



AGENDA

**REGULAR MEETINGS OF THE SANTA FE SPRINGS
PUBLIC FINANCING AUTHORITY
WATER UTILITY AUTHORITY
HOUSING SUCCESSOR
SUCCESSOR AGENCY
AND CITY COUNCIL**

**July 23, 2020
6:00 P.M.**

VIA TELECONFERENCE

**Annette Rodriguez, Councilmember
Juanita Trujillo, Councilmember
Joe Angel Zamora, Councilmember
John M. Mora, Mayor Pro Tem
William K. Rounds, Mayor**

******GOVERNOR'S EXECUTIVE ORDER N-29-20****
REGARDING CORONAVIRUS COVID-19**

On March 4, 2020, Governor Newsom proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19. The Governor has issued Executive Orders that temporarily suspend requirements of the Brown Act, including allowing the City Council to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public. Please be advised that, until further notice, City Council meetings will be held by teleconference. City Hall, including Council Chambers, is closed to the public.

You may attend the City Council meeting telephonically or electronically using the following means:

Electronically using Zoom: Go to Zoom.us and click on "Join A Meeting" or use the following link:

<https://zoom.us/j/521620472?pwd=U3cyK1RuKzY1ekVGZFdKQXNZVzh4Zz09>

Zoom Meeting ID: 521620472 Password: 659847

Telephonically: Dial: 888-475-4499 Meeting ID: 521620472

Public Participation: You may submit public comments in writing by sending them to the City Clerk at cityclerk@santafesprings.org. If you attend the meeting by telephone, you must submit a public comment in writing to be heard. To ensure that they are received for the meeting, please submit your written comments prior to 4:00 p.m. on the day of the City Council meeting. You may also contact the City Clerk's Office at (562) 868-0511 ext. 7314.

1. CALL TO ORDER

2. ROLL CALL

Annette Rodriguez, Councilmember
Juanita Trujillo, Councilmember
Joe Angel Zamora, Councilmember
John M. Mora, Mayor Pro Tem
William K. Rounds, Mayor

- 3. PUBLIC COMMENTS** *This is the time when comments may be made by citizens on matters under the jurisdiction of the City Council, on the agenda and not on the agenda. Each citizen is limited to three (3) minutes.*

PUBLIC FINANCING AUTHORITY

4. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Public Financing Authority.

- a. Minutes of the June 25, 2020 Public Financing Authority (City Clerk)
Recommendation:
 - Approve the minutes as submitted.
- b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA) (Finance)
Recommendation:
 - Receive and file the report.

WATER UTILITY AUTHORITY

5. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Water Utility Authority.

- a. Minutes of the June 25, 2020 Water Utility Authority (City Clerk)
Recommendation:
 - Approve the minutes as submitted.
- b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority (WUA) (Finance)
Recommendation:
 - Receive and file the report.
- c. Status Update of Water-Related Capital Improvement Projects (Public Works)
Recommendation:
 - Receive and file the report.

NEW BUSINESS

6. Appointment of City Representative to the Administrative Entity for the Southeast Water Coalition Joint Powers Authority (Public Works)

Recommendation:

- Appoint the Water Utility Services Manager, Jesse Sira, to serve as the primary representative to the Southeast Water Coalition Administrative Entity, Noe Negrete as the alternate representative, and Don Nguyen, Water Utility Supervisor, as second alternate representative, for the City of Santa Fe Springs effective July 23, 2020.

7. Resolution No. 9687 – Board Member Appointment to the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority (Public Works)

Recommendation:

- Adopt Resolution No. 9687 appointing Noe Negrete to serve as the primary Board Member and Jesse Sira, Don Nguyen, and Sarina Morales-Choate to serve as alternate Board Members representing the City of Santa Fe Springs with the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority.

HOUSING SUCCESSOR

8. **CONSENT AGENDA**

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Housing Successor.

Minutes of the June 25, 2020 Housing Successor Meeting (City Clerk)

Recommendation:

- Approve the minutes as submitted.

SUCCESSOR AGENCY

9. **CONSENT AGENDA**

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Successor Agency.

Minutes of the June 25, 2020 Successor Agency Meeting (City Clerk)

Recommendation:

- Approve the minutes as submitted.

CITY COUNCIL

10. **CONSENT AGENDA**

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the City Council.

- a. Minutes of the June 25, 2020 Regular City Council Meeting (City Clerk)

Recommendation:

- Approve the minutes as submitted.

b. General Motion to Waive Full Reading and Read Ordinance by Title Only Pursuant to California Government Code Section 36934 (City Clerk)

Recommendation:

- Approve a general motion to waive full reading and read Ordinance titles only, pursuant to California Government Code Section 36934.

PUBLIC HEARING

11. Confirmation of 2019/20 Weed Abatement Charges (City Clerk)

Recommendation:

- Open the Public Hearing;
- Receive any comments from the public wishing to speak on this matter and thereafter close the Public Hearing;
- Confirm the charges listed in the Los Angeles County Agricultural Commissioner's 2019/20 Weed Abatement Assessment Roll and instruct the County Auditor to enter the amounts of these assessments against the respective parcels of land as they appear on the current assessment roll.

PUBLIC HEARING

12. Consideration of an Appeal of a Planning Commission denial, filed by Becker Boards, involving an application for a Conditional Use Permit (CUP Case No. 795), five (5) Zone Variance (ZV Case Nos. 82 and 84-87) and a Development Agreement (DA 01-2020) on a parcel located at 13539 Freeway Drive (APN: 8069-016-006) (Planning)

Recommendation:

- Open the Public Hearing and receive any comments from the public regarding the appeal of the denial by the Planning Commission of Conditional Use Permit Case No. 795, Zone Variance Case Nos. 82 and 84-87 and Development Agreement 01-2020, and thereafter close the public hearing; and
- Consider the information presented in this report and any public testimony obtained through this Public Hearing, in combination with the February 12, 2020 Planning Commission staff report, approved minutes, adopted resolution, and previous presentations provided by Staff and Joseph White, which collectively provide the necessary background and context; and
- Find that the applicant's CUP request does not meet the necessary criteria set forth in §155.716 of the City's Zoning Ordinance for the granting of a Conditional Use Permit; and
- Find that the applicant's project does not meet the necessary finding set forth in §155.384 (C) of the City's Zoning Ordinance for the granting of a Conditional Use Permit for a billboard project; and
- Find that the applicant has not adequately demonstrated that the required conditions for approval of a Variance can be found for the subject billboard project, as set forth in §155.675 of the City of Santa Fe

Springs Zoning Ordinance; and

- Uphold the Planning Commission's decision and deny Conditional Use Permit Case No. 795; Zone Variance Case No. 82, Zone Variance Case Nos. 84-87; and Development Agreement No. 01- 2020; and
- Find and determine that pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, the project is Exempt from CEQA since no project is being recommended for approval at this time; and
- Adopt Resolution No. 9686, which incorporates the City Council findings and actions regarding this matter.

PUBLIC HEARING

13. Resolution No. 9688 – Levy Annual Assessments for City of Santa Fe Springs Lighting District No. 1 (FY 2020/21) (Public Works)

Recommendation:

- Open the Public Hearing;
- Receive any comments from the public wishing to speak on this matter and thereafter close the Public Hearing;
- Adopt Resolution No. 9688 confirming the diagram and assessment, and providing for annual assessment levy; and
- Authorize the Director of Finance to execute all documents necessary with the County of Los Angeles in order to process the collection of assessments related to Lighting District No. 1 for FY 2020/21.

PUBLIC HEARING

14. Resolution No. 9689 – Levy Annual Assessments for Heritage Springs Assessment District No. 2001-1 (Hawkins Street and Palm Drive) FY 2020/21 (Public Works)

Recommendation:

- Open the Public Hearing;
- Receive any comments from the public wishing to speak on this matter and thereafter close the Public Hearing;
- Adopt Resolution No. 9689 confirming the diagram and assessment, and providing for annual assessment levy; and
- Authorize the Director of Finance to execute all documents necessary with the County of Los Angeles in order to process the collection of assessments related to Heritage Springs Assessment District No. 2001-1 (Hawkins Street and Palm Drive) for FY 2020/21.

PUBLIC HEARING

15. Ordinance No. 1113 – Public Hearing for Granting a Franchise to Park Water Company for Maintenance and Operation of Pipelines in City Streets (Public Works)

Recommendation:

- Open the Public Hearing noted in Resolution No. 9683;
- Receive any comments from the public wishing to speak on this matter and thereafter close the Public Hearing; and
- Introduce Ordinance No. 1113, which would grant a franchise to Park

Water Company.

NEW BUSINESS

16. Introduction of An Ordinance Amending Chapter 110 (Regulation of Certain Businesses) Of Title XI (Business Regulations) And Chapter 130 (General Provisions) Of Title XIII (General Offenses) Of the Santa Fe Springs Municipal Code To Establish A Sidewalk Vending Program (Police Services)

Recommendation:

- Find that the adoption of this Ordinance is not a “project” under the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21065, and that it is exempt from the provisions of CEQA pursuant to CEQA Guidelines (14 Cal. Code. Regs. § 15000, et seq.) Section 15061(b)(3) (because it can be seen with certainty that the adoption of this Ordinance will not have an effect on the environment) such that no environmental review under CEQA is required.
- Introduce for first reading, by title only, Ordinance No. 1098 amending Section 110.50 of Chapter 110 (Regulation of Certain Businesses) of Title XI (Business Regulations) and amending Section 130.08 and repealing the Subchapter entitled Pushcart Vendors (Sections 130.9 through 130.16) of Chapter 130 (General Provisions) of Title XIII (General Offenses) of the Santa Fe Springs Municipal Code and Replacing it with a new Subchapter entitled Sidewalk Venders (Sections 130.9 Through 130.17) relating to Sidewalk Vending.

17. Approve an Independent Audit Services Agreement with White Nelson Diehl Evans, LLP for Fiscal Years 2019-20 through 2021-22 with Optional Renewals for Fiscal Years 2022-23 and 2023-24 (Finance)

Recommendation:

- Authorize the Mayor to execute a professional services agreement with the firm of White Nelson Diehl Evans, LLP (WNDE) to perform the City’s annual independent audit for Fiscal Years 2019-20 through 2021-22 with optional renewals for Fiscal Years 2022-23 and 2023-24.

18. **CITY MANAGER’S AND EXECUTIVE TEAM REPORTS**

19. **COUNCIL COMMENTS**

RECESS TO CLOSED SESSION [will not take place on Zoom or over telephone]

CLOSED SESSION

20. **CONFERENCE WITH LABOR NEGOTIATORS**

(Pursuant to California Government Code Section 54957.6)

Agency Designated Representatives: City Manager, Director of Finance, Human Resources Manager, Labor Negotiator

Employee Organizations: Santa Fe Springs City Employees’ Association and Santa Fe Springs Firefighters’ Association

City of Santa Fe Springs

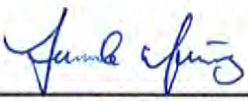
Regular Meetings

July 23, 2020

21. **CLOSED SESSION**
CONFERENCE WITH LABOR NEGOTIATORS
(Pursuant to California Government Code Section 54957.6)
Agency Designated Representatives: City Manager, Labor Negotiator
Employee Organization: Santa Fe Springs Executive, Management and Confidential Employees' Association
22. **CLOSED SESSION**
THREAT TO PUBLIC SERVICES OR FACILITIES
(Pursuant to California Government Code Section 54957)
Consultation with: Fire Chief, Police Chief and Captain, Director of Police Services, City Attorney
23. **CLOSED SESSION**
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Initiation of litigation pursuant to Government Code Section 54956.9(d)(4): Two Cases
- RECONVENE MEETING** [on Zoom and over telephone]
24. **CLOSED SESSION REPORT**
25. **ADJOURNMENT**

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's Office. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

I, Janet Martinez, City Clerk for the City of Santa Fe Springs, do hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted at the following locations; city's website at www.santafesprings.org; and the Town Center Plaza (Kiosk), 11740 Telegraph Road, not less than 72 hours prior to the meeting.


for Janet Martinez, CMC, City Clerk

July 16, 2020
Date Posted

**FOR ITEM NO. 4A
PLEASE SEE ITEM NO. 10A**



CONSENT CALENDAR

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)

RECOMMENDATION

Receive and file the report.

BACKGROUND

The Santa Fe Springs Public Financing Authority (PFA) is a City entity that has periodically issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the PFA.

Consolidated Redevelopment Project 2006-A Tax Allocation Bonds

Financing proceeds available for appropriation at 06/30/2020

None

Outstanding principal at 06/30/2020

\$38,140,344

Bond Repayment

The former Community Development Commission (CDC) issued a number of tax allocation bonds before it was dissolved by State law effective February 1, 2012 which are administered by the City acting as Successor Agency under the oversight of the appointed Oversight Board. The Successor Agency no longer receives tax increment. Instead, distributions from the Redevelopment Property Tax Trust Fund (RPTTF) are received based on approved obligations. It is anticipated that sufficient allocations from the RPTTF will continue to be made to the Successor Agency to meet ongoing debt service obligations.

Unspent Bond Proceeds

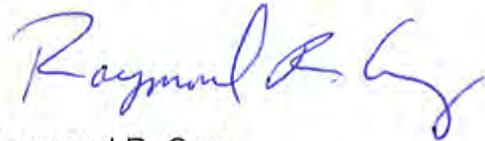
Under an approved Bond Expenditure Agreement, unspent bond proceeds of the former CDC in the amount of approximately \$19 million were transferred to the City in July 2014. The funds are to be spent in accordance with the original bond documents. The unspent proceeds continue to be a source of funding within the City's capital improvement program (CIP).

2016 Bond Refunding

In July 2016, the Successor Agency issued its 2016 Tax Allocation Refunding Bonds, which paid off several bond issuances of the former CDC. The bonds were originally issued through the Public Financing Authority and included the 2001 Series A, 2002 Series A, 2003 Series A, the current interest portion of the 2006 Series A, and 2006 Series B bond issuances.

2017 Bond Refunding

In December 2017, the Successor Agency issued its 2017 Tax Allocation Refunding Bonds, which paid off the 2007 Tax Allocation Bonds of the former CDC. The 2007 Bonds were originally issued through the Public Financing Authority.



Raymond R. Cruz
City Manager/Executive Director

FOR ITEM NO. 5A
PLEASE SEE ITEM NO. 10A



CONSENT CALENDAR

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority (WUA)

RECOMMENDATION

Receive and file the report.

BACKGROUND

The Santa Fe Springs Water Utility Authority (WUA) is a City entity that has issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the WUA.

Water Revenue Bonds, 2013

Financing proceeds available for appropriation at 06/30/2020

None

Outstanding principal at 06/30/20

\$6,890,000

Water Revenue Bonds, 2018

Financing proceeds available for appropriation at 06/30/2020

None

Outstanding principal at 06/30/2020

\$1,225,000

In May 2013 the Water Utility Authority issued the 2013 Water Revenue Bonds in the amount of \$6,890,000. The bonds refunded the existing 2003 Water Revenue Bonds (issued through the Public Financing Authority) and provided additional funds for water improvement projects in the amount of \$2,134,339. The funds were restricted for use on water system improvements. In August 2013 the Water Utility Authority Board appropriated the proceeds for the Equipping Water Well No. 12 Project and all proceeds were since used on this project.

In January 2018 the Water Utility Authority issued the 2018 Water Revenue Bonds in the amount of \$1,800,000. The bonds refunded the existing 2005 Water Revenue Bonds (issued through the Public Financing Authority). No additional funds were raised through the issuance of the 2018 Water Revenue Bonds.

The City budget includes sufficient appropriations and adequate revenues are expected to be collected to meet the debt service obligations associated with the 2013 and 2018 Water Revenue Bonds.

The WUA was formed in June of 2009. Water revenue bonds issued prior to this date were issued through the City of Santa Fe Springs Public Financing Authority.



Raymond R. Cruz
City Manager/Executive Director



City of Santa Fe Springs

ITEM NO. 5C

Water Utility Authority Meeting

July 23, 2020

CONSENT AGENDA

Status Update of Water-Related Capital Improvement Projects

RECOMMENDATION

- Receive and file the report.

BACKGROUND

This report is for informational purposes only. The following is a listing of current active water projects.

Whittier Water Connection Project

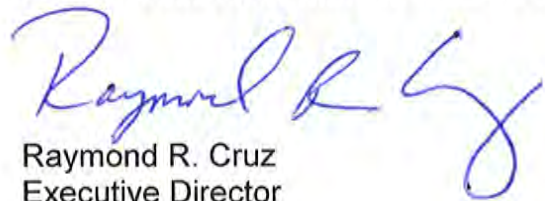
The bid opening for the project was held on July 7, 2020. Unfortunately no bids were received on the project. Staff followed up with plan holders and tried to understand why no bids were received. The predominant answer is many contractors are busy performing other work and are being selective in bidding on future work. The contractors are focusing on larger projects, with the price point being greater than \$1,000,000. Staff will re-advertise for bids and has received assurances from multiple contractors that they are now interested in bidding. The project will provide for additional water supply from the City of Whittier, and therefore less reliance on the more costly water from Metropolitan Water District. Staff anticipates requesting an award of contract from the Water Utility Authority at the August 27, 2020 meeting.

FISCAL IMPACT

The design of the Whittier Water Connection is fully funded from the Water Capital Improvement Projects Fund. However, funding has not been allocated for the construction of the project. The staff estimate for the project construction is approximately \$350,000. At the time staff requests the Award of Contract, staff will also request for construction funding for the project. Sufficient funding is available in the Water CIP Fund.

INFRASTRUCTURE IMPACT

The Whittier Water Connection Project will increase the water capacity into the City and reduce the dependency on the current connection with the Metropolitan Water District.


Raymond R. Cruz
Executive Director

Attachments:

None

Report Submitted By:

Noe Negrete
Director of Public Works



Date of Report: July 16, 2020



City of Santa Fe Springs

Water Utility Authority Meeting

ITEM NO. 6

July 23, 2020

NEW BUSINESS

Appointment of City Representatives to the Administrative Entity for the Southeast Water Coalition Joint Powers Authority

RECOMMENDATION

- Appoint the Water Utility Services Manager, Jesse Sira, to serve as the primary representative to the Southeast Water Coalition Administrative Entity, Noe Negrete as the alternate representative, and Don Nguyen, Water Utility Supervisor, as second alternate representative, for the City of Santa Fe Springs effective July 23, 2020.

BACKGROUND

In July 2005, the City Council authorized the City's participation in the Southeast Water Coalition Joint Powers Authority (SEWC). At the present time the SEWC consists of eleven agencies, which are Cerritos, Commerce, Downey, Lakewood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, South Gate, Vernon and Whittier. The SEWC exists to advocate for and promote efficient water policies and regional solutions to water issues and has been very successful in facilitating changes in water policies that impact local agencies.

City staff recommends appointing the Water Utility Services Manager, Jesse Sira, to serve as the primary representative to the Southeast Water Coalition Administrative Entity, Noe Negrete as the alternate representative, and Don Nguyen, Water Utility Supervisor, as second alternate representative, for the City of Santa Fe Springs effective July 23, 2020.

FISCAL IMPACT

None.

INFRASTRUCTURE IMPACT

None.

Attachments:

None.

A handwritten signature in blue ink, appearing to read "Raymond R. Cruz".

Raymond R. Cruz
Executive Director

Report Submitted By:

Noe Negrete
Director of Public Works

Handwritten initials in blue ink, possibly "NN".

Date of Report: July 16, 2020



City of Santa Fe Springs

Water Utility Authority Meeting

ITEM NO. 7

July 23, 2020

NEW BUSINESS

Resolution No. 9687 – Board Member Appointment to the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority

RECOMMENDATION

Adopt Resolution No. 9687 appointing Noe Negrete to serve as the primary Board Member and Jesse Sira, Don Nguyen, and Sarina Morales-Choate to serve as alternate Board Members representing the City of Santa Fe Springs with the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority.

BACKGROUND

In 2007, the City Council authorized the City's participation in the Los Angeles Gateway Cities Integrated Regional Water Management Joint Powers Authority (GWMA). The GWMA was created to promote regional solutions to water issues and has been successful in securing State and Federal funding for water quality-related improvements.

The attached resolution to this report designates a Board Member and alternate Board Members to serve continuously across successive two-year terms such that the governing body need not re-appoint the same persons to the GWMA Board every two years, unless the governing body desires to change its designated Board Member and/or alternate Board Member or must otherwise fill a vacancy.

A handwritten signature in blue ink, appearing to read "Raymond R. Cruz".

Raymond R. Cruz
Executive Director

Attachment:

Exhibit A: Resolution 9687

Report Submitted By:

Noe Negrete
Director of Public Works

A handwritten signature in blue ink, appearing to read "Noe Negrete".

Date of Report: July 16, 2020

RESOLUTION NO. 9687

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS,
CALIFORNIA APPOINTING A MEMBER AND ALTERNATES TO THE LOS ANGELES
GATEWAY REGION INTEGRATED REGIONAL WATER MANAGEMENT JOINT
POWERS AUTHORITY GOVERNING BOARD**

WHEREAS, the Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority (GWMA) was formed in 2007 in response to the passage of two voter approved water bonds; Proposition 50, passed in 2002 and Proposition 84, passed in 2006; and

WHEREAS, the City of Santa Fe Springs is a member of the GWMA; and

WHEREAS, each member agency shall appoint one Member and up to three Alternate Members to the Governing Board in accordance with the GWMA Bylaws; and

WHEREAS, pursuant to the GWMA Bylaws, the Member and Alternate Members appointed by this Resolution shall hold office until September 30, 2021.

WHEREAS, pursuant to the GWMA Joint Powers Agreement and the GWMA Bylaws, the Member and Alternate Member(s) shall serve two-year terms beginning October 1st of each odd-numbered year.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. Effective July 23, 2020, Noe Negrete is appointed to serve as the GWMA Board Member representing the City of Santa Fe Springs.
2. Effective July 23, 2020, Jesse Sira, Don Nguyen, and Sarina Morales-Choate are appointed to serve as alternate Board Members representing the City of Santa Fe Springs.
3. The Board Member and alternate Board Member(s) designated above shall continue in their respective positions as if re-appointed for each successive two-year term, unless the Board Member or alternate Board Member(s) is replaced by subsequent action of this legislative body or he or she ceases to be employed by the agency.

APPROVED:
ITEM NO.:

PASSED, APPROVED, AND ADOPTED this 23rd day of July 2020.

William K. Rounds, Mayor

ATTEST:

Janet Martinez, CMC, City Clerk

FOR ITEM NO. 8
PLEASE SEE ITEM NO. 10A

FOR ITEM NO. 9
PLEASE SEE ITEM NO. 10A



City of Santa Fe Springs

City Council Meeting

ITEM NO. 10A

July 23, 2020

CONSENT AGENDA

Minutes of the June 25, 2020 Regular City Council Meetings

RECOMMENDATION(S)

- Approve the minutes as submitted.

BACKGROUND

Staff has prepared minutes for the following meeting:

- June 25, 2020 Meeting Minutes

Staff hereby submits the minutes for Council's approval.

A handwritten signature in blue ink, appearing to read "Raymond R. Cruz".

Raymond R. Cruz
City Manager

Attachments:

1. June 25, 2020 Meeting Minutes



APPROVED:

MINUTES OF THE MEETINGS OF THE CITY COUNCIL

June 25, 2020

1. **CALL TO ORDER**

Mayor Rounds called the meeting to order via teleconference at 6:01 p.m.

2. **ROLL CALL**

Members present: Councilmembers/Directors: Rodriguez, Trujillo, Zamora, Mayor Pro Tem/Vice Chair Mora and Mayor/Chair Rounds.

Members absent: None

Janet Martinez, City Clerk announced that members of the Public Financing Authority and Water Utility Authority receive \$150 for their attendance at meetings.

3. **PUBLIC COMMENTS**

There was one resident who submitted comments to be read during Public Comments: Ralph Aranda.

PUBLIC FINANCING AUTHORITY

4. **CONSENT AGENDA**

- a. Minutes of the May 28, 2020 Public Financing Authority (City Clerk)

Recommendation:

- Approve the minutes as submitted.

- b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA) (Finance)

Recommendation:

- Receive and file the report.

It was moved by Councilmember Trujillo, seconded by Councilmember Zamora, to approve Item Nos. 4A and 4B, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nays: None

Absent: None

WATER UTILITY AUTHORITY

5. **CONSENT AGENDA**

- a. Minutes of the May 28, 2020 Water Utility Authority (City Clerk)

Recommendation:

- Approve the minutes as submitted.

- b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority (WUA) (Finance)

Recommendation:

- Receive and file the report.

- c. Status Update of Water-Related Capital Improvement Projects (Public Works)

Recommendation:

- Receive and file the report.

It was moved by Mayor Pro Tem Mora, seconded by Councilmember Rodriguez, to approve Item Nos. 5A, 5B, and 5C, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nayes: None

Absent: None

HOUSING SUCCESSOR

6. CONSENT AGENDA

Minutes of the May 28, 2020 Housing Successor (City Clerk)

Recommendation:

- Approve the minutes as submitted.

It was moved by Councilmember Trujillo, seconded by Councilmember Rodriguez, to approve the minutes as submitted, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nayes: None

Absent: None

SUCCESSOR AGENCY

7. CONSENT AGENDA

Minutes of the May 28, 2020 Successor Agency (City Clerk)

Recommendation:

- Approve the minutes as submitted.

