



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

TUESDAY, MAY 21, 2024
AT 6:00 P.M.

CITY HALL COUNCIL CHAMBERS
11710 TELEGRAPH ROAD
SANTA FE SPRINGS, CA 90670

CITY COUNCIL

Jay Sarno, Mayor
William K. Rounds, Mayor Pro Tem
Juanita Martin, Councilmember
Annette Rodriguez, Councilmember
Joe Angel Zamora, Councilmember

CITY MANAGER

René Bobadilla, P.E.

CITY ATTORNEY

Ivy M. Tsai

CITY STAFF

Assistant City Manager
Fire Chief
Police Chief
Director of Community Services
Director of Finance
Director of Parks & Recreation
Director of Planning
Director of Police Services
Director of Public Works

Nicholas Razo
Chad Van Meeteren
Aviv Bar
Maricela Balderas
Lana Dich
Gus Hernandez
Cuong H. Nguyen
Dino Torres
James Enriquez

NOTICES

This City Council Meeting ("Council") will be held in person and will meet at City Hall – City Council Chambers, 11710 E. Telegraph Road, Santa Fe Springs, California. The meeting will be live streamed on the City's YouTube Channel and can be accessed on the City's website via the following link:

https://santafesprings.org/city_council/city_council_meetings/index.php

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.

SB 1439: Effective January 1, 2023, City Council Members are subject to SB 1439 and cannot participate in certain decisions for a year after accepting campaign contributions of more than \$250 from an interested person. The Council Member would need to disclose the donation and abstain from voting.

Public Comments: The public is encouraged to address City Council on any matter listed on the agenda or on any other matter within its jurisdiction. If you wish to address the City Council on the day of the meeting, please fill out a speaker card provided at the door and submit it to City Clerk staff. You may also submit comments in writing by sending them to the City Clerk's Office at cityclerk@santafesprings.org. All written comments received by 12:00 p.m. the day of the City Council Meeting will be distributed to the City Council and made a part of the official record of the meeting. Written comments will not be read at the meeting, only the name of the person submitting the comment will be announced. Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

Please Note: Staff reports and supplemental attachments are available for inspection at the office of the City Clerk in City Hall, during regular business hours 7:30 a.m. – 5:30 p.m., Monday – Thursday. Telephone: (562) 868-0511.

CALL TO ORDER

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

INTRODUCTIONS

PRESENTATIONS

1. LAKE CENTER MIDDLE SCHOOL – 8TH GRADE STUDENTS ON THE 2024 WASHINGTON D.C. TRIP
2. INTRODUCTION OF THE 2024 MEMORIAL SCHOLARSHIP PROGRAM RECIPIENTS (CITY MANAGER)
3. ADVISORY COMMITTEE REPORT – FAMILY & HUMAN SERVICES (COMMUNITY SERVICES)
4. PROCLAIMING MAY 15, 2024 AS SANTA FE SPRINGS HISTORY DAY – CELEBRATING 67TH ANNIVERSARY AS A MUNICIPAL GOVERNMENT AGENCY (COMMUNITY SERVICES)

CHANGES TO AGENDA

PUBLIC COMMENTS ON NON-AGENDA & NON-PUBLIC HEARING AGENDA ITEMS

At this time, the general public may address the City Council on both non-agenda *and* non-public hearing agenda items. Comments relating to public hearing items will be heard during the public hearing. Please be aware that the maximum time allotted for members of the public to speak shall not exceed three (3) minutes per speaker. State Law prohibits the City Council from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the City Council.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

PUBLIC FINANCING AUTHORITY, WATER UTILITY AUTHORITY, HOUSING
SUCCESSOR, SUCCESSOR AGENCY, AND CITY COUNCIL AGENDA

PUBLIC HEARING – NONE

OLD BUSINESS – NONE

REGULAR BUSINESS

5. FORMATION OF CITY COUNCIL BILLBOARD AD HOC COMMITTEE (PLANNING)

RECOMMENDATION: It is recommended that the City Council:

- 1) Form an ad hoc committee of two City Council members to meet with staff to study and review the City's code provisions relating to billboards; and
- 2) Take such additional, related action that may be desirable.

6. TRAFFIC SIGNAL BOX APPROVAL – GABRIELENO TONGVA SAN GABRIEL BAND OF MISSION INDIANS ARTWORK (COMMUNITY SERVICES)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the art rendering, by artist Candace Galvan, for the Gabrieleno Tongva San Gabriel Band of Mission Indians themed traffic signal box; and
- 2) Authorize staff to compensate Candace Galvan as part of this traffic signal box art project.

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine. Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any Ordinance.

PUBLIC FINANCING AUTHORITY**7. MINUTES OF THE APRIL 16, 2024 PUBLIC FINANCING AUTHORITY MEETINGS (CITY CLERK)**

RECOMMENDATION: It is recommended that the Public Financing Authority:

- 1) Approve the minutes as submitted.

8. MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS ISSUED THROUGH THE CITY OF SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY (PFA) (FINANCE)

RECOMMENDATION: It is recommended that the Public Financing Authority:

- 1) Receive and file the report.

WATER UTILITY AUTHORITY**9. MINUTES OF THE APRIL 16, 2024 WATER UTILITY AUTHORITY MEETINGS (CITY CLERK)**

RECOMMENDATION: It is recommended that the Water Utility Authority:

1) Approve the minutes as submitted.

10. MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS ISSUED THROUGH THE CITY OF SANTA FE SPRINGS WATER UTILITY AUTHORITY (WUA) (FINANCE)

RECOMMENDATION: It is recommended that the Water Utility Authority:

1) Receive and file the report.

HOUSING SUCCESSOR

11. MINUTES OF THE APRIL 16, 2024 HOUSING SUCCESSOR MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Housing Successor:

1) Approve the minutes as submitted.

SUCCESSOR AGENCY

12. MINUTES OF THE APRIL 16, 2024 SUCCESSOR AGENCY MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Successor Agency:

1) Approve the minutes as submitted.

CITY COUNCIL

13. MINUTES OF THE APRIL 16, 2024 SPECIAL AND REGULAR CITY COUNCIL MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the City Council:

1) Approve the minutes as submitted.

14. SECOND READING AND ADOPTION OF ORDINANCE NO. 1138, APPROVING A ZONE TEXT AMENDMENT TO AMEND TITLE 15 (LAND USE), CHAPTER 155 (ZONING) FOR TEMPORARY TRUCK, TRAILER, CHASSIS AND/OR CONTAINER STORAGE, OF THE SANTA FE SPRINGS MUNICIPAL CODE, AND DETERMINE THAT THE ACTION IS EXEMPT UNDER CEQA (PLANNING)

RECOMMENDATION: It is recommended that the City Council:

- 1) Find and determine that the Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), which indicates that CEQA only applies to projects that have a “significant effect on the environment” as defined in Public Resources Code Section 21068 and in CEQA Guidelines Section 15382; and
- 2) Find and determine that the proposed Zone Text Amendment is consistent with the goals, policies, and program of the City’s General Plan; and
- 3) Adopt Ordinance No. 1138 by title, adopting a Zone Text Amendment to add Section 155.656.1 (Truck, Trailer, Chassis or Container Storage, Temporary) and modify Section 155.003 (Definitions), to Chapter 155 (Zoning) of Title 15 (Land Use) of the Santa Fe Springs Municipal Code; and
- 4) Take such additional, related action that may be desirable.

15. ORDINANCE NO. 1139 TO SET CITY COUNCIL MEETINGS BY RESOLUTION (CITY ATTORNEY)

RECOMMENDATION: It is recommended that the City Council:

- 1) Read by title only, and waive further reading, Ordinance No. 1139:

AN ORDINANCE OF THE CITY OF SANTA FE SPRINGS AMENDING SECTION 30.15 OF CHAPTER 30 OF TITLE III (ADMINISTRATION) OF THE SANTA FE SPRINGS MUNICIPAL CODE RELATING TO CITY COUNCIL MEETINGS

- 2) Take such additional, related action that may be desirable.

16. AMENDMENT TO ATQOR AGREEMENT FOR UKG COMPANY (UKG) SOFTWARE IMPLEMENTATION SERVICES (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

- 1) Authorize the City Manager to execute the attached amendment to the agreement with AtQor for UKG's workforce management and payroll software implementation in an amount that shall not exceed \$275,000; and
- 2) Appropriate \$225,000 from the FY 2023-24 General Fund reserve to project FA 24002 for the Workforce Management and Payroll Solution implementation.

17. RESOLUTION NO. 9907 – APPROVING THE ADOPTION OF THE MULTIPLE EMPLOYER OTHER POST-EMPLOYMENT BENEFITS (OPEB)/PENSION 115 TRUST ADMINISTERED BY SHUSTER ADVISORY GROUP, LLC (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

- 1) Adopt Resolution No. 9907 approving the adoption of the multiple employer Other Post-Employment Benefits (OPEB) and Pension 115 Trust administered by Shuster Advisory Group; and
- 2) Authorize the City Manager to discontinue the City's current participation in the California Employers' Retiree Benefit Trust (CERBT) and the California Employers' Pension Prefunding Trust (CEPPT) administered by California Public Employee's Retirement System (CalPERS).

18. POLICE SERVICES STAGING FACILITY STORM DAMAGE – EMERGENCY REPAIRS UPDATE (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Pursuant to Santa Fe Springs Municipal Code Section 34.23 and California Public Contract Code Section 22050, by a four-fifths vote authorize continuing the repairs without competitive bidding; and
- 2) Take such additional, related action that may be desirable.

19. CITY CLERK'S OFFICE RENOVATION – FINAL PAYMENT (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the Final Payment to CTG Construction, Inc., of Wilmington, California for \$165,200 (Less 5% Retention) for the subject project; and
- 2) Approve the final contract amount with CTG Construction in the amount of \$289,700, including the aggregate change order amount of \$64,700; and
- 3) Appropriate additional funds in the amount of \$20,000 from the Utility Users Tax Capital Improvement Fund to the City Clerk's Office Improvements (PW220020); and
- 4) Take such additional, related action that may be desirable.

20. SANTA FE SPRINGS LIGHTING DISTRICT NO. 1 – ADOPTION OF RESOLUTION NO. 9908 AND RESOLUTION NO. 9909 (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Adopt Resolution No. 9908, approving the Engineer's Report (Fiscal Year 2024/25) in conjunction with the annual levy of assessments for Street Lighting District No. 1; and
- 2) Adopt Resolution No. 9909, 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 on June 18, 2024 at 6:00 p.m.; and

3) Take such additional, related action that may be desirable.

21. HERITAGE SPRINGS ASSESSMENT DISTRICT NO. 2001-01 (HAWKINS STREET AND PALM DRIVE) – ADOPTION OF RESOLUTION NO. 9910 AND RESOLUTION NO. 9911 (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

1) Adopt Resolution No. 9910, approving the Engineer's Report (Fiscal Year 2024/25) in conjunction with the annual levy of assessments for the Heritage Springs Assessment District No. 2001-01; and

2) Adopt Resolution No. 9911, 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 (Hawkins Street and Palm Drive), and setting the public hearing for the Council meeting of June 18, 2024 at 6:00 p.m.; and

3) Take such additional, related action that may be desirable.

APPOINTMENTS TO BOARDS, COMMITTEES, AND COMMISSIONS

COUNCIL COMMENTS/AB1234 COUNCIL CONFERENCE REPORTING

Council member announcements; requests for future agenda items; conference/meetings reports. Members of the City Council will provide a brief report on meetings attended at the expense of the local agency as required by Government Code Section 53232.3(d).

ADJOURNMENT

I, Fernando N. Muñoz, Deputy City Clerk for the City of Santa Fe Springs hereby certify that a copy of this agenda has been posted no less than 72 hours at the following locations; City's website at www.santafesprings.org; Santa Fe Springs City Hall, 11710 Telegraph Road; Santa Fe Springs City Library, 11700 Telegraph Road; and the Town Center Plaza (Kiosk), 11740 Telegraph Road.



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Cuong Nguyen, Director of Community Development

SUBJECT: FORMATION OF CITY COUNCIL BILLBOARD AD HOC COMMITTEE

DATE: May 21, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Form an ad hoc committee of two City Council members to meet with staff to study and review the City's code provisions relating to billboards; and
- 2) Take such additional, related, action that may be desirable.

FISCAL IMPACT

N/A

BACKGROUND

City staff has been made aware of various parties interested in locating billboards within the City, indicating potential billboard application submittals in the near future. Previously, the City Council formed an ad hoc committee to study issues related to the City's code provisions on billboards, including development agreements. Given that it has been some time since this issue was last reviewed, staff recommends that the City Council form a new ad hoc committee composed of two City Council members. This committee will work with staff to study and review the City's current code provisions relating to billboards, including location, design standards, maintenance and safety standards, development or operating agreements, and the permitting process.

Formation of City Council Billboard Ad Hoc Committee

Page 2 of 2

It is anticipated that such study and review would take place within the next several months, with any recommendations to be brought before the full City Council for consideration.

ENVIRONMENTAL

N/A

SUMMARY/NEXT STEPS

Staff will meet with the billboard ad hoc committee upon its formation.

ATTACHMENTS:

None.

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Maricela Balderas, Director of Community Services

SUBJECT: TRAFFIC SIGNAL BOX APPROVAL – GABRIELENO TONGVA SAN GABRIEL BAND OF MISSION INDIANS ARTWORK

DATE: May 21, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Approve the art rendering, by artist Candace Galvan, for the Gabrieleno Tongva San Gabriel Band of Mission Indians themed traffic signal box; and
- 2) Authorize staff to compensate Candace Galvan as part of this traffic signal box art project.

FISCAL IMPACT

The total cost of this project is \$2,000, and will be fully funded by the Heritage Arts in Public Places Program (HAPP) Special Fund 2510. There is no impact to the General Fund.

BACKGROUND

The Traffic Signal Box Artwork Program was implemented in 2013 with intentions to enhance the aesthetics of the City, promote art in the community, and deter vandalism. Traffic signal control boxes are often a target for vandalism and cost the city to remove graffiti regularly. Since the murals have an anti-graffiti sealant, that deters and prevents the application of graffiti, they act as a cost-benefit to the city as costs to remove graffiti often exceed the cost to install a mural over time. To date five works of art have been installed on boxes throughout the City.

As part of the program's operations, the Heritage Advisory Arts Advisory Committee (HAAC), helps to guide and advise City staff and City Council on proposed art for the traffic boxes. On April 30, 2024, the HAAC approved the proposal of artwork (Attachment A) to City Council. The proposed artwork is to be installed on the traffic signal box located at northeast corner of Telegraph Road and Geary Ave.

The proposed art is a rendering of the existing Native American Exhibit located at Heritage Park. This exhibit is a replica of a traditional Gabrieleno Tongva San Gabriel Band of Mission Indians village, and pays homage to their rich heritage in the region. Additionally, the artist for the project is Candice Galvan. Ms. Galvan has completed various art projects for other cities, including installation of all of the art featured on the current traffic signal boxes in Santa Fe Springs. Ms. Galvan submitted three renderings depicting the selected theme to both the HAAC and the Tribal Council of the Gabrieleno Tongva San Gabriel band of Mission Indians for their review. The HAAC and Tribal Council selected and approved the attached rendering for City Council consideration.

ANALYSIS

The addition of the new traffic signal box artwork will enhance the aesthetics of the City along the Telegraph Rd. corridor beginning at Orr & Day Rd. ending at Carmenita in the effort to abate graffiti vandalism. This installation will complete fifty-percent of the original 12 signal boxes identified to be painted.

ENVIRONMENTAL

N/A

DISCUSSION

N/A

SUMMARY/NEXT STEPS

Upon approval of the City Council of the recommended actions, City staff will coordinate with Public Works and Artist Candice Galvan to schedule the installation of artwork.

ATTACHMENT(S):

A. Attachment A – Art Rendering and Location

Traffic Signal Box Approval – Gabrieleno Tongva San Gabriel Band of Mission Indians Artwork

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<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>

Attachment A – Art Rendering and Location



FOR ITEM # 7, PLEASE SEE ITEM # 13



CITY OF SANTA FE SPRINGS

PUBLIC FINANCING AUTHORITY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Lana Dich, Director of Finance

**SUBJECT: MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS
ISSUED THROUGH THE CITY OF SANTA FE SPRINGS PUBLIC
FINANCING AUTHORITY (PFA)**

DATE: May 21, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Receive and file the report.

FISCAL IMPACT

None.

BACKGROUND/DISCUSSION

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 4/30/2024

None

Outstanding principal at 4/30/2024

\$35,908,028

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.

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

Page 2 of 3

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.

ANALYSIS

The report is presented for informational purposes only.

ENVIRONMENTAL

N/A

SUMMARY/NEXT STEPS

The Successor Agency will continue to request sufficient distributions from the RPTTF to make required bond payments through maturity on September 1, 2028.

ATTACHMENT(S):

None.

