CITY MANAGER**  
**SUBJECT: QUARTERLY SCHEDULE OF INVESTMENTS REPORT FOR THE**  
**QUARTER ENDING MARCH 31, 2019.**  
**DATE: APRIL 22, 2019**

**ATTACHMENTS:**

- 1. Schedule of Investments**
- 2. Dash Board Report Card**
- 3. Liquidity Calculation**
- 4. Investment Allocations Summary Report by Quarter**

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## **ROUTINE REPORTS**

The City's quarterly investment reports are included in this staff report.

Below are Cash and Yield comparative data from the third quarter as of March 31, 2019 to the second quarter as of December 31, 2018 and Year to Date Interest Income comparative data from the third quarter as of March 31, 2019 to the third quarter as of March 31, 2018. The Portfolio has been diversified by investment instrument and maturity between Money Market, LAIF, and FDIC insured Certificates of Deposits.

Also, the CalPERS CERBT Strategy 1 OPEB Irrevocable Trust results for the third quarter as of March 31, 2019 and Fiscal Year to Date FY 2018/2019.

Cash & Yield Comparative Data 3<sup>rd</sup> Quarter FY 2018/2019 to 2<sup>nd</sup> Quarter FY 2018/2019:

	3rd Quarter FY 2018/19	2nd Quarter FY 2018/19	Variance
Active Deposits	\$ 6,832,778	\$ 7,128,035	\$ (295,257)
Inactive Deposits	(31,912)	53,677	(85,589)
Total Cash	<u>\$ 6,800,866</u>	<u>\$ 7,181,712</u>	<u>\$ (380,846)</u>
Portfolio Yield at Cost	2.219%	2.218%	0.001%

YTD Interest Income Comparative Data 3<sup>rd</sup> Quarter FY 2018/2019 to 3<sup>rd</sup> Quarter FY 2017/2018:

	3rd Quarter FY 2018/19	3rd Quarter FY 2017/18
Annual Interest - Budget	\$ 100,000	\$ 57,000
Total YTD Interest Earned	96,646	50,203
Over (Under) Budget	<u>\$ (3,354)</u>	<u>\$ (6,797)</u>
% of Annual Budget	96.65%	88.08%

CalPERS CERBT Strategy 2 OPEB Irrevocable Trust results for the third quarter as of March 31, 2019 and Fiscal Year to Date FY 2018/2019.

	3rd Quarter FY 2018/19	Fiscal YTD FY 2018/19
Beginning Balance	\$ 555,273	\$ 583,589
Contribution	-	-
Investment Earnings	48,986	20,917
Administrative Expense	(123)	(370)
Ending Balance	<u>\$ 604,136</u>	<u>\$ 604,136</u>

Note: Original Contribution December 2011 \$354,733.