It was moved by Councilmember Rodriguez, seconded by Councilmember Zamora, to approve the minutes as submitted, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nayes: None

Absent: None

CITY COUNCIL

8. CONSENT AGENDA

- a. Minutes of the May 28, 2020 Regular City Council Meeting (City Clerk)

Recommendation:

- Approve the minutes as submitted.

- b. General Motion to Waive Full Reading and Read Ordinance by Title Only Pursuant to California Government Code Section 36934 (City Clerk)

Recommendation:

- Approve a general motion to waive full reading and read Ordinance titles only, pursuant to California Government Code Section 36934.

- c. Resolution Nos. 9679 and 9680 – Approval of Engineer's Report (Fiscal Year 2020/21) in Conjunction with Annual Levy of Assessments for Street Lighting District No. 1 (Public Works)

Recommendation:

- Adopt Resolution No. 9679, approving the Engineer's Report (Fiscal Year 2020/21) in conjunction with the annual levy of assessments for Street Lighting District No. 1; and
- Adopt Resolution No. 9680, declaring the City of Santa Fe Springs' intention to provide for an annual levy and collection of assessments for Lighting District No. 1, and setting the public hearing for the Council meeting of July 23, 2020.

- d. Resolution Nos. 9681 and 9682 – Approval of Engineer's Report (Fiscal Year 2020/21) in Conjunction with Annual Levy of Assessment for Heritage Springs Assessment District No. 2001-1 (Hawkins Street and Palm Drive) (Public Works)

Recommendation:

- Adopt Resolution No. 9681, approving the Engineer's Report (Fiscal Year 2020/21) in conjunction with the annual levy of assessments for the Heritage Springs Assessment District No. 2001-01; and
- Adopt Resolution No. 9682 declaring the City of Santa Fe Springs' intention to provide for an annual levy and collection of assessments for Heritage Springs Assessment District No. 2001-01, and setting the public hearing for the Council meeting of July 23, 2020.

- e. Approval of Parcel Map No. 82732 – Located at 13900 Carmenita Road (Public Works)

Recommendation:

- Approve Parcel Map No. 82732;
- Find that Parcel Map No. 82732 together with the provisions for its design and improvement, is consistent with the City's General Plan; and
- Authorize the City Engineer and City Clerk to sign Parcel Map No. 82732.

- f. Status update for the appeal of a denial involving an application for a Conditional Use Permit (CUP Case No. 795), five (5) Zone Variances (ZV Case Nos. 82 and 84-87) and a Development Agreement (DA 01-2020), filed by Becker Boards, on a parcel located at 13539 Freeway Drive (APN: 8069-016-006) (Planning)

Recommendation:

- Receive and file the report.

It was moved by Councilmember Zamora, seconded by Councilmember Trujillo, to approve Items Nos. 8A through 8F, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds
Nayes: None
Absent: None

ORDINANCE FOR ADOPTION

9. Ordinance No. 1110 – An ordinance of the City of Santa Fe Springs Amending Sections 155.003 (Definitions), 155.644 (Accessory Dwelling Units) and 155.644.1 (Junior Accessory Dwelling Units) of Chapter 155 (Zoning) of Title 15 (Land Use) of the Santa Fe Springs Municipal Code Relating to the Construction of Accessory Dwelling Units and Junior Accessory Dwelling Units in the A-1, Light Agricultural; R-1, Single-Family Residential; and R-3, Multi-Family Residential, Zones. (City of Santa Fe Springs) (Planning)

Recommendation:

- Adopt Ordinance No. 1110.

It was moved by Councilmember Rodriguez, seconded by Councilmember Trujillo, to adopt Ordinance No. 1110, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds
Nayes: None
Absent: None

NEW BUSINESS

10. Landscape Maintenance Services: Approval of Contract Amendment Three (Public Works)

Recommendation:

- Approve Contract Amendment Three extending contract with Complete Landscape Care, Inc. to July 31, 2020; and
- Authorize the Mayor to execute Amendment Three.

It was moved by Councilmember Rodriguez, seconded by Councilmember Trujillo, to approve Contract Amendment Three extending contract with Complete Landscape Care, Inc. to July 31, 2020, and authorize the Mayor to execute the agreement, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds
Nayes: None
Absent: None

11. Resolution No. 9683 – Authorizing the Publication of Notice to Sell a Franchise to Park Water Company for Maintenance and Operation of Pipelines in City Streets (Public Works)

Recommendation:

- Approve Resolution No. 9683 setting the date of July 23, 2020 for the public hearing on the granting of a franchise to Park Water Company.

It was moved by Councilmember Zamora, seconded by Councilmember Rodriguez, to approve Resolution No. 9683 setting the date of July 23, 2020 for the public hearing on the granting of a franchise to Park Water Company, by the

following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nays: None

Absent: None

12. Resolution No. 9674 – Adoption of Annual Appropriation (GANN) Limit for Fiscal Year 2020-21 (Finance)

Recommendation:

- Adopt Resolution No. 9674 setting the appropriation limit for Fiscal Year 2020-21.

It was moved by Mayor Pro Tem Mora, seconded by Councilmember Rodriguez, to adopt Resolution No. 9674 setting the appropriation limit for Fiscal Year 2020-21, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nays: None

Absent: None

13. Adoption of City's Fiscal Year 2020-21 Operating Budget (Finance)

Recommendation:

- Adopt the fiscal year 2020-21 City Budget as detailed in the proposed budget document and adjusted as discussed in this report, including the actions as set forth herein.

City Manager Ray Cruz provided an update on the finalized operating budget. He stated that \$10,000 were added to the L.A CADA budget, and an error was fixed that addressed the funding at the Lakeland and Laurel site.

It was moved by Councilmember Zamora, seconded by Mayor Pro Tem Mora, to adopt the fiscal year 2020-21 City Budget as detailed in the proposed budget document and adjusted as discussed in this report, including the actions as set forth herein, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nays: None

Absent: None

14. Adoption of the City's FY 2020-21 Investment Policy (Finance)

Recommendation:

- Adopt the Investment Policy for FY 2020-21.

It was moved by Councilmember Rodriguez, seconded by Councilmember Trujillo, to adopt the Investment Policy for FY 2020-21, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nays: None

Absent: None

15. Consideration of Entering Into an Exclusive Negotiating Agreement (ENA) by and Between the City of Santa Fe Springs, a Municipal Corporation ("City") and Westland Real Estate Group, a California Limited Liability Company ("Developer") for the Development of the ±4.02-acre Property (APN: 8009-007-930) Located on the South Side of Telegraph Road, East of Heritage Park Drive and West of Norwalk Boulevard, Santa Fe Springs, CA 90670 (Planning)

Recommendation:

- Authorize Entering Into an Exclusive Negotiating Agreement by and Between the City of Santa Fe Springs, a Municipal Corporation ("City") and Westland Real Estate Group, a California Limited Liability Company ("Developer") for the Development of the ±4.02-acre Property (APN: 8009-007-930) located on the south side of Telegraph Road, east of Heritage Park Drive and West of Norwalk Boulevard), Santa Fe Springs, CA 90670
- Authorize the Mayor or designee to execute the ENA, in substantially the same form, and acceptable to the City Attorney, on behalf of the City.

It was moved by Councilmember Zamora, seconded by Mayor Pro Tem Mora, to authorize Entering Into an Exclusive Negotiating Agreement by and Between the City of Santa Fe Springs, a Municipal Corporation ("City") and Westland Real Estate Group, a California Limited Liability Company ("Developer") for the Development of the ±4.02-acre Property (APN: 8009-007-930) located on the south side of Telegraph Road, east of Heritage Park Drive and West of Norwalk Boulevard), Santa Fe Springs, CA 90670, authorize the Mayor or designee to execute the ENA, in substantially the same form, and acceptable to the City Attorney, on behalf of the City, by the following vote:

Ayes: Rodriguez, Trujillo, Zamora, Mora, Rounds

Nayes: None

Absent: None

16. **CITY MANAGER AND EXECUTIVE TEAM REPORTS**

- City Manager, Ray Cruz spoke about the originally predicted 11 percent investment loss by CalPERS, and also reported that the CalPERS CFO recently announced that it would actually be a 5 ½ percent loss. He also spoke about the demonstration on June 12, 2020 which was led by a young man who worked alongside city officials to organize the event and commended him for it. He also commented on the work of the Santa Fe Springs California Highway Patrol station assisting the City of Whittier Police Department with the protests and demonstrations. The City of Whittier held an appreciation luncheon at the Santa Fe Springs station.
- Director of Public Works, Noe Negrete provided an update on the Florence Widening Project. He stated that most of the concrete work has been finished and the installation of signals will begin soon. He also spoke about the City Hall West Parking Lot project, which he expected to bring back for authorization to advertise in August.
- Director of Planning, Wayne Morrell spoke about the I-5 widening project and how it has impacted the demolition of the Motel 6. He reported that City staff has met with the owners

of Tom's Truck Center about possibly incorporating the former Motel 6 site onto the Tom's Truck Center property. He also spoke about the economic development projects occurring in the city with Westland Real Estate Group, Spectrum Development Group, and Coast to Coast Commercial Real Estate Group.

- Director of Police Services, Dino Torres spoke about the dedicated traffic enforcement that was put on hiatus for the past 2 years will be reinstated again in July of this year.
- Fire Chief Brent Hayward provided an update on the number of confirmed COVID-19 cases in Los Angeles County and surrounding cities. He also spoke about the completion of the CUPA Audit, which is an audit that is completed every 3 years for the certified/unified program agency. Lastly, he wished everyone a happy and safe 4th of July and noted that there has been an increase of calls regarding illegal fireworks.
- Director of Finance and Administrative Services, Travis Hickey spoke about the new fiscal year beginning on July 1st and thanked Finance staff for their assistance in completing the annual budget. He wished everyone a happy 4th of July and thanked the Director of Technology Services for his assistance at the meeting.
- Director of Community Services, Maricela Balderas spoke about the distribution of the July 4th Party Packs at local parks this coming weekend. She also highlighted Parks and Rec Month and the Virtual Soccer Program which kicked-off on June 22nd. She spoke about registration being open for the second session of the Virtual Summer Camp. She also announced the launch of the Library's Curbside Pickup service opening to great success. She also spoke about the summer reading program and literacy program being launched online. She also announced that Heritage Park opened for passive recreation on June 22 and also highlighted that Virtual Bingo has entered its third week on Zoom. Lastly, she provided an update on the Band Wheel's conservation at the Sculpture Garden and also provided an update on the increase of followers on the City's social media pages.

17. COUNCIL COMMENTS

Councilmember Rodriguez thanked City staff for all that they do and gave special thanks to medical personnel and first responders. She thanked fellow councilmembers for their donations towards the Allen House for Father's Day and wished everyone a happy and safe 4th of July.

Councilmember Trujillo thanked staff and first responders for all of their hard work.

Councilmember Zamora also thanked staff for their hard work. He acknowledged the hard work that first responders do and thanked all of those in attendance over Zoom. He also asked if today's meeting could be adjourned in memory of Josh Teutschman.

Mayor Pro Tem Mora spoke about attending the appreciation luncheon for California Highway Patrol officers and welcomed new employee Jesse Sira to the City. He also

thanked Community Services for stepping up their efforts in providing their services over Zoom. He thanked City staff and wished everyone a happy 4th of July. Lastly, he mentioned that resources are still available via SASSFA for those in need and to contact the Gus Velasco Neighborhood Center for more information.

Mayor Rounds thanked staff for their commitment in putting the budget together. He also thanked fellow councilmembers in taping a special message for 4th of July and asked everyone to complete their Census responses. He expressed his excitement for the upcoming projects in the City and also acknowledged the assistance of the local CHP office to the Whittier Police Department during the demonstrations. Lastly, he thanked all of the City employees for their hard work.

CLOSED SESSION

18. THREAT TO PUBLIC SERVICES OR FACILITIES

(Pursuant to California Government Code Section 54957)

Consultation with: Fire Chief, Police Chief and Captain, Director of Police Services, City Attorney

CLOSED SESSION

19. CONFERENCE WITH LABOR NEGOTIATORS

(Pursuant to California Government Code Section 54957.6)

Agency Designated Representatives: City Manager, Director of Finance, Human Resources Manager, Labor Negotiator

Employee Organizations: Santa Fe Springs City Employees' Association and Santa Fe Springs Firefighters' Association

CLOSED SESSION

20. CONFERENCE WITH LABOR NEGOTIATORS

(Pursuant to California Government Code Section 54957.6)

Agency Designated Representatives: City Manager, Labor Negotiator

Employee Organization: Santa Fe Springs Executive, Management and Confidential Employees' Association

CLOSED SESSION

21. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government Code Section 54956.9(d)(4): Two Cases

Mayor Rounds recessed the meeting at 6:49 p.m.

Mayor Rounds reconvened the meeting at 9:06 p.m.

22. CLOSED SESSION REPORT

City Attorney, Ivy M. Tsai provided a report on the closed session item: Direction was given to staff and no reportable action was taken.

23. ADJOURNMENT

Mayor Rounds adjourned the meeting at 9:07 p.m. in memory of John Pulice, Josh Teutschman, and former Councilmember Ronald S. Kernes.

William K. Rounds
Mayor

ATTEST:

Janet Martinez
City Clerk

Date



City of Santa Fe Springs

City Council Meeting

ITEM NO. 10B

July 23, 2020

CONSENT AGENDA

General Motion to Waive Full Reading and Read Ordinance by Title Only Pursuant to California Government Code Section 36934

RECOMMENDATION(S)

- Approve a general motion to waive full reading and read Ordinance titles only, pursuant to California Government Code Section 36934.

BACKGROUND

In order to expedite the conduct of business at City Council meetings, California State Law (California Government Code Section 36934) allows Ordinances to be read by title if a majority of the legislative body supports the motion to waive the full reading.

A handwritten signature in blue ink, appearing to read "Raymond R. Cruz".

Raymond R. Cruz
City Manager

Attachment(s):

None

**City of Santa Fe Springs**

City Council Meeting

July 23, 2020

PUBLIC HEARING**Confirmation of 2019/20 Weed Abatement Charges****RECOMMENDATION(S)**

- Open the Public Hearing;
- Receive any comments from the public wishing to speak on this matter and thereafter close the Public Hearing;
- Confirm the charges listed in the Los Angeles County Agricultural Commissioner's 2019/20 Weed Abatement Assessment Roll and instruct the County Auditor to enter the amounts of these assessments against the respective parcels of land as they appear on the current assessment roll.

BACKGROUND

The City Council is being asked to confirm assessments against property for weed abatement charges. A copy of the Los Angeles County Agricultural Commissioner's 2019/2020 Weed Abatement Assessment Roll has been posted in City Hall since July 13, 2020.

The attached notice of charges was sent to all Santa Fe Springs property owners listed on the roll.

The Council should hear from anyone who wants to speak on this item. A representative of the County of Los Angeles Agricultural Commission will be in remote attendance to answer any questions you might have.

A handwritten signature in blue ink, appearing to read "Raymond R. Cruz".

Raymond R. Cruz
City Manager

Attachment(s):

1. Los Angeles County Weed Abatement Charge List

CITY OF SANTA FE SPRINGS
WEED ABATEMENT CHARGES

July 7, 2020

KEY	MAPBOOK	PAGE	PARCEL	ZONE	CITY CODE	CHARGES
8	8002	019	042	05	623	44.65
8	8005	012	027	05	623	44.65
8	8005	012	047	05	623	44.65
8	8005	015	046	05	623	44.65
8	8009	001	095	05	623	44.65
8	8009	001	097	05	623	44.65
8	8009	001	098	05	623	44.65
8	8009	001	101	05	623	44.65
8	8009	004	078	05	623	44.65
8	8009	004	079	05	623	44.65
8	8009	004	116	05	623	44.65
8	8009	004	117	05	623	44.65
8	8009	004	118	05	623	44.65
8	8009	004	119	05	623	44.65
8	8009	004	127	05	623	44.65
8	8009	004	128	05	623	44.65
8	8009	022	071	05	623	44.65
8	8011	004	031	05	623	44.65
8	8011	004	058	05	623	44.65
8	8011	004	064	05	623	44.65
8	8011	005	013	05	623	44.65
8	8011	005	034	05	623	44.65
8	8011	007	026	05	623	44.65
8	8011	007	027	05	623	44.65
8	8011	007	028	05	623	44.65
8	8011	007	029	05	623	44.65
8	8011	007	038	05	623	44.65
8	8011	007	040	05	623	44.65
8	8011	007	041	05	623	44.65
8	8011	007	056	05	623	44.65
8	8011	015	041	05	623	44.65
8	8011	017	015	05	623	44.65
8	8011	017	035	05	623	44.65
8	8011	017	036	05	623	44.65
8	8011	017	037	05	623	44.65
8	8011	017	064	05	623	44.65
8	8059	001	017	05	623	44.65
8	8059	029	016	05	623	44.65
8	8069	006	044	05	623	44.65
8	8069	016	032	05	623	44.65
8	8167	002	025	05	623	44.65
8	8167	002	026	05	623	44.65
8	8167	002	051	05	623	44.65
8	8167	002	052	05	623	44.65
8	8167	002	053	05	623	44.65
8	8168	001	048	05	623	44.65

CITY OF SANTA FE SPRINGS
WEED ABATEMENT CHARGES

July 7, 2020

KEY	MAPBOOK	PAGE	PARCEL	ZONE	CITY CODE	CHARGES
8	8168	001	050	05	623	44.65
8	8168	001	051	05	623	44.65
8	8168	009	030	05	623	44.65
8	8168	022	036	05	623	44.65
8	8168	023	048	05	623	44.65
8	8178	004	065	05	623	44.65
TOTAL IMPROVED PARCELS =			0	TOTAL CHARGE		\$0.00
TOTAL UNIMPROVED PARCELS =			0	TOTAL CHARGE		\$0.00
TOTAL INSPECTION FEE ONLY PCLS =			52	TOTAL CHARGE		\$2,321.80
TOTAL PARCELS			52	TOTAL CHARGE		\$2,321.80



PUBLIC HEARING

Consideration of an appeal of a Planning Commission denial, filed by Becker Boards, involving an application for a Conditional Use Permit (CUP Case No. 795), five (5) Zone Variance (ZV Case Nos. 82 and 84-87) and a Development Agreement (DA 01-2020) on a parcel located at 13539 Freeway Drive (APN: 8069-016-006)

RECOMMENDATIONS

- Open the Public Hearing and receive any comments from the public regarding the appeal of the denial by the Planning Commission of Conditional Use Permit Case No. 795, Zone Variance Case Nos. 82 and 84-87 and Development Agreement 01-2020, and thereafter close the public hearing; and
- Consider the information presented in this report and any public testimony obtained through this Public Hearing, in combination with the February 12, 2020 Planning Commission staff report, approved minutes, adopted resolution, and previous presentations provided by Staff and Joseph White, which collectively provide the necessary background and context; and
- Find that the applicant's CUP request does not meet the necessary criteria set forth in §155.716 of the City's Zoning Ordinance for the granting of a Conditional Use Permit; and
- Find that the applicant's project does not meet the necessary finding set forth in §155.384 (C) of the City's Zoning Ordinance for the granting of a Conditional Use Permit for a billboard project; and
- Find that the applicant has not adequately demonstrated that the required conditions for approval of a Variance can be found for the subject billboard project, as set forth in §155.675 of the City of Santa Fe Springs Zoning Ordinance; and
- Uphold the Planning Commission's decision and deny Conditional Use Permit Case No. 795; Zone Variance Case No. 82, Zone Variance Case Nos. 84-87; and Development Agreement No. 01- 2020; and
- Find and determine that pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, the project is Exempt from CEQA since no project is being recommended for approval at this time; and
- Adopt Resolution No. 9686, which incorporates the City Council findings and actions regarding this matter.

BACKGROUND

On February 13, 2020, the City Clerk's office received a formal appeal of the Planning Commission's actions relating to the subject applications on property located at 13539 Freeway Drive. The appeal, submitted by Becker Boards, was received within the 14-day appeal period, as specified in Section 155.865 of the City's Zoning Ordinance.

On March 12, 2020, in accordance with Section 155.866 of the City's Zoning Ordinance, the City Council unanimously voted in favor of setting the appeal matter as a public hearing before itself. The public hearing was originally scheduled for the April 9th City Council meeting to allow the City Council to consider the subject appeal. However, due to health concerns and travel limitations surrounding the Covid-19 (coronavirus) outbreak, the appellant has continued to request that the matter be postponed. Understanding that we are in unprecedented times, the appellant has been provided with a total of four (4) postponements to date. The first postponement had delayed the public hearing until the May 28, 2020 City Council meeting, the second was to the June 11, 2020 City Council Meeting, the third was to the June 25, 2020 City Council Meeting, and the fourth was to the July 23, 2020 City Council Meeting.

Although staff received another request from Becker Boards on June 30, 2020 to seek further postponement, as stated in staff's previous report to the City Council on June 25, 2020, staff moved forward with setting the matter for a public hearing at tonight's City Council meeting. As you may recall from the previous staff report, staff recently spoke to the City Attorney's office to confirm if there were any legal concerns surrounding the ongoing postponement of the subject appeal. While the Assistant City Attorney concluded that the City Ordinance does not specify a time period in which a decision must be made, considering the amount of time that has lapsed since the appeal was filed, he recommended that we move forward with setting the matter for a public hearing to ensure that any further postponement of the appeal be decided by the City Council and no longer considered at staff level.

Since the public hearing for appeal has now been set, the City Council must first take one of the following actions:

1. Consider the applicant's request for further postponement, and continue the appeal matter to a future City Council meeting date; or
2. Reject the applicant's request for further postponement and move forward with the public hearing.

It should be noted that staff will have a presentation prepared and thus will be fully prepared for either scenario. In fact, while staff left the decision to the appellant and their team, staff did suggest that they be prepared for both scenarios as well.

LEGAL NOTICE OF PUBLIC HEARING

This matter was set for Public Hearing in accordance with the requirements of Sections 65090 through 65096 of the State Planning, Zoning and Development Laws and the requirements of Sections 155.860 through 155.866 of the City's Municipal Code.

Legal notice of the Public Hearing for the proposed project was sent by first class mail on July 9, 2019 to all property owners whose names and addresses appear on the latest County Assessor's Roll within 500 feet of the exterior boundaries of the subject property. The legal notice was also posted in the City's Town Center kiosk on July 9, 2019, and published in a newspaper of general circulation (Whittier Daily News) on July 11, 2019 as required by the State Zoning and Development Laws and by the City's Zoning Ordinance. As of the date of this report, staff has not received any comments and/or inquiries regarding the subject appeal aside from the representatives for the property to the north who have continued to request for updates on the appeal. It should be noted that they also spoke in opposition of the project when it went before the Planning Commission in January.

CONSIDERATIONS FOR APPEAL

Should the City Council reject the applicant's request for further postponement and move forward with the public hearing, below are items that staff believes should be considered:

A. Project Overview

The applicant, Becker Boards, proposes to construct and operate a new 50-foot tall V-shaped digital billboard with 14' x 48' display areas, on property located at 13539 Freeway Drive (APN: 8069-016-006), within the M-2 FOZ (Heavy Manufacturing – Freeway Overlay Zone) zone.

B. Necessary Approvals

In addition to the need for an Outdoor Advertisement Display (OAD) Permit by the California Department of Transportation, the project involves the following entitlements:

Conditional Use Permit (CUP) Case No. 795: A request to allow the construction and operation of a new 50-foot tall V-shaped digital billboard with 14' x 48' display areas on the subject property, within the M-2 FOZ (Heavy Manufacturing – Freeway Overlay Zone) zone; and.

Zone Variance (ZV) Case No. 82: A request to allow the subject digital billboard to project over the roof of a building contrary to the provisions as set forth in Section 155.384 (E)(1) of the City's Zoning Regulations; and

Zone Variance (ZV) Case No. 84: A request to allow the subject digital billboard to be located less than 25' from the front property line contrary to the provisions as set forth in Section 155.384 (H)(6) of the City's Zoning Regulations; and

Zone Variance (ZV) Case No. 85: A request to allow the subject digital billboard to be located less than 25' from the side property line contrary to the provisions as set forth in Section 155.384 (H)(6) of the City's Zoning Regulations; and

Zone Variance (ZV) Case No. 86: A request to allow the subject digital billboard to be located less than 25' from the adjacent building contrary to the provisions as set forth in Section 155.384 (H)(6) of the City's Zoning Regulations; and

Zone Variance (ZV) Case No. 87: A request to allow the removal of an existing on-site tree in order to locate the subject digital billboard as currently prohibited by Section 155.384 (I)(3) of the City's Zoning Regulations.

Development Agreement (DA) No. 01-2020: A Development Agreement by and between the City of Santa Fe Springs and Becker Boards which would set forth the rules and regulations under which the proposed billboard would be allowed.

It should be noted that Staff did not require the applicant to move forward with the subject Development Agreement. Efforts to prepare the Development Agreement were initiated by, and at the request of, the applicant. Since staff was not in support of the project, as proposed, it was not necessary to prepare a Development Agreement at that time.

C. Relevant Code Sections from the City's Zoning Ordinance

Pursuant to Section 155.384 (A) of the City's Zoning Ordinance, billboards are allowed for properties in the FOZ only after a valid Conditional Use Permit has first been obtained, and subject to approval of a Development Agreement.

Section 155.384 (A)

Section 155.384 Billboards

(A) *Use Regulations.* Billboards shall be allowed in the FOZ not more than 200 feet from the centerline of the freeway and only after a valid conditional use permit has first been obtained and a development agreement has been approved. A conditional use permit shall be obtained and a development agreement shall be entered into prior to the issuance of a building permit for any project involving construction of a new billboard, expansion or modification of a billboard, or addition of additional face(s) to a billboard. A development agreement shall include the amount of money to be paid to the city as a result of the installation and operation of the billboard.