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

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<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
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DIRECTION GIVEN:	<input type="checkbox"/>

FOR ITEM # 9, PLEASE SEE ITEM # 13



CITY OF SANTA FE SPRINGS

WATER UTILITY AUTHORITY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Lana Dich, Director of Finance

**SUBJECT: MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS
ISSUED THROUGH THE CITY OF SANTA FE SPRINGS WATER UTILITY
AUTHORITY (WUA)**

DATE: May 21, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Receive and file the report.

FISCAL IMPACT

None.

BACKGROUND/DISCUSSION

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 4/30/2024	None
Outstanding principal at 4/30/2024	\$6,890,000

Water Revenue Bonds, 2018

Financing proceeds available for appropriation at 4/30/2024	None
Outstanding principal at 4/30/2024	\$610,000

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

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

Page 2 of 2

(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 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.

ANALYSIS

The report is presented for informational purposes only.

ENVIRONMENTAL

N/A

SUMMARY/NEXT STEPS

The WUA 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.

ATTACHMENT(S):

None.

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>

FOR ITEM # 11, PLEASE SEE ITEM # 13

FOR ITEM # 12, PLEASE SEE ITEM # 13



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Fernando N. Muñoz, CMC, Deputy City Clerk

SUBJECT: **MINUTES OF THE APRIL 16, 2024 SPECIAL AND REGULAR CITY COUNCIL MEETINGS**

DATE: May 21, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Approve the minutes as submitted.

FISCAL IMPACT

N/A

BACKGROUND

Staff has prepared minutes for the following meeting:

- Special Council Meeting of April 16, 2024
- Regular Council Meeting of April 16, 2024

ANALYSIS

N/A

ENVIRONMENTAL

N/A

DISCUSSION

N/A

SUMMARY/NEXT STEPS

N/A

ATTACHMENT(S):

- A. April 16, 2024 Special Meeting Minutes
- B. April 16, 2024 Regular Meeting Minutes

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
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DIRECTION GIVEN:	<input type="checkbox"/>



APPROVED:

MINUTES OF THE SPECIAL MEETINGS OF THE CITY COUNCIL

April 16, 2024

CALL TO ORDER

Mayor Sarno called the meeting to order at 5:01 p.m.

ROLL CALL

Members present: Councilmembers Rodriguez, Zamora, Mayor Pro Tem Rounds, and Mayor Sarno.

Members absent: Councilmember Martin.

PUBLIC COMMENTS

There was no one wishing to speak during public comments.

CITY COUNCIL

1. **CLOSED SESSION**
CONFERENCE WITH LABOR NEGOTIATORS
(Pursuant to California Government Code Section 54957.6)
Agency Designated Representatives: City Manager
Employee Organizations: Santa Fe Springs City Employees' Association, Santa Fe Springs Firefighters' Association, Santa Fe Springs Management and Confidential Employees' Association, and Santa Fe Springs Executive Management Association
2. **CLOSED SESSION**
CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Pursuant to California Government Code Section 54956.8)
Property: Excess Parcel Nos. 77679-01-01, 77680-01-01, 77681-01-01, 77682-01-01, 79985-01-01, 79986-01-01, 79987-01-01, 79988-01-01, 79990-01-01, 79991-01-01, 79992-01-01, and 79993-01-01
Agency Negotiator: City Manager
Negotiating Parties: Caltrans
Under Negotiations: Price and Terms
3. **CLOSED SESSION**
CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Pursuant to California Government Code Section 54956.8)
Property: 11760 Telegraph Road, Santa Fe Springs
Agency Negotiator: City Manager
Negotiating Parties: United States Postal Service
Under Negotiation: Price and Terms

Mayor Sarno recessed the meeting at 5:04 p.m.

Mayor Sarno reconvened the meeting at 6:02 p.m.

4. CLOSED SESSION REPORT

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

ADJOURNMENT

Mayor Sarno adjourned the meeting at 6:02 p.m.

ATTEST:

Fernando N. Muñoz
Deputy City Clerk

Jay Sarno
Mayor

Date



APPROVED:

MINUTES OF THE REGULAR MEETINGS OF THE CITY COUNCIL

April 16, 2024

CALL TO ORDER

Mayor Sarno called the meeting to order at 6:02 p.m.

ROLL CALL

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

Members absent: Councilmember Martin.

INVOCATION

Cindy Jarvis led the invocation.

PLEDGE OF ALLEGIANCE

Councilmember Zamora led the pledge of allegiance.

INTRODUCTIONS

Mayor Sarno introduced the following members from the Chamber of Commerce:

1. Bruce Lazenby – Rose Hills Memorial and SFS Chamber of Commerce President

PRESENTATIONS

1. **ADVISORY COMMITTEE REPORT – HISTORICAL & COMMUNITY PRESERVATION (COMMUNITY SERVICES)**
2. **“THE BEST OF SFS” – RECOGNIZING GLORIA MAGHAME FOR EXCEPTIONAL COMMUNITY SERVICE (COMMUNITY SERVICES)**
3. **RECAP OF EASTER EGGSTRAVAGANZA AND RECOGNITION OF SPONSORS AND SUPPORTERS (PARKS & RECREATION)**
4. **PROCLAIMING APRIL 26, 2024 AS NATIONAL ARBOR DAY (PUBLIC WORKS)**

CHANGES TO AGENDA

City Manager, René Bobadilla requested to take action on the consent calendar first, prior to public hearing items.

PUBLIC COMMENTS

There was no one wishing to speak during public comments.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

- Director of Community Services, Maricela Balderas spoke about the following items: 1) SFS ArtFest on April 25 and 26 @ Heritage Park, and 2) Recap of

Volunteer Recognition Dinner.

- Fire Chief, Chad Van Meeteren spoke about the Fire-Rescue Pancake Breakfast on April 27 @ Fire Station 4.

**PUBLIC FINANCING AUTHORITY, WATER UTILITY AUTHORITY, HOUSING
SUCCESSOR, SUCCESSOR AGENCY, AND CITY COUNCIL**

PUBLIC HEARING

5. PUBLIC HEARING FOR SECOND READING AND ADOPTION OF ORDINANCE NO. 1137 AMENDING CHAPTER 150 OF THE CODE OF SANTA FE SPRINGS RELATING TO BUILDING REGULATIONS (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Open the Public Hearing and receive the written and oral staff report and comments from the public regarding the proposed ordinance; and
- 2) Find and determine that the Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), which indicates that CEQA only applies to projects that have a “significant effect on the environment” as defined in Public Resources Code Section 21068 and in CEQA Guidelines Section 15382; and
- 3) Waive further reading and adopt Ordinance No. 1137: AN ORDINANCE OF THE CITY OF SANTA FE SPRINGS AMENDING THE CITY OF SANTA FE SPRINGS MUNICIPAL CODE BY MODIFYING CHAPTER 150 (BUILDING REGULATIONS) BY ADOPTING BY REFERENCE THE 2023 LOS ANGELES COUNTY BUILDING CODE (TITLE 26), ELECTRICAL CODE (TITLE 27), PLUMBING CODE (TITLE 28), MECHANICAL CODE (TITLE 29), RESIDENTIAL CODE (TITLE 30), EXISTING BUILDING CODE (TITLE 33), WITH CERTAIN AMENDMENTS, ADDITIONS AND DELETIONS THERETO; and
- 4) Take such additional, related, action that may be desirable.

Mayor Sarno opened the public hearing at 6:39 p.m.

There was no one wishing to speak.

Mayor Sarno closed the public hearing at 6:39 p.m.

It was moved by Mayor Pro Tem Rounds, seconded by Councilmember Rodriguez, to find and determine that the Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), which indicates that CEQA only applies to projects that have a “significant effect on the environment” as defined in Public Resources Code Section 21068 and in CEQA Guidelines Section 15382, waive further reading and adopt Ordinance No. 1137: AN ORDINANCE OF THE CITY OF SANTA FE

SPRINGS AMENDING THE CITY OF SANTA FE SPRINGS MUNICIPAL CODE BY MODIFYING CHAPTER 150 (BUILDING REGULATIONS) BY ADOPTING BY REFERENCE THE 2023 LOS ANGELES COUNTY BUILDING CODE (TITLE 26), ELECTRICAL CODE (TITLE 27), PLUMBING CODE (TITLE 28), MECHANICAL CODE (TITLE 29), RESIDENTIAL CODE (TITLE 30), EXISTING BUILDING CODE (TITLE 33), WITH CERTAIN AMENDMENTS, ADDITIONS AND DELETIONS THERETO, and take such additional, related, action that may be desirable, by the following vote:

Ayes: Rodriguez, Rounds, Sarno

Nayes: None

Absent: Zamora, Martin

Recused: None

6. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS ADOPTING A FEE SCHEDULE FOR BUILDING AND SAFETY PLAN CHECK AND PERMIT FEES (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Open the Public Hearing and hear from anyone wishing to speak on this matter; and
- 2) Adopt Resolution No. 9905 setting Building and Safety plan check and permit fees.

Mayor Sarno opened the public hearing at 6:40 p.m.

There was no one wishing to speak.

Mayor Sarno closed the public hearing at 6:40 p.m.

It was moved by Mayor Pro Tem Rounds, seconded by Councilmember Rodriguez, to adopt Resolution No. 9905 setting Building and Safety plan check and permit fees, by the following vote:

Ayes: Rodriguez, Rounds, Sarno

Nayes: None

Absent: Zamora, Martin

Recused: None

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine. Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any ordinance.

PUBLIC FINANCING AUTHORITY

7. MINUTES OF THE MARCH 19, 2024 PUBLIC FINANCING AUTHORITY MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Public Financing Authority:

1) Approve the minutes as submitted.

8. MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS ISSUED THROUGH THE CITY OF SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY (PFA) (FINANCE)

RECOMMENDATION: It is recommended that the Public Financing Authority:

1) Receive and file the report.

WATER UTILITY AUTHORITY

9. MINUTES OF THE MARCH 19, 2024 WATER UTILITY AUTHORITY MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Water Utility Authority:

1) Approve the minutes as submitted.

10. MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS ISSUED THROUGH THE CITY OF SANTA FE SPRINGS WATER UTILITY AUTHORITY (WUA) (FINANCE)

RECOMMENDATION: It is recommended that the Water Utility Authority:

1) Receive and file the report.

HOUSING SUCCESSOR

11. MINUTES OF THE MARCH 19, 2024 HOUSING SUCCESSOR MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Housing Successor:

1) Approve the minutes as submitted.

SUCCESSOR AGENCY

12. MINUTES OF THE MARCH 19, 2024 SUCCESSOR AGENCY MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Successor Agency:

1) Approve the minutes as submitted.

CITY COUNCIL

13. MINUTES OF THE MARCH 19, 2024 SPECIAL AND REGULAR CITY COUNCIL MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the minutes as submitted.

14. CITY HALL ROOF REPLACEMENT – FINAL PAYMENT (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the Final Payment to Best Contracting Services, Inc., of Gardena, California for \$39,084.30 (Less 5% Retention) for the subject project; and
- 2) Approve the final contract amount with Best Contracting Services in the amount of \$1,728,273.66, including the aggregate change order amount of \$236,975.30; and
- 3) Take such additional, related action that may be desirable.

15. SHOEMAKER AVENUE AND BROADWAY AVENUE STREET IMPROVEMENTS – AUTHORIZATION TO ADVERTISE FOR CONSTRUCTION BIDS (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the Plans and Specifications for the Shoemaker Avenue and Broadway Avenue Street Improvement Projects; and
- 2) Authorize the City Engineer to advertise for construction bids; and
- 3) Take such additional, related action that may be desirable.

16. POLICE SERVICES STAGING FACILITY STORM DAMAGE – EMERGENCY REPAIRS UPDATE (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Pursuant to Santa Fe Springs Municipal Code Section 34.23 and California Public Contract Code Section 22050, by a four-fifths vote authorize continuing the repairs without competitive bidding; and
- 2) Take such additional, related action that may be desirable.

17. APPROVE THE 2024 CITYWIDE ENGINEERING AND TRAFFIC SURVEY (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the 2024 Citywide Engineering and Traffic Survey (Attachment B) which will retain existing speed limits throughout the City for an additional 7 years; and
- 2) Take such additional, related action that may be desirable.

18. PROFESSIONAL GRANT CONSULTING SERVICES FOR ECRG ROUND 2 COMMUNITY-WIDE ASSESSMENTS (CWA) – AUTHORIZATION TO ADVERTISE A REQUEST FOR PROPOSALS (RFP) (PLANNING)

RECOMMENDATION: It is recommended that the City Council:

- 1) Authorize the Acting Director of Planning to advertise a Request for Proposals (RFP) for Professional Grant Consulting Services for ECRG Round 2 Community-Wide Assessments (CWA); and
- 2) Take such additional, related action that may be desirable.

It was moved by Councilmember Rodriguez, seconded by Councilmember Zamora, to approve the consent calendar, by the following vote:

Ayes: Rodriguez, Zamora, Rounds, Sarno

Nays: None

Absent: Martin

Recused: None

APPOINTMENTS TO BOARDS, COMMITTEES, AND COMMISSIONS

No appointments were made.

COUNCIL COMMENTS/AB1234 COUNCIL CONFERENCE REPORTING

Councilmember Rodriguez talked about the great Easter event despite the inclement weather. She extended thanks to Traffic Commissioner AJ Hayes for connecting her with SEAACA and provided information on the benefits of adopting a shelter pet. Lastly, she thanked Library Services Manager Deborah Raia on the great First Friday events.

Mayor Pro Tem Rounds thanked everyone who attended the Easter event. He extended his personal thanks to City staff for putting on such a great event.

Mayor Sarno thanked the Majestics and Undesirables car clubs for their contributions to the Easter event. He talked about the growth of the City and thanked the leadership team for spreading a positive tone throughout the agency.

ADJOURNMENT

Mayor Sarno adjourned the meeting at 6:48 p.m.

Jay Sarno
Mayor

ATTEST:

Fernando N. Muñoz
Deputy City Clerk

Date



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Cuong Nguyen, Director of Community Development

SUBJECT: **SECOND READING AND ADOPTION OF ORDINANCE NO. 1138, APPROVING A ZONE TEXT AMENDMENT TO AMEND TITLE 15 (LAND USE), CHAPTER 155 (ZONING) FOR TEMPORARY TRUCK, TRAILER, CHASSIS AND/OR CONTAINER STORAGE, OF THE SANTA FE SPRINGS MUNICIPAL CODE, AND DETERMINE THAT THE ACTION IS EXEMPT UNDER CEQA**

DATE: May 21, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Find and determine that the Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), which indicates that CEQA only applies to projects that have a “significant effect on the environment” as defined in Public Resources Code Section 21068 and in CEQA Guidelines Section 15382; and
- 2) Find and determine that the proposed Zone Text Amendment is consistent with the goals, policies, and program of the City’s General Plan; and
- 3) Adopt Ordinance No. 1138 by title, adopting a Zone Text Amendment to add Section 155.656.1 (Truck, Trailer, Chassis or Container Storage, Temporary) and modify Section 155.003 (Definitions), to Chapter 155 (Zoning) of Title 15 (Land Use) of the Santa Fe Springs Municipal Code; and
- 4) Take such additional, related, action that may be desirable.

FISCAL IMPACT

Adoption of the proposed Ordinance No. 1138, which implements zoning text amendments to the City's Zoning Ordinance, is not expected to have any immediate fiscal impact. If approved, the City will receive processing fees related to future Temporary Storage Permit applications. The fees collected will cover the administrative costs related to processing each Temporary Storage Permit.

CITY COUNCIL FIRST READING AND RECOMMENDATION

On May 7, 2024, the City Council held a duly noticed public hearing to review and consider the proposed Zone Text Amendment (ZTA). After evaluating the written and oral reports and public discussions during the meeting, the City Council, with Councilmember Joe Angel Zamora absent, voted 4-0 in favor of waiving further reading and introducing Ordinance No. 1138 by title, adopting the Zone Text Amendment. It is worth noting that no comments were received from the community or interested parties regarding the ZTA.

PLANNING COMMISSION PUBLIC HEARING AND RECOMMENDATION

On April 8, 2024, the Planning Commission conducted a duly noticed public hearing to review and consider the proposed Zone Text Amendment (ZTA) to establish regulations governing the temporary truck, trailer, chassis, and/or container storage within M-1 (Light Manufacturing) or M-2 (Heavy Manufacturing) zoned sites, or portions thereof, in accordance with established requirements and process.

Following a thorough evaluation of written and oral reports, and public discussions during the meeting, the Commissioners voted 4-0, with Commissioner Carbajal absent, to adopt Resolution No. 260-2024. This resolution recommends that the City Council approve and adopt an Ordinance (No. 1138) to effectuate the proposed amendments to the text of the City's Municipal Code, and determined that the proposed ZTA is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

BACKGROUND

Zoning Ordinance Amendments

Staff recommends the proposed Zone Text Amendment (Attachment A, Exhibit A) to establish provisions prescribing regulations governing the temporary truck, trailer, chassis, and/or container storage within M-1 (Light Manufacturing) or M-2 (Heavy Manufacturing) zoned sites, or portions thereof, in accordance with established requirements and process.