**CITY OF ROLLING HILLS  
SCHEDULE OF INVESTMENTS  
as of March 31, 2019**

<u>INVESTMENT</u>	<u>INSTITUTION</u>	<u>PAR VALUE</u>	<u>BOOK VALUE PRICE @ COST</u>	<u>FAIR VALUE (MARKET VALUE)</u>	<u>YIELD</u>	<u>PURCHASE DATE</u>	<u>MATURITY DATE</u>
<b><u>ACTIVE DEPOSITS</u></b>							
Money Market	OPUS	\$ 433,036	\$ 433,036	\$ 433,036	0.150%		
Interest Checking	OPUS	\$ 1,042,064	\$ 1,042,064	\$ 1,042,064	2.480%	01/12/17	01/12/18
	% of Total		21.59%	21.59%			
LAIF	STATE TREASURY	\$ 2,657,678	\$ 2,657,678	\$ 2,657,678	2.436%		
	% of Total		38.90%	38.90%			
Morgan Stanley - CD	Morgan Stanley Bank	\$ 245,000	\$ 245,000	\$ 245,000	1.950%	01/11/18	07/11/19
Amercian Exp - CD	American Express Bank	\$ 245,000	\$ 245,000	\$ 245,000	1.750%	08/30/17	08/29/19
Malaga Bank - CD	Malaga Bank	\$ 245,000	\$ 245,000	\$ 245,000	1.000%	09/14/18	09/14/19
Keesler FCU - CD	Keesler Federal CU	\$ 245,000	\$ 245,000	\$ 245,000	3.000%	02/28/19	02/26/21
Preferred Bank - CD	Preferred Bank	\$ 250,000	\$ 250,000	\$ 250,000	1.300%	12/27/17	06/27/19
Wells Fargo - CD	Wells Fargo Bank	\$ 245,000	\$ 245,000	\$ 245,000	2.000%	01/31/18	07/31/19
Sallie Mae - CD	Sallie Mae Bank	\$ 245,000	\$ 245,000	\$ 245,000	2.300%	02/08/18	02/10/20
Goldman Sachs - CD	Goldman Sachs Bank	\$ 245,000	\$ 245,000	\$ 245,000	2.500%	03/14/18	03/16/20
Morg Stanley Pvt - CD	Morgan Stanley Pvt Bk	\$ 245,000	\$ 245,000	\$ 245,000	2.600%	04/12/18	04/13/20
Synchrony Bank - CD	Synchrony Bank	\$ 245,000	\$ 245,000	\$ 245,000	2.750%	05/18/18	05/18/20
Deer Valley CU - CD	Deer Valley CU - CD	\$ 245,000	\$ 245,000	\$ 245,000	2.750%	07/06/18	04/06/20
	% of Total		39.52%	39.52%			
<b><u>ACTIVE DEPOSITS TOTALS</u></b>		<b><u>6,832,778</u></b>	<b><u>6,832,778</u></b>	<b><u>6,832,778</u></b>	2.219%		
<b><u>INACTIVE DEPOSITS</u></b>							
CHECKING	OPUS	\$ (33,412)	\$ (33,412)	\$ (33,412)			
	% of Total		104.70%	104.70%			
PETTY CASH	N/A	\$ 1,500	\$ 1,500	\$ 1,500			
	% of Total		-4.70%	-4.70%			
<b><u>INACTIVE DEPOSITS TOTALS</u></b>		<b><u>(\$31,912)</u></b>	<b><u>(\$31,912)</u></b>	<b><u>(\$31,912)</u></b>			
<b><u>GRAND TOTAL CASH</u></b>			<b><u>\$6,800,866</u></b>				

**NOTES:**

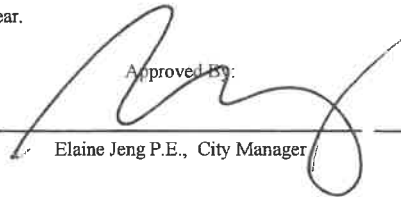
- (1) Investment portfolio is in compliance with investment policy established by City Council.
- (2) The City has the ability to meet all expenditure requirements for the next six months.
- (3) LAIF fair market value is only adjusted in June of each year.



Prepared By:

Date  
4/15/19

Terry Shea, Finance Director



Approved By:

Date  
4/16/19

Elaine Jeng P.E., City Manager

**CITY OF ROLLING HILLS**  
**DASH BOARD REPORT CARD**  
as of March 31, 2019

	JUNE FY 2016-17	JUNE FY 2017-18	JULY FY 2018-19	AUGUST FY 2018-19	SEPT FY 2018-19	OCTOBER FY 2018-19	NOVEMBER FY 2018-19	DECEMBER FY 2018-19	JANUARY FY 2018-19	FEBRUARY FY 2018-19	MARCH FY 2018-19
<b>I. CASH FLOW</b>											
<b>ACTIVE DEPOSITS</b>											
<b>Book Value Price @ Cost</b>											
OPUS Bank - Money Market	\$ 3,379	\$ 307,960	\$ 12,890	\$ 68,496	\$ 81,520	\$ 69,624	\$ 73,630	\$ 62,784	\$ 272,429	\$ 468,052	\$ 433,036
OPUS Bank - Interest Checking	1,010,793	1,024,881	1,026,653	1,028,416	1,030,074	1,032,096	1,033,990	1,036,029	1,038,125	1,040,038	1,042,064
LAIF	5,564,555	3,811,907	3,830,109	3,215,109	3,115,109	3,134,222	3,134,222	3,329,222	3,347,678	2,657,678	2,657,678
Malaga Bank CDARS - CD'S	-	-	-	-	-	-	-	-	-	-	-
Malaga Bank/Preferred Bank - CD'S	495,000	2,455,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
<b>ACTIVE DEPOSITS TOTALS</b>	<b>\$ 7,073,727</b>	<b>\$ 7,599,748</b>	<b>\$ 7,569,652</b>	<b>\$ 7,012,021</b>	<b>\$ 6,926,703</b>	<b>\$ 6,935,942</b>	<b>\$ 6,941,842</b>	<b>\$ 7,128,035</b>	<b>\$ 7,358,232</b>	<b>\$ 6,865,768</b>	<b>\$ 6,832,778</b>
<b>INACTIVE DEPOSITS</b>											
Opus Bank - Checking	\$ 68,972	\$ 33,019	\$ 34,129	\$ 82,356	\$ 17,640	\$ 22,578	\$ (45,788)	\$ 52,177	\$ 38,843	\$ 30,462	\$ (33,412)
Petty Cash	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
<b>INACTIVE DEPOSITS TOTALS</b>	<b>\$ 70,472</b>	<b>\$ 34,519</b>	<b>\$ 35,629</b>	<b>\$ 83,856</b>	<b>\$ 19,140</b>	<b>\$ 24,078</b>	<b>\$ (44,288)</b>	<b>\$ 53,677</b>	<b>\$ 40,343</b>	<b>\$ 31,962</b>	<b>\$ (31,912)</b>
<b>GRAND TOTAL CASH</b>	<b>\$ 7,144,199</b>	<b>\$ 7,634,267</b>	<b>\$ 7,605,281</b>	<b>\$ 7,095,877</b>	<b>\$ 6,945,843</b>	<b>\$ 6,960,020</b>	<b>\$ 6,897,554</b>	<b>\$ 7,181,712</b>	<b>\$ 7,398,575</b>	<b>\$ 6,897,730</b>	<b>\$ 6,800,866</b>
Active Deposits ^ From Previous Month	\$ (127,726)	\$ 15,125	\$ (30,096)	\$ (557,631)	\$ (85,318)	\$ 9,239	\$ 5,900	\$ 186,193	\$ 230,197	\$ (492,464)	\$ (32,990)
<b>II. LIQUIDITY CALCULATION</b>											
Liquidity	\$ 6,816,398	\$ 5,818,720	\$ 5,808,345	\$ 5,785,037	\$ 5,785,037	\$ 5,875,037	\$ 6,102,721	\$ 6,330,703	\$ 6,330,703	\$ 6,130,048	\$ 6,033,360
Average Cash Balance	\$ 6,651,321	\$ 6,992,235	\$ 7,038,354	\$ 7,046,317	\$ 7,085,238	\$ 7,256,394	\$ 7,303,464	\$ 7,346,226	\$ 7,387,098	\$ 7,360,332	\$ 7,326,685
Emergency Reserve Per Policy	\$ 807,904	\$ 847,730	\$ 847,730	\$ 847,730	\$ 847,730	\$ 847,730	\$ 847,730	\$ 847,730	\$ 940,496	\$ 940,496	\$ 940,496
Six Month Cash Reserve	\$ 1,330,412	\$ 1,257,423	\$ 1,255,823	\$ 1,472,074	\$ 1,313,733	\$ 1,303,466	\$ 1,321,677	\$ 1,325,892	\$ 1,341,685	\$ 1,673,196	\$ 1,668,831