As proposed, the subject billboard requires a total of five (5) Zone Variances to Sections 155.384 (E)(1), 155.384 (H)(6), and 155.384 (I)(3) of the City's Zoning Ordinance.

Section 155.384 (E)(1)

Section 155.384 Billboards

(E) *Locations prohibited*

1. On the roof of a building or projecting over the roof of a building, whether the building is in use or not.

Section 155.384 (H)(6)

Section 155.384 Billboards

(H) *General Requirements*

6. *Minimum setback.* The minimum setback distance of the billboard column support post shall be at least 25 feet from any property line and at least 25 feet from any building. Notwithstanding, no portion of a billboard shall project over the width of any street, highway or other public right-of-way.

Section 155.384 (I)(3)

Section 155.384 Billboards

(I) *Standards of Design*

3. The installation of any new billboard shall not require the removal of trees or other on-site landscaping or the reduction of any required on-site parking spaces.

The City Council should note that, although there are three code sections mentioned above, as proposed, the project requires a total of five variances because of the need for three separate variances related to Section 155.384 (H)(6): a variance to reduce the distance of the column support from the front property line, a variance to reduce the distance of the column support from the side property line, and a variance to reduce the minimum distance of the column support from an adjacent building.

D. History of Billboard Ordinance

In 2012, in response to a request from Golden Springs Development Company to construct a static and digital billboard on their property at the northeast corner of Marquardt Avenue and Freeway Drive, and because the existing City Code did not address "digital" billboards, the City adopted Ordinance No. 1036 to establish regulations for new billboards within the Freeway Overlay Zone. The intent of the regulations was to prevent and relieve needless distraction and aesthetic clutter resulting from excessive and confusing sign displays; to promote traffic safety; to safeguard and enhance property values; and to promote the public safety and general welfare. Before formulating Ordinance No. 1036, the City looked to several other cities, including but not limited to, Carson, Inglewood, Berkley, Commerce, Compton, Corona, Inglewood, Long

Beach, and Mission Viejo, for guidance. At the time, these cities had either adopted or were in the process of adopting a digital billboard ordinance.

The research of other cities revealed that without proper controls such as quantity, height, size, location, and prescribed operating and aesthetic standards, billboards could have significant adverse influence on the city's visual environment. As a result, staff sought to ensure that the city's billboard ordinance provided proper controls, while recognizing that community appearance is an important factor in ensuring the general community welfare.

In addition to typical billboard regulations, key elements of the adopted ordinance included the following additional controls:

- 1) Limiting billboards to the FOZ;
- 2) Requiring a Conditional Use Permit and Development Agreement for all new billboards and expansion of existing billboards;
- 3) Limiting the placement of billboards to properties with a minimum area of 5-acres;
- 4) Defining and providing regulation for supergraphics and mobile billboards;
- 5) Establishing a minimum distance between billboards; and
- 6) Limiting the contents of messages beyond sexually explicit materials, alcohol and tobacco advertising.

Subsequently, in 2018, after re-evaluating the impacts from the six billboards that had been approved and four billboards that were constructed to-date, considering the new trends observed in other cities, as well as considering the potential remaining sites along the FOZ that would have qualified for a new billboard, the city adopted Ordinance No. 1092 to update the city's existing billboard ordinance. Key elements of the revised ordinance included the following:

- 1) Removal of the 5-acre minimum;
- 2) Discontinue allowing static billboards but allowing existing static billboards (approved by CUP) to remain indefinitely (similar to the Telegraph Road Corridor uses);
- 3) Expand the 500' separation between billboards on same parcels to include separation from existing freestanding signs;
- 4) Prohibit billboards from locating more than 200 feet from the centerline of the Freeway;
- 5) Provide standards for architectural elements (2' on sides and bottom, 6' on top – of sign face), also known as "cutouts" among the billboard industry;

- 6) Require proper screening of cylindrical column and torsion bar; and
- 7) Established criteria for V-shaped billboards.

Like all other aspects of planning and zoning, staff fully expects that future trends will likely trigger another revision to the City's billboard ordinance. Until that trend materializes, staff firmly believes that the existing billboard ordinance which was amended this past year, provides reasonable billboard control, while recognizing that community appearance is an important factor in ensuring the general community welfare.

E. Criteria for Granting a Conditional Use Permit

The City Council should note that in accordance with Section 155.716 of the City's Zoning Ordinance, before granting a Conditional Use Permit, the Council shall:

- 1) Satisfy itself that the proposed use will not be detrimental to persons or property in the immediate vicinity and will not adversely affect the city in general; and
- 2) Give due consideration to the appearance of any proposed structure and may require revised architectural treatment if deemed necessary to preserve the general appearance and welfare of the community.

In addition, pursuant to Section 155.384 (C) of the City of Santa Fe Springs Zoning Ordinance, the City Council shall:

- 1) Not approve a conditional use permit for any billboard project unless it can make a finding that the billboard will not constitute a hazard to the safe and efficient operation of vehicles upon a street or freeway

F. Criteria for Granting a Zone Variance

The Commission should note that in accordance with Section 155.675 of the City's Zoning Ordinance, before granting a Zone Variance, the Commission/Council shall satisfy itself that the applicant has shown that all of the following conditions shall apply:

- 1) That there are exceptional or extraordinary circumstances or conditions applicable to the property or to the intended use that do not apply generally to other properties or uses in the same vicinity and zone; and

- 2) That such variance is necessary for the preservation and enjoyment of a substantial property right possessed by other properties in the same vicinity and zone district, but which is denied to the property in questions; and
- 3) That the granting of such variance will not be detrimental to the public welfare or injurious to the property or improvements of others in the vicinity; and
- 4) That the granting of such variance will not adversely affect the master plan of the City.

G. Planning Commission Action and Determination

After an in-depth discussion of the issues presented (by both Staff and the appellant, Joseph White), consideration of the facts contained in the oral and written report reports and related attachments, and consideration of all comments made by the public (which included two individuals representing Tom's Truck Center who spoke in opposition to the project), the Planning Commission voted (4-0) to adopt Resolution No. 150-2020 and effectively denying CUP 795, ZV 82, ZV 84-87, & DA 01-2020. It should be noted that Commissioner Carbajal abstained from voting on the matter. A copy of Planning Commission minutes and resolution (Resolution No. 150-2020) are provided as an attachment to this report.

H. Appellant Stated Grounds for Appeal

While the appellant did submit a formal appeal within the 14-day appeal period, as specified in Section 155.865 of the City's Zoning Ordinance, the City Council should note that said appeal letter did not state any specific grounds for the appeal. Generally speaking, an appeal of a decision is typically accompanied by precise reasons for why the appeal was filed. The appellant, in this particular case, simply requested that the matter be presented to the City Council.

I. Staff Analysis of the Appeal

Staff believes the City Council should deny the appeal and uphold the Planning Commission's denial of Conditional Use Permit Case No. 795, Zone Variance Case No. 82, Zone Variance Case Nos. 84-87, & Development Agreement No 01-2020, for the following reasons:

1) Substantial Non-Compliance with City's Billboard Ordinance

Prior to Ordinance No. 1036, billboards were not allowed within the Freeway Overlay Zone. Ordinance No. 1036 and subsequent amendments, established specific requirements under which billboards would be allowed. For a billboard to be allowed, it first needed to be in

compliance with all the requirements established by the ordinance. Only then would a billboard be allowed.

It is staff's opinion that the location of billboards should be selected based on the existing code regulations rather than selecting a location and working backwards to obtain necessary variances from the Code. Although the applicant has reduced the number of Zone Variances from a total of six variances initially to the five that still remain, there is still insufficient evidence to support the required findings necessary to approve the five Zone Variances related to the subject digital billboard project. Staff would agree that there are constraints surrounding the proposed project, such as the site's limited street frontage, location of the existing building and trees, and location of adjacent billboards, which do have a direct bearing on the site's suitability as defined in the City's billboard ordinance. It is important to note, however, that said constraints already existed when the applicant selected the subject property for their proposed billboard.

Although other previously approved billboards were granted variances to deviate from existing billboard regulations, none of said billboards had required or received more than two variances. To approve a billboard, or any type of development, which requires a total of five Zone Variances would be unprecedented. Additionally, the granting of multiple variances in the absence of sound findings that cannot be supported by evidence could result in a "de facto" amendment to the City's billboard ordinance.

It should also be noted that a variance to allow the proposed billboard to be constructed over an existing building is not only an exception that has never been granted before but, in staff's opinion, would result in a significant aesthetic impact. The existing billboard ordinance specifically prohibits such designs because they do not portray the image that the City consistently strives to achieve for billboards. Moreover, any variances that are approved for the proposed billboard project would set a precedent for future requests.

In 2012, when Ordinance No. 1036 was adopted, from the Buena Park city limits to the city limits of Santa Fe Springs, there were approximately twelve billboards: eight on the south side of the freeway and four on the north. Staff looked at those billboards and observed that none had consistent heights, sign areas or column design. Some over-hanged buildings, and/or were constructed on top of buildings, and others had support columns of variance distances from the building. Ordinance No.

1036 was, in part, intended to address the chaotic mish-mash, haphazardness, and asymmetrical design that was observed.

2) Adverse Impact on Public Health and Safety

There are several goals and policies within the City's existing General Plan that are intended to ensure that land use decisions consider incompatible uses along with potential crime and traffic safety impacts. As proposed, the subject billboard project is not consistent with said goals and policies as follows:

- Goal 4 of the General Plan Land Use Element states that "Where incompatible land uses are in proximity to one another, provide for buffering, transitional uses or other controls which will reduce the conflict to the maximum extent possible." The subject billboard does not provide the necessary setbacks as specified in the City's Zoning Ordinance nor does it provide the minimum 1,000-foot separation from another message center display as per the Outdoor Advertising Act section 5405(d)(1) which was intended to promote the public safety, health, welfare, convenience and enjoyment of public travel, to protect the public investment in such highways, to preserve the scenic beauty of lands bordering on such highways, and to insure that information in the specific interest of the traveling public is presented safely and effectively, recognizing that a reasonable freedom to advertise is necessary to attain such objectives.
- Policy 9.1 of the General Plan Safety Element states that "City land use planning policies and decisions will take into consideration the crime and traffic safety impacts of the uses." Since the proposed billboard does not comply with either the City's billboard ordinance or the California Business and Professions Code, which provides minimum standards to not only minimize aesthetic impacts but also help prevent unsafe distractions to drivers, the Commission, therefore, finds that traffic safety impacts related to the subject billboard have not been adequately addressed.
- Goal 10.1 of the General Plan Safety Element states that the City shall "Continue to protect the Santa Fe Springs community from the loss of life and property from crime or traffic hazards." Again, given that the proposed billboard does not comply with either the City's billboard ordinance or the California Business and Professions Code, which are in place to help minimize unsafe distractions to drivers, the Commission finds that the subject

billboard could be a traffic hazard which has the potential to result in the loss of life and property.

3) California Environmental Quality Act (CEQA) Impasse

Although it was initially determined by the city, as the lead agency, that an MND would need to be prepared for the project, Becker Boards submitted an Initial Study to the City in support of a Negative Declaration. Rather than dismissing their findings, staff asked the City's environmental consultant, Blodgett Baylosis Environmental Planning (BBEP) to peer review the Initial Study. After careful review, BBEP concluded that the potential impacts for three key areas: aesthetics, biology, and land use, would require mitigation, due to the nature and extent of the requested Variances, to lessen or eliminate potentially significant impacts. The rationale for this conclusion was based on the following:

- The conclusion to finding C of Aesthetics impacts: A determination that the project's potential for conflicting "with the applicable zoning and other regulations governing scenic quality" as having a *Less than Significant Impact* could not be supported given the number and extent of the requested variances. Mitigation measures that would be effective in reducing these potential impacts (i.e. ensuring conformity with the City's regulations) must be clearly identified.
- The conclusion to finding E of Biological Resources impacts: A determination that the project's potential impact for conflicting "with local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance" as having *No Impact* could not be supported given that tree removal is not permitted pursuant to the billboard ordinance. Since the project will require the removal of an existing tree, the finding of *No Impact* is not accurate. Nevertheless, in this case, it was conveyed that an appropriate mitigation measure is possible; for example, some form of tree replacement.
- The conclusion to finding B of Land Use impacts: A determination that the project's potential for conflicting "with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect" as having a *Less Than Significant Impact* could not be supported given that the specific sections of the City's billboard ordinance where variances are being requested are expressly designed to avoid an impact related to the construction and/or operation of a billboard. Therefore, the

concluding statement that, "Implementation of the proposed Project would result in less-than-significant impacts due to land use and planning considerations; accordingly, mitigation measures are not required" cannot be supported without evidence provided in the CEQA document.

It is important to note that no specific mitigation measures were identified within the initial Negative Declaration, by the applicant. In several meetings with the Applicant and their representatives, however, concerns were expressed that mitigation for Aesthetics and Land Use may not be possible. Absent any effective mitigation measures, an EIR would be needed so that a "statement of overriding considerations" could be adopted by the City Council as part of the certification of the Final EIR. The applicant subsequently submitted an Initial Study in support of a Mitigated Negative Declaration (proposed IS/MND is attached as an exhibit to the February 12, 2020 Planning Commission report). Said IS/MND was reviewed by City staff, BBEP, and the City Attorney's office and a determination was made that the document lacked clear, effective, and enforceable mitigation measures that would be effective in addressing the potentially significant environmental impacts. In summary, absent clear and enforceable mitigation measures that would be effective in addressing the significant environmental impacts, it was concluded that an EIR (in this case a Focused EIR) would be needed.

Since the applicant did not agree with that conclusion, and there was an apparent impasse, City staff and BBEP suggested that to move the project forward that it be presented to the Planning Commission with a determination that an action to deny the project would meet the "common sense" exemption as outlined in Section 15061(b)(3) of the CEQA Guidelines. Said section states that a project is exempt from CEQA if "...it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment..." Since the project was not being recommended for approval, the exemption identified could be applied to such action to deny the project. The Planning Commission's denial of CUP 795, ZV 82, ZV 84-87, & DA 01-2020, therefore, also included a determination that the project is Exempt from CEQA.

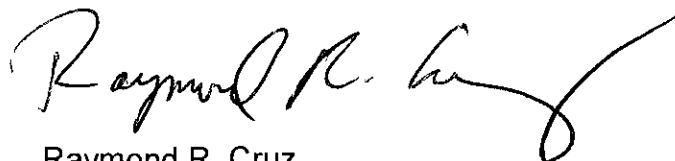
Unless the City Council decides to approve the project, similar to the determination made by the Planning Commission, the City Council may also determine that the project is Exempt from CEQA since no project is being recommended at this time. On the other hand, if the City Council decides to approve the project, a concurrent determination must be made

on the appropriate CEQA document for the subject billboard project.

CITY COUNCIL ALTERNATIVES

In consideration of the filed appeal, the following alternative are available to the City Council:

- A. Adopt resolution (Resolution No. 9686) to deny the appeal, and uphold the Planning Commission's denial of CUP 795, ZV 82, ZV 84-87, & DA 01-2020 and determination that the project is Exempt from CEQA since no project is being recommended for approval at this time;
- B. Direct staff to return with a resolution for project approval, in support of the appeal filed by Becker Boards, with necessary findings and CEQA documents indicated by the City Council;
- C. Request that additional information by staff and/or the applicant be provided and, thereafter, present said information to the City Council for consideration before a determination of appeal is made.
- D. Direct staff to amend certain sections of the City's Billboard Ordinance as indicated by the City Council and, thereafter, return with a resolution for project approval with necessary findings and CEQA documents.



Raymond R. Cruz
City Manager

Attachments:

- 1. Appeal letter by Joseph White
- 2. June 30, 2020 e-mail from Danielle Hayman – Becker Boards
- 3. February 12, 2020 Planning Commission staff report – includes IS/MND and DA proposed by Becker Boards
- 4. Staff presentation to Planning Commissioners
- 5. Joseph White presentation to Planning Commissioners
- 6. February 12, 2020 Planning Commission – Approved minutes
- 7. Resolution No. 150-2020 – Planning Commission's findings and actions
- 8. Resolution No. 9686 - City Council's findings and actions
 - A. Signed PC Resolution (No. 150-2020)

**ATTACHMENTS UNDER
SEPARATE COVER**



City of Santa Fe Springs

City Council Meeting

ITEM NO. 13

July 23, 2020

PUBLIC HEARING

Resolution No. 9688– Levy Annual Assessments for City of Santa Fe Springs Lighting District No. 1 (FY 2020/21)

RECOMMENDATION

- Open the Public Hearing;
- Receive any comments from the public wishing to speak on this matter and thereafter close the Public Hearing;
- Adopt Resolution No. 9688 confirming the diagram and assessment, and providing for annual assessment levy; and
- Authorize the Director of Finance to execute all documents necessary with the County of Los Angeles in order to process the collection of assessments related to Lighting District No. 1 for FY 2020/21.

BACKGROUND

At the Council meeting of June 25, 2020, the City Council adopted Resolution No. 9680 declaring its intention to provide an annual levy and collection of assessments for certain maintenance in an existing district. Resolution No. 9639 also set the Public Hearing for 6:00 p.m. on July 23, 2020, and a notice was published in the Whittier Daily News.

The net assessment to be distributed over the Lighting District for fiscal year 2020/21 is \$195,614. This sum shall be assessed according to the benefits received by properties located within Lighting District No. 1. The methodology for distribution of assessments and the assessment rates over the Lighting District comply with the requirements of State Proposition 218.

FISCAL IMPACT

By special benefit assessments, the Lighting District provides a portion of the funding for the installation, maintenance and operation of the street lighting system in the City of Santa Fe Springs.

INFRASTRUCTURE IMPACT


The Lighting District provides for increased safety on the roadway, greater visibility for pedestrians and motorists at night and enhanced security, to name a few benefits.


Raymond R. Cruz
City Manager

Attachments:

Attachment No. 1: Resolution No. 9688

Attachment No. 2: Lighting District No. 1 Boundary Map

Report Submitted By: Noe Negrete, Director 
Department of Public Works

Date of Report: July 16, 2020

RESOLUTION NO. 9688

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS,
CALIFORNIA, CONFIRMING A DIAGRAM AND ASSESSMENT AND PROVIDING FOR
ANNUAL ASSESSMENT LEVY**

WHEREAS, the City Council has initiated for the annual levy of the assessments for a lighting district pursuant to the terms and provisions of the "Landscaping and Lighting Act of 1972" being Part 2 of Division 15 of the Streets and Highways Code of the State of California, in a district known and designated as:

**CITY OF SANTA FE SPRINGS
LIGHTING DISTRICT No. 1**

WHEREAS, the City Council has ordered the preparation of a report and the City Engineer has prepared and filed with this City Council a report pursuant to law for its consideration and subsequently thereto, this City Council did adopt its Resolution of Intention to levy and collect assessments for the next ensuing fiscal year relating to the above-referenced District, and further did proceed to give notice of the time and place for a Public Hearing on all matters relating to said annual levy of the proposed assessment; and

WHEREAS, at this time, this City Council has heard all testimony and evidence and is desirous of proceeding with said annual levy of assessments.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES HEREBY RESOLVE AS FOLLOWS:

Section 1: That the above recitals are true and correct.

Section 2: That upon the conclusion of the Public Hearing, written protests filed, and not withdrawn, did not represent property owners owning more than fifty percent (50%) of the area of assessable lands within the District, and all protests are overruled and denied.

Section 3: That this City Council hereby confirms the diagram and assessment as submitted and orders the annual levy of the assessment for the fiscal year and in the amounts as set forth in the Engineer's Report and as referred to in the Resolution of Intention as previously adopted relating to said annual assessment levy.

Section 4: That the diagram and assessment as set forth and contained in said Engineer's Report are hereby confirmed and adopted by this City Council.

Section 5: That the adoption of this Resolution constitutes the levy of the assessment for the fiscal year.

Section 6: That the estimates of costs, the assessment diagram, the assessments and all other matters, as set forth in the Engineer's Report," pursuant to said "Landscaping and Lighting Act of 1972," as submitted, are hereby approved, adopted by this City Council and hereby confirmed.

Section 7: That the maintenance works of improvements contemplated by the Resolution of Intention shall be performed pursuant to law and the County Auditor shall enter on the County Assessment Roll the amount of the Assessment, and said assessment shall then be collected at the same time and in the same manner as the County taxes are collected. After collection by said County, the net amount of the assessment shall be paid to the City Treasurer of said City.

Section 8: That the City Treasurer has previously established a special fund known as the

CITY OF SANTA FE SPRINGS
LIGHTING DISTRICT No. 1

into which the City Treasurer shall place all monies collected by the Tax Collector pursuant to the provisions of this Resolution and law, and said transfer shall be made and accomplished as soon as said monies have been made available to said City Treasurer.

Section 9: That the City Clerk is hereby ordered and directed to file a certified copy of this Resolution upon its adoption.

Section 10: That a certified copy of the assessment and diagram shall be filed in the Office of the City Engineer, with a duplicate copy on file in the office of the City Clerk and open for public inspection.

APPROVED and ADOPTED by the City Council of the City of Santa Fe Springs
at a regular meeting thereof this 23rd day of July, 2020, by the following vote:

AYES:

NOES:

ABSENT:

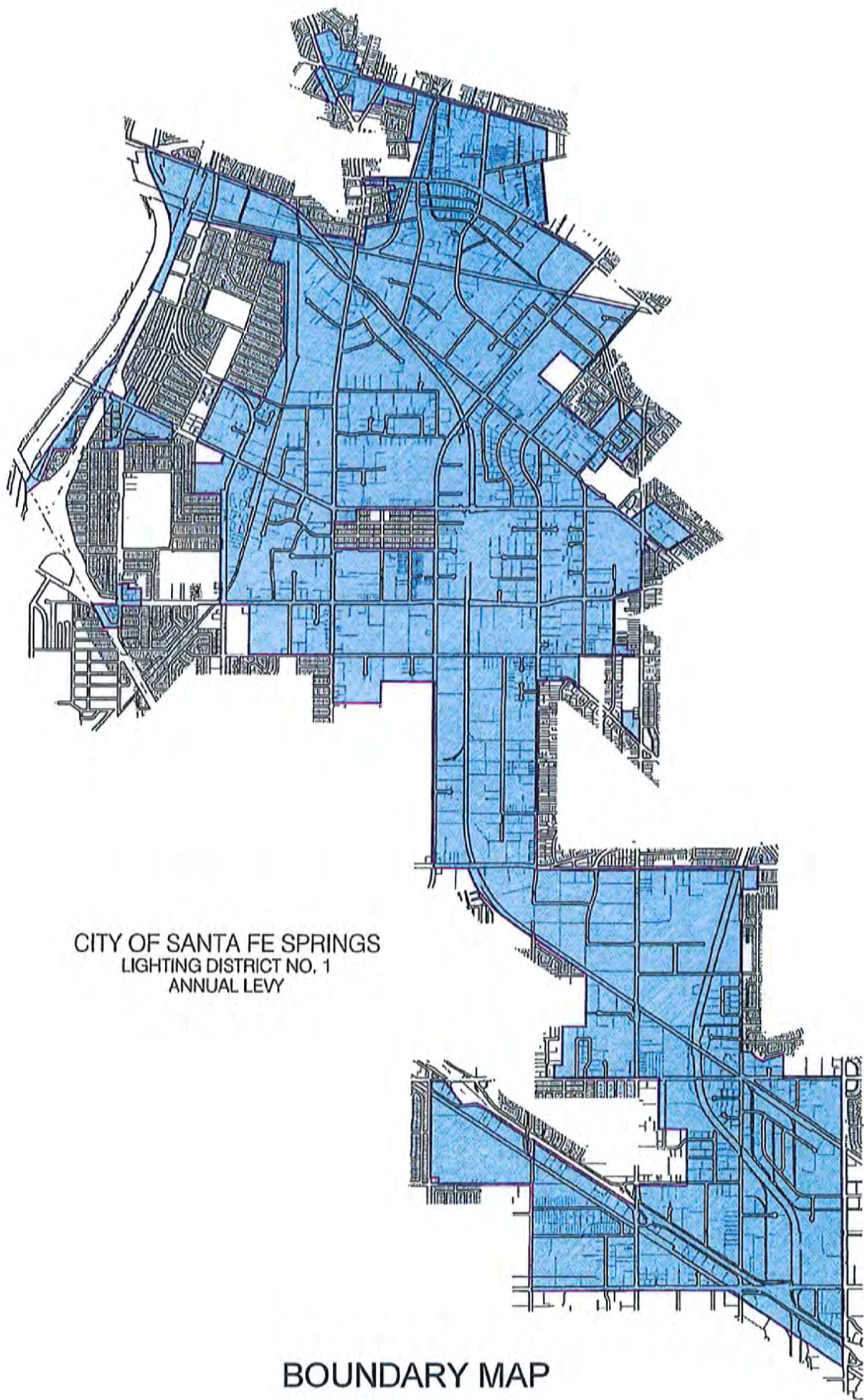
ABSTAIN:

CITY OF SANTA FE SPRINGS

By: _____
William K. Rounds, Mayor

ATTEST:

Janet Martinez, CMC, City Clerk



CITY OF SANTA FE SPRINGS
LIGHTING DISTRICT NO. 1
ANNUAL LEVY

BOUNDARY MAP



City of Santa Fe Springs

City Council Meeting

ITEM NO. 14

July 23, 2020

PUBLIC HEARING

Resolution No. 9689 – Levy Annual Assessments for Heritage Springs Assessment District No. 2001-1 (Hawkins Street and Palm Drive) FY 2020/21

RECOMMENDATION

- Open the Public Hearing;
- Receive any comments from the public wishing to speak on this matter and thereafter close the Public Hearing;
- Adopt Resolution No. 9689 confirming the diagram and assessment, and providing for annual assessment levy; and
- Authorize the Director of Finance to execute all documents necessary with the County of Los Angeles in order to process the collection of assessments related to Heritage Springs Assessment District No. 2001-1 (Hawkins Street and Palm Drive) for FY 2020/21.