- Amendment of Section 155.003 adds three new definitions pertinent to the City's zoning regulations.

- The three new definitions are as follows:
 - Container
 - Chassis
 - Truck Trailer
- It should be noted that the existing definition for Truck Trailer will be entirely replaced by the new definition.
- Section 155.656.1 is a new section that introduces a process and requirements for allowing the temporary storage of truck, trailer, chassis, and/or container storage on certain industrial zoned properties meeting the proposed criteria established in said section.
 - The new section establishes requirements and a process for allowing a temporary truck, trailer, chassis, and/or container storage use.
 - It should be noted that these new provisions apply to new Temporary Storage Permits and does not affect previously approved Conditional Use Permits.

ANALYSIS

The proposed Zone Text Amendment is consistent with the following Santa Fe Springs General Plan Goals and Policies:

1. Policy LU-1.5 – Land Use Transitions. Apply appropriate screening, buffers, transitional uses, and other controls to transition from industrial and commercial uses to any adjacent residential uses and thus reduce potential noise and air pollution impacts.
 - a. By strategically locating temporary uses away from residential areas and ensuring proper review and regulation, the amendment addresses this policy.
2. Policy LU-3.2: Appropriate Siting. Site heavy industrial, large warehouses, and trucking and logistics in areas where the location and roadway pattern will provide minimal impacts on residential and commercial uses.
 - a. The proposed amendment aligns with this by ensuring that temporary uses are strategically located on underutilized sites within manufacturing zones, minimizing potential conflicts with residential or commercial areas.
3. Policy LU-4.7: Adaptive Reuse and Redevelopment. Collaborate with business owners and landowners with underinvested properties to support adaptive reuse and redevelopment.
 - a. Collaborating with business owners and landowners for temporary uses can help revitalize underutilized areas while adhering to the city's redevelopment goals.

Overall, the proposed Zone Text Amendment is consistent with the Santa Fe Springs General Plan goals and policies by addressing land use transitions, appropriate siting, adaptive reuse and redevelopment, and leveraging underutilized space in a manner that aligns with the city’s objectives.

ENVIRONMENTAL

The Zone Text Amendment is exempt from CEQA because it falls within the common sense exemption, pursuant to CEQA Guidelines Section 15061(b)(3), which indicates that CEQA only applies to projects that have the potential to have a “significant effect on the environment,” as defined in Public Resources Code Section 21068 and in CEQA Guidelines Section 15382. Consequently, no other environmental documents are required by law.

SUMMARY

Staff recommends that the City Council waive the second reading and adopt Ordinance No. 1138 to effectuate the proposed amendments to the text of the City’s Municipal Code and determine that the proposed ZTA is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

ATTACHMENT(S):

- A. Ordinance No. 1138
 - a. Exhibit A – Zone Text Amendments

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>

CITY OF SANTA FE SPRINGS
ORDINANCE NO. 1138

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS
ADOPTING A ZONE TEXT AMENDMENT TO AMEND SECTION 155.003
(DEFINITIONS) AND ADD SECTIONS 155.656.1 (TEMPORARY TRUCK, TRAILER,
CHASSIS OR CONTAINER STORAGE) WITHIN TITLE 15, CHAPTER 155, OF THE
SANTA FE SPRINGS MUNICIPAL CODE**

WHEREAS, the City has prepared a Zone Text Amendment to the City's Zoning Ordinance, as codified in Title 15 (Land Use), Chapter 155 (Zoning) of the Santa Fe Springs Municipal Code, which amends Sections 155.003 (Definition) and 155.656.1 (Temporary Truck, Trailer, Chassis or Container Storage); and

WHEREAS, on March 28, 2024, the City of Santa Fe Springs Department of Planning and Development published a legal notice in the *Whitter Daily News*, a local paper of general circulation, indicating the date and time of the public hearing for the Planning Commission. A public hearing notice was also posted in the Santa Fe Springs City Hall window, the City's Town Center kiosk, and the Santa Fe Springs Library; and

WHEREAS, at a duly noticed public hearing on April 8, 2024, the Planning Commission of the City of Santa Fe Springs adopted Resolution 260-2024 recommending that the City Council adopt an Ordinance amending Section 155.003 and adding Section 155.656.1 within Title 15, Chapter 155, of the Santa Fe Springs Municipal Code; and

WHEREAS, on April 24, 2024, the City of Santa Fe Springs Department of Planning and Development published a legal notice in the *Whitter Daily News*, a local paper of general circulation, indicating the date and time of the public hearing. A public hearing notice was also posted in the Santa Fe Springs City Hall window, the City's Town Center kiosk, and the Santa Fe Springs Library; and

WHEREAS, at a duly noticed public hearing on May 7, 2024, the City Council of the City of Santa Fe Springs considered the Zone Text Amendment, the staff report, and all testimony, written and spoken.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES HEREBY FIND, DETERMINE AND ORDAIN AS FOLLOWS:

SECTION I. Findings:

1. The above recitals are true and correct and are a substantial part of this Ordinance.
2. That the facts in this matter are as stated in the staff report regarding the proposed amendments to the text of the City's Zoning Ordinance.
3. The Exhibits attached to this Ordinance are each incorporated by reference and made a part of this Ordinance.
4. The proposed Zone Text Amendment is consistent with the following Santa Fe Springs General Plan Goals and Policies:
 - a. Policy LU-1.5 – Land Use Transitions. Apply appropriate screening, buffers, transitional uses, and other controls to transition from industrial and commercial uses to any adjacent residential uses and thus reduce potential noise and air pollution impacts.
 - b. Policy LU-3.2: Appropriate Siting. Site heavy industrial, large warehouses, and trucking and logistics in areas where the location and roadway pattern will provide minimal impacts on residential and commercial uses.
 - c. Policy LU-4.7: Adaptive Reuse and Redevelopment. Collaborate with business owners and landowners with underinvested properties to support adaptive reuse and redevelopment.

Overall, the proposed Zone Text Amendment is consistent with the Santa Fe Springs General Plan goals and policies by addressing land use transitions, appropriate siting, adaptive reuse and redevelopment, and leveraging underutilized space in a manner that aligns with the city's objectives.

5. The Zone Text Amendment meets the requirements as contained in Planning and Zoning Law (Government Code sections 65800-65912).
6. The Zone Text Amendment has been prepared and will be adopted in accordance with the requirements of Planning and Zoning Law (Government Code sections 65853-65860).

SECTION II. Amendments:

1. Code of Ordinances of the City of Santa Fe Springs Chapter 155, Section 155.003 DEFINITIONS is hereby added as provided in Exhibit "A" attached hereto and incorporated herein by reference.
2. Code of Ordinances of the City of Santa Fe Springs Chapter 155, Section 155.656.1 TEMPORARY TRUCK, TRAILER, CHASSIS OR CONTAINER STORAGE is hereby amended as provided in Exhibit "A" attached hereto and incorporated herein by reference.

SECTION III. Environmental Findings and Determination:

This Ordinance is exempt from CEQA because it falls within the common sense exemption, pursuant to CEQA Guidelines Section 15061(b)(3), which indicates that CEQA only applies to projects that have a “significant effect on the environment” as defined in Public Resources Code Section 21068 and in CEQA Guidelines Section 15382. The amendments to the Zoning Ordinance contained herein are merely clean up items and streamline the development process. These changes will not have a significant effect on the environment.

Section IV. If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this Ordinance, or any part thereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Ordinance or of Chapter 155, or any part thereof. The City Council hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase in this Ordinance irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases may be declared invalid or unconstitutional.

Section V. The City Clerk shall certify to the adoption of this Ordinance and shall cause the same to be posted in at least three (3) public places in the City, such posting to be completed not later than fifteen (15) days after passage thereof.

PASSED and ADOPTED this 21st day of May, 2024, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jay Sarno, Mayor

ATTEST:

Fernando N. Muñoz, CMC, Deputy City Clerk

Exhibit A – Zone Text Amendments

Exhibit A – Zone Text Amendments

Key:

Normal Text = Existing unmodified Code language

~~Strikethrough Text~~ = Proposed language to be removed from existing Code

Underline Text = Proposed language to be added to Code

*Code of Ordinances of the City of Santa Fe Springs Chapter 155, Section 155.003
DEFINITIONS is hereby amended to include three new definitions below:*

§ 155.003 DEFINITIONS.

CONTAINER, or an intermodal container, or a shipping container, or a Conex box or freight container for packaging and/or shipping, or for the use to store or transport materials and products.

CHASSIS, also called skeletal trailer, designed to carry an intermodal container.

TRUCK TRAILER, any trailer designed and used primarily for carrying loads other than passengers whether designed as a balance trailer, pole trailer, semitrailer or self-supporting trailer. ~~A freight-carrying vehicle, regardless of the number of axles, designed to be pulled or towed by a truck or truck tractor.~~

*Code of Ordinances of the City of Santa Fe Springs Chapter 155, Section 155.656.1
TEMPORARY STORAGE OF TRUCKS, TRAILERS, CHASIS, OR CONTAINERS is hereby added as follows:*

§155.656.1 TEMPORARY STORAGE OF TRUCKS, TRAILERS, CHASSIS, OR CONTAINERS.

A Temporary Storage Permit (TSP) may be obtained for the temporary storage of trucks, trailers, chassis, or containers on a M-1 or M-2 zoned site, or portion thereof, in accordance with the requirements of this section.

(A) Required Site Characteristics.

- (1) The subject site shall not exceed five acres in size.
- (2) The subject site shall not front onto a major or secondary arterial.
- (3) The subject site shall not be located within 1,000 feet of a residential zone, school, or park.
- (4) The subject site, or portion thereof, used for the storage of trucks, trailers, chassis, or containers shall be undeveloped.

(B) Standard Conditions of Approval. In addition to any other conditions of approval set forth in a Temporary Storage Permit, the following conditions shall apply to all permits:

- (1) A Temporary Storage Permit shall be limited to a period of not more than two years, unless an extension is granted by the Planning Commission as set forth in this section.
- (2) The truck, trailer, chassis, or container storage use shall operate in such a manner as to not be detrimental to property or improvements in the surrounding area or to the public health, safety, or general welfare.
- (3) The truck, trailer, chassis, or container storage use shall fully comply with all applicable building, fire, and other state and local laws.
- (4) Washing or repairing of trucks, trailers, chassis, or containers is strictly prohibited at all times.
- (5) The permit holder shall obtain all necessary construction related permits.
- (6) Trucks, trailers, chassis, and/or containers shall not be located within the required setback areas.
- (7) Off-street parking shall be adequate to accommodate the proposed use.

(C) Application Filing, Fees and Processing

- (1) *Application and Contents.* An application for the temporary storage of trucks, trailers, chassis, or containers shall be made on forms furnished by the Community Development Department. At minimum, the application must contain the following information:
 - (a) Name of applicant.
 - (b) Proposed location.
 - (c) Description of all activities involved, including, but not limited to, the type of truck, trailer, chassis, or container to be stored, and any items that will be stored within them.
 - (d) Duration of proposed activities.
 - (e) A site plan accurately drawn to scale depicting vehicular access and queuing, fire lanes, and storage areas. Site plans must comply with all applicable stormwater run-off and NPDES requirements.
 - (f) A proposed business plan for the future permanent use and/or otherwise a proposed site plan for the future development of the site shall be concurrently submitted with the request for a temporary truck, trailer, chassis, or container storage use. Concurrent approval of said use or development is not required.
 - (g) A security and safety plan for the proposed use.
 - (h) A site maintenance and operations plan for ongoing property cleaning, dust mitigation, and litter control.
 - (i) Any other documents as may reasonably be required by City staff for a complete understanding of the proposed project.
- (2) *Filing Fee.* A filing and investigation fee in an amount set by the City Council shall be required with each application submitted.
- (3) *Application Processing.*

- (a) Upon receipt of an application for a Temporary Storage Permit, City staff shall review the application and inform the applicant as to the completeness of the submittal, of additional materials required, if any, and project issues of concern within 30 days. City staff shall also inform the applicant of the procedures for compliance with this section.
 - (b) Once the Temporary Storage Permit application is deemed complete, City staff shall conduct a final review of all materials provided by the applicant.
- (4) *Review by Staff*
 - (a) In review and consideration of the proposed project, City staff shall consider, among other criteria, the following:
 - i. Vehicle traffic and circulation;
 - ii. Proximity to sensitive and/or incompatible land uses, such as residential properties, schools, or parks;
 - iii. Security and safety measures;
 - iv. Dust mitigation measures;
 - v. Property maintenance and litter control measures;
 - vi. Other requirements set forth within this section; and
 - vii. Adherence to local, state, and federal laws.
- (5) *Conditions of Approval.* In reviewing the application, City staff shall impose such conditions deemed necessary to ensure implementation and compliance with this section.
- (6) *Findings.* The approval or conditional approval of a Temporary Storage Permit may be granted by the Director of Community Development or designee, only if all of the following finding can be made:
 - (a) The operation of the requested temporary use at the location proposed and within the time period specified would not be detrimental to the harmonious and orderly growth of the City, nor endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, safety, or general welfare;
 - (b) The subject lot is adequate in size and shape to accommodate the temporary use without material detriment to the use and enjoyment of other properties located adjacent to and in the vicinity of the lot;
 - (c) The subject lot is adequately served by streets or highways having sufficient width and improvements to accommodate the kind and quantity of traffic that the temporary use would or could reasonably be expected to generate;
 - (d) Adequate temporary parking to accommodate vehicular traffic to be generated by the temporary use would be available either on-site or at alternate locations acceptable to the Director of Community Development or designee; and
 - (e) The temporary use is consistent with all applicable provisions of the General Plan, any applicable specific plan, this Code, and other City regulations.

(7) Decision.

- (a) The Director of Community Development or designee will provide a written decision of a denial or issuance of a Temporary Storage Permit, including the conditions of approval and required findings, to the applicant by mail.
- (b) The applicant shall sign an affidavit to acknowledge that the applicant is aware of and agrees to all of the requirements and conditions under which the approval of the Temporary Storage Permit is given, and that if any of said requirements or conditions are violated, the approval shall become null and void.
- (c) The approval by the Director of Community Development or designee, is considered final unless it is appealed within 14 days from the date of approval.

(8) Appeal of Decision

- (a) An appeal of the decision made by the Director of Community Development, or designee shall be made in writing and filed with the Planning Commission Secretary.
- (b) Said appeal must be received within 14 days from the date of approval.
- (c) The filing of an appeal within the prescribed time period shall have the effect of staying the effective date of the Director of Community Development or designee's decision until such time as the Planning Commission has acted on the appeal.
- (d) Each appeal shall be considered de novo (new) and the Planning Commission may reverse, modify, or affirm the decision in regard to the entire project in whole or in part. In taking its action on the appeal, the Planning Commission shall state the basis for its action. The Planning Commission may approve (in full or in part), conditionally approve (in full or in part), modify or deny (in full or in part), and may modify, delete, or add such conditions as it deems necessary. The Planning Commission may also refer the matter back to the Director of Community Development for further action.
- (e) Any subsequent appeal of the Planning Commission's action shall be subject to Sections 155.865 and 155.866 of this code.

(D) Extension of Temporary Storage Permit

- (1) The holder of a Temporary Storage Permit may file an application with the Community Development Department for an extension of time to continue the use beyond the two-year period. In order to be considered for an extension of time, the permit holder must submit the written request for such extension at least 90 days but no more than 180 days prior to the expiration of the permit.
- (2) The temporary truck, trailer, chassis, or container storage use may be extended for no more than two additional twelve (12) month periods beyond the term of the original approval.

- (3) The application for an extension shall be heard by the Planning Commission. The Planning Commission may grant the extension if it finds:
 - (a) That there have been no changes in the conditions or circumstances of the site or operations that would have been grounds for denial of the original permit application; and
 - (b) That the permit holder is in compliance with all permit terms and conditions, and all local, state, and federal laws.
- (E) Violation. Violation of any term or condition of the permit, or any local, state, or federal law, is cause for the permit to be revoked pursuant to section 155.811, et seq. of this Code.



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Ivy M. Tsai, City Attorney

SUBJECT: ORDINANCE NO. 1139 TO SET CITY COUNCIL MEETINGS BY RESOLUTION

DATE: May 21, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Read by title only, and waive further reading, Ordinance No. 1139:

AN ORDINANCE OF THE CITY OF SANTA FE SPRINGS AMENDING SECTION 30.15 OF CHAPTER 30 OF TITLE III (ADMINISTRATION) OF THE SANTA FE SPRINGS MUNICIPAL CODE RELATING TO CITY COUNCIL MEETINGS

- 2) Take such additional, related, action that may be desirable.