Available Reserve for Longer Term Investment	\$ 5,743,315	\$ 6,342,325	\$ 6,313,829	\$ 5,539,947	\$ 5,612,970	\$ 5,632,476	\$ 5,620,165	\$ 5,802,143	\$ 6,016,547	\$ 5,192,572	\$ 5,163,947
<b>III. PORTFOLIO DIVERSIFICATION</b>											
<b>DIVERSIFICATION BY INSTRUMENT</b>											
Money Market	0.05%	4.05%		0.98%	1.18%	1.00%	1.06%	0.88%	3.70%	6.82%	6.34%
Interest Checking	14.29%	13.49%		14.67%	14.87%	14.88%	14.90%	14.53%	14.11%	15.15%	15.25%
LAIF	78.67%	50.16%		45.85%	44.97%	45.19%	45.15%	46.71%	45.50%	38.71%	38.90%
Treasury Bills	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Certificates of Deposit	7.00%	32.30%		38.50%	38.98%	38.93%	38.89%	37.88%	36.69%	39.33%	39.52%
	<u>100.01%</u>	<u>100.00%</u>	<u>0.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.01%</u>	<u>100.00%</u>
<b>DIVERSIFICATION BY MATURITY</b>											
12 Months or Less	78.71%	60.66%	63.78%	60.88%	67.44%	82.34%	82.35%	82.81%	83.35%	82.16%	82.07%
13 to 24 Months	0.00%	39.34%	36.22%	39.12%	32.56%	17.66%	17.65%	17.19%	16.65%	17.84%	17.93%
25 to 36 Months	17.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
One Year - 52 Weeks	3.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Two Years - 104 Weeks	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
<b>IV. PORTFOLIO PERFORMANCE MEASURES</b>											
Yield at Cost Month	0.979%	1.840%	1.990%	2.010%	2.050%	2.010%	2.130%	2.215%	2.216%	2.216%	2.219%
<b>BENCHMARKS</b>											
6 Month CD	0.72	1.10	1.15	1.20	1.25	1.30	1.32	2.20	2.22	2.24	2.30
1 Year CD	1.28	1.75	1.80	1.85	1.87	1.95	2.00	2.45	2.50	2.52	2.57
90 Day T-Bill	1.01	1.94	1.94	2.38	2.27	2.38	2.37	2.42	2.30	2.38	2.38
2 Year Treasury	1.38	2.57	2.57	2.63	2.89	2.75	2.73	2.50	2.54	2.54	2.39
10 Year Treasury	2.31	2.87	2.87	2.98	3.20	3.05	2.86	2.66	2.70	2.75	2.57
Annual Interest Budget	\$ 30,475	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 100,000
Money Market	\$ 546	274	12	16	24	34	39	47	69	108	160
Interest Checking (2)	7,900	14,952	1,778	3,563	5,232	7,262	9,160	11,243	13,347	15,277	17,308
Certificate of Deposits	2,391	9,219	6,033	6,033	6,313	6,593	6,864	23,133	23,403	23,684	34,469
LAIF	21,127	43,106	-	-	-	19,113	19,113	19,113	37,569	37,569	37,569
LAIF Mark to Market (Net)	-	5,895	7,140	7,140	7,140	7,140	7,140	7,140	7,140	7,140	7,140
<b>Total YTD Interest Earned</b>	<b>\$ 31,964</b>	<b>\$ 73,446</b>	<b>\$ 14,963</b>	<b>\$ 16,752</b>	<b>\$ 18,709</b>	<b>\$ 40,142</b>	<b>\$ 42,316</b>	<b>\$ 60,676</b>	<b>\$ 81,528</b>	<b>\$ 83,778</b>	<b>\$ 96,646</b>
Over/(Under) Annual Budget	\$ 1,489	\$ 16,446	\$ (42,037)	\$ (40,248)	\$ (38,291)	\$ (16,858)	\$ (14,684)	\$ 3,676	\$ 24,528	\$ 26,778	\$ (3,354)
% of Annual Budget	104.89%	128.85%	26.25%	29.39%	32.82%	70.42%	74.24%	106.45%	143.03%	146.98%	96.65%