BACKGROUND

On June 25, 2020, the City Council adopted Resolution No. 9682 declaring its intention to levy an assessment for street maintenance and repair of the streets located within the Heritage Springs Assessment District No. 2001-1. Resolution No. 9682 also set the Public Hearing for 6:00 p.m. on July 23, 2020, and a notice was published in the Whittier Daily News.

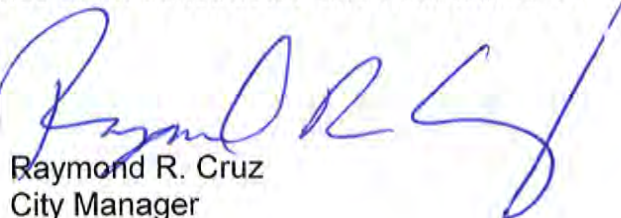
The net assessment to be distributed over the district for Fiscal Year 2020/21 is \$42,242. This sum shall be assessed according to the benefits received by properties located within the Heritage Springs Assessment District No. 2001-1. The methodology for distributing the assessments over the district complies with the requirements of State Proposition 218.

FISCAL IMPACT

The District has a positive financial impact on the City because a benefit assessment district is utilized to fund street maintenance costs that are attributable to the particular development, Heritage Springs.

INFRASTRUCTURE IMPACT

The infrastructure for this development has been constructed and maintained on a regular schedule.


Raymond R. Cruz
City Manager

Attachments:

Attachment No. 1: Resolution No. 9689

Attachment No. 2 Boundary Map

Report Submitted By: Noe Negrete, Director
Department of Public Works

Date of Report: July 16, 2020

RESOLUTION NO. 9689

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, DIRECTING THE LEVY OF ANNUAL ASSESSMENTS IN THE CITY OF SANTA FE SPRINGS HERITAGE SPRINGS ASSESSMENT DISTRICT 2001-1 FOR FISCAL YEAR 2020/2021

**CITY OF SANTA FE SPRINGS
Heritage Springs Assessment District 2001-1
(Hawkins Street and Palm Drive)**

RESOLVED, by the City Council (the "Council") of the City of Santa Fe Springs, County of Los Angeles, State of California, that:

WHEREAS, this Council has conducted proceedings under and pursuant to the Municipal Improvement Act of 1913, Division 12, California Streets and Highways Code (the "Act") and Resolution Ordering the Assessment District Formation No. 6642, adopted June 28, 2001 (the "Resolution of Formation"), to form the Heritage Springs Assessment District 2001-1 (the "Assessment District"), to authorize the levy of special assessment upon the lands within the Assessment District, to acquire and construct public streets and other improvements, all as described therein; and

WHEREAS, pursuant to Section 10100.8 of the Act and the Resolution of Intention, this Council is authorized to levy annual assessments (the "Assessments") for maintenance, repair or improvement, including all expenses required for resurfacing and repair to public streets (the "Maintenance") in and adjacent to the Assessment District to keep such acquisitions and improvements in fit operating condition which are ordinarily incurred no more frequently than every five years, of the acquisitions and improvements for the Assessment District; and

WHEREAS, under the Act, this Council and for the annual levy of the Assessments, on June 25, 2020, has adopted Resolution No. 9682, a Resolution of the City Council of the City of Santa Fe Springs of Intention to Levy Annual Assessments for the City of Santa Fe Springs Heritage Springs Assessment District 2001-1 for Fiscal Year 2020/2021 (the "Intention Resolution") and approved the Engineer's Report (the "Engineer's Report") prepared pursuant to the Act for purposes of the levy of assessments for Fiscal Year 2020/2021; and

WHEREAS, as specified in the Intention Resolution, and upon notice as required by the Act, this Council held a public hearing on the issue of the levy of the assessments for the Next Fiscal Year, and all persons desiring to be heard were given an opportunity to be heard, and all objections to the assessment were considered by this Council.

NOW, THEREFORE, IT IS ORDERED as follows:

1. Objections Overruled. The objections and protests against the annual levy of assessments for the Assessment District, as a whole or as to any part thereof, or against the estimate of costs and the assessments, in whole or in part, written and oral, are hereby overruled.
2. Public Interest. The public interest, convenience and necessity require the levy of annual assessments for the Assessment District.
3. District Described. The District specially benefited and to be assessed to pay the costs and expenses thereof, and the exterior boundaries thereof, are as shown by the assessment diagram thereof filed in the offices of the City Clerk, which map is made a part hereof by reference thereto.
4. Engineer's Report Approved. The Engineer's Report, in the form on file with the City Clerk and to which reference is hereby made for further particulars, including the estimates of costs and expenses, the apportionment of assessments and the assessment diagram contained in the Engineer's Report, was adopted on June 25, 2020 by Resolution No. 9681 shall stand as the Engineer's Report for FY 2020/2021.
5. Benefits Determined. Based on the oral and documentary evidence, including the Engineer's Report, offered and received at the public hearing, this Board expressly finds and determines that each of the several subdivisions of land in the Assessment District will be specially benefited.
6. Collection of Assessments. The assessments herein confirmed shall be collected in the same manner and upon the same roll as general taxes of the County of Los Angeles are collected. The Director of Finance and Administrative Services or other authorized official of the City is hereby authorized and directed to cause such collections to be made for the Next Fiscal Year.
7. Effective. This resolution shall take effect from and after its adoption.

PASSED and ADOPTED by the City Council of the City of Santa Fe Springs at a regular meeting thereof this 23rd day of July 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

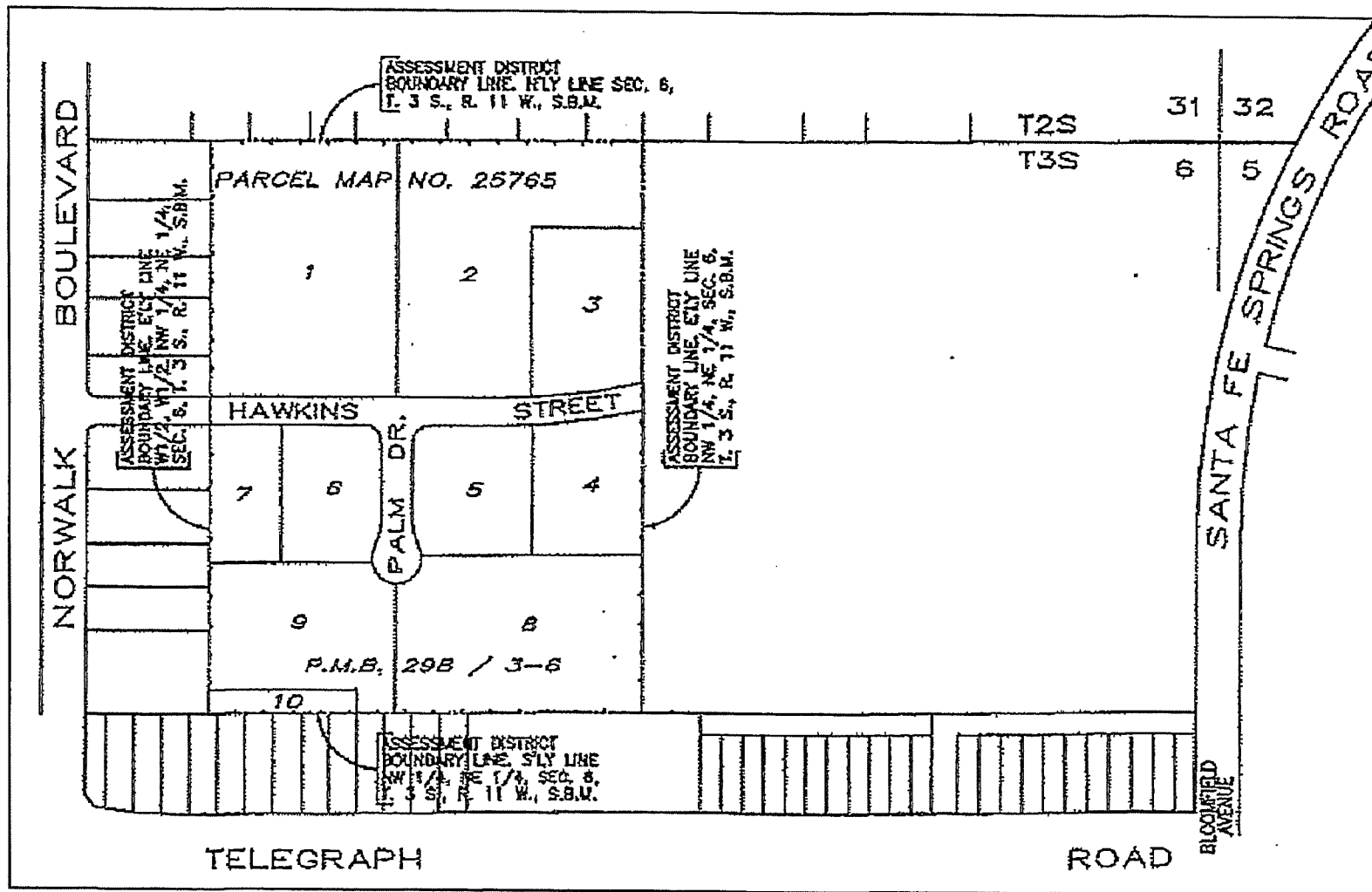
CITY OF SANTA FE SPRINGS

By: _____
William K. Rounds, Mayor

Janet Martinez, CMC, City Clerk

BOUNDARY MAP

HERITAGE SPRINGS ASSESSMENT DISTRICT 2001-1





City of Santa Fe Springs

City Council Meeting

ITEM NO. 15

July 23, 2020

PUBLIC HEARING

Ordinance No. 1113 – Public Hearing for Granting a Franchise to Park Water Company for Maintenance and Operation of Pipelines in City Streets

RECOMMENDATION

- Open the Public Hearing noted in Resolution No. 9683;
- Receive any comments from the public wishing to speak on this matter and thereafter close the Public Hearing; and
- Introduce Ordinance No. 1113, which would grant a franchise to Park Water Company.

BACKGROUND

Park Water Company is a private water purveyor that operates pipelines within the City of Santa Fe Springs. The area presently being served by Park Water Company is properties located along Firestone Boulevard from Bloomfield Avenue to west of Carmenita Road and Shoemaker Avenue from Firestone Boulevard to Excelsior Drive. Park Water Company has requested a renewal of their existing franchise with the City in order to continue operating their pipelines in the City and provide water service to specific properties within the City not served by the City of Santa Fe Springs Municipal Water System. Park Water Company was first granted a 25-year franchise in the City per Ordinance No. 613 approved by the City Council on March 13, 1982. This franchise was renewed per Ordinance 9248 in July 2010 and is scheduled to expire on July 6, 2020.

After reviewing Park Water Company's previous franchise, it is proposed to grant them a similar franchise incorporating the City's latest requirements:

1. The City reserves the right to revise the annual franchise fee following one year's written notice to Park Water Company.
2. The term of the franchise will be ten (10) years.
3. Annual franchise fee of 2% of gross annual receipts
4. Park Water Company shall pay to the City the franchise application fee of \$4670.
5. The proposed franchise provides for the method of abandonment of pipelines and the payment of a fee to the City of one-half the estimated cost of removal.
6. Park Water Company shall maintain an insurance policy at all times with minimum liability coverage of \$1,000,000 and also name the City as additional insured.

FISCAL IMPACT

The City will receive an annual franchise fee of 2% of gross annual receipts.

Report Submitted By:

Noe Negrete
Director of Public Works

Date of Report: July 16, 2020

INFRASTRUCTURE IMPACT

The Park Water Company franchise includes provisions for the removal or relocation of their facilities at their cost in the event of any change of grade, alignment or width of any street or the construction of any sewer, water, storm drain pipeline or other improvement initiated by the City of Santa Fe Springs.

Raymond R. Cruz
City Manager

Attachments:

Attachment No. 1: Ordinance No. 1113

ORDINANCE NO. 1113

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS,
CALIFORNIA GRANTING A FRANCHISE TO PARK WATER COMPANY IN THE CITY
OF SANTA FE SPRINGS**

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY
OF SANTA FE SPRINGS as follows:

Section 1: The franchise is hereby granted to Park Water Company, its successors and assigns, for a period of ten (10) years, to construct, maintain, operate, renew, repair, change the size of, remove and/or abandon in place pipelines for the transportation of water, together with all manholes, vaults, valves, communication cables, appurtenances and service connections used in connection therewith, necessary or convenient for the operation of such lines, in, under, along and across any and all public streets, alleys and highways now or hereafter dedicated to public use in the City of Santa Fe Springs.

Section 2. The Grantee shall, during the life of this franchise, pay to the City of Santa Fe Springs, in lawful money of the United States, and in the manner provided by law, an annual franchise fee of two percent (2%) of the gross annual receipts of the Grantee arising from the use, operation or possession of the franchise; provided, however, that such payment shall in no event be less than one percent (1%) of the gross annual receipts of the Grantee derived from the sale of water within the limits of the City. Any neglect, omission or refusal by said Grantee to pay said percentage, the Grantee shall pay a late charge of ten percent (10%) of the amount due, said ten percent (10%) being due on the forty-fifth (45th) day after the due date. In the event full payment of any rate, payment or fee including the ten percent (10%) late charge is not received within ninety (90) days after the due date, an assessment of interest shall accrue on the unpaid balance at one percent (1%) per month beginning on the ninety-first date after the due date.

The City reserves the right, upon one year's written notice to the Grantee, to revise the foregoing annual franchise fee to any fee or fee basis which is then allowable under the laws of the State of California and of the City. If the franchise fee as determined by the City is unacceptable to Grantee, Grantee shall have the right, upon six months advance written notice to City, to terminate this franchise. Any such change shall be prospective in operation.

Section 3. Abandonment of pipelines shall be done according to City specification. Said specification shall include that all above ground pipes, valves, etc., shall be removed, ends shall be plated after filling pipes with slurry sand, or other product as approved by the City Engineer, and a fee of one-half (½) the estimated cost of removal shall be paid to the City of Santa Fe Springs. The franchise holder shall then have no further responsibility for the abandoned facilities, nor shall Grantee pay any annual fees

for such facilities. If these conditions are not satisfied, the proposed abandoned facilities shall be considered as being deactivated and shall remain the responsibility of the Grantee, and shall remain on their records and maps and the annual fees shall be paid. In the event that such payment is not made, the City Council of the City of Santa Fe Springs may declare said franchise forfeited and Grantee shall pay to the City all costs for removal of the pipelines and appurtenances.

Section 4. This franchise is issued subject to and pursuant to the provisions of Chapter 114 of the Santa Fe Springs City Code entitled "Franchises," except as otherwise specified herein. Said Chapter 114 shall be deemed to be a part of any franchise granted hereunder.

Section 5. This franchise is subject to the provisions of the Franchise Act of 1937 (Sections 6201, et seq. of the Public Utilities Code of the State of California).

Section 6. Prior to the issuance of any excavation permit or the construction of any pipeline, the Grantee shall obtain approval from the Director of Public Works of the City. In granting or withholding such approval, the Director of Public Works shall take into consideration the following factors:

- (a) Whether or not the proposed route or location of the pipeline will create excessive problems during construction or during maintenance of said pipelines.
- (b) Traffic density along the proposed route.
- (c) The condition of existing pavement in the public right-of-way when pavement reconstruction is required for the installation of the proposed pipeline.
- (d) The density of population or structural development in the area through which the pipeline is proposed to be routed.
- (e) The extent of other subsurface structures in the vicinity of the proposed route.
- (f) The need for the City to install City facilities within the trench.

PASSED and ADOPTED this 23RD day of July, 2020, by the following called vote
at a regular meeting of the City Council of the City of Santa Fe Springs:

AYES:

NOES:

ABSENT:

WILLIAM K. ROUNDS, MAYOR

ATTEST:

JANET MARTINEZ, CITY CLERK



NEW BUSINESS

Introduction of an Ordinance Amending Chapter 110 (Regulation of Certain Businesses) Of Title XI (Business Regulations) and Chapter 130 (General Provisions) Of Title XIII (General Offenses) Of the Santa Fe Springs Municipal Code to Establish A Sidewalk Vending Program

RECOMMENDATION(S)

- Find that the adoption of this Ordinance is not a "project" under the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21065, and that it is exempt from the provisions of CEQA pursuant to CEQA Guidelines (14 Cal. Code. Regs. § 15000, et seq.) Section 15061(b)(3) (because it can be seen with certainty that the adoption of this Ordinance will not have an effect on the environment) such that no environmental review under CEQA is required.
- Introduce for first reading, by title only, Ordinance No. 1098 amending Section 110.50 of Chapter 110 (Regulation of Certain Businesses) of Title XI (Business Regulations) and amending Section 130.08 and repealing the Subchapter entitled Pushcart Vendors (Sections 130.9 through 130.16) of Chapter 130 (General Provisions) of Title XIII (General Offenses) of the Santa Fe Springs Municipal Code and Replacing it with a new Subchapter entitled Sidewalk Vendors (Sections 130.9 Through 130.17) relating to Sidewalk Vending.

BACKGROUND

Effective January 1, 2019, Senate Bill 946 ("SB 946") adds Chapter 6.2 to the portion of the Government Code applicable to the government of cities and counties. By its own terms, it applies to both general law and charter cities¹ and defines a "sidewalk vendor" as someone who "sells food or merchandise," on a sidewalk or pedestrian path, with or without a pushcart, stand or other conveyance.² It prohibits³ local agencies from regulating sidewalk vendors except in accordance with Government Code Sections 51038 and 51039, and provides that existing ordinances regulating sidewalk vendors remain valid so long as they substantially comply with SB 946.⁴

¹ Cal. Gov. Code § 51036(d).

² Cal. Gov. Code § 51036(a).

³ Cal. Gov. Code § 51037(a).

⁴ Cal. Gov. Code § 51037(c).

According to its authors, SB 946 was intended to increase economic opportunities to low-income and immigrant communities, increase access to culturally significant food and merchandise. To contribute to safe and dynamic public spaces, SB 946 limits local authority to regulate sidewalk vendors. Any local regulations on sidewalk vendors must comply with newly enacted state laws that generally limit local authority to impose regulations that are directly related to “objective health, safety or welfare concerns.” SB 946 also limits penalties for violating local regulations to administrative fines, but does allow cities to enact a permitting scheme and prohibit sidewalk vending near farmer’s markets, swap meets, and other events.

If a local agency adopts sidewalk vendor regulations, these regulations must comply with the following standards:

- The regulations cannot require the sidewalk vendor to only operate within specific parts of the public right of way except when the restriction is directly related to objective health, safety or welfare concerns.⁵
- The regulations cannot prohibit sidewalk vendors from operating in a public park, but the regulations can prohibit stationary sidewalk vending where the city already has an agreement with a third party for exclusive concessions inside the park. A city can also adopt reasonable time, manner and place restrictions inside public parks if the restrictions are directly related to objective health, safety or welfare concerns, when necessary to ensure the public’s use and enjoyment of the park, or necessary to prevent an undue concentration of commercial activity that unreasonably interferes with the character of the park.⁶
- The regulations cannot require a sidewalk vendor to obtain the approval of a non-governmental entity before selling food or merchandise.⁷
- The regulations cannot restrict sidewalk vendors to operate only in designated neighborhoods except when the restriction is directly related to objective health, safety or welfare concerns. Cities can prohibit *stationary* sidewalk vendors from operating in residential zones, but cannot prohibit roaming sidewalk vendors.⁸
- The regulations cannot restrict the overall number of sidewalk vendors permitted to operate within a jurisdiction, unless the restriction is directly related to objective health, safety or welfare concerns.⁹
- The regulations can limit the hours of operation for sidewalk vendors so long as they are not unduly restrictive. In commercial areas, these restrictions cannot be more restrictive than any limitations on other businesses on the same street.¹⁰
- The regulations can impose sanitary conditions and requirements to comply with disabled access standards.¹¹

5 Cal. Gov. Code § 51038(b)(1).

6 Cal. Gov. Code § 51038(b)(2).

7 Cal. Gov. Code § 51038(b)(3).

8 Cal. Gov. Code § 51038(b)(4).

9 Cal. Gov. Code § 51038(b)(5).

10 Cal. Gov. Code § 51038(c)(1).

11 Cal. Gov. Code § 51038(c)(2)-(3).

- The regulations can require sidewalk vendors to obtain a permit or business license, so long as the regulations do not require a social security number from the perspective permittee.¹²
- The regulations can require sidewalk vendors to submit information to the city regarding their operations, including a mailing address, a description of merchandise, and other information.¹³
- The regulations can prohibit sidewalk vendors from operating near farmers' markets, swap meets, and other events subject to a special permit.¹⁴

SB 946 makes clear that perceived community animus and economic competition do not constitute objective health, safety or welfare concerns.¹⁵ The new law also limits penalties for violating local regulations on sidewalk vendors to administrative citations, the amounts of which range from \$100-\$500 for most violations and fines ranging from \$250-\$1,000 for vending without a permit.¹⁶ Criminal penalties and arrest are not available to cities as enforcement tools.¹⁷ Finally, cities are required to give notice to a cited individual that he/she has the right to request an ability-to-pay determination before the administrative fine adjudicator.¹⁸

ANALYSIS:

The Subchapter entitled Pushcart Vendors (Sections 130.9 through 130.16) of Chapter 130 (General Provisions) of Title XIII (General Offenses) of the Santa Fe Springs Municipal Code (SFSMC) generally prohibits sidewalk vendors in most areas of the City. As such, the current regulations may not "substantially comply" with SB 946. The proposed ordinance repeals and replaces this subchapter with a new Subchapter entitled "Sidewalk Vendors", Sections 130.9 through 130.17 of the SFSMC. In addition, the ordinance makes conforming amendments to Subsection (H) of Section 110.50 of Chapter 110 (Regulation of Certain Businesses) of Title XI (Business Regulations) to clarify that Sidewalk Vendors require a business license; and to Subsection (C)(1)(d) of Section 130.08 (Vending and Peddling Prohibited; Exceptions) of Title XIII (General Offenses) to include Sidewalk Vendors in the exceptions to the general prohibition against vending and peddling.

Under the proposed ordinance, sidewalk vendors, as defined, are required to obtain both a regular City business license from the City Manager and a separate Sidewalk Vendor Permit ("Permit") from the Director of Police Services. In addition, if vending food or beverages, sidewalk vendors must obtain all required permit(s) from the Los Angeles County Department of Public Health. The fee for the Permit will be established by resolution of the City Council. The specific requirements for issuance of

12 Cal. Gov. Code § 51038(c)(4).

13 Cal. Gov. Code § 51038(c)(8).

14 Cal. Gov. Code § 51038(d).

15 Cal. Gov. Code § 51038(e).

16 Cal. Gov. Code § 51039(a).

17 Cal. Gov. Code § 51039(d).

18 Cal. Gov. Code § 51039(f).

the Permit are set forth in Sections 130.12 through 130.16. Significant requirements include liability insurance of not less than \$1,000,000.00 that names the City as an additional insured as well as submitting to a state summary criminal history record information search. Appeals from the denial, revocation or suspension of a Permit by the Director of Police Services are appealable to the City Council. The penalty provisions of Section 130.17 utilize the City's existing civil citation procedure of Chapter 11 of Title I, as modified to conform to the requirements of SB 946.

The detailed operational requirements and standards for sidewalk vendors are set forth in Sections 130.10 and 130.11. These requirements are designed to maintain safe access to all persons using the public right of way, to minimize impacts related to noise, trash and visual distractions, and to ensure that sidewalk vending receptacles are attended at all time. Certain activities set forth in Section 130.10 are specifically prohibited. These include no vending at city sponsored special events without a permit; no stationary vending in a City park where the City has an exclusive concessionaire agreement; no vending to vehicles; and no stationary vending in residential zones unless specifically authorized to do so at a city event. The allowable hours of operation in all zones are from 9:00 a.m. to 6 p.m. daily, provided, however, in non-residential zones these hours are extended if a business within 500 feet and on the same street has longer permissible hours, in which case the maximum hours of operation shall apply to vending. Vendors are prohibiting from selling weapons, tobacco, alcohol, marijuana and related items.

Specific locational restrictions are also included in Section 130.10. These (as well as the general operational and activity restrictions elsewhere in the ordinance) are directly related to the objective health, safety and/or welfare concerns related to the interference with the flow of pedestrian or vehicular traffic, including ingress into or from, residences, businesses, or public buildings, or from the street to the sidewalk, by persons exiting or entering parked or standing vehicles; allowing for the effective performance of police, firefighter and emergency medical personnel services in the public right of way; ensuring that sidewalk vending activities occur only in locations where such activities would not restrict the use and enjoyment of sidewalks and pathways by persons with disabilities; providing for reasonable access to the use and maintenance of sidewalks, pathways, poles, posts, traffic signs or signals, hydrants, firefighting apparatus, as well as access to locations used for public transportation services; maximizing public access to all of the City's natural resources; and reducing injuries in and exposure to the City for personal injury or property damage claims and litigation that may be caused in whole or in part by the activities of sidewalk vending in the public right of way.