FISCAL IMPACT

N/A

BACKGROUND

Government Code section 36805 provides that the City Council shall hold regular meetings at least once a month at times fixed by resolution or ordinance. Currently, Section 30.15 of the Code of Santa Fe Springs sets forth the time and place of City Council meetings. The attached Ordinance No. 1139 would replace the existing language of Section 30.15 to provide that the City Council shall hold regular meetings at least once a month at times set by resolution of the City Council, in accordance with Government Code section 36805. Adopting this ordinance would allow the City Council to revise its meeting schedule without the need to amend the City's code, which would allow any revisions to be effective immediately upon adoption of a resolution.

ENVIRONMENTAL

N/A

SUMMARY/NEXT STEPS

Staff will bring a resolution to the City Council with the second reading of Ordinance No. 1139 setting forth City Council meeting dates and times. Ordinance No. 1139 will be effective 30 days after adoption.

ATTACHMENT(S):

A. Ordinance No. 1139

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>

ORDINANCE NO. 1139

AN ORDINANCE OF THE CITY OF SANTA FE SPRINGS AMENDING SECTION 30.15 OF CHAPTER 30 OF TITLE III (ADMINISTRATION) OF THE SANTA FE SPRINGS MUNICIPAL CODE RELATING TO CITY COUNCIL MEETINGS

THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 30.15 of Title III of the Code of Santa Fe Springs is hereby deleted in its entirety and replaced with the following:

§ 30.15 TIME AND PLACE OF MEETINGS

Pursuant to Government Code Section 36805, the City Council shall hold regular meetings at least once a month at times fixed by resolution.

SECTION 2. 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 3. 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 4. 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 _____, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Jay Sarno, Mayor

Fernando Muñoz, Deputy City Clerk



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: Rene Bobadilla, P.E., City Manager

BY: Lana Dich, Director of Finance

SUBJECT: AMENDMENT TO ATQOR AGREEMENT FOR UKG COMPANY (UKG) SOFTWARE IMPLEMENTATION SERVICES

DATE: May 21, 2024

RECOMMENDATION

It is recommended that the City Council take the following actions:

- 1) Authorize the City Manager to execute the attached amendment to the agreement with AtQor for UKG's workforce management and payroll software implementation in an amount that shall not exceed \$275,000; and
- 2) Appropriate \$225,000 from the FY 2023-24 General Fund reserve to project FA 24002 for the Workforce Management and Payroll Solution implementation.

FISCAL IMPACTS

AtQor charges a rate for services of \$155 per hour for this project. An additional \$225,000 from the General Fund reserve are required obtain services from AtQor to implement UKG's workforce management and payroll software. The total estimated cost shall not exceed \$275,000.

The project cost including implementation will be budgeted in account code FA 24002 (Payroll/HR project). Annual UKG license cost will be budgeted annually in account code 10101210- 542050 (General Fund – Finance – Contractual Services).

BACKGROUND

In November 2023, the City Council authorized and approved an agreement with Kronos SaaShr, Inc. (a UKG Company) to license workforce management and payroll software. This software was purchased to replace a payroll solution integrated within the City's Enterprise Resource Planning (ERP) software, Tyler MUNIS. Ultimately, this software

CITY COUNCIL AGENDA REPORT – MEETING OF MAY 21, 2024
**Amendment to AtQor Agreement for UKG Company (UKG) Software
Implementation Services**
Page 2 of 3

was not implemented because of difficulty integrating and limited functionality to meet local needs.

Implementation of the UKG solution commenced in December 2023 after the agreement was executed. While working with the UKG project team, it was determined that the City needed additional IT resources to solely implement and facilitate staff training. As a result of this need, the City established an agreement with AtQor.

ENVIRONMENTAL

N/A

DISCUSSION

In March 2024, staff established an agreement with AtQor to assist with implementing the UKG software solution. The agreement had a not-to-exceed amount of \$50,000 for AtQor staff to conduct an initial assessment of the implementation requirements and facilitate planning with UKG to develop long-term needs to complete the project. The initial assessment determined that completion of the project will require an additional \$250,000. This assessment includes providing staff to serve as the City's project manager and ensuring the software developer delivers a fully integrated, finished solution.

As mentioned during the request to purchase UKG's software, implementing this type of software is an extensive and elaborate process. Furthermore, it was previously stated that additional support might be necessary to ensure successful implementation while limiting interruptions in daily operations. City staff from Finance, Human Resources, and Information Technology will continue to engage in the process as needed.

AtQor is a technology consultant based locally in Santa Fe Springs. They are certified in multiple Microsoft and non-Microsoft competencies. In addition, they are a recognized member of the Microsoft Cloud Partner Program (formerly the Silver and Gold Partnership). For this reason, the services provided by AtQor are considered professional in nature and exempt from the City bidding process pursuant to Santa Fe Springs Municipal Code Section 34.18(A)(1), which states:

Purchases of supplies, equipment, and services shall be made under the procedures outlined in this subchapter, except for the following:

Cooperative or piggyback purchasing, which may consist of the following:

*Professional and special services, including, but not limited to, financial, economic, accounting, engineering, legal, administrative, **technology**, education and instruction, medical, and entertainment.*

CITY COUNCIL AGENDA REPORT – MEETING OF MAY 21, 2024
**Amendment to AtQor Agreement for UKG Company (UKG) Software
Implementation Services**
Page 3 of 3

It is recommended that the City Council authorize approval of this amendment to ensure that this critical work continues.

SUMMARY/NEXT STEPS

Staff recommends approving the attached amendment to an agreement with AtQor. Upon approval of this agreement, AtQor will provide the required services to implement UKG's workforce management and payroll software.

ATTACHMENTS

- A. Amendment No. 1 to Agreement with AtQor
- B. Agreement with AtQor

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>

**AMENDMENT NUMBER ONE TO
PROFESSIONAL SERVICES AGREEMENT
WITH
ATQOR**

This Amendment Number One ("Amendment") is made and entered into this 21st day of May, 2024, by and between the City of Santa Fe Springs, a California municipal corporation ("City") and Axile Tech, LLC dba atQor, a California limited liability company ("Consultant").

WHEREAS, the City and Consultant previously entered into an agreement on March 7, 2024, for Consultant to provide onsite project manager and business analyst digital technology services ("Agreement"); and

WHEREAS, the City and Consultant desire to amend the Agreement in order for Consultant to continue to provide necessary services.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. Section 5(A) of the Agreement is amended to read as follows:

A. City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit A. This amount shall not exceed Two Hundred Seventy-Five Thousand Dollars (\$275,000.00) for the total term of the Agreement unless additional payment is approved as provided in this Agreement. DS
Gk

2. Except as amended herein, all terms, conditions, and provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have set their hand by their duly authorized representatives as of the day and year first above written.

CITY OF SANTA FE SPRINGS

CONSULTANT

René Bobadilla, City Manager

Date: _____

DocuSigned by:



71B53632281249B...
Greg Kachhadiya, COO

Date: 5/14/2024

ATTEST:

Fernando Muñoz, Deputy City Clerk

APPROVED AS TO FORM:

Ivy M. Tsai, City Attorney

Amendment to Agreement

This amendment ("Amendment") is made to the Agreement between the City of Santa Fe Springs ("City") and atQor ("Consultant") dated March 7th, 2024, regarding Onsite Project management/BA Services.

Amendment to Total Fee: The total fee for the services outlined in the Agreement shall be amended to not exceed \$250,000.00 excluding taxes and travel expenses.

Calculation of Fee: The fee shall continue to be calculated based on the Time and Materials ("T&M") rate of US\$155/hour as stipulated in the original Agreement.

Payment Terms: The City of Santa Fe Springs shall pay the invoices within 10 days of receipt, as per the original Agreement, after verifying the deliverables and time sheets.

Access to Resources: The City of Santa Fe Springs shall provide atQor with access to the relevant data, systems, and stakeholders necessary for the completion of the tasks, as outlined in the original Agreement.

Standards of Performance: atQor shall continue to adhere to the highest standards of quality, confidentiality, and ethics in performing the services, in accordance with the original Agreement.

Intellectual Property Rights: The clause regarding intellectual property rights shall remain unchanged, with atQor retaining the intellectual property rights of any tools, methods, or frameworks developed or used during the engagement, unless otherwise agreed in writing.

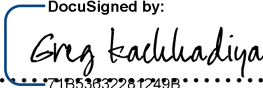
Commencement and Termination: The engagement shall continue to commence upon the signing of this Agreement and will terminate upon the achieving of the city objectives by mutual consent of both parties, in accordance with the terms of the original Agreement.

Other Terms: All other terms and conditions of the original Agreement shall remain unchanged and in full force and effect.

This Amendment shall be effective as of the date of signing by both parties.

Signed for and on behalf of:

Axile tech, LLC dba atQor

Signed:  71B53832281249B...

Name: Greg Kachhadiya

Title: COO

Date: 5/14/2024

Signed for and on behalf of:

City Of Santa Fe Springs

Signed:

Name:

Title:

Date:

**CITY OF SANTA FE SPRINGS
PROFESSIONAL SERVICES AGREEMENT
WITH
ATQOR**

This Professional Services Agreement ("Agreement") is made and effective as of March 7, 2024 ("Effective Date"), by and between the City of Santa Fe Springs, a California municipal corporation, ("City") and Axile Tech, LLC dba atQor, a California limited liability company ("Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement shall commence on the Effective Date and shall remain and continue in effect until the services described herein are completed, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

Consultant shall perform the services described and set forth in Consultant's Proposal, attached hereto as Exhibit A and incorporated herein as though set forth in full ("Services"). Consultant shall complete the Services according to any schedule of performance set forth in Exhibit A. To the extent that Exhibit A contains provisions inconsistent with this Agreement, the provisions of this Agreement shall govern.

3. PERFORMANCE

Consultant understands that time is of the essence in the performance of the Services. Consultant shall at all times faithfully, competently and to the best of Consultant's ability, experience, and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant under this Agreement.

4. CITY MANAGEMENT

The City Manager or designee shall represent the City in all matters pertaining to the administration of this Agreement, including review and approval of all products submitted by Consultant.

5. PAYMENT

- A. City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit A. This amount shall not exceed Fifty Thousand Dollars (\$50,000.00) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

- B. Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager or designee. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to in writing by the City and Consultant at the time the City's written authorization is given to Consultant for the performance of said services.
- C. Consultant will submit invoices monthly for actual Services performed. Consultant agrees to participate in the City's Electronic Funds Transfer program and to receive electronic payments for the Services. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's Services or fees, it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within forty-five (45) days of receipt of an invoice therefor.

6. TERMINATION OF AGREEMENT WITHOUT CAUSE

- A. The City may at any time, for any reason, without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon Consultant at least ten (10) days' prior written notice. Upon receipt of said notice, Consultant shall immediately cease all Services under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement, such suspension or termination shall not make void or invalidate the remainder of this Agreement.
- B. In the event this Agreement is terminated pursuant to this section, the City shall pay to Consultant the actual value of the Services performed up to the time of termination, unless the City disputes any of the Services performed or fees. Upon termination of the Agreement pursuant to this section, Consultant will submit an invoice to the City pursuant to Section 5.

7. DEFAULT OF CONSULTANT

If the City determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, the City shall serve Consultant a written notice of the default. Consultant shall have seven (7) days after service of said notice to cure the default. In the event that Consultant fails to cure the default within such period of time or fails to present the City with a written plan for the diligent cure of default if such default cannot be cured within seven days, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement. Consultant shall be responsible for costs incurred by the City due to Consultant's failure to comply with this section. The City shall have the right to offset against the amount of any fees due to Consultant any costs incurred by the City as a result of Consultant's default.

8. OWNERSHIP OF DOCUMENTS

- A. Consultant shall maintain complete and accurate records with respect to tasks, costs, expenses, receipts, and other such information required by the City that relate to the performance of Services under this Agreement. Consultant shall maintain adequate records of Services provided in sufficient detail to permit an evaluation of Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of the City or its designees at reasonable times to such books and records; shall give the City the right to examine and audit said books and records; shall permit the City to make transcripts or copies therefrom as necessary; and shall allow inspection of all Services, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.
- B. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the Services shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant hereby grants to the City all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the Services under this Agreement.

9. INDEMNIFICATION AND DEFENSE

- A. Indemnification. To the fullest extent permitted by law, Consultant shall indemnify and hold harmless the City and any and all of its officials, employees, agents, and/or volunteers ("Indemnified Parties"), from and against any and all claims, demands, actions, suits, losses, liabilities, damages, costs, and expenses, including attorney's fees and costs, arising out of or in any way connected with the performance of Consultant, its officers, agents, employees, and/or subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) under this Agreement, including all acts or omissions, willful misconduct, or negligent conduct, whether active or passive, on the part of Consultant, its officers, agents, employees, and/or subconsultants. Consultant's duty to indemnify and hold harmless the Indemnified Parties shall not extend to the sole negligence or willful misconduct of the Indemnified Parties.
- B. Duty to Defend. In the event the Indemnified Parties, individually or collectively, are made a party to any claim, action, lawsuit, or other adversarial proceeding

arising or alleged to arise out of or is in any way connected with the performance of Consultant's services under this Agreement, and upon demand by the City, Consultant shall immediately defend the Indemnified Parties at Consultant's cost or at the City's option to reimburse the City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters, regardless of whether or not Consultant, its officers, agents, employees, and/or subconsultants are specifically named or otherwise asserted to be liable, and regardless of whether or not there is any evidence of finding of fault or wrongdoing by Consultant, its officers, agents, employees and/or subconsultants. Payment by the City is not a condition precedent to enforcement of this provision.

- C. In the event of any dispute between Consultant and the City as to whether liability arises from the sole negligence or willful misconduct of the City or its officials, employees, agents, and/or volunteers, Consultant will be obligated to pay for the City's defense until such time as a final judgment has been entered adjudicating the Indemnified Parties as solely negligent or to have acted with willful misconduct. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs, including but not limited to attorney's fees, expert fees, and costs of litigation.

10. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B attached hereto and made a part of this Agreement.

11. INDEPENDENT CONTRACTOR

- A. Consultant is and shall at all times remain as to the City a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither the City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the City, or bind the City in any manner.
- B. No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, the City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for the City. The City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social

Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold the City harmless from any and all taxes, assessments, penalties, and interest asserted against the City by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold the City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. The City shall have the right to offset against the amount of any fees due to Consultant under this Agreement as a result of Consultant's failure to promptly pay to the City any reimbursement or indemnification arising under this paragraph.

- C. In the event that Consultant or any employee, agent, or subconsultant of Consultant providing Services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (CalPERS) to be eligible for enrollment in CalPERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless the City for the payment of any employee and/or employer contributions for CalPERS benefits on behalf of Consultant or its employees, agents, or subconsultants, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of the City.
- D. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subconsultants providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by the City, including but not limited to eligibility to enroll in CalPERS as an employee of the City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for CalPERS benefits.

12. LEGAL RESPONSIBILITIES

Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of Services pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws and regulations. The City and its officials, officers, employees, and agents, shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City has or

will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with this Agreement or any Services to be conducted as a result of this Agreement. Violation of this section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

14. NO BENEFIT TO ARISE TO CITY EMPLOYEES

No member, officer, or employee of the City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Services during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any Agreement or sub-agreement, or the proceeds thereof, for Services to be performed under this Agreement.

15. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

- A. All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without the City's prior written authorization, unless the information is clearly public. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City Manager or designee, or unless requested by the City's attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the Services performed under this Agreement or relating to the City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives the City notice of such court order or subpoena.
- B. Consultant shall promptly notify the City should Consultant, its officers, employees, agents, and/or subconsultants be served with any summons, complaint, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the Services performed hereunder or with respect to any project or property located within the City, unless the City is a party to any lawsuit, arbitration, or administrative proceeding connected to such Discovery, or unless Consultant is prohibited by law from informing the City of such Discovery. The City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless the City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with the City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, the City's right to review any such response does not imply or mean the right by the City to control, direct, or rewrite said response, or that the City has an obligation to review any such response or verifies any response it has reviewed.

16. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mail by the United States Postal Service, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To the City: City of Santa Fe Springs
 11710 E. Telegraph Road
 Santa Fe Springs, CA 90670
 Attention: Assistant City Manager

To Consultant: Axile Tech, LLC dba atQor
 13301 Alondra Blvd.
 Santa Fe Springs, CA 90670
 Attention: Greg Kachhadiya

17. ASSIGNMENT

Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City. Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide the City with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include an indemnity provision similar to the one provided herein and identifying the City as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from the City for such insurance.

18. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect all licenses required of it by law for the performance of the Services described in this Agreement.

19. GOVERNING LAW

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over the City.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. AMENDMENTS

Any amendments to this Agreement must be in writing and executed by the parties hereto, or their respective successors and assigns, in order to be valid.

22. NON-EXCLUSIVE AGREEMENT

Consultant acknowledges that the City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

23. ATTORNEYS' FEES

In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

24. CONSTRUCTION

The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

25. WAIVER

The delay or failure of any party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

26. SEVERABILITY

If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

27. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

28. AUTHORITY TO EXECUTE THIS AGREEMENT

The persons executing this Agreement on behalf of the parties warrant and represents that they have the authority to execute this Agreement on behalf of said parties and has the authority to bind the parties to the provisions of this Agreement.