**CITY OF ROLLING HILLS**  
**LIQUIDITY CALCULATION**

**BASED ON FISCAL YEAR 2018-2019 ACTUAL/CASH BUDGET FORECAST**

as of March 31, 2019

MONTHLY CASH BALANCES									
Month	OPUS	Interest Checking	LAIF	Certificates of Deposits		Total Cash By Month	Expenditures By Month		
July	\$ 47,019	\$ 1,026,653	\$ 3,830,109	\$ 2,700,000	\$ 7,603,781	\$ 173,491			
August	150,852	1,028,416	3,215,109	2,700,000	7,094,377	593,193			
Sept	129,960	1,013,524	4,593,801	2,700,000	8,437,285	197,665			
Oct	92,202	1,032,096	3,134,222	2,700,000	6,958,520	113,547			
Nov	27,842	1,033,990	3,134,222	2,700,000	6,896,054	177,199			
Dec	115,961	1,036,029	3,329,222	2,700,000	7,181,212	578,315			
Jan	311,272	1,038,125	3,347,678	2,700,000	7,397,075	159,510			
Feb	498,514	1,040,038	2,657,678	2,700,000	6,896,230	793,848			
March	399,624	1,042,064	2,657,678	2,700,000	6,799,366	132,995			
April	356,579	1,021,782	3,811,907	2,210,000	7,400,268	153,270			
May	333,049	1,023,327	3,811,907	2,455,000	7,623,283	145,727			
June	340,979	1,024,881	3,811,907	2,455,000	7,632,767	118,901			
(1)	\$ 2,803,853	(2)	\$ 41,335,440	(2)	\$ 31,420,000	\$ 87,920,218	(e)	\$ 7,326,685	(1)
Average	\$ 233,654	\$ 1,030,077	\$ 3,444,620	\$ 2,618,333	(e)	\$ 7,326,685		\$ 278,138	
		Lowest Balance	Highest Expense	Lowest Deposits		Liquidity	Six Month Cash Reserve		
(a)		\$ 6,799,366	(b)	\$ 793,848	(c)	\$ 27,842	(d)	\$ 6,033,360	(4)
(d)		Liquidity Calculation				(e)	Average Monthly Cash Balance	\$ 6,033,360	(e)
							Less 40% Emergency Reserve		
							Available Investment	\$ 6,033,360	(3)
							Liquidity	\$ 6,386,189	

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# INVESTMENT ALLOCATIONS SUMMARY

as of March 31, 2019

Investment Type	%	Book Value Price @ Cost	12 Months or Less	13 to 24 Months	25 to 36 Months
Money Market	6.34%	\$ 433,036	\$ 433,036	\$ -	\$ -
LAIIF	38.90%	2,657,678	2,657,678	-	-
Interest Checking	15.25%	1,042,064	1,042,064	-	-
CD'S	39.52%	2,700,000	1,475,000	1,225,000	-
<b>Total Active Deposits</b>	<b>100.00%</b>	<b>\$ 6,832,778</b>	<b>\$ 5,607,778</b>	<b>\$ 1,225,000</b>	<b>\$ -</b>
				<b>Cash Reserve Per Policy</b>	<b>Six Month Cash Reserve</b>
Liquidity FY 18/19 Cash Budget				<b>\$ 940,496</b>	<b>\$ 1,668,831</b>

Maturity	Investment Allocation
12 Months or Less	82.07%
13 to 24 Months	17.93%
25 to 36 Months	0.00%
	<b>100.00%</b>