ALTERNATIVES CONSIDERED:

The City Council could decide not to substantively regulate sidewalk vendors at all, other than to require a regular business license. In that case, the City Council may consider repealing the existing prohibitions in Sections 130.9 through 130.16 because they do not substantially comply with the provisions of SB 946. In addition, the City

Council could propose different or additional requirements for sidewalk vending that are consistent with the requirements of SB 946.

LEGAL REVIEW

The City Attorney's office has reviewed the draft ordinance and this report and approves them as to form.



Raymond R. Cruz
City Manager

Attachment(s):
Ordinance No. 1098

ORDINANCE NO. 1098

**AN ORDINANCE OF THE CITY OF SANTA FE SPRINGS CALIFORNIA
AMENDING SECTION 110.50 OF CHAPTER 110 (REGULATION OF
CERTAIN BUSINESSES) OF TITLE XI (BUSINESS REGULATIONS)
AND AMENDING SECTION 130.08 AND REPEALING THE
SUBCHAPTER ENTITLED PUSH CART VENDORS (SECTIONS 130.9
THROUGH 130.16) OF CHAPTER 130 (GENERAL PROVISIONS) OF
TITLE XIII (GENERAL OFFENSES) OF THE SANTA FE SPRINGS
MUNICIPAL CODE AND REPLACING IT WITH A NEW SUBCHAPTER
ENTITLED SIDEWALK VENDERS (SECTIONS 130.9 THROUGH 130.17)
RELATING TO SIDEWALK VENDING**

WHEREAS, Senate Bill 946 (Chapter 459, Statutes 2018) added sections 51036 through 51039 to the Government Code to set forth the authority of cities to regulate sidewalk vendors;

WHEREAS, Municipal Code sections 130.09 through 130.16, Pushcart Vendors, constitutes a subchapter of Chapter 130, General Provisions, of Title XIII, General Offenses, of the Santa Fe Springs Municipal Code, was added to the Municipal Code by Ordinance No. 970 and currently regulates the use of pushcarts in the City;

WHEREAS, the City Council of the City of Santa Fe Springs desires to establish a permitting and regulatory program for sidewalk vendors that complies with SB 946 in order to both encourage certain small business activities and protect the public health, safety and welfare; and

WHEREAS, the City Council desires to amend its existing regulations to be consistent with Senate Bill 946;

WHEREAS, the public health, safety, and welfare requires the City to establish regulations upon sidewalk vending;

WHEREAS, absent regulation, sidewalk vendors could cluster and/or operate in locations or in manners which cause negative traffic impacts or inability for pedestrians to easily navigate streets and other public areas;

WHEREAS, the City Council hereby finds that to promote and protect the public health, safety and welfare, restrictions on sidewalk vending set forth in this Ordinance are necessary to:

1. Ensure no unreasonable interference with the flow and safety of pedestrian or vehicular traffic on city streets, arterial highways, sidewalks and paths, including ingress into or from residences, businesses, or public buildings, or from the street to the sidewalk, by persons exiting or entering parked or standing vehicles, or visual distractions to motorists;

2. Allow for the effective performance of police, firefighter and emergency medical personnel services in the public right-of-way;
3. Ensure that sidewalk vending activities occur only in locations where and in a manner that such activities would not restrict the use and enjoyment of sidewalks, pathways and other public areas by persons with disabilities;
4. To ensure safe ingress and egress to and from playgrounds, athletic fields and schools;
5. Provide reasonable access to the use and maintenance of sidewalks, pathways, poles, posts, traffic signs or signals, hydrants, firefighting apparatus, mailboxes, as well as access to locations used for public transportation services;
6. Maximize public access to all of the City's natural resources; and
7. Reduce exposure to the City for personal injury or property damage claims and litigation that may be caused in whole or in part by the activities of sidewalk vending in the public right-of-way.

WHEREAS, the City Council, pursuant to the provisions of the California Environmental Quality Act ("CEQA") (California Public Resources Code Sections 21000 et seq.) and State CEQA guidelines (Sections 15000 et seq.) determines that the ordinance is not a "project" and further, that it is exempt from the provisions of CEQA pursuant to CEQA Guidelines section 15061(b)(3) (because it can be seen with certainty that the adoption of this Ordinance will not have a significant effect on the environment) such that no environmental review under CEQA is required; and

WHEREAS, all legal prerequisites prior to the adoption of this Ordinance have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Subsection (H) "Itinerant vendors or peddlers" of Section 110.50 "Permits Required of Certain Businesses" is hereby amended to provide as follows:

(H) Itinerant vendors or peddlers, including sidewalk vendors.

SECTION 2. Subsection (C)(1)(d) of section 130.08 "Vending and Peddling Prohibited; Exceptions." Is hereby amended to read as follows:

(d) Sidewalk vendors as set forth in Section 130.09 et seq.

SECTION 3. The subchapter entitled "Pushcart Vendors", Municipal Code sections 130.09 through 130.16, added by Ordinance No. 970, is hereby repealed and

replaced with a subchapter entitled "Sidewalk Vendors" and Section 130.17 is hereby added thereto, to provide as follows:

SECTION 130.09. DEFINITIONS.

For the purpose of this subchapter, unless defined herein or elsewhere in this code, the words used in this subchapter shall have the same definitions ascribed to them in Chapter 6.2 of Part 1 of Division 1 of Title 5 of the Government Code. Any reference to California statutes includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute. The following definitions shall apply unless the context clearly indicates or requires a different meaning:

ARTERIAL HIGHWAY. A major highway designated on the City Arterial Highway System map.

DIRECTOR. The Director of Police Services and/or his or her designee.

OPERATOR. Any person who operates a vending cart for the purpose of vending food, beverage or merchandise therefrom.

OWNER. Any person who owns or controls one or more sidewalk vending carts and one of the following:

- (1) Conducts, allows or causes the operation of such vending cart(s) for the purpose of vending food, beverage or merchandise;
- (2) Operates or manages such vending cart(s); or
- (3) Contracts with or employs persons to vend food, beverage or merchandise from such vending cart(s).

SIDEWALK VENDOR. A person who sells food, beverage and/or merchandise from a pushcart, stand, display, pedal-driven cart, wagon, showcase, rack, or other nonmotorized conveyance, or from one's person, upon a public sidewalk or other pedestrian path.

SIDEWALK VENDOR PERMIT. A permit issued by the City authorizing the holder to engage in the business of vending food, beverage or merchandise upon a public sidewalk or other pedestrian path.

STATIONARY SIDEWALK VENDOR. A person who vends from a fixed location.

VEND. Offering food, beverage or merchandise of any kind for sale on any sidewalk, street, parkway, alley, highway, or unenclosed place open to the public, whether publicly or privately owned.

VENDING CART. Any pushcart, stand, display, pedal-driven cart, wagon, showcase, rack, or other nonmotorized conveyance, from which food, beverage or merchandise is offered for sale to the public.

SECTION 130.10. GENERAL REQUIREMENTS, PROHIBITIONS AND UNAUTHORIZED CONDUCT.

- (A) *Operator and/or Vendor Must Have Permit.* No person shall vend from any vending cart or from his or her person, without first obtaining both a sidewalk vending permit required by this subchapter and a business license pursuant to Chapter 110 of Title XI from the City, and if vending food or beverages, any required permit(s) from the Los Angeles County Department of Public Health.
- (B) *Visible Permit.* No person shall vend from a vending cart or his or her person without displaying upon his or her person or vending cart a valid vending permit in his or her own name, and a photo identification with the vendor's first and last name, and the name of the business he or she represents.
- (C) *Employee Permit Required.* No person shall employ or retain any person to operate a vending cart or otherwise vend from his or her person for the purpose of vending unless the person employed has a valid and current vending permit issued by the city.
- (D) *No Vending at Special Events.* No person shall vend at a city sponsored event (such as, but not limited to: filming, parades, or outdoor concerts) where a permit is required therefore pursuant to this code unless the city has first issued that person a special event seller's permit.
- (E) *Exclusive Concessionaire.* Stationary sidewalk vendors shall not vend within a public park owned or operated by the city if there exists a signed agreement for concessions that exclusively permits the sale of food or merchandise by the concessionaire.
- (F) *Twenty-Five Foot (25') Setback from Playgrounds and Fields.* To protect ingress and egress, and to preserve the safety of those using the City's facilities, vendors must remain twenty-five feet (25') away from park playgrounds and marked athletic fields at all times.
- (G) *Sidewalk Access.* At no time shall a vendor be stopped, placed or positioned where it will block or restrict the free movement of vehicles or pedestrians along any public sidewalk, street or parkway. Sidewalk vendors shall maintain a clearance of not less than three (3) feet on all sidewalk or pedestrian areas to enable persons to freely pass while walking or using mobility assistance devices.
- (H) *No Vending Except on Sidewalks or Pedestrian Paths.* No person shall vend or operate a vending cart on or in an area other than a sidewalk or pedestrian path, including, but not limited to any median, street and/or alleyway, unless authorized to do so during a City sponsored event.

- (I) *No Clustering.* On a sidewalk adjacent to an arterial highway, no person shall operate a vending cart within thirty feet (30') of any other vending cart. On all other sidewalks and/or pathways, no person shall operate a vending cart within ten feet (10') of any other vending cart.
- (J) *No Vending to Vehicles.* No person shall vend directly to a vehicle or persons therein.
- (K) *Setbacks from street intersections.* No person shall vend within twenty-five feet (25') of any street intersection, fire hydrant or fire station. No person shall operate or vend within ten feet (10') of any driveway.
- (L) *Stationary Vending Prohibited in Residential Zones.* No person may conduct stationary vending in areas zoned for exclusively residential use unless that person is permitted to do so at a City sponsored event.
- (M) *Hours of Operation in Residential Zones.* No person shall vend in areas zoned for exclusively for residential use before 9:00 a.m. or later than 6:00 p.m. Such requirement will not be applied to a sidewalk vendor who is authorized to operate at different times during a City sponsored event.
- (N) *Hours of Operation in Non-Residential.* In non-residential areas, no person shall vend before 9:00 a.m. or later than 6:00 p.m. unless another business within five hundred feet (500') and on the same street has longer permissible hours, in which case the maximum hours of operation shall apply to vending.
- (O) *School Setbacks.* No person shall operate a vending cart or vend within five hundred feet (500') of any K-12 school, during the hours of 8:00 a.m. to 5:00 p.m. while school is in session.
- (P) *Farmers Markets, Swap Meets, Special Use Permit.* No person shall operate a vending cart or vend within five hundred feet (500') of a permitted certified farmers' market, swap meet or an area designated for a temporary special use permit.
- (Q) *Disabled Access/ADA.* Sidewalk Vendors shall not restrict or impede access to any public property by disabled persons and shall otherwise comply with the applicable provisions of the Americans with Disabilities Act and other state and federal disability access standards; and
- (R) *Prohibited Items.* Sidewalk vendors shall not sell, distribute or vend alcohol, marijuana, tobacco, products that contain nicotine and/or marijuana or any product used to smoke/vape nicotine or marijuana, and/or weapons, including but not limited to firearms, ammunition, explosives including fireworks, knives, mace, and/or pepper spray, any item of adult oriented

material as defined in Section 125-02 and/or any other item prohibited by this code or state law.

SECTION 130.11. STANDARDS AND MAINTENANCE.

- (A) *Cart Dimensions.* To maintain access to sidewalks, the maximum dimensions of any vending cart shall be five feet (5') in length and three feet (3') in width.
- (B) *Cart Maintenance.* The owner shall be responsible for all vending cart maintenance. Vending carts must be clean, sanitary, and in good working condition at all times.
- (C) *Health Requirements.* All vending carts must conform to the applicable Los Angeles County Department of Public Health standards.
- (D) *Vending Permit Displayed.* Each vending cart shall have affixed to it in plain view, on the operator's left side of the vending cart, the vending permit and each other required permit.
- (E) *Signage.* Signs and advertisements are only allowed in conjunction with a vending cart if they are affixed to, or painted on, the vending cart or its attached canopy. No sign and or advertisement may be placed and/or affixed to any public property.
- (F) *Lighting.* Artificial lighting of any vending cart shall not project excessive light so as to create a traffic safety hazard or cause a nuisance.
- (G) *No Open Flame.* No open flame shall be used on, within or about a vending cart.
- (H) *Electrical Outlet or Power Source.* A vending cart shall not use an electrical outlet or power source that is owned by the City and/or allow an electrical cord to contact or impede access to any public property and/or path of travel.
- (I) *Refuse Bin.* A refuse bin of at least thirty-five (35) gallon capacity shall be provided in or on the vending cart to ensure proper disposal of customer trash. Prior to leaving a location, the sidewalk vendor shall pick up, remove, and dispose all trash generated by the vending operations or the vendor's customers within a ten foot (10') radius of the vending location.
- (J) *Noise Making.* No noise-making devices shall be used in conjunction with sidewalk vending.
- (K) *Refuse Cleanup.* Sidewalk vendors shall not discard, deposit, leave, or abandon any trash, food or objects, in or upon any street, sidewalk, gutter, storm drain, catch basin, or upon any public or private lot of land in the City.

SECTION 130.12. PERMIT PROCESS.

- (A) *Permit Application.* Any person desiring to obtain a vending permit shall first file an application with the Director for such permit. Such application shall be accompanied by a non-refundable fee as established by resolution of the City Council to defray, in part, the cost of the investigation and report required by this subchapter. Fees required under this subchapter shall be in addition to any other license, permit or fee required under this subchapter or any other chapter of this code.
- (B) *Vending Prohibited Without Permit.* Neither the filing of an application for a vending permit, nor the payment of the application fee shall authorize the vending from, operation or management of a vending cart.
- (C) *Required Information.* The owner will be responsible for providing the following completed documentation to the city during the term of such owner's participation and shall continue to keep current the following:
 - (1) Name of the business.
 - (2) Name of the applicant.
 - (3) If a corporation, articles of incorporation.
 - (4) Business address and phone number of the applicant.
 - (5) A description of the merchandise which the sidewalk vendor will vend.
 - (6) Number of vending carts owned, operated, leased, controlled or contracted by the applicant to be used in the city.
 - (7) A description of the logo, color scheme, insignia and any other distinguishing characteristics of the applicant's vending cart.
 - (8) The full and true names, dates of birth and addresses of all persons employed, contracted, leased or otherwise given control of the applicant's vending cart(s) and the California driver's license or similar state or federal identification establishing the identity of such persons.
 - (9) A policy of liability insurance in a form and with companies approved by the city and approved to do business in California, which policy names the city, its officers, employees and agents as additional insureds in a minimum amount of one million dollars (\$1,000,000) combined single limit for all activities associate with sidewalk

vending, which policy shall remain valid for the duration of the vending permit and/or any vending activities within the city.

- (10) The California seller's permit number (California Department of Tax and Fee Administration sales tax number), if any, of the owner.
 - (11) The owner shall ensure that all applicable food service permits are obtained from the Los Angeles County Department of Public Health. Copies of current County of Los Angeles Department of Public Health permits, including individual permits for each cart, must be provided to the Director prior to receiving a vending permit.
 - (12) If food or beverage is prepared off-site for sale by a vendor, the owner also provide the Director with proof that each location where the food or beverage is prepared has the applicable current health/food/beverage permits.
 - (13) At the time of application, one head-shot photograph of each vending cart operator, at least two inches by two inches (2" x 2") in size, taken within the six (6) month period immediately preceding the date of the application shall be submitted.
 - (14) Certification by the applicant that to his or her knowledge and belief, the information in the application is true and correct.
- (D) *Ongoing Information Submission.* The owner shall obtain approval for any new vending cart(s) and/or operators(s) seeking the City's vending permit. On an annual basis, from the date the first permit for a vending cart is granted, the owner shall provide to the Director a roster of all vending cart operators employed by the owner and permitted to vend within the City.

SECTION 130.13. INVESTIGATION OF APPLICATION.

- (A) *Background.* The Director may confirm or otherwise investigate the facts stated in the application and shall investigate the criminal history of the applicant and operator(s) for a vending permit pursuant to Section 130.14.
- (B) *Thirty (30) Days to Act.* The Director shall, within thirty (30) days after the date of the filing of the application, approve or deny the application for the permit or renewal thereof. If an application is deemed pending as set forth in section 130.14, the Director shall, within thirty (30) days after being informed of the adjudication of the pending criminal matter or receipt of the requested information, approve or deny the application for the permit or renewal thereof.

SECTION 130.14. ISSUANCE OF PERMIT.

After receiving the application, the Director shall issue the vending permit only if he or she finds that all of the following requirements have been met:

- (A) *Fees.* All fees for the vending permit have been paid.
- (B) *Fines.* All vending-related administrative citations and fines payable to the city have been paid.
- (C) *Complete Application.* The application conforms in all respects to the provisions of this subchapter.
- (D) *Truth.* The applicant has not knowingly made a material misrepresentation of fact in the application.
- (E) *Cooperation.* The applicant has provided all information required by this subchapter necessary for approval of the application.
- (F) *Criminal History.* Within five (5) years before the date of submission of the application for a vending permit, neither the applicant nor any operator of a vending cart has been convicted or pleaded nolo contendere or guilty to a misdemeanor or felony crime of moral turpitude or drug-related misdemeanor or felony crime, including but not limited to: the sale of a controlled substance as specified in California Health and Safety Code sections 11054 through 11058, and crimes involving any of the following actions, which are considered crimes of moral turpitude for the purposes of this Section: assault with intent to commit murder, attempted lewd acts on a minor, arson, burglary, child abuse, criminal threats, domestic violence when committed against your spouse, failure to register as a sex offender, felon in possession of a firearm, felony hit and run, grand theft auto, murder, perjury, possession for sale of controlled substances, rape, receiving stolen property, robbery, trespass with the intent to injure any property or property rights, or interfere with the conduct of business, voluntary manslaughter, and welfare fraud.
- (G) *Criminal Information.* The Director is specifically authorized to obtain state summary criminal history record information as provided for in California Penal Code section 11105. Any complaint for the charges listed in subsection (E) of this section pending before a court of law shall cause the application to be considered pending until adjudication of the complaint. In addition, failure of the state to return state summary criminal history record information to the Director shall cause the application to be considered pending until such time as that information is provided to the Director.

SECTION 130.15. PERMIT TERM AND RENEWAL.

The term for a vending permit, unless sooner suspended or revoked, shall be for a period of one (1) year. Upon the expiration of such term, the vendor may renew the

permit by submitting a new application together with such renewal fee as may be established by resolution of the City Council. No permit shall be sold, leased, transferred conveyed or granted to any other person.

SECTION 130.16. DENIAL, SUSPENSION OR REVOCATION OF PERMIT.

- (A) *Initial Denial.* If the Director does not find that all of the requirements set forth in this subchapter have been met, the Director shall deny the application for a vending permit and notify the applicant in writing of the ground(s) for the denial. Notice of denial of the application for the permit shall be deemed to have been served if it is personally served on the applicant or when deposited in the United States mail with postage prepaid and addressed to the applicant at his or her residence address as set forth in the application for the permit.
- (B) *Suspension or Revocation.* Any vending permit issued under this subchapter may be suspended or revoked by the Director for any of the following reasons:
 - (1) Falsehood of any material information supplied by the applicant upon which issuance of the permit was based.
 - (2) Failure of the applicant to promptly notify the Director within thirty (30) days of any change occurring subsequent to the issuance of the permit in the information supplied by the applicant upon which the issuance of the permit was based.
 - (3) Revocation, suspension or non-renewal of the certificate of eligibility issued to the applicant by the Los Angeles County Department of Public Health.
 - (4) Conviction of, or plea of guilty or nolo contendere by the applicant of any offense which would have constituted grounds for denial of a vending permit.
 - (5) For the term of the permit, upon the fourth violation or subsequent violations of this subchapter.
- (C) *Appeal of Denial/Suspension/Revocation.* An applicant for a sidewalk vendor permit and/or a permit holder shall be served with written notice by the Director when a permit has been denied, suspended or revoked and shall have the right to appeal such action, as follows:
 - (1) Notification shall be deemed to have been served when it is either personally served upon the permit holder or applicant, or when deposited in the United States mail with postage prepaid and addressed to the permit holder or applicant at the address set forth in the application pursuant to section 130.12(C).

- (2) The notice shall contain the grounds upon which the denial, suspension or revocation is based and the right to seek an appeal to the City Council.
 - (3) An appeal must be filed in writing with the City Clerk's office within ten (10) calendar days from the date the notice was served and shall include a statement setting forth the factual basis for the appeal.
 - (4) If no appeal is filed, the denial, suspension or revocation of the permit shall become effective ten (10) calendar days after the notice was served. If an appeal is filed, the denial, suspension or revocation shall become effective upon final determination of the appeal by the City Council.
- (D) *One Year Waiting Period.* Any person whose permit is revoked shall not be eligible to receive a new permit for a period of one (1) year following such revocation, except as set forth herein.

SECTION 130.17. REMEDIES AND ENFORCEMENT.

- (A) *Administrative Citations Exclusive Remedy.* Notwithstanding any other provision of this code, this subchapter shall be punishable exclusively through the city's administrative citation process, unless state law allows the use of other enforcement mechanisms.
- (B) *Amount of citations.* The amount of citation fees shall be the lesser of the maximum limits of state law or this code
- (C) *Ability to Pay.* If a person receives an administrative citation for a violation of this subchapter and that person meets the criteria contained in Government Code Section 68632, subdivision (a) or (b), the City shall accept twenty percent (20%) of the administrative fine imposed as full satisfaction of the fine.
- (D) *Remedies Inapplicable to other Violations of Law.* The provisions and limitations of this subchapter shall not apply to a violation of any other provision of this code and/or state law or regulation, including, but not limited to, the California Retail Food Code.

SECTION 4. CEQA. Pursuant to the provisions of the California Environmental Quality Act ("CEQA") (California Public Resources Code § 21000 et seq.) and State CEQA guidelines (Sections 15000 et seq.) the ordinance is not a "project" and further, that it can be seen with certainty that there is no possibility that the ordinance in question may have a significant effect on the environment, either directly or indirectly, and that therefore no environmental review under the CEQA is required, pursuant to CEQA Guidelines Section 15061(b)(3).

SECTION 5. Modification. Any provision of the Code of Santa Fe Springs inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to that extent necessary to effect the provisions of this Ordinance.

SECTION 6. Severability. If any section, subsection, phrase, or clause of this Ordinance is for any reason held to be unconstitutional, such decision will not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrases, or clauses may be declared unconstitutional.

SECTION 7. Certification. The City Clerk shall certify to the adoption of this Ordinance, including the vote for and against and shall post a certified copy of this ordinance, within 15 days after its passage to be posted in at least three (3) public places within the City as established by ordinance, and, in compliance with Section 36933 of the Government Code.

PASSED and ADOPTED this ____ day of _____, 2020, by the following roll call vote:

AYES:

NOES:

ABSENT:

William K. Rounds, Mayor

ATTEST:

Janet Martinez, CMC, City Clerk



City of Santa Fe Springs

City Council Meeting

ITEM NO. 17

July 23, 2020

NEW BUSINESS

Approve an Independent Audit Services Agreement with White Nelson Diehl Evans, LLP for Fiscal Years 2019-20 through 2021-22 with Optional Renewals for Fiscal Years 2022-23 and 2023-24.

RECOMMENDATION

Authorize the Mayor to execute a professional services agreement with the firm of White Nelson Diehl Evans, LLP (WNDE) to perform the City's annual independent audit for Fiscal Years 2019-20 through 2021-22 with optional renewals for Fiscal Years 2022-23 and 2023-24.

BACKGROUND

The Finance and Administrative Services department is responsible for overseeing the financial statement audits and examinations along with the preparation of the City's Comprehensive Annual Financial Report (CAFR). Annually, the City utilizes the services of an independent Certified Public Accounting firm to conduct the annual audit of the City's financial statements and, when applicable, state and federal grant audits (Single Audit). The audits are conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. The standard annual audits include the evaluation of internal controls, determination of compliance with legal requirements, application of General Accounting Standards Board (GASB) requirements, and an opinion as to whether the City's financial statements are presented in accordance with Generally Accepted Accounting Principles (GAAP) in the United States in all material respects.

Since FY 2013-14, Lance, Soll & Lunghard, LLP have conducted the annual audits for the City. However, state legislation and industry best practices requires firm or partner rotation every six years. As such, on May 14, 2020 the City issued a Request for Proposals (RFP) for qualified independent Certified Public Accounting firms to provide annual audit services.

A total of nine accounting firms submitted proposals; White Nelson Diehl Evans, LLP (WNDE); Moss, Levy & Hartzheim, LLP (MLH); Lance, Soll & Lunghard, LLP (LSL); The Pun Group, LLP; Eide Baily, LLP; Vasquez & Company, LLP; Davis Farr, LLP; Macias Gini O'Connell LLP (MGO); and CWDL. The nine proposals were evaluated and ranked by an evaluation committee comprised of the Finance & Administrative Services Director, Finance Manager and Senior Budget Analyst. After a preliminary review of the proposals, the committee interviewed and evaluated the top seven firms based on the following criteria:

- Audit Approach (30%)
- Responsiveness to the RFP (5%)



City of Santa Fe Springs

City Council Meeting

July 23, 2020

- Professional Qualifications (5%)
- Recent Municipal Experience (5%)
- Qualification and experience of the project manager and key personnel assigned to the engagement (5%)
- References (5%)
- Commitment to timeliness (15%)
- Proposed Fee structure (30%)

Using a 100 point maximum scale, scores were assigned by each committee member for each of the criterion and an overall average score was calculated for each firm. The committee ranked the firms in the order shown below, with the corresponding average score for each firm:

1. WNDE	97
2. Davis Farr	93
3. LSL	93
4. Eide Baily	91
5. Vasquez & Company	91
6. The Pun Group	90
7. MLH	88

Based on the committee's evaluation and review of references, WNDE was selected as the most qualified firm to conduct the City's annual audit and examinations. WNDE demonstrated strong staffing with a high level of technical knowledge regarding all aspects of the City's engagement and experience in the field of government accounting and auditing municipal governments. WNDE's highly experienced audit team will provide a comprehensive and effective audit.