29. ELECTRONIC SIGNATURES


The parties acknowledge and agree that execution of this Agreement by electronic signature or electronic transmittal of signatures shall have the same effect as handwritten signatures for the purposes of validity, enforceability, and admissibility.

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

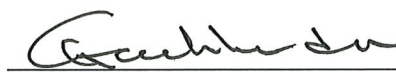
[If Consultant is a corporation, two signatures are required: Signature 1 – the Chairperson of the Board, the President, or any Vice President; Signature 2 – the Secretary, any Assistant Secretary, the Chief Financial Officer, or any Assistant Treasurer (Corp. Code § 313).]

CITY OF SANTA FE SPRINGS

CONSULTANT



René Bobadilla, City Manager

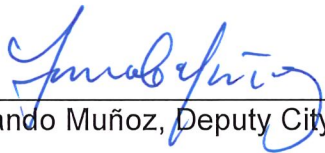


Greg Kachhadiya, COO

Date: 3/7/24

Date: 3/7/24

ATTEST:



Fernando Muñoz, Deputy City Clerk

APPROVED AS TO FORM:



Ivy M. Tsai, City Attorney

Attachments:

Exhibit A
Exhibit B

Consultant's Proposal
Insurance Requirements

EXHIBIT A
CONSULTANT'S PROPOSAL

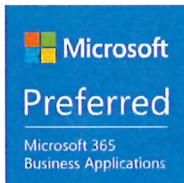


Proposal for Onsite Project Manager/BA Services

Date: 03/06/2024

Prepared for,

City of Santa Fe Springs



An ISO 9001, ISO 27001 certified company Microsoft - Managed Gold Competency Partner
2017, 2015, 2014 and 2013 Microsoft Worldwide Partner Award Winner for Cloud Productivity, Data Platform
and Business Intelligence*

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1. Document Control

Document Header	
Name	Onsite Project Manager / BA Services
Customer	City of Santa Fe Springs
Author	Greg Kachhadiya
Owner	atQor
Revision	1.1
Reviewer	Greg Kachhadiya

Document Milestone	
Date created	03/05/2024
Date reviewed	03/05/2024
Final approval	03/05/2024
Next revision 1.1	03/06/2024

Proposal Validity	
Expires	03/30/2024

2. Executive summary

atQor introduction

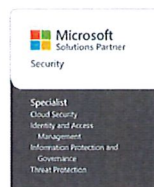
Founded in 2002, atQor has become a distinguished award-winning provider of cutting-edge technology solutions and services, dedicating our expertise to empower businesses through digital transformation. As a committed partner to Microsoft, we leverage top-tier digital, cloud, and business intelligence services to fortify the infrastructural framework of enterprises. We provide robust, user-friendly solutions grounded in Microsoft technologies to optimize our clients' investment and ensure their security.

We offer a comprehensive range of digital transformation services tailored to our clients' needs, including consulting, project services, managed services, and application development. Our aim is to boost business productivity, streamline processes, and facilitate compliance reporting.

At atQor, our mission is to harness technology to accelerate your business performance. We have developed a strong proficiency in SharePoint technologies, SQL, Office365, Power BI, Dynamics 365, Microsoft 365, CRM, Project Online, Azure, Microsoft BI, IoT, and the majority of Microsoft technologies. Our team's competency is not limited to Microsoft; we have extensive knowledge in providing solutions for non-Microsoft technologies like Java, Salesforce, Oracle, AWS, and SAP, and are capable of integrating these into most enterprise technology platforms.

Our well-credentialed teams and seasoned executives are ready to transform your digital landscape, offering you the technological support you need to do more, be more, and achieve more.

Microsoft competencies





In Microsoft Cloud Partner Program (launched in Oct 2022 by retiring old gold and silver partnership), atQor has all six-solution area expertise and solution partner status and by virtue of it, also has over all Microsoft Cloud Partner solution badge awarded by Microsoft. Microsoft has also recognised atQor as one of the first partner in the world to achieve such competency in all Microsoft cloud technologies. Following letter issued to us is an evident of the same.

Microsoft Corporation
One Microsoft Way
Redmond, WA 98052-6399

Tel 425 882 8080
Fax 425 706 7329
www.microsoft.com



Dear atQor,

Congratulations! Your organization has attained a Solutions Partner designation in the Microsoft AI Cloud Partner Program. Your organization is one of the first Microsoft partners to attain this designation and I'm excited to celebrate this achievement with you.

I believe in empowering people and driving growth. What that means for you is that we want to empower your organization with the capabilities, resources, and industry depth to best serve customers. And we will invest in your profitability and growth. This is what partnership means to me. So, thank you for your commitment and for the investment you're making in our partnership and in delivering customer success.

The Solutions Partner designation demonstrates your organization's technical capabilities, experience, and ability to deliver successful customer outcomes aligned to the Microsoft Cloud and helps you differentiate your organization with customers.

Your organization atQor has attained:

- Solutions Partner for Microsoft Cloud

Best Regards,

Nicole Dezen
Chief Partner Officer and Corporate Vice President, Global Partner Solutions

Microsoft Corporation





This information is current as of March 5, 2024.



Microsoft Corporation



We hold specialities in SharePoint Deployment, SharePoint Architect & Development, Business Intelligence, Collaboration, Private Cloud - Virtualization and Management, Application Lifecycle Management, Power BI, Office365, Microsoft Azure, Microsoft Power Platform, SharePoint Migration, Microsoft Teams, Microsoft Power Automate, Microsoft Teams Development, Application Development, Cloud Security, Microsoft 365, Intune, EMS, Microsoft Project, and Dynamics 365.

Why atQor?

100% Microsoft technology focused partner	Since inception in 2002 atQor is 100% Microsoft technology focused, multiyear Microsoft Global Partner Award winner company and have multiple Solution Partner Status with Microsoft including Microsoft ERP.(bizapp)
 A 2002 Establishment	More than 2 decades of expertise delivering solutions and services of Microsoft technologies as one of the key partners of Microsoft as atQor.
 16+ Industry Verticals	A broad range of 16+ different Industry vertical experience including ERP/CRM and Microsoft technology deployments in Engineering, Chemicals, Pharmaceuticals, Food N Beverage and many more industries. Manufacturing, Government, BFSI, Oil and Gas, Utilities are key industry vertical expertise of atQor
 Government Vertical Experience	Worked extensively into State and local government health and human services department, Fairfax, Maryland Government are noted customers. US FDA regulated Pharmaceutical manufacturing and other healthcare customers and worked and delivered various specific to industry solutions and awarded as Microsoft Worldwide Partner Award multiple times.
 100+ related customer Implementations	Surging experience in terms of 50+ healthcare industry domain customers.

 250+ Team	Behind all the accomplishments we are proud of our team size of 250+ members experienced in their own specific domains.
 99% Client Retention	The base of any business that can further bring more business is the client retention and we boast the same with a 99% with our dedication towards serving them

3. City of Santa Fe Springs introduction

The City of Santa Fe Springs is a vibrant community located in Los Angeles County, California, USA. Known for its strategic location at the crossroads of major freeways, Santa Fe Springs has evolved from its industrial roots to become a diverse and thriving city. It offers a mix of residential, commercial, and industrial areas, with a focus on providing a high quality of life for its residents. The city is committed to maintaining a strong sense of community through various cultural events, recreational facilities, and educational opportunities. Santa Fe Springs continues to grow and adapt, blending its rich history with modern development to create a dynamic and welcoming environment for its residents, Business and visitors.

4. Executive Summery

atQor proposes to deploy an onsite Project Manager and Business Analyst (BA) to lead the City of Santa Fe Springs' digital transformation initiatives, specifically focusing on the implementation of a new HRMS system and related processes. atQor is Santa Fe Springs headquartered digital transformation consulting company. Derived from the phrase 'At Core', the name 'atQor' encapsulates our fundamental philosophy of being central to our customers' digital journeys. In the rapidly advancing tech landscape of the world, we believe that meaningful digital transformations are built upon core values, core strategies, and core expertise.

Background: The City is facing challenges with legacy systems and is in need of a skilled professional to manage the transition to modern, efficient systems. Our PM brings a strong technical background, experience in Agile environments, and a commitment to facilitating successful digital transformations.

5. Scope of Services

- Project management and coordination between the city office and technology vendors UKG.
- Business analysis, including requirement gathering, process mapping, and ensuring alignment with city objectives.
- Facilitation of communication and collaboration across all stakeholders.
- Oversight of project timelines, deliverables, and milestones.

6. Value Proposition

- Our proposed PM's technical expertise will provide valuable insights into the HRMS system implementation.
- Our resources agile experience ensures adaptive project management suited to the city's dynamic needs.
- Resource role will mitigate risks associated with knowledge silos, ensuring continuity in city operations.

7. Implementation Plan

- Immediate onboarding and familiarization with city operations and current systems.
- Stakeholder engagement and requirements gathering within the first week.
- Regular progress updates and alignment with city's strategic goals.

8. Commercial and Terms of Engagement

The City of Santa Fe Springs will engage atQor as a consultant for the digital transformation projects described in the proposal.

- The total fee for the services will not exceed \$50,000.00, excluding taxes and travel expenses.
- The fee will be calculated based on the T&M rate of US\$155/hour.
- The City of Santa Fe Springs will pay the invoices within 10 days of receipt, after verifying the deliverables and the time sheets.
- The City of Santa Fe Springs will provide atQor with access to the relevant data, systems, and stakeholders necessary for the completion of the tasks.
- atQor will adhere to the highest standards of quality, confidentiality, and ethics in performing the services.
- atQor will retain the intellectual property rights of any tools, methods, or frameworks developed or used during the engagement, unless otherwise agreed in writing.
- The engagement will commence upon the signing of this agreement and will terminate upon the achieving of the city objectives by mutual consent of both parties.



Conclusion: atQor is committed to partnering with the City of Santa Fe Springs to navigate its digital transformation journey, with our PM playing a pivotal role in ensuring the success of these critical initiatives.

Those signing this Agreement for the parties confirm they have the authority to do so on behalf of said parties and to bind them to the Agreement's provisions. The parties recognize that using electronic signatures or transmitting signatures electronically has the same legal effect as handwritten signatures in terms of validity, enforceability, and admissibility.

Signed for and on behalf of:

Signed for and on behalf of:

Axile tech, LLC dba atQor

City Of Santa Fe Springs

Signed: 

Signed: 

Name: Greg Kachhadiya

Name: 

Title: COO

Title: 

Date: 

Date: 

EXHIBIT B

INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of the City, and prior to commencement of Services, Consultant shall obtain, provide, and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to the City. If Consultant maintains higher limits than the minimum limits shown below, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Services to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

Professional liability (errors & omissions) insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and Consultant agrees to maintain continuous coverage through a period no less than three (3) years after completion of the services required by this Agreement.

Cyber security and privacy liability. Consultant shall procure and maintain insurance with limits of \$1,000,000 per occurrence/loss, \$2,000,000 general aggregate, which shall include the following coverage:

- a. Liability arising from the theft, dissemination and/or use of confidential or personally identifiable information; including but not limited to personally identifiable information (PII), protected health information (PHI), security codes, access codes, passwords, etc.
- b. Network security liability arising from the unauthorized use of, access to, or tampering with computer systems, including hacker or denial of service attacks.
- c. Liability arising from introducing a computer virus into or otherwise causing damage to vendor (first-party) or customer's (third party) computer, computer

system, network, or similarly related property and the data, software, and programs.

- d. Liability arising from professional misconduct or lack of the requisite skill required for performing services defined in the contract or agreement.
- e. Costs associated with restoring, updating, or replacing data.
- f. Costs associated with a privacy breach, including notification costs, customer support, forensics, crises management, public relations consulting, legal services of a privacy attorney, credit monitoring, and identity fraud resolution services for affected individuals.

If coverage is maintained on a claims-made basis, Consultant shall maintain such coverage for an additional three (3) years following termination of the Agreement.

Workers' compensation insurance. Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000 per accident for bodily injury or disease).

Consultant shall submit to the City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of the City, its officers, agents, employees, and volunteers.

Other provisions or requirements

Proof of insurance. Consultant shall provide certificates of insurance to the City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by the City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement. The City reserves the right to require complete, certified copies of all required insurance policies at any time.

Duration of coverage. Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Consultant, or Consultant's agents, representatives, employees or subconsultants.

Primary/noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by the City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

The City's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, the City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by the City will be promptly reimbursed by Consultant or the City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, the City may immediately terminate this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this Agreement shall be endorsed to waive subrogation against the City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against the City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of Agreement provisions (non estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Agreement are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to the City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that the City and its officers, officials, employees, agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting

endorsement of any kind that has not been first submitted to the City and approved of in writing.

Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass through clause. Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the Services who is brought onto or involved in the Services by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subconsultants, and others engaged in the Services will be submitted to the City for review.

The City's right to revise specifications. The City reserves the right at any time during the term of the Agreement to change the amounts and types of insurance required by giving Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to Consultant, City and Consultant may renegotiate Consultant's compensation or come to some other agreement to address the additional cost.

Self-insured retentions. Any self-insured retentions must be declared to and approved by the City. The City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the City.

Timely notice of claims. Consultant shall give the City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Services.



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Lana Dich, Director of Finance

SUBJECT: RESOLUTION NO. 9907 – APPROVING THE ADOPTION OF THE MULTIPLE EMPLOYER OTHER POST-EMPLOYMENT BENEFITS (OPEB)/PENSION 115 TRUST ADMINISTERED BY SHUSTER ADVISORY GROUP, LLC

DATE: May 21, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Adopt Resolution No. 9907 approving the adoption of the Multiple Employer Other post-employment benefits (OPEB) and Pension 115 Trust administered by Shuster Advisory Group; and
- 2) Authorize the City Manager to discontinue the City's current participation in the California Employers' Retiree Benefit Trust (CERBT) and the California Employers' Pension Prefunding Trust (CEPPT) administered by California Public Employee's Retirement System (CalPERS).

FISCAL IMPACT

N/A

BACKGROUND

"Other Post Employment Benefits" (OPEB)

Historically, the City (like most public employers) has funded retiree OPEB on a "pay as you go" basis. This means the City has only paid OPEB costs after employees retired. Unfortunately, this approach understates the true amount necessary, as OPEB costs are deferred until the employees retire in the future. OPEB Trusts are a funding vehicle used by employers to "prefund" the future costs of their retiree OPEB benefits as the employee services are rendered. Once funds are deposited in these irrevocable trusts, they may

Resolution Approving the Adoption of the Multiple Employer Other post-employment Benefits (OPEB)/Pension 115 Trust Administered by Shuster Advisory Group, LLC

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not be withdrawn for any purpose other than funding the costs of the employer's retiree OPEB benefits.

In June 2004, the Governmental Accounting Standards Board (GASB) approved Statement No. 45 (GASB 45), which established measurement and reporting standards for state and local government OPEB expenditures. For most governments, including the City of Santa Fe Springs, the largest of these benefits is the funding of retiree medical costs. GASB 45 requires government employers to report the costs that they will incur when they provide OPEB benefits as part of the ongoing compensation for services rendered by current employees. Under GASB 45, employers will have to start assigning an actuarial value and reporting the liability for OPEB in the current fiscal year (2008-09). Under GASB 45, failure to have an irrevocable trust (or formally show how the City plans to fund this liability) will have a negative impact on cities' credit ratings. This will affect the cost and ability of cities to issue bonds or possibly enter into lease purchase agreements, both of which have an impact on the City of Santa Fe Springs. As such, in 2009, the City established the California Employers' Retiree Benefit Trust Fund (CERBT) with CalPERS.

Pension Prefunding Trust

The unfunded pension obligations represent significant liabilities to the City. In 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, which requires governmental employers that sponsor Defined Benefit Plans (i.e., CalPERS) to recognize a net pension liability on their balance sheet. This is the difference between the City's total pension liability and the market value of actual plan assets. Essentially, the City has less assets invested with CalPERS than what is expected to meet all future pension payments. The City reported this actuarial liability for the first time in its June 30, 2015 Comprehensive Annual Financial Report (CAFR).

Senate Bill 1413 (SB1413), which enacted the California Employer's Pension Prefunding Trust (CEPPT), was approved by the California Governor on September 21, 2018, and began operations in July of 2019. Pension trust has been identified as a best practice and one option for addressing unfunded liabilities by several public agencies. As such, In 2020, the City established a pension prefunding trust section through the California Employers' Pension Prefunding Trust (CEPPT).

The City is not obligated to stay in the current trust arrangement with CalPERS, or any provider for that matter. At the time the City entered into the non-binding agreement with CalPERS there were few providers in the Section 115 Trust space. Based on market analysis completed by Shuster identifying the lack of providers available and the services being offered, they developed a program that would enhance the service and investment models at a lower cost to City's and public agencies. To the extent that a more flexible and actively managed investment portfolio can be attained to improve the return on invested assets in the trust at a low cost, that is additional money that will be earned in the trust and then compound over time.