Upon completion of the firm interviews, staff met with the Council Audit Sub-committee (Mora and Zamora) on July 7, 2020 to discuss the RFP process and evaluation results.

WNDE will conduct the following audits and reviews of the City:

- City's Comprehensive Annual Financial Report (CAFR)
- Single Audit of Federal Grants, if needed
- Review of the annual GANN Appropriations Limit calculation
- Preparation of the annual State Controller's Report of Financial Transactions



City of Santa Fe Springs

City Council Meeting

July 23, 2020

FISCAL IMPACT

The fees from proposals ranged widely over the five-year period requested, from \$46,200 from one firm (for 1st year services) to \$87,125 from another firm (for 5th year services). As a reference point, the City paid approximately \$68,000 in fees last fiscal year.

WNDE's proposed annual fees are as follows:

FY 2019-20	\$59,670
FY 2020-21	\$59,670
FY 2021-22	\$60,991
FY 2022-23	\$62,312 (optional renewal)
FY 2023-24	\$63,633 (optional renewal)

The annual costs are currently budgeted within various activities in the City budget.

CITY ATTORNEY REVIEW

The City Attorney has reviewed the attached professional services agreement for audit services.

A handwritten signature in blue ink, reading "Raymond R. Cruz".

Raymond R. Cruz
City Manager

Attachments:

1. Professional Services Agreement for Audit Services
2. WNDE Proposal

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement for Professional Services ("Agreement") is made and entered into by and between the City of Santa Fe Springs (hereinafter referred to as "City"), and White Nelson Diehl Evans, LLP (hereinafter referred to as "Auditor").

The City and the Auditor agree as follows:

RECITALS

- A. The City is required to conduct an annual independent financial audit.
- B. The Auditor warrants to the City that it has the qualifications, experience and facilities to perform properly and timely the services under this Agreement.
- C. The City desires to contract with the Auditor to perform the services described in Exhibit 1 of this Agreement.

NOW, THEREFORE, the City and Auditor agree as follows:

1.0 SCOPE OF THE AUDITOR'S SERVICES. The Auditor agrees to provide the services and perform the tasks set forth in the Proposal dated June 11, 2020 attached as Exhibit 1 and made part of this Agreement. The Scope of Work may be amended from time to time by way of a written directive from the City.

2.0 TERM OF AGREEMENT. This Agreement will become effective on July 23, 2020 and will remain in effect until completion of the audit of the fiscal year 2021-22 financial statements unless otherwise expressly extended by the City for an additional one or two years as provided herein.

3.0 CITY AGENT. The Director of Finance, for the purposes of this Agreement, is the agent for the City. Whenever approval or authorization is required, Auditor understands that the Director of Finance has the authority to provide that approval or authorization.

4.0 COMPENSATION FOR SERVICES. The City shall pay the Auditor for its professional services rendered and costs incurred pursuant to this Agreement in accordance with the Auditor's fee and cost schedule included in Exhibit 1. No additional compensation shall be paid for any other expenses incurred unless first approved by the Director of Finance.

4.1 The Auditor shall submit to the City a bill for services according to the project schedule included in the Proposal. The City shall pay the Auditor upon thirty (30) days of receipt of the invoice.

4.2 No payment made hereunder by City to Auditor, other than the final payment, shall be construed as an acceptance by City of any work or materials, nor as evidence of satisfactory performance by Auditor of its obligations under this Agreement.

5.0 CONFLICT OF INTEREST. The Auditor represents that it presently has no interest and shall not acquire any interest, direct or indirect, in any real property located in the City which may be affected by the services to be performed by the Auditor under this Agreement. The Auditor further represents that in performance of this Agreement, no person having such interest shall be employed by it.

5.1 The Auditor represents that no City employee or official has a material financial interest in the Auditor's business. During the term of this Agreement and/or as a result of being rewarded this contract, Auditor shall not offer, encourage or accept any financial interest in the Auditor's business by any City employee or official.

6.0 GENERAL TERMS AND CONDITIONS.

6.1 Termination. Either the Director of Finance or Auditor may terminate this Agreement, without cause, by giving the other party thirty (30) days written notice of such termination and the effective date thereof.

6.1.1 If the City terminates this Agreement without cause, the Auditor shall prepare and shall be entitled to receive compensation pursuant to a close-out bill for services rendered and fees incurred pursuant to this Agreement through the notice of termination. If the Auditor terminates this Agreement without cause, the Auditor shall be paid only for those services completed in a manner satisfactory to the City.

6.1.2 If the Auditor or the City fail to fulfill in a timely and proper manner its obligations under this Agreement, or if the Auditor or the City violate any of the covenants, agreements, or stipulations of this Agreement, the Auditor or the City shall have the right to terminate this Agreement by giving written notice to the other party of such termination and specifying the effective date of such termination. The Auditor shall be entitled to receive compensation in accordance with the terms of this Agreement for any work satisfactorily completed hereunder. Notwithstanding the foregoing, the Auditors shall not be relieved of liability for damage sustained by virtue of any breach of this Agreement, and any payments due under this Agreement may be withheld to off-set anticipated damages.

6.2 Non-Assignability. The Auditor shall not assign or transfer any interest in this Agreement without the express prior written consent of the City.

6.3 Non-Discrimination. The Auditor shall not discriminate as to race, creed, gender, color, national origin or sexual orientation in the performance of its services and duties pursuant to this Agreement and will comply with all applicable laws, ordinances and codes of the Federal, State, County, and City governments.

6.4 Insurance. The Auditor shall submit to the City certificates indicating compliance with the following minimum insurance requirements no less than one (1) day prior to beginning of performance under this Agreement:

- a) Workers' Compensation Insurance as required by law. The Auditor shall require all

subcontractors similarly to provide such compensation insurance for their respective employees.

- b) Comprehensive general and automotive liability insurance protecting the Auditor in amounts not less than \$1,000,000 for personal injury to any one person, \$1,000,000 for injuries arising out of one occurrence, and \$500,000 for property damages or a combined single limit of \$1,000,000. Each such policy of insurance shall:
 - 1) Be issued by a financially responsible insurance company or companies admitted and authorized to do business in the State of California or which is approved in writing by the City.
 - 2) Name and list as additional insured the City, its officers and employees.
 - 3) Specify its acts as primary insurance.
 - 4) Contain a clause substantially in the following words: "It is hereby understood and agreed that this policy shall not be canceled nor materially changed except upon thirty (30) days prior written notice to the City of such cancellation or material change."
 - 5) Cover the operations of the Auditor pursuant to the terms of this Agreement.

6.5 Indemnification. Auditor agrees to hold harmless, indemnify and defend the City, its employees, agents and affiliates, for any and all loss or liability of any nature whatsoever arising out of or in any way related to Auditor's performance of this Agreement, including loss or liability caused by the City's negligence, except loss or liability caused by the City's sole willful conduct or active negligence. The City hereby agrees to indemnify and hold harmless contractor from any and all claims, including defense costs, whether resulting from court action or otherwise, arising out of the sole intentional or negligent acts or omissions of the City and its officers, agents or employees in the performance of this agreement.

6.6 Compliance with Applicable Law. The Auditor and the City shall comply with all applicable laws, ordinances and codes of the Federal, State, County, and City governments.

6.7 Independent Contractor. This Agreement is by and between the City and the Auditor and is not intended, nor shall it be construed, to create the relationship of agency, servant, employee, partnership, joint venture or association, as between the City and the Auditor.

6.7.1. The Auditor shall be an independent contractor and shall have no power to incur any debt or obligation for or on behalf of the City. Neither the City nor any of its officers or employees shall have any control over the conduct of the Auditor, or any of the Auditor's employees, except as herein set forth, and the Auditor expressly warrants not to, at any time or in any manner represent that it, or any of its agents, servants or employees are in any manner employees of the City, it being distinctly understood that the Auditor is and shall at all times remain to the City a wholly independent contractor and the Auditor's obligations to the City are solely such as are prescribed by this Agreement.

6.8 Copyright. No reports, maps or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the Auditor.

6.9 Legal Construction.

- a) This Agreement is made and entered into in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.
- b) This Agreement shall be construed without regard to the identity of the persons who drafted its various provisions. Each and every provision of this Agreement shall be construed as though each of the parties participated equally in the drafting of the same, and any rule of construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.
- c) The article and section, captions and headings herein have been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.
- d) Whenever in this Agreement the context may so require, the masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular shall refer to and include the plural.

6.10 Counterparts. This Agreement may be executed in counterparts and as so executed shall constitute an Agreement which shall be binding upon all parties herein.

6.11 Final Payment Acceptance Constitutes Release. The acceptance by the Auditor of the final payment made under this Agreement shall operate as and be a release of the City from all claims and liabilities for compensation to the Auditor for anything done, furnished or relating to the Auditor's work or services. Acceptance of payment shall be any negotiation of the City's check or the failure to make a written extra compensation claim within ten (10) calendar days of the receipt of that check. However, approval or payment by the City shall not constitute, nor be deemed, a release of the responsibility and liability of the Auditor, its employees, sub-Auditors and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by the City for any defect or error in the work prepared by the Auditor, its employees, sub-Auditors and agents.

6.12 Corrections. In addition to the above indemnification obligations, the Auditor shall correct, at its expense, all errors in the work which may be disclosed during the City's review of the Auditor's report or plans.

6.13 Files. Audit documentation is the property of the auditor. The auditor may make available to the entity at the auditor's discretion copies of the audit documentation, provided such disclosure does not undermine the independence or the validity of the audit process. Auditor

agrees to make audit documentation available for review by successor auditors, federal or state regulators, granting agencies, and professional organizations at their request. Auditor agrees to maintain audit documentation for the time periods required by professional accounting and auditing standards and regulations.

6.14 Waiver; Remedies Cumulative. Failure by a party to insist upon the performance of any of the provisions of this Agreement by the other party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such party's right to demand compliance by such other party in the future. No waiver by a party of a default or breach of the other party shall be effective or binding upon such a party unless made in writing by such party, and no such waiver shall be implied from any omissions by a party to take any action with respect to such default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a party under this Agreement, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right of remedy.

6.15 Mitigation of Damages. In all such situations arising out of this Agreement, the parties shall attempt to avoid and minimize the damages resulting from the conduct of the other party.

6.16 Partial Invalidity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

6.17 Attorney's Fees. The parties hereto acknowledge and agree that each will bear his or its own costs, expenses and attorney's fees arising out of and/or connected with the negotiation, drafting and execution of the Agreement, and all matters arising out of or connected therewith except that, in the event any action is brought by any party hereto to enforce this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees and costs in addition to all other relief to which that party or those parties may be entitled.

6.18 Entire Agreement. This Agreement constitutes the whole agreement between the City and the Auditor, and neither party has made any representations to the other except as expressly contained herein. Neither party, in executing or performing this Agreement, is relying upon any statement or information not contained in this Agreement. Any changes or modifications to this Agreement must be made in writing appropriately executed by both the City and the Auditor.

[Remainder of this page left intentionally blank]

6.19 Notices. Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail, postage prepaid, and addressed as follows:

TO CITY: Travis Hickey, Director of Finance & Administrative Services
City of Santa Fe Springs
11710 Telegraph Road
Santa Fe Springs, CA 90670

TO AUDITOR: Nitin P. Patel, Partner
White Nelson Diehl Evans, LLP
2875 Michelle Drive, Suite 300
Irvine, CA 92606

6.20 Warranty of Authorized Signatories. Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the party for whom he or she purports to sign.

7.0 GENERAL TERMS AND CONDITIONS. (City and Auditor initials required at either 7.1 or 7.2)

7.1 Disclosure Required. By their respective initials next to this paragraph, the City and Consultant hereby acknowledge that Consultant is a "consultant" for the purposes of the California Political Reform Act because Consultant's duties would require him or her to make one or more of the governmental decisions set forth in Fair Political Practices Commission Regulation 18701(a)(2) or otherwise serves in a staff capacity for which disclosure would otherwise be required were Consultant employed by the City. Consultant hereby acknowledges his or her assuming-office, annual, and leaving-office financial reporting obligations under the California Political Reform Act and the City's Conflict of Interest Code and agrees to comply with those obligations at his or her expense. Prior to consultant commencing services hereunder, the City's Manager shall prepare and deliver to Consultant a memorandum detailing the extent of Consultant's disclosure obligations in accordance with the City's Conflict of Interest Code.

City Initials _____
Consultant Initials _____

7.2 Disclosure Not Required. By their initials next to this paragraph, City and Consultant hereby acknowledge that Consultant is not a "consultant" for the purpose of the California Political Reform Act because Consultant's duties and responsibilities are not within the scope of the definition of consultant in Fair Political Practice Commission Regulation 18701(a)(2)(A) and is otherwise not serving in staff capacity in accordance with the City's Conflict of Interest Code.

City Initials _____
Consultant Initials _____

7.3 Annual Engagement Letter. An annual engagement letter as required by Governmental Auditing Standards will be required to be signed by Auditor and by City on an annual basis. The terms of the Engagement Letter are incorporated by reference into this agreement

This Agreement is executed this 23rd day of July, 2020, at Santa Fe Springs, California.

CITY OF SANTA FE SPRINGS :

William K. Rounds, Mayor

ATTEST:

WHITE NELSON DIEHL EVANS:

Janet Martinez, City Clerk

Nitin Patel, Engagement Partner

(SEAL)

APPROVED AS TO FORM:

Ivy M. Tsai, City Attorney

CITY OF SANTA FE SPRINGS

PROFESSIONAL AUDITING SERVICES PROPOSAL

WHITE NELSON DIEHL EVANS LLP

2875 MICHELLE DRIVE | SUITE 300 | IRVINE | CA | 92606

TITLE PAGE

Date

June 11, 2020

RFP Subject

Professional Auditing Services for the City of Santa Fe Springs for the Three Fiscal Years Ending June 30, 2022 (With an Option for an Additional Two Fiscal Years)

Name of Proposer

White Nelson Diehl Evans LLP
Certified Public Accountants and Consultants

Proposer Address

2875 Michelle Drive, Suite 300
Irvine, CA 92606-5165
Telephone: (714) 978-1300
Fax: (714) 978-7893

Federal Identification Number

33-0686301

California CPA License Number

PAR 6123

Contact Persons

Nitin P. Patel, CPA
Engagement Partner
npatel@wndecpa.com

Robert J. Callanan, CPA
Technical Review Partner
rcallanan@wndecpa.com

Website

www.wndecpa.com



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June 11, 2020

Mr. Travis Hickey
Director of Finance & Administrative Services
City of Santa Fe Springs
11710 E. Telegraph Road
Santa Fe Springs, CA 90671

Dear Mr. Hickey:

White Nelson Diehl Evans LLP (WNDE) is pleased to present our proposal to serve as independent auditors for the City of Santa Fe Springs (the City). We have prepared this information in accordance with the guidelines set forth in your request for proposal.

Who We Are

WNDE is a California certified public accounting (CPA) and consulting firm with offices in Irvine and Carlsbad. Our firm has specialized in providing services to the governmental industry for over 90 years, and we have no intention of discontinuing these services.

Why We Are the Best Qualified Firm

We consider ourselves to be the best qualified firm to perform auditing and accounting services for the City of Santa Fe Springs. Please consider these qualifications:

A significant part of our practice is devoted to providing professional services to the governmental industry, and, over the past year, the firm provided services to approximately 100 governmental organizations. On an annual basis, our firm issues over 150 reports on audits of local governmental agencies, including cities, the successor agency to redevelopment agencies, special districts, and joint power authorities.

Our firm has devoted a substantial amount of time and resources in order to provide governmental agencies with quality audits. Our knowledge of the industry is best demonstrated by the fact that our clients who apply for the "Certificate of Achievement in Financial Reporting," issued by the Government Finance Officers Association (GFOA), consistently receive that award. A list of these clients is presented on page 6 of this proposal.

We are a full-service CPA firm. Our firm provides our clients with a variety of services, including investment policy compliance reviews and agreed-upon procedures reviews and consulting on a wide array of governmental issues.

Every year, WNDE presents a complimentary Governmental Accounting Update seminar for our clients at no additional cost.

Scope of Work Performed by WNDE

The scope of our services would be as follows for the three fiscal years ending June 30, 2022:

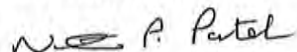
- A financial audit of the basic financial statements of the City of Santa Fe Springs in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, and preparation of the Comprehensive Annual Financial Report (CAFR)
- A Single Audit of Federal Grants to be performed to meet the requirements of Title 2 US *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance) for the City
- An agreed-upon procedures review of the calculation of the City's GANN Appropriations Limit (GANN), as required by Section 1.5 of Article XIII B of the California Constitution
- Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* (management letter)
- A report communicating information related to the audit to those in charge of governance at the conclusion of the audits
- Preparation of the Annual State Controller's Report for the City
- Availability on a day-to-day basis for consultation and ongoing auditing needs, including quarterly meetings with the Director of Finance and Administrative Services

We make a commitment to deliver all necessary reports based on the timetable presented herein on page 20. Also, a more detailed discussion of our understanding of the work to be performed is set forth on pages 22-29.

Our goal is to provide the City with the highest quality of service, including a CAFR, which meets all required reporting standards. We are confident that our service and experience will be of benefit to the City and will provide added value over and above the performance of the audit itself. Throughout the year, you should feel comfortable calling us for advice regarding accounting and auditing matters, as we are never too busy to meet the needs of our clients.

We thank the City of Santa Fe Springs for the opportunity to present our proposal. Please feel free to contact Mr. Robert J. Callanan or me at (714) 978-1300 if you have any questions. This proposal constitutes a firm and irrevocable offer for 90 days from the date of this letter. Mr. Callanan and I are authorized to represent our firm and bind the firm to contract.

Very truly yours,



Nitin P. Patel, CPA
Engagement Partner

FIRM QUALIFICATIONS AND EXPERIENCE

LICENSING AND INDEPENDENCE

Our firm and all of our certified personnel are properly licensed to practice public accounting in California. In addition, we meet the independence requirements of *Government Auditing Standards*, as published by the US General Accountability Office (GAO).

We have no conflict of interest with the City and will provide written notice to the City of any professional relationships contemplated with the City during our term as auditors, which might affect the firm's independence.

SIZE AND LOCATION OF THE FIRM

WNDE is a California accounting firm with offices in Irvine and Carlsbad.

Our firm has approximately 150 employees, which includes 23 partners with separate assurance and tax departments. The City would be served by the assurance department from our Irvine office, which has approximately 50 professional staff members, including 11 partners and 13 managers and supervisors. The Irvine office assurance department staff with governmental experience consists of 5 partners, 6 managers, 3 supervisors, and 32 seniors and associates.

WNDE has extensive experience in providing auditing, accounting, and consulting services in the governmental sector. Over 20,000 hours per year are devoted to this area of our practice for over 100 governmental units, including cities, successor agencies, special districts, nonprofit corporations, and joint power authorities.

RANGE OF ACTIVITIES

WNDE is a full-service CPA firm. We offer a broad range of services, which include the following:

- Certified Audits
- Financial Services
- Agreed-Upon Procedure Reviews
- Compilations and Reviews
- Consulting Services
- Income Tax Preparation and Representation
- Tax Planning and Consulting
- Bookkeeping Services
- Litigation Support Services

Our specific services available to governmental agencies are more fully set forth in this proposal.

Additionally, we are in a professional alliance with BDO USA, LLP (BDO), a national accounting firm, and a network of accounting firms thereby allowing us the ability to provide quality attestation services. The BDO alliance provides us access to BDO's personnel and technical resources, which allows WNDE to deliver the range of services and capabilities of a large national firm, including the use of specialists to support the needs of our clients.



FIRM QUALIFICATIONS AND EXPERIENCE

AICPA GOVERNMENTAL AUDIT QUALITY CENTER

WNDE is a member of the American Institute of Certified Public Accountants (AICPA) Governmental Audit Quality Center (the Center). The Center is a firm-based voluntary membership center whose primary purpose is to promote the importance of quality governmental audits to purchasers of governmental audit services. The Center provides members with an online forum tool for sharing best practices, as well as discussions on audit, accounting, and regulatory issues. As a member of the Center, the firm receives updates on changes in auditing and accounting standards that affect governmental audits. The quality control partner is required to attend an annual webcast to discuss auditing and reporting issues affecting governmental audits. Our firm uses the resources of the Center to maintain the quality of our governmental audits.

PARTICIPATION IN QUALITY REVIEW PROGRAMS

In July 2018, our firm underwent a quality review by an independent CPA firm under the provisions of the AICPA Quality Review Program. This review is required every three years and covers our audits of governmental agencies. A final report dated August 15, 2018, with a pass rating on our systems and procedures, was received. A copy of the independent CPA firm's report is included on page 5. Accordingly, we are confident that our current auditing standards and techniques meet all existing requirements. We had no significant deficiencies noted in any federal or state desk reviews, and no disciplinary action has been taken against the firm over the past five years.

PARTICIPATION IN PROFESSIONAL ORGANIZATIONS

Our partners and staff are actively involved in professional organizations in the governmental accounting field. Noted below is a summary of our participation in various national and California governmental organizations.

GFOA, GASB, AND FASB

Our firm is an associate member of the Government Finance Officers Association of the United States and Canada (GFOA). We also have web-based access to the latest pronouncements issued by the GASB and the Financial Accounting Standards Board (FASB), including interpretations, technical pronouncements, and newsletters. We regularly analyze these pronouncements and advise our governmental clients of changes in accounting rules.

CSCPA

Several partners and principals of the firm have been members of the Governmental Accounting and Auditing (GAA) Committee of the Orange County Chapter of the California Society of Certified Public Accountants (CSCPA). Mr. Nitin P. Patel has served as chairman of this committee. Firm personnel have been involved over the years in preparing position papers issued for professional organizations on governmental accounting matters. Currently, Mr. Patel and Mr. Robert J. Callanan are members of the State Governmental Accounting and Auditing Committee. Mr. Callanan is also a member of the California Committee on Municipal Accounting.

CSMFO

Our Irvine office partners are associate members of the California Society of Municipal Finance Officers (CSMFO). Our personnel regularly attend local CSMFO chapter meetings throughout Southern California and the annual statewide conference. We often provide public speakers for these meetings.



10201 S. 51st Street, Suite #170
Phoenix, AZ 85044
(480)704-6301 fax 785-4619

Report on the Firm's System of Quality Control

August 15, 2018

To the Owners of
White Nelson Diehl Evans LLP
and the Peer Review Committee of the CA Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of White Nelson Diehl Evans LLP (the firm) in effect for the year ended March 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, a compliance audit under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of White Nelson Diehl Evans LLP in effect for the year ended March 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. White Nelson Diehl Evans LLP has received a peer review rating of *pass*.

Heidenreich & Heidenreich CPAs PLLC

Heidenreich & Heidenreich, CPAs, PLLC

FIRM QUALIFICATIONS AND EXPERIENCE

GFOA AWARD PROGRAM

The partner and manager will be involved in all phases of report preparation and review. Reporting checklists will be used to assure compliance with all reporting requirements. In addition, another member of the firm, not associated with the audit, and with extensive governmental auditing and accounting experience, will review each financial statement audited and related reports. Based on the high quality of our review process, we have been able to assist various clients in obtaining the GFOA "Certificate of Achievement for Excellence in Financial Reporting."

Recent cities that have received the award are as follows:

Alhambra	Hawaiian Gardens	Palos Verdes Estates
Bellflower	Hesperia	Pico Rivera
Beverly Hills	Highland	Rancho Santa Margarita
Burbank	Irvine	San Buenaventura
Camarillo	Laguna Beach	San Gabriel
Campbell	Laguna Hills	San Juan Capistrano
Chino	Laguna Woods	Santa Ana
Colton	La Habra	Santa Barbara
Costa Mesa	Lake Forest	Stanton
Del Mar	Lancaster	Torrance
Fillmore	Newport Beach	Tustin
Fountain Valley	Norco	West Hollywood
Gilroy	Norwalk	Westminster
Goleta	Orange	

Recent special districts that have received the award are as follows:

Chino Basin Desalter Authority
Coachella Valley Water District
Inland Empire Utilities Agency
Las Virgenes Municipal Water District
Olivenhain Municipal Water District
Orange County Water District
Otay Water District
Rancho California Water District
Santa Ana Watershed Project Authority
Vista Irrigation District
Western Municipal Water District
Yorba Linda Water District

FIRM QUALIFICATIONS AND EXPERIENCE

SINGLE AUDIT EXPERIENCE

We perform single audit services for most of our cities and special districts that receive federal funds as required by the Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance). In recent years, single audits were performed for the following cities:

Alhambra	Hawaiian Gardens	Palos Verdes Estates
Bellflower	Hesperia	Pico Rivera
Beverly Hills	Highland	Rancho Santa Margarita
Burbank	Irvine	San Buenaventura
Camarillo	La Habra	San Gabriel
Campbell	Laguna Beach	San Juan Capistrano
Carson	Laguna Hills	Santa Ana
Chino	Laguna Woods	Santa Barbara
Colton	Lake Forest	Stanton
Costa Mesa	Lancaster	Torrance
Covina	Newport Beach	Tustin
Del Mar	Norco	Victorville
Fountain Valley	Norwalk	West Hollywood
Goleta	Orange	Westminster

Single audits were performed for the following special districts:

Coachella Valley Water District	Rancho California Water District
Heber Public Utilities District	Valley Wide Recreation and Park District
Inland Empire Utilities Agency	Western Municipal Water District
Olivenhain Municipal Water District	

EXPERIENCE WITH PREPARATION OF STATE-MANDATED REPORTS

We have experience with the preparation of various state-mandated reports, such as the State Controller's Report and the Annual Street Report. Specifically, with regard to cities, we have prepared the state-mandated reports, in recent years, for the following cities:

Alhambra	Laguna Hills	San Buenaventura
Bellflower	Lancaster	San Juan Capistrano
Carson	Monterey Park	Santa Ana
Colton	Murrieta	Santa Barbara
Covina	Norco	Sanger
Del Mar	Norwalk	South El Monte
Goleta	Palos Verdes Estates	Torrance
Hesperia	Pico Rivera	Tustin
La Cañada Flintridge	Rancho Palos Verdes	West Hollywood

FIRM QUALIFICATIONS AND EXPERIENCE

CITY ENGAGEMENTS

We have listed below the cities that were under contract with us during the past fiscal year.

City	From	To	Scope of Work
Alhambra	2005	Present	CA, RDA, SA, SCR
Burbank	2013	Present	CA, AQMD, SA, Enterprise Funds
Campbell	2013	2019	CA, SA, T, Solid Waste Management Authority
Carson	2016	Present	CA, HA, JPA, SA, SCR, Successor Agency
Chino	2017	Present	CA, SA, Successor Agency
Colton	2014	Present	CA, SA, SCR, Child Care, Enterprise Funds
Covina	2019	Present	CA, SA, SCR
Del Mar	2014	Present	CA, SA, SCR
El Segundo	2019	Present	CA, SCR
Fillmore	2019	Present	CA, SA
Gilroy	2013	2019	CA, SA, T
Hesperia	1997	Present	CA, HA, RDA, SA, SCR, Fire District, Water District
Irvine	2016	Present	CA, AQMD, OCU, PP, SA, Housing Successor
La Cañada Flintridge	2019	Present	CA, SA, SCR
La Habra	2016	Present	CA, SA, Child Care
La Palma	2017	Present	CA, SA
Laguna Beach	2017	Present	CA, SA, T
Laguna Hills	2015	Present	CA, SA, SCR, SR
Lake Forest	2011	Present	CA, AQMD, HA, RDA, SA, TOT
Lancaster	2013	Present	CA, SA, SCR - City & Power Authority
Monterey Park	2016	Present	CA, SA, SCR, Successor Agency
Murrieta	2018	Present	CA, SA, SCR
Newport Beach	2011	Present	CA, SA
Norco	2015	Present	CA, SA, SCR
Norwalk	2015	Present	CA, AQMD, OCU, PFA, SA, SCR - City & Transit, T, Child Care
Orange	2016	Present	CA, AQMD, SA, Housing Successor
Palos Verdes Estates	2016	Present	CA, SCR, Concessionaire Audits
Pico Rivera	2012	Present	CA, PFA, SA, Water Authority, SCR - City, PFA & Water
Rancho Palos Verdes	2018	Present	CA, SA, SCR, Improvement Authority
San Buenaventura	2011	Present	CA, PFA, RDA, SA, SCR - City & PFA
San Gabriel	2013	2019	CA, SA
San Juan Capistrano	2016	Present	CA, HA, SA, SR, SCR - City & PFA
Santa Ana	2016	Present	CA, AQMD, HA, SA, SCR
Santa Barbara	2019	Present	CA, SA, SCR, SR
Signal Hill	2018	Present	CA, SA

FIRM QUALIFICATIONS AND EXPERIENCE

City	From	To	Scope of Work
Stanton	2012	Present	CA, RDA, SA
Torrance	2016	Present	CA, AQMD, PFA, SA, Successor Agency, Enterprise Funds
Tustin	2011	Present	CA, AQMD, RDA, SA, SCR, Successor Agency
Victorville	2019	Present	CA, SA, SCR
West Hollywood	2014	Present	CA, SA, SCR
Westminster	1997	Present	CA, AQMD, RDA, SA, Successor Agency

Legend:	
AQMD - Air Quality Management District Audit	RA - Recreation Authority
CA - City Audit	RDA - Former Redevelopment Agency Audit
HA - Housing Authority	SA - Single Audit
OCU - Other Component Unit Audits	SCR - State Controller's Reports
PFA - Public Financing Authority	SR - Street Report
PI - Public Improvement	T - Transportation
PP - Pension Plans	TOT - Transient Occupancy Tax

Substantially all of the above engagements were performed through the firm's Irvine office.

FIRM QUALIFICATIONS AND EXPERIENCE

SPECIAL DISTRICT ENGAGEMENTS

We have listed below the special districts that were under contract with us during the past fiscal year.

Client Name	From	To
Calleguas Municipal Water District	2015	2019
Coachella Valley Water District	2019	Present
Grossmont Healthcare District	2011	Present
Heber Public Utilities District	2014	Present
La Habra Heights County Water District	2002	Present
Laguna Beach County Water District	2002	Present
Mesa Water District	2016	Present
Midway City Sanitary District	2012	Present
Monterey Peninsula Regional Park District	2015	2019
Orange County Mosquito and Vector Control District	2013	Present
Orange County Water District	2017	Present
Padre Dam Municipal Water District	2009	Present
Placentia Library District	2015	Present
Pomona-Walnut-Rowland Joint Water Line Commission	2002	2019
Rainbow Municipal Water District	2017	Present
Rancho Santa Fe Community Service District	2011	Present
Rincon del Diablo Municipal Water District	2015	Present
Rowland Water District	2007	2019
Serrano Water District	2017	Present
South Coast Water District	2017	Present
South County Regional Wastewater Authority	2013	2019
Sunset Beach Sanitary District	1986	Present
Surfside Colony Stormwater Protection District	2010	Present
Surfside Colony Community Services District	2010	Present
Valley Wide Recreation and Park District	1986	Present
Ventura Port District	2011	Present
Vista Irrigation District	2016	Present
Western Municipal Water District	2016	Present
Western Riverside County Regional Water Authority	2016	Present
Whispering Palms Community Service District	2011	Present
Yorba Linda Water District	2008	Present

PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE

AUDIT TEAM

The audit team assembled consists of individuals who have extensive experience auditing governmental agencies and who are familiar with municipal accounting. In addition, each team member's skill and experience, developed while working in other industries our firm serves, can be applied to the individual requirements of the City.

The personnel assigned to the engagement team are as follows:

The engagement partner will be Mr. Nitin P. Patel, CPA. Mr. Patel has 34 years of experience with audits of local governments and will be the primary contact for the City and related audits. He will be involved with all phases of the audit including (a) the planning phase of the audit to assess risks related to the audit, (b) the final review of all the work papers and financial reports, and (c) attendance at any meetings with City's management and City Council at the conclusion of the audit. Mr. Patel will be responsible for assuring that all work for the City is performed in a complete and timely manner.

Mr. Robert J. Callanan, CPA, will be the technical review partner and will perform a quality review of all reports issued in connection with the audit. Mr. Callanan has over 29 years of experience with audits of local governments. He will also consult on the accounting treatment of any unusual transactions or audit issues.

Ms. Tiffany Fung, CPA, will serve as the senior audit manager. Ms. Fung has 9 years of experience with audits of local governments. She will (a) perform the initial review of the work papers, including a review of the work completed related to internal controls, (b) supervise the completion of the financial reports and management letter, and (c) assist in the audit of any complex or unusual audit areas.

The audit senior will be Ms. Nicole Racine, CPA. Ms. Racine has 4 years of public accounting experience. She will perform the fieldwork, including performing tests of internal controls, substantive tests of account balances, and analytical tests. She will also draft the financial statements and various reports required for this engagement.

Resumes for the above partners and personnel are included at pages 14–17.

COMMITMENT RELATED TO PERSONNEL

We make a commitment to retain the same personnel for the City from year to year, except where such personnel leave the firm or where the change is approved by the City. If a staff member is replaced, we make a commitment to replace that person with staff of at least equal experience.

NONDISCRIMINATION POLICY

Our firm has a policy to provide equal employment opportunities to all qualified persons without regard to race, color, age, sex, religion, national origin, or disability.

EDUCATION PROGRAMS

WNDE has a formal continuing education program. All firm auditors are required to obtain 80 hours of continuing education every two years in the accounting and auditing area as required by *Government Auditing Standards*, and at least 24 hours of government-related continuing education courses. Our staff is continually expanding their knowledge of the governmental industry through our in-house training programs, programs offered by the AICPA, Government Finance Officers Association, the California Society of Certified Public Accountants, and other professional organizations and through on-the-job training.

Noted below is a description of certain in-house education courses taken by our partners and staff to meet the governmental continuing education requirements. All personnel involved with governmental auditing are required to attend these courses.

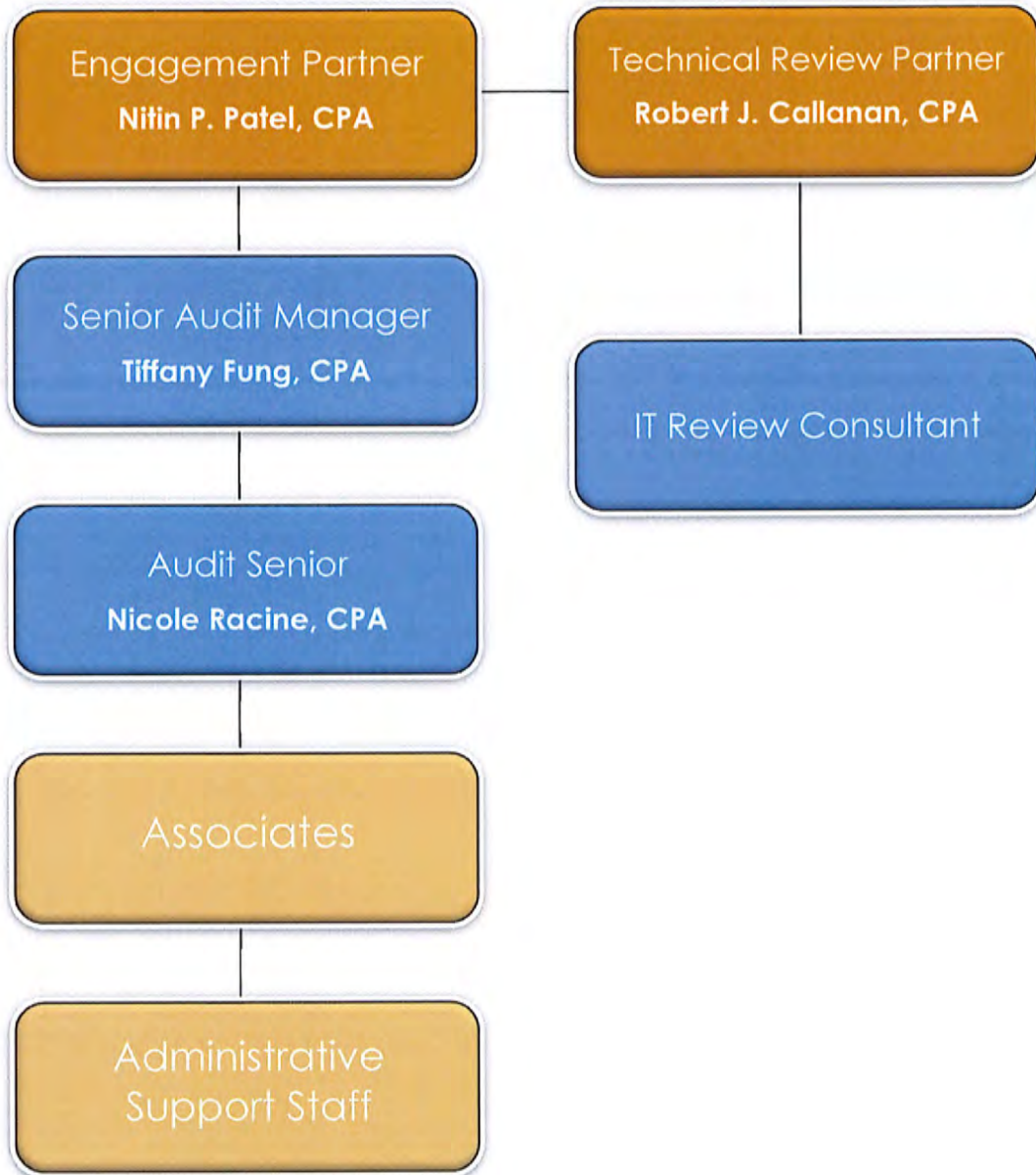
- Understanding the Risk Assessment Standards
- Understanding and Auditing Deposits and Investments of California Governmental Units
- Reviews of Internal Controls in Accordance with Statements on Auditing Standards
- Assessing Audit Risk and Materiality in Conducting an Audit
- Consideration of Fraud in a Financial Statement Audit
- Computer Auditing in the Governmental Environment
- Laws and Regulations in the Government Sector
- Pension and Other Postemployment Benefit Standards

GASB PRONOUNCEMENT IMPLEMENTATION ASSISTANCE

Annually, the Governmental Accounting Standards Board (GASB) issues new and updated guidance to assist local and state governments in applying generally accepted accounting principles (GAAP) to specific facts and circumstances that they encounter. Listed below are relevant GASB pronouncements that our auditors can provide assistance with throughout the year.

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*
- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- GASB Statement No. 84, *Fiduciary Activities*
- GASB Statement No. 87, *Leases*
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- GASB Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*
- GASB Statement No. 91, *Conduit Debt Obligations*

WNDE AUDIT TEAM ORGANIZATION CHART



NITIN P. PATEL, CPA

Engagement Partner



Licensing:

Certified Public Accountant in California since 1988

Range of Experience:

Mr. Patel has been with the firm since 1986 with emphasis in governmental accounting and financial reporting and is responsible for firm's in-house governmental accounting and auditing training programs.

Experience includes supervision of over one hundred audits of governmental agencies including cities, successor agencies/redevelopment agencies, nonprofit corporations, joint powers authorities, and special districts.

Other experience includes providing consulting services for governmental agencies including special internal control reviews, cost allocation plans, cable television rate reviews, reviews of City Treasurer operations, and transient occupancy tax reviews of city hotels/motels.

GFOA Report Reviewer for Award Program - Certificate of Achievement for Excellence in Financial Reporting.

Mr. Patel was the engagement partner on the following local government audits in 2019:

Cities:

- | | | | |
|--------------|----------------|-----------------------|------------------|
| • Colton | • La Habra | • San Gabriel | • Tustin |
| • Covina | • Laguna Hills | • San Juan Capistrano | • Victorville |
| • El Segundo | • Norwalk | • Santa Ana | • West Hollywood |
| • Gilroy | • Orange | • Santa Barbara | • Westminster |

Special Districts:

- | | |
|--|------------------------------------|
| • Calleguas Municipal Water District | • Orange County Water District |
| • Coachella Valley Water District | • Serrano Water District |
| • Laguna Beach County Water District | • South Coast Water District |
| • La Habra Heights County Water District | • Western Municipal Water District |
| • Mesa Water District | |

Professional Organizations:

American Institute of Certified Public Accountants

California Society of Certified Public Accountants

California Society of Municipal Finance Officers - Associate Member

Governmental Accounting and Auditing Committee of Orange County - Committee Chairman (2001-2002)

California Governmental Accounting and Auditing Committee Member

Education:

University of California at Irvine, Bachelor of Arts in Economics

California State University at Long Beach Masters of Accounting Program

Continuing Professional Education:

Total hours were 198 in the last three years, of which 154 hours were for meeting the requirements of the *Government Auditing Standards*.

ROBERT J. CALLANAN, CPA
Technical Review Partner



Licensing:

Certified Public Accountant in California since 1993

Range of Experience:

Twenty-nine years with the firm specializing in governmental audit, accounting, and consulting services.

Two years of experience as Chief Financial Officer of a mortgage lending corporation.

GFOA Report Reviewer for Award Program - Certificate of Achievement for Excellence in Financial Reporting.

Mr. Callanan was the engagement partner on the following local government audits in 2019:

Special Districts:

- Greater Los Angeles County Vector Control District
- Pico Rivera Water Authority
- Pomona-Walnut-Rowland Joint Water Line Commission
- Rowland Water District
- Southeast Water Coalition
- Sunset Beach Sanitary District
- Surfside Colony Stormwater Protection District
- Surfside Community Services District
- Ventura Port District

Cities:

- | | | | |
|------------|-----------------|----------------------|--------------------|
| • Campbell | • Irvine | • Norco | • San Buenaventura |
| • Carson | • La Palma | • Pico Rivera | • Signal Hill |
| • Del Mar | • Monterey Park | • Ranch Palos Verdes | |

Professional Organizations:

American Institute of Certified Public Accountants - Member

California Society of Certified Public Accountants - Member

California Society of Municipal Finance Officers - Associate Member

California Governmental Accounting and Auditing Committee - Member

California Committee on Municipal Accounting - Member

Education:

Aquinas College, Grand Rapids, Michigan

Bachelor of Arts, Business Administration, 1988

Bachelor of Science, Accounting, 1988

Continuing Professional Education:

Total hours were 219 in the last three years, of which 165 hours were for meeting the requirements of the *Government Auditing Standards*.

TIFFANY FUNG, CPA
Senior Audit Manager



Licensing:

Certified Public Accountant in California since July 2013

Range of Experience:

Ms. Fung has been with the firm since March 2011. Ms. Fung has performed all phases of local governmental audits including cities, successor agencies/ redevelopment agencies, single audit of federal grants, special districts, and agreed-upon procedures engagements. As a senior audit manager, she is involved with planning the audit, performing fieldwork for all aspects of the audit, supervising staff accountants, and preparation of financial statements.

Ms. Fung worked on the following local government audits in 2019:

Cities:

- El Segundo
- Lake Forest
- La Habra
- Norwalk
- San Gabriel
- Santa Ana
- Tustin
- West Hollywood
- Westminster

Special Districts:

- Coachella Valley Water District
- Laguna Beach County Water District
- Orange County Water District
- South Coast Water District
- Western Municipal Water District
- Western Riverside County Regional Wastewater Authority

In recent years, Ms. Fung has also been involved with the following governmental clients:

Cities:

- Avalon
- Colton
- Costa Mesa
- Downey
- Newport Beach
- Palm Desert
- San Juan Capistrano
- West Covina

Special Districts:

- Chino Basin Desalter Authority
- Costa Mesa Sanitary District
- El Toro Water District
- Inland Empire Utilities Agency
- Mesa Water District
- Rancho California Water District
- Santa Ana Watershed Project Authority
- Walnut Valley Water District

Education:

University of California, Irvine

Bachelor of Economics with a minor in Accounting, 2010

Continuing Professional Education:

Total hours were 154 in the last three years, of which 136 hours were for meeting the requirements of the *Government Auditing Standards*.

NICOLE RACINE, CPA
Audit Senior



Licensing:

Certified Public Accountant in California since June 2019

Range of Experience:

Ms. Racine has been with the firm since 2017. Ms. Racine has performed all phases of audits including cities, single audit of federal grants, special districts, compliance audits, and agreed-upon procedures engagements. She has been involved with planning the audit, performing fieldwork for all aspects of the audit, and preparing financial statements.

Ms. Racine has worked on the following local government and special district audits in 2019:

Cities:

- Chino
- Del Mar
- Monterey Park
- Palos Verdes Estates
- Tustin

Special Districts:

- Coachella Valley Water District
- Laguna Beach County Water District

In recent years, Ms. Racine has also been involved with the following governmental clients:

Cities:

- Newport Beach
- Pico Rivera

Special Districts:

- Orange County Mosquito and Vector Control District
- Valencia Heights Water Company

Education:

California State University, Fullerton
Bachelor's Degree in Radio/TV/Film

Continuing Professional Education:

Total hours were 120 in the last three years, of which 120 hours were for meeting the requirements of the *Government Auditing Standards*.

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

FIRM EXPERIENCE WITH GOVERNMENTAL ENTITIES

Your request for proposal called for a list of five engagements performed in the last three years that are similar to the engagement to be performed for the City of Santa Fe Springs. These are set forth below:

CITY	DATES OF SERVICE	ENGAGEMENT PARTNER	TOTAL HOURS	SCOPE OF WORK
Santa Ana	2016 – Present	Nitin P. Patel	781	City and Single Audits; Air Quality Management District Audit; State Controller's Report
Norwalk	2015 – Present	Nitin P. Patel	505	City and Single Audits; Air Quality Management District Audit; Public Financing Authority; Other Component Unit Audits; City & Transit, Transportation, Child Care; State Controller's Report
El Segundo	2019 – Present	Nitin P. Patel	496	City and Single Audits; State Controller's Report
La Habra	2016 – Present	Nitin P. Patel	490	City and Single Audits; Child Care
Tustin	2018 – Present	Nitin P. Patel	362	City and Single Audits; Air Quality Management District Audit; State Controller's Report

Certified audits were performed on the financial statements to comply with GASB Statement No. 34 and the GFOA Award Program of all these cities and their component units for the past year.

FIRM EXPERIENCE WITH GOVERNMENTAL ENTITIES (Cont.)

Client references for these five engagements are included below:

City of Santa Ana

Mr. Sergio Vidal
Assistant Director of Finance
(714) 647-5295
SVidal@santa-ana.org

City of Norwalk

Ms. Jana Stuard
Director of Finance
(562) 929-5056
jstuard@nowalkca.gov

City of El Segundo

Mr. Joseph Lillo
Director of Finance
(310) 524-2318
jlillio@elsegundo.org

City of La Habra

Mr. Jack Ponvanit
Finance Manager
(562) 383-4051
jponvanit@lahabra.gov

City of Tustin

Ms. Jenny Leisz
Deputy Director - Financial Services
(714) 573-3079
JLeisz@tustinca.org

SPECIFIC AUDIT APPROACH

REPORTS TO BE ISSUED AND DUE DATES

Listed below is a timetable for reports to be issued as stated in the scope of work for the City.

Reports for the City of Santa Fe Springs	Draft Report Due Date	Final Report Due Date
Comprehensive Annual Financial Report	November 5	November 30
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> (Management Letter)	November 5	November 30
Communication to Those in Charge of Governance (Audit Committee Letter)	November 5	November 30
Report on Compliance with Article XIII B Appropriation Limit	November 5	November 30
Single Audit Reports: Independent Auditors' Report on Compliance for Each Major Program and Internal Control Over Compliance Required by OMB Circular A-133	November 5	November 30
Annual State Controller's Report for the City		As required by SCO

SPECIFIC AUDIT APPROACH

AUDIT TIMING

Assuming that the City's books are closed and ready for examination and that all necessary schedules and documents are available for our use by first week of October each year, the suggested time schedule for the various phases of the audit for the first year would be approximately as follows:

Audit Phase	Completed By
Entrance conference with key City staff; discussion of any prior audit concerns and the performance of interim work	July 31
Audit plan including list of schedules and other items needed for interim fieldwork	July 31
Interim fieldwork and management review	July 31
Audit plan including list of schedules and other items needed for final fieldwork	August 15
Final audit fieldwork and management review	October 22
Exit conference to summarize the results of the fieldwork and to review significant findings	October 22
Deliver draft and final reports	See page 20
Presentation of CAFR at City Council meeting	December

For subsequent years, the timing for the planning stages and interim audit would be earlier but the timing for the final fieldwork and reports would be similar

COMMITMENT TO DELIVER REPORTS ON A TIMELY BASIS

If all books and records, schedules, and documents are made available to us by first week of October, we make a commitment to have audit team members available and to provide all reports by the due dates specified above.

AUDIT APPROACH

Our audit approach is tailored to meet the technical requirements while maintaining professional skepticism without forgetting that we provide a service. The following aspects of our audit approach will add additional value to the audit services and minimize the amount of time spent by the City's staff in dealing with the audit.

- We will assign experienced staff auditors, including the in-charge field auditor having at least three years of experience. You will not spend time training our auditors.
- Whenever possible, we will use same format for audit supporting schedules used in prior years for the current-year audit. This will reduce time spent by the City staff in dealing with the audit when a different audit firm is chosen.
- Throughout the year, we are available as a resource to our clients in researching technical questions, dealing with new pronouncements, reviewing complex financial entries, and helping with any other issues as they arise.
- The work papers will be reviewed by the manager or partner as fieldwork is being completed to minimize additional questions after the fieldwork is completed.

Our firm uses a governmental audit program that will be modified to the City's operations to accommodate specific client circumstances. Our audit programs are organized by the financial statement approach and general procedures. The requirements by the standards for assessing risk are utilized to modify the audit programs to focus on the higher risk areas of the financial statements.

1. AUDIT PLANNING PROCEDURES

- Hold a preaudit conference with the City to establish process of communication between the audit team and City staff
- Discuss any new accounting pronouncements being implemented in the current year
- Establish scope of work and timing of fieldwork

2. INTERIM FIELDWORK

- Gather information about the City and its environment, including internal control
- Evaluate the design of internal controls that are relevant to the audit and determine whether the control, either individually or in combination is capable of affecting, preventing, or detecting and correcting material misstatements
- Determine that the controls have been implemented (i.e., the controls exist and the City is using them)

SPECIFIC AUDIT APPROACH

2. INTERIM FIELDWORK (cont.)

- Specific areas to review include:
 - Accounts payable/cash disbursements
 - Accounts receivable/cash receipts
 - Payroll disbursements
 - Investment compliance
 - Property and equipment
- Review of minutes of City meetings
- Review of important contracts and debt agreements
- Perform interim exit conference with the City to review results of interim fieldwork, including any findings

3. FINAL AUDIT WORK

During the final audit work, we will assess “risk” of material misstatement based on an understanding of the City’s audit environment, including its internal control, to identify account balances. Our audit programs will be specifically tailored to address any significant risks identified.