Resolution Approving the Adoption of the Multiple Employer Other post-employment Benefits (OPEB)/Pension 115 Trust Administered by Shuster Advisory Group, LLC

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ANALYSIS

Based on available options other than CERBT and CEPPT, significant savings in administration costs are available from Shuster.

California Public Employee's Retirement System (CalPERS)

CalPERS options for OPEB and Pension Stabilization 115 trusts are referred to as the California Employers' Retiree Benefit Trust (CERBT) for funding OPEB liabilities and the California Employers' Pension Prefunding Trust (CEPPT) for funding future pension liabilities. Both Trusts charge employers a single fee rate to cover all program costs. CERBT offers three diversified asset allocation strategies. CEPPT offers two diversified asset allocation strategies. While these funds have lower fees than PARS or Shuster, they offer limited investment strategy options. These investment strategies may perform better than the State (LAIF) or County investment pools, however, they both have lower reported rates of return than both PARS or Shuster. Assets held within the CalPERS program are comingled with assets of other participating public agencies for investment purposes and are only valued monthly.

Shuster Advisory Group, LLC

Shuster Advisory Group, LLC is an independent investment advisory firm and fiduciary. Shuster provides governmental and institutional retirement plan consulting services as well as private wealth management. Shuster is a SEC-Registered Investment Advisor with over \$7 billion in assets under management, focusing on serving the unique needs of governmental agencies and special districts. Shuster serves as investment fiduciary to over 90 governmental agencies and special districts providing investment selection, monitoring and management, and provides plan consulting and participant services.

The services provided by Shuster are unique with a low-cost transparent structure and white glove approach. Shuster entered the public retirement plan sector after analyzing the sector and realizing that cities and agencies were being underserved and overcharged for their retirement plans, directly impacting the supplemental retirement savings of the public employees. Shuster has conducted the same analysis of the Section 115 Trust programs available to cities and agencies and again determined that cities and other public agencies were being underserved and overcharged. Shuster found that the programs available generally lacked investment flexibility, customization, transparency, and high-level customer service.

As a result, Shuster created and offers a Section 115 Trust program that provides Cities with enhanced services at a fraction of the cost of the Section 115 Trust marketplace. With Shuster's ongoing oversight and exceptional service model, the City's 115 Trust will have greater investment portfolio opportunities at a low cost.

Resolution Approving the Adoption of the Multiple Employer Other post-employment Benefits (OPEB)/Pension 115 Trust Administered by Shuster Advisory Group, LLC

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Schuster charges an asset-based fee for services to improve value for their clients in comparison to a flat-fee model. Fees are charged monthly or quarterly in arrears based on the daily net Assets Under Management (AUM) on an amortized cost basis, including accrued interest, for the month.

The following is a summary of the fees charged:

Description	Fee % of AUM	Annual Minimum/Maximum?
<i>Trust Administration Fee</i>	<i>0.01% Quarterly</i>	<i>No</i>
<i>Trustee Fee</i>	<i>0.02% Quarterly</i>	<i>\$500 Minimum /\$5,000 Maximum Per Plan</i>
<i>Custodial Asset Based Fee</i>	<i>0.01% Quarterly</i>	<i>\$400 Minimum / No Maximum</i>
<i>Investment Advisory Fee</i>	<i>0.06% Monthly</i>	<i>No</i>

By switching to Schuster, the City's Treasury function believes the action will increase potential for enhanced financial performance due to customizable portfolios, flexibility to adapt to changing risk models, and fund company diversity (Fidelity, Vanguard, American Funds, BlackRock, PIMCO, etc.). Shuster provides ten investment strategies that combine both active and passive (index) investment solutions to take advantage of the optimum mix of investments from both an investment return and cost perspective. Shuster will also provide a custom portfolio at no additional cost.

For this reason, staff's valuation process concluded that the transfer of the CalPERS program to the program offered by Shuster provides the greatest flexibility of investment options and a more a comprehensive list of services that includes:

- *Investment Fiduciary services*
- *Consolidated full fee transparency*
- *Customizable investment options*
- *Individual accounts*
- *Daily valuation and account access*
- *Blend of active and passive investment options*
- *Private equity/debt (optional)*
- *GASB compliant reporting*
- *Local dedicated service team*
- *Direct access to Portfolio Management Team*

Resolution Approving the Adoption of the Multiple Employer Other post-employment Benefits (OPEB)/Pension 115 Trust Administered by Shuster Advisory Group, LLC

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ENVIRONMENTAL

N/A

DISCUSSION

Assets in a 115 Trust are irrevocable, they may not be withdrawn for any purpose other than funding the cost of the employer's specific function in the applicable trust agreement. Additionally, monies held in such trusts can be invested in accordance with the rules governing those trusts, which are different than the investment rules for the City's pooled investments. Investment restrictions that apply to the general fund of a City (CA Government Code 53601) do not apply to the assets held in an Irrevocable Section 115 Trust, thus allowing for more flexibility in the investment strategy. Setting aside funds in a Section 115 Trust can potentially earn a higher rate of return than funds invested within 53601 guidelines.

After a review of the current investment portfolios and services, it was determined that improved investment flexibility, customization, transparency, and service could be achieved by transferring our plan administration and portfolio management to a different program provider.

Staff's evaluation process concluded that the program offered by Shuster Advisory Group, LLC ("Shuster") provides the greatest flexibility of investment options and the most competitive fees for the comprehensive services the City will receive, including but not limited to Investment Fiduciary services, consolidated full fee transparency, fully customizable investment options, individual accounts (providing daily valuation and account access), blend of active and passive investment options with optional private equity/debt, GASB compliant reporting, and a dedicated local service team.

The services provided by Shuster are critical to the City's long-term investment performance. In addition to meeting GASB compliance requirements and being registered with the SEC, their staff members have extensive experience managing investment portfolios for public entities. For these reasons, the services are considered professional in nature and exempt from the City's normal bidding process pursuant to Santa Fe Spring Municipal Code Section 34.18(A)(1), which states:

PURCHASE BY BIDDING REQUIRED GENERALLY; EXCEPTIONS.

Purchases of supplies, equipment, and services shall be made pursuant to the procedures set forth in this subchapter, except for the following:

Professional and special services, including, but not limited to, **financial**, economic, accounting, engineering, legal, administrative, technology, education and instruction, medical, and entertainment.

Resolution Approving the Adoption of the Multiple Employer Other post-employment Benefits (OPEB)/Pension 115 Trust Administered by Shuster Advisory Group, LLC

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SUMMARY/NEXT STEPS

Once approved, staff will move forward with the transition. The transition has an estimated three-month timeline.

ATTACHMENT(S):

- A. Resolution No. 9907
- B. Multiple Employer OPEB/Pension 115 Trust
- C. Trust Administrative Services Agreement
- D. Adoption Agreement for the Multiple Employer OPEB/Pension 115 Trust
- E. Investment Advisor Agreement

ITEM STATUS:

APPROVED: ☐

DENIED: ☐

TABLED: ☐

DIRECTION GIVEN: ☐

RESOLUTION NO. 9907

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS APPROVING THE ADOPTION OF THE MULTIPLE EMPLOYER OTHER POST-EMPLOYMENT BENEFITS (OPEB)/PENSION 115 TRUST ADMINISTERED BY SHUSTER ADVISORY GROUP, LLC

WHEREAS, Shuster Advisory Group, LLC (“Shuster”) has made available the Multiple Employer OPEB/Pension 115 Trust (Trust) for the purpose of pre-funding pension obligations and/or OPEB obligations; and

WHEREAS, the City of Santa Fe Springs (“City”) is eligible to participate in a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and the Trust is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, Alta Trust Company satisfies the Trustee requirements under IRS Section 115; and

WHEREAS, all qualified assets currently held in the City’s California Employers’ Retiree Benefit Trust (CERBT) are irrevocably dedicated to prefunding the City’s OPEB obligations; and

WHEREAS, all qualified assets currently held in the City’s California Employers’ Pension Prefunding Trust (CEPPT) are irrevocably dedicated to prefunding the City’s pension obligations; and

WHEREAS, the City’s adoption and operation of the Trust has no effect on any current or former employee’s entitlement to post-employment benefits; and

WHEREAS, the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Trust; and

WHEREAS, the City Council has prudently set aside funds for the OPEB liability and pre-funding pension obligations; and

WHEREAS, the City’s funding of the Trust does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, the City reserves the right to make contributions, if any, to the Trust.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, AS FOLLOWS:

Section 1. The City Council hereby adopts the Shuster Multiple Employer OPEB/Pension 115 Trust, effective May 21, 2024; and

Section 2. The City Council hereby authorizes the termination of the City of Santa Fe Springs California Employers' Retiree Benefit Trust (CERBT) Program, services, administration, and investment contracts with the California Public Employees' Retirement System and California Public Employees' Retirement System Board of Administration (herein CalPERS); and

Section 3. The City Council hereby authorizes the termination of the City of Santa Fe Springs California Employers' Pension Prefunding Trust (CEPPT) Program, services, administration, and investment contracts with the California Public Employees' Retirement System and CalPERS; and

Section 4. The City Council hereby authorizes the appointment of Alta Trust Company as successor Trustee and Charles Schwab Trust Bank as custodian of the assets of the OPEB assets. The transfer of assets is contingent upon the acceptance of the successor Trustee and custodian; and

Section 5. The City Council certifies that the successor trust satisfies the requirements of Section 115 of the Internal Revenue Code and that all assets held by that trust shall qualify as "plan assets" that are irrevocably dedicated to the prefunding of OPEB and/or Pension obligations; and

Section 6. The City Council hereby authorizes the liquidation and transfer of all assets to Charles Schwab Trust Bank, on a date mutually agreed upon by the City and CalPERS; and

Section 7. Upon the complete transfer of all assets, CalPERS is removed as trust administrator, trustee, and investment manager; and

Section 8. The City Council hereby appoints the City Manager, or his/her successor or his/her designee as the City's Administrator for the Trust; and

Section 9. The City's Administrator is hereby authorized to execute the legal and administrative documents on behalf of the City and to take whatever additional actions are necessary to maintain the City's participation in the Trust and to maintain compliance with any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the City's Trust.

APPROVED AND ADOPTED this 21st day of May, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jay Sarno, Mayor

ATTEST:

Fernando Muñoz, Deputy City Clerk

MULTIPLE EMPLOYER OPEB/PENSION 115 TRUST

**FOR ADOPTION BY EMPLOYERS THAT ARE STATES OR LOCAL
GOVERNMENTS OR OTHER POLITICAL SUBDIVISIONS THEREOF**

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AGREEMENT

This agreement, which establishes the Multiple Employer OPEB/Pension 115 Trust (“Trust Agreement”), is entered into by and between Shuster Advisory Group, LLC (“Trust Administrator”) and Alta Trust Company (“Trustee”) effective as of October 1, 2021.

ARTICLE I. Definitions

For purposes of the Trust Agreement, the following terms have the meanings indicated below:

1.01 Account

“Account” is defined in Section 9.03.

1.02 Adoption Agreement

“Adoption Agreement” means the written instrument by which the Employer adopts and participates in the Trust in accordance with this Trust Agreement, and by which the Employer makes certain elections relating to its participation in the Trust.

1.03 Beneficiary

“Beneficiary” means any person entitled to receive benefits under the Employer’s OPEB Plan or Pension Plan.

1.04 Code

“Code” means the Internal Revenue Code of 1986, as amended from time to time. References to any section of the Code shall include any successor provision thereto.

1.05 Combined Account

“Combined Account” is defined in Section 9.03.

1.06 Confidential Information

“Confidential Information” means the information specified in Section 16.17, proprietary information of the parties to this Trust Agreement, including but not limited to, their inventions, confidential information, know-how, trade secrets, business affairs, prospect lists, product designs, product plans, business strategies, finances, and fee structures.

1.07 Employer

“Employer” means each public agency that executes the Adoption Agreement, thereby becoming a participating agency in the Trust. Such agency must be a state, a political subdivision of a state, or an entity whose income is excludible from gross income under Section 115 of the

Code. Only an entity described in the preceding sentence may become a participating employer in the Trust.

1.08 Force Majeure

“Force Majeure” means a cause or event outside the reasonable control of the parties or that could not be avoided by the exercise of due care, including, without limitation: strikes, lockouts or other acts of workmen; fire, flood, earthquake, element of nature, pandemic or acts of God; governmental restrictions or court order; war, riot, civil disorders, rebellions or revolutions; public utility, telephonic, electrical or network failure; accidents; acts of terrorism; third party non-performance (except for non-performance by a party’s employees, subcontractors, agents, representatives and/or affiliates); or unusual trading activity or disruption of trading on any exchange; or any other event that would constitute a force majeure.

1.09 Instruction(s)

“Instruction(s)” means any written or electronic direction given to the Trustee by the Employer, Plan Administrator, or Trust Administrator in a form and manner required or accepted by the Trustee. Subject to the preceding sentence, the Trustee may recognize standing requests, directions, or requisitions as Instructions.

1.10 OPEB

“OPEB” means post-employment health and welfare benefits (other than pensions) provided by the Employer under an OPEB Plan to Beneficiaries, including medical, dental, vision, life insurance, long-term care and other similar benefits.

1.11 OPEB Account

“OPEB Account” is defined in Section 9.03.

1.12 OPEB Obligation

“OPEB Obligation” means the Employer’s obligation to provide OPEB under the Employer’s OPEB Plan, including the direct costs of the OPEB and the expenses associated with providing the OPEB.

1.13 OPEB Plan

“OPEB Plan” means the policies, collective bargaining agreement, or other arrangements under which a Beneficiary is entitled to receive OPEB, but only if the policy, agreement, or other arrangement is specified by the Employer in the Adoption Agreement.

1.14 Pension Account

“Pension Account” is defined in Section 9.03.

1.15 Pension Obligation

“Pension Obligation” means the Employer’s obligation to contribute to the qualified trust of the Employer’s Pension Plan and to pay the expenses associated with providing benefits under the Pension Plan. For this purpose, “qualified trust” means a trust that is qualified under Section 401(a) of the Code and that funds retirement benefits provided under the Pension Plan. A qualified trust is separate from this Trust and will not be considered part of this Trust for any purpose.

1.16 Pension Plan

“Pension Plan” means one or more defined-benefit plans, each of which is (i) qualified under Section 401(a) of the Code, (ii) sponsored by the Employer in order to provide retirement benefits to Beneficiaries, including but not limited to a stand-alone plan maintained solely by the Employer or a multiple-employer or multiemployer plan in which the Employer participates along with one or more other employers, (iii) partly or wholly funded by the Employer’s contributions, and (iv) specified by the Employer in the Adoption Agreement.

1.17 Person

“Person” means an individual, committee of individuals, partnership, limited liability partnership, joint venture, corporation, limited liability corporation, political subdivision, non-profit or not-for-profit organization, trust, estate, unincorporated organization, association or employee organization.

1.18 Plan Administrator

“Plan Administrator” means the Person, appointed by the Employer, with the plenary authority over the Employer’s Account. The Employer must, in the Adoption Agreement, and at any other time specified by the Trustee and the Trust Administrator, certify in writing to the Trustee and the Trust Administrator the name and specimen signature(s) of the Plan Administrator; no appointment or delegation under this Section 1.18 will be effective without that certification. If no Plan Administrator is appointed, the Employer will be the Plan Administrator.

1.19 Trust

“Trust” means the Multiple Employer OPEB/Pension 115 Trust, the legal entity established by the Trust Agreement to hold, invest, and disburse funds to and for the benefit of Beneficiaries.

1.20 Trust Administrative Services Agreement

“Trust Administrative Services Agreement” means the agreement in the form attached to each Adoption Agreement and executed between the Employer and the Trust Administrator which authorizes the Trust Administrator to administer the Employer’s Account.

1.21 Trust Administrator

“Trust Administrator” means Shuster Advisory Group, LLC or any successor thereof designated by the Employers under Article XII.

1.22 Trust Agreement

“Trust Agreement” or “Agreement” means this Multiple Employer OPEB/Pension 115 Trust between the Trustee and the Trust Administrator.

1.23 Trust Fund

“Trust Fund” means all assets of whatsoever kind or nature from time to time held by the Trustee pursuant to this Trust Agreement, without distinction as to income and principal.

1.24 Trustee

“Trustee” means Alta Trust Company and any duly appointed additional or successor Trustee or Trustees acting hereunder.

ARTICLE II. Establishment and Purpose of the Trust

2.01 Establishment

The Trust will become effective upon the initial contribution of money or other property acceptable to the Trustee in its sole discretion to an Employer’s Account under the Trust.

2.02 Purpose

The Trust is a multiple-employer trust arrangement established and maintained for the sole purposes of holding the assets used to fund Employers’ OPEB Obligations and Pension Obligations, and for paying each Employer’s reasonable, allocable expenses of administering the Trust. As such, the Trust is divided into separate Accounts to hold the assets of each participating Employer. Consistent with its purpose, the Trust is intended to qualify as a tax-exempt trust of a state or political subdivision thereof for an essential governmental function within the meaning of Section 115 of the Code and any regulations issued thereunder.

2.03 Exclusive Benefit

The Trust is irrevocable. The principal of the Trust, together with any earnings thereon, will be held in trust by the Trustee separate and apart from any assets of the Employer. Except as provided in Sections 9.03(b)(iii) and 14.04, all assets in each Account and all income thereon are irrevocably dedicated to, and will be used for the exclusive purpose of, making payments of OPEB Obligations or Pension Obligations, as applicable, under the OPEB Plan or Pension Plan for which the Account was established and for paying the reasonable expenses of the Employer’s participation in the Trust. At no time will the assets in any Employer’s Account be used for, or diverted to, any other purposes, including but not limited to payment of any other Employer’s OPEB Obligations or Pension Obligations.

2.04 No Diversion

Assets held in the Trust may not be used to satisfy claims of creditors of any Employer. No Beneficiary will be deemed a third-party beneficiary of this Agreement, nor will any Beneficiary have the right to compel any payment of any amount from the assets of the Trust or to enforce any duties of any party to or other entity referred to in this Agreement. Beneficiaries will not have any preferred claim, lien on, or security interest in, or any beneficial interest in any particular assets of the Trust. Beneficiaries will be entitled to receive payments of assets of the Trust only when, as, and if determined by the Employer in accordance with this Agreement. Except to the extent allowed by law, the Trust is not subject to attachment or garnishment or other legal process by any creditor of any such Beneficiary, nor will any Beneficiary have the right to alienate, anticipate, commute, pledge, encumber, or assign any Trust assets.

2.05 Superseding Effect of the Trust Agreement

To the extent there are any inconsistencies between this Trust Agreement and any provisions set forth in any Employer's OPEB Plan or Pension Plan, this Trust Agreement shall control, and its provisions shall supersede all other provisions in any such OPEB Plan or Pension Plan pertaining to the duties, responsibilities, obligations and liabilities of the Trustee. Under no circumstances shall the terms of any OPEB Plan or Pension Plan be interpreted as conferring any investment or administrative discretion on the Trustee.

ARTICLE III.

Acceptance of, Contributions to, Distributions from Trust

3.01 Acceptance of Trust

The Trustee, by affixing its signature to this Trust Agreement, accepts this Trust and agrees to act as the directed Trustee of the Trust according to the terms and conditions of this Trust Agreement, all of which the parties hereto agree, and to which the Employers and all Beneficiaries from time to time hereunder, and all those Persons claiming through or under any of them, shall be deemed to have agreed. Nothing contained in any OPEB Plan or Pension Plan, either expressly or by implication, shall be deemed to impose any powers, duties or responsibilities on the Trustee beyond those imposed by this Trust Agreement. The Trustee shall not have the authority to interpret any OPEB Plan or Pension Plan.

3.02 Contributions and Transfers

(a) **Account Assets.** Each Employer may at any time make (or cause to be made) contributions or transfers of cash or other assets acceptable to the Trustee to the Trust from any source. Neither the Trustee, the Trust Administrator, nor any Beneficiary will have any right to compel such contributions or transfers or any duty to determine whether any such contributions or transfers comply with the Employer's OPEB Plan or Pension Plan, as applicable. In addition, neither the Trustee nor the Trust Administrator is responsible for separately accounting of any contributions or transfers to the Trust or for determining the source of these amounts.

(b) **Acceptance of Contributions and Transfers.** All contributions or transfers received by the Trust, together with the income therefrom, any other increment thereon, and all

assets acquired by investment or reinvestment, shall be held, managed, and administered by the Trustee pursuant to the terms of this Trust Agreement without distinction between principal and income and without liability for the payment of interest thereon. The Trustee shall not be responsible for the collection of any contributions under or required by an OPEB Plan or Pension Plan, and the Trustee will have the responsibilities specified in this Trust Agreement only for amounts actually received by it hereunder. The Trustee shall have no power or duty to inquire whether the amount of any contributions or transfers delivered to it by an Employer is correct or complies with the terms of the OPEB Plan or Pension Plan.

3.03 Distributions

(a) Plan Administrator.

(i) Each Employer's Plan Administrator has the exclusive authority and responsibility to determine the extent to which amounts will be paid from the Employer's Account. Neither the Trust Administrator nor the Trustee will make or authorize disbursements or transfers from any Employer's Account without the explicit written direction from the Employer's Plan Administrator.

(ii) From time to time, the Plan Administrator (or the Trust Administrator, at the Plan Administrator's direction) may direct disbursements of amounts from the Employer's Combined Account for any purpose permitted under Section 3.03(a)(iii) or (iv).

(iii) Amounts under the Employer's OPEB Account may be disbursed to (A) the Plan Administrator for subsequent distribution to or for the benefit of the Employer's Beneficiaries, (B) any party providing services for the Employer's OPEB Plan, including but not limited to any insurer, third-party administrator, or other service provider, (C) the Employer's Beneficiaries themselves, or (D) the Employer as reimbursement for any OPEB Obligation amount paid or incurred by the Employer.

(iv) Amounts under the Employer's Pension Account may be disbursed to (A) the Pension Plan as contributions to the plan's qualified trust, (B) the Plan Administrator, for subsequent payment of the Employer's Pension Obligation, (C) any party providing services for the Employer's Pension Plan, including but not limited to any insurer, third-party administrator, or other service provider, or (D) the Employer as reimbursement for any Pension Obligation amount paid or incurred by the Employer.

(b) **Trustee Liability for Distributions Pursuant to Instructions.** The Trustee is not liable for any distribution made at the direction of the Plan Administrator or the Trust Administrator, and has no duty to make inquiry as to whether any such distribution is made pursuant to the provisions of the OPEB Plan or Pension Plan or any applicable law, or as to the effect of any such direction for tax purposes or otherwise. Likewise, the Trustee need not see to the application of any such distribution made to or for the benefit of a Beneficiary.

(c) **Limitations.** The Trustee shall neither be responsible for the adequacy of the Trust Fund to discharge any payments and liabilities under any OPEB Plan or Pension Plan, nor be required to make any distributions from an Employer's Account (or subaccount(s), as applicable)

in excess of the net realizable value of the Account's (or subaccount's assets) at the time of the distribution.

ARTICLE IV.

Trustee

4.01 Trustee Powers

If and to the extent directed by the Trust Administrator, the Trustee is authorized and empowered to do the following:

(a) To purchase or subscribe for securities or other property and to retain them in trust; to sell any securities or other property at any time held by it at either public or private sale for cash or other consideration or on credit at such time or times and on such terms and conditions as may be deemed appropriate; to exchange such securities or other property and to grant options for the purchase or exchange thereof, and to convey, partition or otherwise dispose of, with or without covenants, including covenants of warranty of title, any securities or other property free of all trusts; to charge the Trust for the cost of all securities purchased or received against a payment and to credit the Trust with the proceeds received from the securities sold or delivered against payment. For any trades not settled immediately upon placement, the Trustee shall have the right to sell securities from the Trust in a reasonably prudent fashion sufficient to recover any funds advanced;

(b) To oppose, or consent to and participate in, any plan of reorganization, consolidation, merger, combination or other similar plan; to oppose or to consent to any contract, lease, mortgage, purchase, sale or other action by any corporation pursuant to such plan, and to accept and retain any securities or other property issued under any such plan; to delegate discretionary power thereto and to pay and agree to pay part of its expenses and compensation and any assessments levied with respect to any such securities or other property so deposited;

(c) To assign, renew, extend or discharge or participate in the assignment, renewal, extension or discharge of any debt, mortgage or other lien, upon such terms, including a partial release, as may be deemed advisable by the Trustee, and to agree to a reduction in the rate of interest thereon or to any other modification or change in the terms thereof or of any guarantee pertaining thereto, in any manner and to any extent that may be deemed in the best interest of the Trust Fund; to waive any default, whether in the performance of any covenant or condition of any note, bond or mortgage or in the performance of any guarantee, or to enforce any such default in such manner and to such extent as may be deemed advisable; to exercise and enforce any and all rights of foreclosure and to exercise and enforce, in any action, suit or proceeding at law or in equity, any rights or remedies in respect of any debt, mortgage, lien or guarantee;

(d) To exercise all conversion and subscription rights pertaining to any securities or other property;

(e) Except as limited in Section 3.02(b), to collect and receive any and all moneys, securities or other property of whatsoever kind or nature due or owing or belonging to the Trust Fund and to give full discharge therefor;

(f) Upon the receipt of Instructions from the Trust Administrator, to exercise, personally or by general or limited power of attorney, any right, including the right to vote or grant proxies, discretionary or otherwise, appurtenant to any assets held by the Trust, and the right to participate in voting trusts with other stockholders. The Trust Administrator shall have responsibility for instructing the Trustee as to voting such shares and the tendering of such shares, by proxy or in person. In no event shall the Trustee be responsible for the voting or tendering of shares of securities held in the Trust or for ascertaining or monitoring whether or how proxies are voted or whether the proper number of proxies is received;

(g) To register any securities or other property held by it hereunder in the name of the Trustee or in the names of nominees with or without the addition of words indicating that such securities or other property are held in a fiduciary capacity, to take and hold the same unregistered or in form permitting transferability by delivery, to deposit or arrange for the deposit of securities in a qualified central depository even though, when so deposited, such securities or other property may be held in the name of the nominee of such depository with other securities deposited therein by other Persons, or to deposit or to arrange for the deposit of any securities or other property issued by the United States government, or any agency or instrumentality thereof, with a Federal Reserve bank, provided that the books and records of the Trustee shall at all times disclose that all such securities or other property are part of the Trust Fund;

(h) To settle, compromise or submit to arbitration, any claims, debts or damages due or owing to or from the Trust Fund; to commence or defend suits or legal proceedings whenever, in its judgment, any interest of the Trust Fund so requires, and to represent the Trust Fund in all suits or legal proceedings in any court of law or equity or before any other body or tribunal and to charge against the Trust Fund all reasonable expenses and attorney's fees in connection therewith;

(i) To borrow money for the purposes of the Trust Fund from others, excluding the Trustee in its corporate capacity and excluding any other party in interest;

(j) To invest and reinvest all or a part of the Trust Fund, in accordance with the Trust Administrator's Instructions, in any available investments and to dispose of all or any part of the securities or other property which may from time to time or at any time constitute the Trust Fund, in accordance with the Trust Administrator's Instructions;

(k) To register Trust Fund property in the Trustee's own name, in the name of a nominee or in bearer form, provided the Trustee's records and accounts show that such property is an asset of the Trust Fund;

(l) To exercise or dispose of any right it may have as the holder of any security, to convert the same into another security, to acquire any additional security or securities, to make any payments, to exchange any security, or to do any other act with reference thereto;

(m) To exchange any property for other property upon such terms and conditions as the Trustee may deem proper, and to give or receive money to effect equality in price;

(n) To deposit any security with any protective or reorganization committee, to delegate to that committee such power and authority as the Trustee may deem proper, and to agree

to pay out of the Trust Fund that portion of the expenses and compensation of that committee as the Trustee may deem proper;

(o) To hold that portion of the Trust Fund as necessary for ordinary administration, to transfer assets to another trust or fiduciary, pending investment Instructions, and to disburse funds in cash, without liability for interest, by depositing the same in any bank (including deposits that bear no interest or a reasonable rate of interest in a bank or similar financial institution supervised by the United States or a State, even where a bank or financial institution is the Trustee, subject to the rules and regulations governing such deposits, and without regard to the amount of any such deposit); and

(p) To retain insurance contracts that are guaranteed investment contracts.

4.02 Authority of Trustee

A third party dealing with the Trustee shall not make, or be required by any Person to make, any inquiry concerning the authority of the Trustee to take or omit any action but shall be fully protected in relying upon the certification of the Trustee that it has authority to take such proposed action. No Person dealing with the Trustee shall be required to follow the application by the Trustee of any moneys, securities or other property paid or delivered to the Trustee.

4.03 Power to Do All Necessary Acts

To the extent not inconsistent with the express provisions hereof, enumeration of any power herein shall not be by way of limitation, but shall be cumulative and construed as full and complete power in favor of the Trustee. In addition to the authority specifically herein granted, the Trustee shall have such power to do all acts as may be deemed necessary for full and complete management of the Trust Fund and appropriate to carry out the purposes of this Trust Fund, and shall further have all powers and authorities conferred on trustees by the laws of the State of South Dakota. Notwithstanding the foregoing, nothing in this Section shall impose on the Trustee any obligation or power to exercise discretion over the investment of assets of the Trust, the distribution of such assets or the interpretation of the OPEB Plan or Pension Plan.

4.04 Action by the Trustee

The Trustee may delegate ministerial acts, specifically including, but not limited to, the signing of checks, endorsement of stock certificates, production of statements and accountings provided for hereunder, execution of transfer instruments and any other document, and the signing of tax returns and governmental reports to be done by any agent of the Trustee, including without limitation, the custodian of the Trust assets.

4.05 Consultation with Counsel and Accountant

The Trustee may from time to time consult with counsel or an accountant who may also be counsel or an accountant for an Employer, and as long as the Trustee acts in conformity with the standards of Section 6.01, the opinion of such counsel or accountant with respect to legal matters or accounting matters, respectively, shall have full and complete authorization and protection in

respect of any action taken or suffered by the Trustee in good faith and in accordance with such opinion.

4.06 Returns, Reports, and Information

Except as set forth in a written agreement between the parties, the Plan Administrator shall be responsible for the preparation and filing of all returns, reports, and information required of the Trust or OPEB Plan or Pension Plan by law, including (as applicable) any information or tax returns. The Plan Administrator shall also be responsible for making any disclosures to Beneficiaries required by law regarding the relevant OPEB Plan or Pension Plan, benefits thereunder and the tax treatment of such benefits.

4.07 Acts of Prior Trustees

The assets of the Trust Fund or evidence of ownership shall be held by the Trustee under the terms of this Trust Agreement. If the assets represent amounts transferred from another trustee, the Trustee named hereunder shall not be responsible for any actions or inactions of prior fiduciaries, including the review of the propriety of any investment under the former trust; said review to be the responsibility of prior fiduciaries. The Trustee named hereunder shall not be required to examine or question in any way the administration of the Trust prior to its appointment.

4.08 Plan Assets Not Held in Trustee's Trust

The Trustee under this Trust Agreement has no duties or responsibilities for assets of an OPEB Plan or Pension Plan that are not held in this Trust.

ARTICLE V. Trust Administrator

5.01 Powers and Duties of the Trust Administrator

The Trust Administrator has sole discretion and authority to do any of the following:

- (a) At the direction of the Plan Administrator, direct distributions from the Employer's Account, including from any subaccount under the Account;
- (b) Direct distributions from the Employer's Account for the payment of the Trust Administrator's fees;
- (c) Direct the Trustee as to the investment and management of Trust assets; and
- (d) Such other acts as may be agreed to by the Employer and the Trust Administrator in the Trust Administrative Services Agreement or are necessary or appropriate to effect the intent of this Agreement.

5.02 Reliance

In the performance of its duties hereunder, the Trust Administrator is entitled to reasonably rely on, and is under no obligation to investigate Instructions or data received from the Plan Administrator, including whether the amount of contributions or transfers made to the Trust by the Employer comply with the Employer's OPEB Plan or Pension Plan. Accordingly, the Trust Administrator will not be liable for action or inaction that is caused directly or indirectly by erroneous or late Instructions or data furnished by the Plan Administrator.

5.03 Trust Administrator not Custodian of Trust Assets

The Trust Administrator shall not take possession of or act as custodian for the cash, securities or other assets of the Trust and shall have no responsibility in connection therewith.

5.04 Registered Investment Advisor

The Trust Administrator hereby represents that it is a registered investment advisor under the Investment Advisers Act of 1940. The Trust Administrator shall immediately notify every Employer and the Trustee if at any time during the term of this Agreement it is not so registered or if its registration is suspended. The Trust Administrator agrees to perform its duties and responsibilities under this Agreement with reasonable care as provided by law. The federal securities laws impose liabilities under certain circumstances on persons who are required to act in good faith. Nothing in this Agreement shall in any way constitute a waiver or limitation of any rights which the Employers, the Trust Administrator, or the Trustee may have under any federal securities laws.

5.05 Investment Advice to Other Clients

The Employers and the Trustee understand that the Trust Administrator performs investment advisory services for various other clients which may include investment companies, commingled trust funds and individual portfolios. The Employers and the Trustee agree that the Trust Administrator may give advice or take action with respect to any of its other clients which may differ from advice given or the timing or nature of action taken with respect to the Trust, so long as it is the policy and practice of the Trust Administrator, to the extent practical, to allocate investment opportunities to the Trust over a period of time on a fair and equitable basis relative to other clients. The Trust Administrator will not have any obligation to purchase, sell or exchange any security for the Trust solely by reason of the fact that the Trust Administrator, its principals, affiliates, or employees may purchase, sell or exchange such security for the account of any other client or for themselves.