The Prepared by Client list will be provided at least one month in advance of fieldwork. Our work may include the following:

- Confirm cash and investment balances and testing of bank reconciliations
- Confirm significant receivable balances or review subsequent cash receipts to verify receivable balance
- Search for unrecorded liabilities
- Test interfund balances and transfers
- Test capital asset additions and depreciation expense
- Confirm long-term debt balances and review the accounting treatment of debt issued or refunded
- Test support for other significant assets or liabilities
- Perform analytical procedures on the balance sheet and revenue and expenditure accounts to evaluate and explain unusual fluctuations from prior-year balances or current-year budgeted amounts
- Review attorney letters for significant legal matters affecting the City’s financial position
- Conduct an exit conference to review any significant adjustments or findings

The audit work papers will be reviewed by our management team as the work is being performed in the field so that at the conclusion of the fieldwork we are able to report any adjustments or findings.

AUDITS TO BE IN ACCORDANCE WITH GAAS AND OTHER REQUIREMENTS

We will audit the financial statements of the City and the component units as stated in the scope of work. The financial statements of all entities where the City exercises oversight will be combined with the City's financial statements in accordance with GASB requirements. Our audit will be in accordance with auditing standards generally accepted in the United States of America (GAAS), as set forth by the AICPA, and will include such auditing procedures as we consider necessary under the circumstances. We will apply certain limited procedures, which consist principally of inquiries of management regarding methods of measurement and presentation of required supplementary information. However, we do not audit such information and do not express an opinion on it. Any supplemental financial statements will be subjected to auditing procedures as we consider necessary in relation to the financial statements taken as a whole. The scope of our audit will not include any statistical information, and we will not express an opinion concerning it.

Our audits will conform to the guidelines set forth in the AICPA's Industry Audit Guide, *Audits of State and Local Governmental Units*. Also, each examination will comply with the standards for financial and compliance audits contained in the *Government Auditing Standards*, issued by the US General Accounting Office, the provisions of the Single Audit Act, and the provisions of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance).

Also, we will perform an agreed-upon procedures review of the City's Gann Spending Limitation Computation as required by Section 1.5 of Article XIII B of the California Constitution. Our review will be performed in conformance with the provision of the "League of California Cities Uniform Guidelines."

APPROACH TO INTERNAL CONTROL

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Our understanding of internal controls will be completed by completing narratives and checklists for various processes related to internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control, and accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

SPECIFIC AUDIT APPROACH

As required by Title 2 US *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance), we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls, and accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control-related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

SINGLE AUDIT APPROACH

The single audit will be performed in accordance with all the requirements of the Single Audit Act, the Uniform Guidance, and *Government Auditing Standards* issued by the GAO (the Yellow Book) for cities that expend greater than \$750,000 in federal awards.

- We will identify the major and nonmajor federal programs of the City through the risk-based approach required by the Uniform Guidance. This approach includes consideration of current and prior audit experience, oversight by federal agencies and pass-through entities, and the inherent risk of the federal program.

- We will review all federal and industry-specific publications and guidance and inform the City of any recent changes.
- We will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material non-compliance with applicable compliance requirements. If weaknesses in the internal controls are noted, we will modify our audit program as needed.
- Our audit will include tests of transactions related to major federal award programs for compliance with applicable compliance requirements and certain provisions of laws, regulations, contracts, and grant agreements.
- Our procedures will consist of the applicable procedures described in the Uniform Guidance for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of those procedures will be to express an opinion on the City's compliance with requirements applicable to major programs in our report on compliance issued pursuant to the Uniform Guidance.
- We will assist the City in completing and filing the Data Collection Form.

DETERMINING LAWS AND REGULATIONS SUBJECT TO AUDIT

Under provisions of AICPA auditing standards, management of the City is responsible for identifying to its outside auditors any laws and regulations that could have a significant effect on the audit. This would include federal laws (such as federal grant regulations), state laws (such as permitted investments under the California Government Code), and local laws (such as restrictions on special revenues levied by the City). After our selection as auditors, we will consult with City officials regarding these matters to determine what laws and regulations need to be evaluated in connection with our audit. If the City is not able to identify specific laws and regulations that affect it, we have references (California Government Code and Health and Safety Code) to the more common laws, rules, and regulations in our standard audit programs for the usual activities of a California city or successor agency to the redevelopment agency that will assist us in identifying laws and regulations to review in the audit.

ANALYTICAL PROCEDURES

Analytical procedures are used in the planning and final stages of the audit. In the planning phase, we use analytical procedures to identify unusual financial transactions and compare relationships to expected results. We compare current-year information to the prior years for balance sheet items, revenues, and expenditures. In addition, revenues and expenditures are compared to budgets to identify unexpected results. In the final stages of the audit, the financial statements are reviewed to identify expected relationships, such as comparing debt paid to expenditures recorded on governmental funds, transfers between funds, depreciation

expense, etc. For all significant relationships identified, explanations are obtained as to why the situation occurred and additional audit procedures are applied to resolve any concerns.

METHOD OF SAMPLING

Our approach is to utilize random sampling based on our testing of the internal control systems related to cash receipts, cash disbursements, payroll, and utility billings. Based on a statistical conclusion used by the firm, our sample sizes can range from 25 to 60 transactions for each system. A random sample selection allows each item in the population an equal chance of being selected. In addition, for disbursements, we may select a stratified sample of all transactions over a specified dollar amount for review.

MANAGEMENT LETTERS

In connection with each audit, a complete review of internal controls will be made of all significant accounting procedures. Our firm uses an internal control questionnaire, computer systems questionnaire, and narration to gain an understanding of the internal control process as part of our audit. We will identify weaknesses, and after discussion with the appropriate City staff, we will submit a management letter that will identify weaknesses observed during these reviews and throughout the audit. The management letter will also assess the effect of the management letter comments on the financial reporting process and recommend steps toward eliminating the weaknesses.

COMPUTER AUDITING CAPABILITIES

WNDE uses technology to make the audit process more effective. We utilize a paperless audit software, ProSystem fx Engagement, which allows us to manage our audit documentation electronically. Some of the benefits of a paperless audit are as follows:

- We can receive the City's schedules in either hard copy or electronic format.
- We can import and integrate trial balance data from virtually any accounting system. We avoid the time and expense of keying in account numbers, descriptions, and account balances; we simply take your electronic trial balance and import it directly into our audit software.
- We create our own lead sheets, which can include prior-year balances. This helps us to easily identify significant fluctuations between fiscal years.
- The CAFR is prepared using Word and Excel documents that are linked to our trial balance software. The CAFR is updated automatically for any last minute journal entries, if any.

WNDE has partnered with MindBridge Ai to incorporate the powerful tool of artificial intelligence into the audit process. For some clients who are able to provide the financial data in the format required, MindBridge Ai uses a suite of techniques, including business rules, statistical methods, machine learning, and cross-correlation, that analyzes the financial data to provide a risk-based scoring on one hundred percent of transactions. This new method for identifying risks enhances the audit process in a manner not previously available.

Also, our approach includes using Interactive Data Extraction and Analysis (IDEA), which is a data analysis software that can be used to analyze large amounts of information. It allows the firm to extract data from the City's accounting records to tailor specific audit tests based on risk assessments. Some audit procedures that IDEA can be utilized for are as follows:

- Mechanical accuracy of worksheets or general ledgers
- Exception and gap/completeness testing for missing check numbers
- Cross checking different databases for common information such as employee names
- Duplicate testing of invoice numbers
- Completeness of general ledger balances

In addition, the firm has document management software that allows our clients to access our web portal. We utilize the web portal to transfer data files that are confidential or too large to be sent by email.

RETENTION OF AND ACCESS TO AUDIT WORK PAPERS

In accordance with provisions of the Uniform Guidance, GAO requirements, and the California Board of Accountancy, our audit work papers will be maintained for at least seven years after the date of the report. These work papers will be made available as necessary to your cognizant audit agency (or its designee), to GAO representatives, or to any other federal or state agency needing access to the work papers. Also, our firm will respond to any reasonable inquiries of successor auditors, and we will allow any successor auditors to review our work papers.

SPECIFIC AUDIT APPROACH

WORK REQUIRED BY CITY STAFF

Our fixed annual fees contemplate that conditions satisfactory to the normal progress and completion of the examination will be encountered and that the City's accounting personnel will furnish the agreed-upon assistance in connection with the audit. However, if unusual circumstances are encountered that make it necessary for us to do additional work, we shall report such conditions to the responsible officials and provide the City with an estimate of the additional accounting fees involved.

Noted below is a listing of work required by City staff to assist in the audit.

- Preparation of trial balances for all funds after posting of all year-end journal entries
- Preparation of schedules supporting all major balance sheet accounts and selected revenue and expenditure accounts
- Typing of all confirmation requests
- Pulling and refileing of all supporting documents required for audit verification
- Assistance with the preparation of the financial statements and notes to the financial statements
- Preparation of management's discussion and analysis, transmittal letter, and all statistical tables for the financial statements

IRREGULARITIES AND ILLEGAL ACTS

We will make an immediate written report of all irregularities, illegal acts, or indications of illegal acts of which we become aware to the following parties: City Manager, City Attorney, and Director of Finance & Administrative Services.

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

We do not anticipate any significant potential audit problems. If any potential audit problems are identified, we will immediately discuss them with the City's management. Our approach is to coordinate the resolution of any problems with the City's management. Considering our experience with auditing governmental entities and resources, we expect minimal disruption to the City's management in resolving any identified audit problems.

SEMINARS PRESENTED BY WNDE

Every year, WNDE presents a complimentary Governmental Accounting Update seminar for our clients.

OTHER PROFESSIONAL SERVICES

We will be available for any other professional assistance you require to research and answer accounting and reporting problems raised by the City, regardless of the time of year. We will provide other attestation engagements in the form of agreed-upon procedures as required by the City for a separate fee. We also will keep the City informed of new developments affecting municipal finance and reporting, changes in grant rules, and regulations, etc.

SPECIFIC AUDIT APPROACH

SEGMENTATION OF THE AUDIT HOURS BY PARTNER AND STAFF LEVEL

Scope of Work	Partner	Audit Manager	Audit Senior	Associates	Support Staff	Total
City Audit and Related Reports	32	56	150	144	16	398
Single Audit and Related Reports	2	8	-	24	1	35
GANN Limit Review Report	-	-	4	-	-	4
Annual State Controller's Report	-	4	-	32	-	36
Total Hours	34	68	154	200	17	473

SEGMENTATION OF THE AUDIT HOURS BY PHASES OF THE AUDIT

Scope of Work	Partner	Audit Manager	Audit Senior	Associates	Support Staff	Total
Planning	2	4	8	-	-	14
Interim Fieldwork	-	8	24	24	-	56
Final Fieldwork and Review	32	56	122	176	17	403
Total Hours	34	68	154	200	17	473

In the first year of the engagement, we expect an estimate of 8–12 hours of staff time to respond to inquiries related to the internal control checklist and learning the methodology of how to access the City's accounting system for electronic records.

INSURANCE

Should our firm be selected for this engagement, we will carry all required insurance for the entire term of the engagement. We will provide the City with a fully compliant Insurance Certificate to the City's Risk Management Department before the execution of the audit contract.

The firm has the following insurance coverage:

Insurance Type	Each Occurrence Limit	Aggregate Limit	Deductible
Umbrella Policy	\$4,000,000	\$4,000,000	\$10,000
General Liability	1,000,000	2,000,000	-
Auto Liability - Hired and Nonowned	1,000,000	1,000,000	-
Workers' Compensation	1,000,000	1,000,000	-
Professional Liability	5,000,000	10,000,000	100,000

We will request that the City accepts the above deductible amounts for the insurance coverage.

SPECIFIC AUDIT APPROACH

PREPARED BY CLIENT: REQUESTS FOR INTERIM AND FINAL FIELDWORK

INTERIM FIELDWORK

1. Complete the entity and information technology internal control checklists
2. Complete the audit inquiry package
3. Provide prior-year confirmations
4. Provide check, invoice, and bid information for selected cash disbursements
5. Provide daily cash receipt reports for days selected
6. Provide payroll register for pay periods selected (during fieldwork, employees will be selected for testing and the personnel files and time cards will be reviewed)
7. Provide utility billing register for periods selected (during fieldwork, invoices will be selected for testing)
8. Provide resolution approving rates charged by the entity
9. Provide the resolution and worksheet adopting the Annual Appropriations Limit
10. Provide current-year investment policy and resolution approving the policy
11. Provide treasurer reports for the months selected
12. Provide bank reconciliations for all bank accounts for the months selected
13. Provide the current-year budget and resolution approving the adoption of the budget
14. Provide access to all journal entries
15. Provide preliminary schedule of expenditures of federal awards

FINAL FIELDWORK

1. Trial balance report - by fund
2. Revenue and expenditure summary reports (budget and actual) - by fund
3. Bank reconciliations at year-end
4. June monthly investment report
5. Schedule of receivables (accounts, due from other governments, interest)
6. Schedule of changes in capital assets and accumulated depreciation - by type
7. Schedule of interfund balances and transfers with explanations
8. Schedule of accounts payable, accrued liabilities, deposits, and due to other governments
9. Schedule of changes in long-term liabilities (beginning balance, additions, deletions, ending balance, amount due within one year) - by debt issue
10. Schedule of compensated absences - by employee
11. PERS and OPEB calculations
12. Schedule of accrued claims and judgments
13. Schedule of contract commitments at June 30

COST PROPOSAL

EXHIBIT A: TOTAL MAXIMUM PRICE

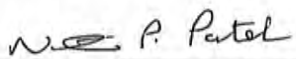
Service	FY 2019-20	FY 2020-21	FY 2021-22	Option Years	
				FY 2022-23	FY 2023-24
City Audit and Related Reports	\$ 51,190	\$ 51,190	\$ 52,328	\$ 53,466	\$ 54,604
Single Audit and Related Reports (A)	4,240	4,240	4,331	4,422	4,513
GANN Limit Review Report	500	500	512	524	536
Annual State Controller's Report	3,740	3,740	3,820	3,900	3,980
Total	\$ 59,670	\$ 59,670	\$ 60,991	\$ 62,312	\$ 63,633

(A) The fee contemplates auditing one major program. Additional major programs will be audited for an additional cost of \$2,000.

Contract Authorization

The undersigned bidder acknowledges that he has thoroughly reviewed all pages for this request for proposal. Bidder further acknowledges that he is aware of all the requirements of these documents and agrees to same. The bidder shall be bound to furnish the services specified according to requirements herein, upon acceptance by City of Santa Fe Springs.

<u>White Nelson Diehl Evans LLP</u>	<u>2875 Michelle Drive, Suite 300</u>	<u>Irvine, CA</u>	<u>92606</u>
Name of Company	Address	City, State	Zip code

<u></u>	<u>Partner</u>	<u>June 11, 2020</u>
Signature of Authorized Representative	Title	Date

<u>Nitin P. Patel</u>	<u>(714) 978-1300</u>	<u>npatel@wndecpa.com</u>
Printed Name Authorized Representative	Phone Number	Email Address

33-0686301
Federal Tax ID Number

COST PROPOSAL

EXHIBIT B: SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FISCAL YEAR 2019–2020

Scope of Service: City Audit		Fiscal Year: 2019-20		
	Rate	Hours	Total	
Partners	\$ 250	32	\$ 8,000	
Managers	175	56	9,800	
Audit Senior	125	150	18,750	
Associates	95	144	13,680	
Administrative Support Staff	60	16	960	
Subtotal Staff			51,190	
Billable Expenses:				
Meals and Lodging			-	
Transportation			-	
Subtotal Billable Expenses			-	
Total Maximum Cost			\$ 51,190	

Scope of Service: Single Audit		Fiscal Year: 2019-20		
	Rate	Hours	Total	
Partners	\$ 250	2	\$ 500	
Managers	175	8	1,400	
Audit Senior	125	-	-	
Associates	95	24	2,280	
Administrative Support Staff	60	1	60	
Subtotal Staff			4,240	
Billable Expenses:				
Meals and Lodging			-	
Transportation			-	
Subtotal Billable Expenses			-	
Total Maximum Cost			\$ 4,240	

Scope of Service: GANN Limit Review Report		Fiscal Year: 2019-20		
	Rate	Hours	Total	
Partners	\$ 250	-	\$ -	
Managers	175	-	-	
Audit Senior	125	4	500	
Associates	95	-	-	
Administrative Support Staff	60	-	-	
Subtotal Staff			500	
Billable Expenses:				
Meals and Lodging			-	
Transportation			-	
Subtotal Billable Expenses			-	
Total Maximum Cost			\$ 500	

Scope of Service: State Controller's Report		Fiscal Year: 2019-20		
	Rate	Hours	Total	
Partners	\$ 250	-	\$ -	
Managers	175	4	700	
Audit Senior	125	-	-	
Associates	95	32	3,040	
Administrative Support Staff	60	-	-	
Subtotal Staff			3,740	
Billable Expenses:				
Meals and Lodging			-	
Transportation			-	
Subtotal Billable Expenses			-	
Total Maximum Cost			\$ 3,740	

COST PROPOSAL

EXHIBIT B: SCHEDULE OF PROFESSIONAL FEES AND EXPENSES (Cont.)

FISCAL YEAR 2020-2021

Scope of Service: City Audit		Fiscal Year: 2020-21	
	Rate	Hours	Total
Partners	\$ 250	32	\$ 8,000
Managers	175	56	9,800
Audit Senior	125	150	18,750
Associates	95	144	13,680
Administrative Support Staff	60	16	960
Subtotal Staff			51,190
Billable Expenses:			
Meals and Lodging			-
Transportation			-
Subtotal Billable Expenses			-
Total Maximum Cost			\$ 51,190

Scope of Service: Single Audit		Fiscal Year: 2020-21	
	Rate	Hours	Total
Partners	\$ 250	2	\$ 500
Managers	175	8	1,400
Audit Senior	125	-	-
Associates	95	24	2,280
Administrative Support Staff	60	1	60
Subtotal Staff			4,240
Billable Expenses:			
Meals and Lodging			-
Transportation			-
Subtotal Billable Expenses			-
Total Maximum Cost			\$ 4,240

Scope of Service: GANN Limit Review Report		Fiscal Year: 2020-21	
	Rate	Hours	Total
Partners	\$ 250	-	\$ -
Managers	175	-	-
Audit Senior	125	4	500
Associates	95	-	-
Administrative Support Staff	60	-	-
Subtotal Staff			500
Billable Expenses:			
Meals and Lodging			-
Transportation			-
Subtotal Billable Expenses			-
Total Maximum Cost			\$ 500

Scope of Service: State Controller's Report		Fiscal Year: 2020-21	
	Rate	Hours	Total
Partners	\$ 250	-	\$ -
Managers	175	4	700
Audit Senior	125	-	-
Associates	95	32	3,040
Administrative Support Staff	60	-	-
Subtotal Staff			3,740
Billable Expenses:			
Meals and Lodging			-
Transportation			-
Subtotal Billable Expenses			-
Total Maximum Cost			\$ 3,740

COST PROPOSAL

EXHIBIT B: SCHEDULE OF PROFESSIONAL FEES AND EXPENSES (Cont.)

FISCAL YEAR 2021-2022

Scope of Service: City Audit		Fiscal Year: 2021-22	
	Rate	Hours	Total
Partners	\$ 255	32	\$ 8,160
Managers	179	56	10,024
Audit Senior	128	150	19,200
Associates	97	144	13,968
Administrative Support Staff	61	16	976
Subtotal Staff			52,328
Billable Expenses:			
Meals and Lodging			-
Transportation			-
Subtotal Billable Expenses			-
Total Maximum Cost			\$ 52,328

Scope of Service: GANN Limit Review Report		Fiscal Year: 2021-22	
	Rate	Hours	Total
Partners	\$ 255	-	\$ -
Managers	179	-	-
Audit Senior	128	4	512
Associates	97	-	-
Administrative Support Staff	61	-	-
Subtotal Staff			512
Billable Expenses:			
Meals and Lodging			-
Transportation			-
Subtotal Billable Expenses			-
Total Maximum Cost			\$ 512

Scope of Service: Single Audit		Fiscal Year: 2021-22	
	Rate	Hours	Total
Partners	\$ 255	2	\$ 510
Managers	179	8	1,432
Audit Senior	128	-	-
Associates	97	24	2,328
Administrative Support Staff	61	1	61
Subtotal Staff			4,331
Billable Expenses:			
Meals and Lodging			-
Transportation			-
Subtotal Billable Expenses			-
Total Maximum Cost			\$ 4,331

Scope of Service: State Controller's Report		Fiscal Year: 2021-22	
	Rate	Hours	Total
Partners	\$ 255	-	\$ -
Managers	179	4	716
Audit Senior	128	-	-
Associates	97	32	3,104
Administrative Support Staff	61	-	-
Subtotal Staff			3,820
Billable Expenses:			
Meals and Lodging			-
Transportation			-
Subtotal Billable Expenses			-
Total Maximum Cost			\$ 3,820

COST PROPOSAL

EXHIBIT B: SCHEDULE OF PROFESSIONAL FEES AND EXPENSES (Cont.)

FISCAL YEAR 2022-2023

Scope of Service: City Audit		Fiscal Year: 2022-23		
	Rate	Hours	Total	
Partners	\$ 260	32	\$ 8,320	
Managers	183	56	10,248	
Audit Senior	131	150	19,650	
Associates	99	144	14,256	
Administrative Support Staff	62	16	992	
Subtotal Staff			53,466	
Billable Expenses:				
Meals and Lodging			-	
Transportation			-	
Subtotal Billable Expenses			-	
Total Maximum Cost			\$ 53,466	

Scope of Service: Single Audit		Fiscal Year: 2022-23		
	Rate	Hours	Total	
Partners	\$ 260	2	\$ 520	
Managers	183	8	1,464	
Audit Senior	131	-	-	
Associates	99	24	2,376	
Administrative Support Staff	62	1	62	
Subtotal Staff			4,422	
Billable Expenses:				
Meals and Lodging			-	
Transportation			-	
Subtotal Billable Expenses			-	
Total Maximum Cost			\$ 4,422	

Scope of Service: GANN Limit Review Report		Fiscal Year: 2022-23		
	Rate	Hours	Total	
Partners	\$ 260	-	\$ -	
Managers	183	-	-	
Audit Senior	131	4	524	
Associates	99	-	-	
Administrative Support Staff	62	-	-	
Subtotal Staff			524	
Billable Expenses:				
Meals and Lodging			-	
Transportation			-	
Subtotal Billable Expenses			-	
Total Maximum Cost			\$ 524	

Scope of Service: State Controller's Report		Fiscal Year: 2022-23		
	Rate	Hours	Total	
Partners	\$ 260	-	\$ -	
Managers	183	4	732	
Audit Senior	131	-	-	
Associates	99	32	3,168	
Administrative Support Staff	62	-	-	
Subtotal Staff			3,900	
Billable Expenses:				
Meals and Lodging			-	
Transportation			-	
Subtotal Billable Expenses			-	
Total Maximum Cost			\$ 3,900	

COST PROPOSAL

EXHIBIT B: SCHEDULE OF PROFESSIONAL FEES AND EXPENSES (Cont.)

FISCAL YEAR 2023-2024

Scope of Service: City Audit		Fiscal Year: 2023-24	
	Rate	Hours	Total
Partners	\$ 265	32	\$ 8,480
Managers	187	56	10,472
Audit Senior	134	150	20,100
Associates	101	144	14,544
Administrative Support Staff	63	16	1,008
Subtotal Staff			54,604
Billable Expenses:			
Meals and Lodging			-
Transportation			-
Subtotal Billable Expenses			-
Total Maximum Cost			\$ 54,604

Scope of Service: Single Audit		Fiscal Year: 2023-24	
	Rate	Hours	Total
Partners	\$ 265	2	\$ 530
Managers	187	8	1,496
Audit Senior	134	-	-
Associates	101	24	2,424
Administrative Support Staff	63	1	63
Subtotal Staff			4,513
Billable Expenses:			
Meals and Lodging			-
Transportation			-
Subtotal Billable Expenses			-
Total Maximum Cost			\$ 4,513

Scope of Service: GANN Limit Review Report		Fiscal Year: 2023-24	
	Rate	Hours	Total
Partners	\$ 265	-	\$ -
Managers	187	-	-
Audit Senior	134	4	536
Associates	101	-	-
Administrative Support Staff	63	-	-
Subtotal Staff			536
Billable Expenses:			
Meals and Lodging			-
Transportation			-
Subtotal Billable Expenses			-
Total Maximum Cost			\$ 536

Scope of Service: State Controller's Report		Fiscal Year: 2023-24	
	Rate	Hours	Total
Partners	\$ 265	-	\$ -
Managers	187	4	748
Audit Senior	134	-	-
Associates	101	32	3,232
Administrative Support Staff	63	-	-
Subtotal Staff			3,980
Billable Expenses:			
Meals and Lodging			-
Transportation			-
Subtotal Billable Expenses			-
Total Maximum Cost			\$ 3,980