5.06 Trust Administrator Separate from Employer and Trustee

The Trust Administrator, its employees, officers and representatives, shall not be deemed to be employees, agents, partners, servants, and/or joint ventures of any of the Employers or the Trustee by virtue of this Agreement or any actions or services rendered under this Agreement.

5.07 Recordkeeping

The Trust Administrator shall maintain appropriate records of all its activities hereunder.

5.08 Disclosure Statement

The Trust Administrator warrants that at least five business days before the execution of this Agreement, it has delivered to the Trustee the Trust Administrator's current Securities and Exchange Commission Form ADV, Part II. The Trustee hereby acknowledges receipt of the disclosure statement at least five business days before the execution of this Agreement.

ARTICLE VI. Trustee and Trust Administrator

6.01 Standard of Conduct and Liabilities of Fiduciaries

The Trustee, Trust Administrator, and any other fiduciary to the Trust will discharge their respective duties with respect to the Trust (i) solely in the interest of, and for the exclusive purposes of funding OPEB Obligations and Pension Obligations, maximizing the amount available for such funding, and paying reasonable expenses of administering the Trust, and (ii) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, or in accordance with such other standard as may, from time to time, be required by law, and in accordance with this Trust Agreement. The Trustee, Trust Administrator, and any other fiduciary to the Trust may not cause the Trust to engage in a transaction if it knows or should know that such transaction directly or indirectly may cause the Trust to no longer meet the requirements of Code Section 115 or other applicable law. The fiduciary standards reflected in this Section 6.01 apply to the parties hereunder according to and limited by the scope of such party's duties, as expressly described in this Trust Agreement. Neither the Trustee, Trust Administrator or other fiduciary shall have any obligation or liability with respect to a breach of this standard of conduct by another fiduciary hereunder unless such fiduciary knowingly participates in an act or omission by such other fiduciary, with knowledge that such act or omission constitutes a breach of this standard of care.

6.02 Trustee Indemnification of Trust Administrator

The Trustee, solely from its assets and not from the Trust assets, will indemnify the Trust Administrator and each of its affiliates against, and will hold them harmless from, any and all damages imposed upon or incurred by any of them by reason of, or in connection with the Trustee's or affiliate's performance (or non-performance) of its duties under this Agreement in a manner that constitutes willful misconduct or willful breach of the standard of care articulated in Section 6.01, except to the extent that such damages resulted from the Trust Administrator's or affiliate's performance (or non-performance) of its duties under this Agreement in a manner that constitutes willful misconduct or willful breach of the standard of care articulated in Section 6.01.

6.03 Trust Administrator Indemnification of Trustee

The Trust Administrator, solely from its assets and not from the Trust assets, will indemnify the Trustee and each of its affiliates against, and will hold them harmless from, any and all damages imposed upon or incurred by any of them by reason of, or in connection with the Trustee's and each of its affiliates' services under this Agreement, except to the extent that such damages resulted from the Trustee's or affiliate's performance (or non-performance) of its duties under this Agreement in a manner that constitutes willful misconduct or willful breach of the standard of care articulated in Section 6.01. The foregoing shall in no way limit or otherwise restrict any rights to indemnification which the Trust Administrator may have under any Adoption Agreement executed and delivered by the Trust Administrator and an Employer.

6.04 Survival of Indemnifications

The indemnification obligations set out in this Article VI will survive the termination of this Agreement.

ARTICLE VII. Investments

7.01 Trustee

The Trustee shall hold and administer Trust assets without distinction between principal and income.

7.02 Trust Administrator

(a) The Trust Administrator has exclusive authority and responsibility for the management and investment of Trust assets, and the Trustee is authorized and directed to comply with the written directions of the Trust Administrator concerning Trust assets. The Trust Administrator may, from time to time and in its sole discretion, allocate some or all of the cash in an Account at the end of each business day into a sweep investment fund managed by the Trust Administrator. Any amounts held in a sweep investment fund would typically be reallocated on the next business day. The Trust Administrator may not issue any such direction in violation of the terms of the Trust. The Trustee has no duty or authority to (i) review, question, approve or make inquiries as to any investment directions given pursuant to this Agreement, or (ii) determine whether investments directed by the Trust Administrator are in compliance with any applicable State laws.

(b) Each Employer hereby authorizes and directs the Trustee to pay for securities and receive payment from the sale of securities or other investment transactions arising out of Instructions of the Trust Administrator. All Instructions regarding the investment of the Trust Fund received by the Trustee from the Trust Administrator are deemed to have been authorized by the Employer.

7.03 Investment Direction

The Trust Administrator will direct the Trustee to invest the assets of each Employer's Account in any investments permitted under this Agreement.

7.04 Reliance

The Trustee may rely upon any certificate, notice, or other documentary confirmation or any Instruction issued or given by the Trust Administrator, which the Trustee reasonably believes to be genuine and to have been issued or given by the Trust Administrator. The Trustee will not be liable for the acts or omissions of the Trust Administrator or for reasonably following the Trust Administrator's Instructions. In addition, the Trustee has no duty or responsibility to take any action outside the scope of any Instruction from the Trust Administrator, or to refuse any such Instruction, unless the Trustee knows that such action or refusal would result in the Trustee itself committing a breach of fiduciary duty or participating in a breach of fiduciary duty by the Trust Administrator.

7.05 Broker Executed Investments

Transactions in investments that require execution through a broker will be executed through such broker or brokers as the Trust Administrator will select. The indicia of ownership of Trust assets will be held by the Trustee at all times, and the Trustee shall serve as sole custodian of Trust assets.

7.06 Affiliated Broker/Dealers

Neither the Trustee, the Trust Administrator, nor any affiliate of the Trustee or Trust Administrator will act as broker dealer to execute transactions, including the purchase of securities directly distributed, underwritten or issued by an affiliate of the Trustee, or otherwise provide investment services with respect to the Trust; provided, however, that the Trustee (or its affiliate) may provide ancillary non-advisory investment services with respect to the Trust, including investment of Trust assets in money market or stable value funds distributed, underwritten or issued by the Trustee (or its affiliate) to the extent these investments are permitted under this Agreement. The Trustee and the Trust Administrator will disclose any services or relationships to each Employer before the Employer's commencement of participation in the Trust and at least annually thereafter, and any such services will be provided at standard commission rates, mark-ups or concessions.

7.07 Quarterly Reports

The Trust Administrator will provide to each Employer a quarterly analysis of the performance of the investments of each Account. The asset information for such analysis will be supplied to Trust Administrator by the Trustee.

ARTICLE VIII.
The Plan Administrator and the Employer

8.01 Action by the Plan Administrator

The Trustee shall be fully protected in reasonably relying upon Instructions provided by the Employer, Plan Administrator, or Trust Administrator.

8.02 Reliance

(a) The Employer agrees that the Trustee may reasonably rely on Instructions from the Plan Administrator and the Trust Administrator, and the Employer agrees that the Trustee shall be under no duty to make an investigation with respect to any Instructions received from the Plan Administrator or the Trust Administrator.

(b) The Employer agrees that neither the Plan Administrator nor the Trust Administrator is an agent of the Trustee.

(c) The Employer may remove a Plan Administrator and designate a new representative at any time by written notice to the Trustee in a form satisfactory to the Trustee. The Employer will give the Trustee prompt written notice of any change in the identity or authority of the Plan Administrator. Removal of Person as Plan Administrator will not have the effect of canceling any Instruction that has been received by the Trustee from the removed Person prior to the date that notice of removal is received by the Trustee. Until written notice of such change is received, the Trustee may conclusively rely upon and be protected in acting on the latest identification provided to it without further inquiry or verification.

ARTICLE IX.
Accounts and Records

9.01 Records

(a) The Trustee shall maintain true, accurate, and detailed accounts of all investments, receipts, disbursements and other transactions hereunder. All accounts, books, and records relating thereto shall be open to inspection and may be audited from time to time by any person designated by the Trust Administrator during the Trustee's regular business hours as mutually agreed to in writing by the parties.

9.02 Accounting

(a) Within 60 days after the close of each calendar year, within 60 days after the removal or resignation of the Trustee, and from time to time as mutually agreed to by the Trust Administrator and the Trustee, the Trustee shall file an account with the Trust Administrator which shall show:

(i) The assets of the Trust Fund, as of the end of such period, and current value thereof; and

(ii) All investments, receipts, disbursements, and other transactions effected by it during such calendar year or other period for which such accounting is filed.

(b) The Trust Administrator may approve such accounting by notice of approval delivered to the Trustee or by failure to express objection to such accounting delivered to the Trustee within 90 days from the date upon which the accounting is delivered to the Trust Administrator. Upon the expiration of 90 days from the date of filing such account with the Trust Administrator or upon earlier specific approval thereof by the Trust Administrator, the Trustee, as between each Employer, the Plan Administrator and the Trustee, will forever released and discharged from all liability as to all items and matters included in such accounting as if settled by the decree of a court of competent jurisdiction, except with respect to any such action or transaction to which the Trust Administrator shall within such 90-day period, file written objections with the Trustee.

9.03 Accounts

(a) **Separate Accounts.** Upon the effective date of an Employer's participation in the Trust, the Trustee will establish a separate Account to which the Trustee will (i) credit all contributions or transfers from the Employer to the Trust and any income and gains attributable to those amounts, and (ii) debit all distributions, transfers from the Trust, and any losses and expenses attributable to those amounts. The Employer will have an interest only in the assets in the Employer's Account, and those assets will be available only to pay the Employer's OPEB Obligations and Pension Obligations and will not be available to pay any other Employer's obligations.

(b) **Subaccounts.** Each Employer's Account contains up to three types of subaccounts (each of which may contain one or more subaccounts): a "Combined Account," "Pension Account," and "OPEB Account". Assets under the Combined Account are available to fund the Employer's Pension Obligations or OPEB Obligations and allocable expenses of participating in the Trust. Assets under the Employer's Pension Account are available only to fund the Employer's Pension Obligation and allocable expenses of participating in the Trust. Assets under the Employer's OPEB Account are available only to fund the Employer's OPEB Obligation and allocable expenses of participating in the Trust. Contributions or transfers to an Employer's Account will be allocated to the subaccounts as follows:

(i) Contributions and transfers received by the Trust on the Employer's behalf will be allocated to the Combined Account, Pension Account or OPEB Account, or any combination of these subaccounts, as directed by the Plan Administrator.

(ii) Any contributions or transfers for which the Plan Administrator does not provide allocation directions will be held in the Combined Account. The Plan Administrator may at any time direct the allocation of amounts in the Combined Account to either the Pension Account or the OPEB Account.

(iii) Once allocated to the Pension Account or the OPEB Account, amounts under the Trust may not subsequently be transferred to any other subaccount. Notwithstanding the preceding sentence, at the Plan Administrator's direction, the Trustee will reverse any allocation

to the Pension Account or OPEB Account and deposit the funds (together with allocable earnings and losses) in one or both of the other two subaccounts, but only if the Plan Administrator notifies the Trustee in writing within 30 days after the allocation that the allocation was due to mistake of fact and provides any other documentation required by the Trustee in its sole discretion.

ARTICLE X.

Fees and Expenses

10.01 Expenses of Administration

(a) **Generally.** Subject to Section 2.04, each Employer's Account will be charged for allocable Trustee Fees, Trust Administration Fees, and any other fees specified in the Trust Administrative Service Agreement. To the extent permitted in the Trust Administrative Service Agreement and Adoption Agreement, the Employer may elect in the Adoption Agreement to instead pay such fees from the Employer's assets.

(b) **Trust Administration Fees.** "Trust Administration Fees" means the fees of the applicable investment funds and the fees for all services of the Trust Administrator specified in the Trust Administrative Services Agreement. The Trust Administrator is authorized to instruct the Trustee to disburse funds from the Account for the payment of the Trust Administration Fees to the Trust Administrator to the extent not paid by the Employer or deducted from the gross earnings of the investment funds. If and to the extent that the Trustee requests that the Trust Administrator render services to the Trust other than those to be rendered by the Trust Administrator hereunder, such additional services will be compensated separately on terms to be agreed upon between the Trust Administrator and the Trustee.

(c) **Trustee Fees.** The Trustee will be paid compensation as provided in the Employer's Adoption Agreement. Such compensation may be paid by the Employer or, upon receipt of Instructions from the Trust Administrator, Employer, or Plan Administrator, may be deducted from the Trust Fund.

(d) **Expenses.**

(i) The Trustee is authorized to disburse funds from the Trust to pay all reasonable expenses of administering the Trust, including, without limitation, any taxes payable by the Trust, insurance premiums, and any fees and expenses of legal counsel, actuaries, and accountants providing services to the Trust.

(ii) The Trustee may charge the Trust for the cost of all securities purchased or received against a payment and credit the Trust with the proceeds received from the securities sold or delivered against the payment. For any trades not settled immediately upon placement, the Trustee shall have the right to sell securities from the Trust in a reasonably prudent fashion sufficient to recover any funds advanced.

10.02 Authorization with Respect to Taxes

The Trustee may execute, as trustee, any declarations or certificates pertaining to the Trust that may be required under any tax law(s) or governmental regulation(s) now or hereafter without

prior approval of the Employer. The Trustee shall notify the Plan Administrator of any tax levied upon or assessed against the Trust Fund of which the Trustee has knowledge. If the Trustee receives no Instructions from the Plan Administrator, the Trustee may pay the tax from the Trust Fund. If the Plan Administrator wishes to contest the tax assessment, it shall give appropriate and timely instructions to the Trustee. The Trustee shall not be required to bring any legal actions or proceedings to contest the validity of any tax assessments unless the Trustee has been indemnified to its satisfaction against loss or expense related to such actions or proceedings, including reasonable attorney's fees.

ARTICLE XI.

Resignation or Removal of Trustee

11.01 Resignation

The Trustee may resign at any time by giving at least 90 days' prior notice of such resignation to the Trust Administrator, or such shorter period as the Trust Administrator may agree to in writing.

11.02 Removal

(a) The Trust Administrator may remove the Trustee (or any successor trustee) upon 60 days' prior written notice to the Trustee, which notice may be waived in writing by the Trustee.

(b) Additionally, with approval of at least two-thirds of the participating Employers, the Employers may instruct the Trust Administrator in writing to remove the Trustee (or any successor trustee) upon 60 days' prior written notice to the Trustee, which notice may be waived in writing by the Trustee, and to replace the Trustee with a corporate Trustee satisfactory to the Trust Administrator in its sole judgment.

11.03 Appointment of Successor Trustee

(a) Upon notice of the Trustee's resignation or removal, the Trust Administrator shall promptly designate a successor corporate Trustee qualified to act as the Trustee of the Trust under applicable state law, such resignation or removal to be effective upon acceptance of appointment by such successor corporate Trustee.

(b) If the Trust Administrator does not designate a successor corporate Trustee, or if a successor corporate Trustee designated by the Trust Administrator has not accepted its appointment within 60 days after the Trustee gives notice of its resignation or receives notice of removal, either the Trustee (at the expense of the Trust) or the Trust Administrator (at its expense) may apply to any court of competent jurisdiction for appointment of a successor.

11.04 Transfer of Assets to Successor Trustee

Upon acceptance of such appointment by a successor Trustee, the Trustee shall assign, transfer, pay over and deliver the assets then constituting the Trust Fund to the successor Trustee. The Trustee is authorized, however, to reserve such reasonable sum of money, as to it may seem advisable, to provide for any sums chargeable against the Trust Fund for which it may be liable,

or for its fees and expenses in connection with the settlement of its account or otherwise, and any balance of such reserve remaining after payment of such fees and expenses shall be paid over to the successor Trustee. If the reserve is not sufficient for all amounts otherwise payable hereunder, the resigning or removed Trustee shall be entitled to reimbursement for any deficiency from the successor Trustee and the Employer, which shall be jointly and severally liable therefor. Each, successor Trustee shall succeed to the title of all securities or other property then held in the Trust Fund and vested in its predecessor without the signing or filing of any further instrument, but any resigning or removed Trustee shall execute all documents and do all acts necessary to vest such title of record in any successor Trustee. The terminating Trustee shall transfer all property of the Trust Fund then held by it to such successor Trustee. The terminating Trustee may require as a condition of making such transfer that the Employer provide the Trustee with an indemnification against any losses arising from the replacement of the Trustee.

11.05 Terminating Trustee's Accounting

Within 60 days after the transfer to the successor Trustee, the terminating Trustee shall provide the Trust Administrator with an accounting in the form and manner prescribed for the annual account by Article IX and the terminating Trustee shall be compensated for such accounting as specified in the relevant Adoption Agreements. Unless the Trust Administrator files written objections with the Trustee within 90 days after such account has been mailed or otherwise delivered, the account shall be deemed to have been approved by the Trust Administrator.

11.06 Changes in Organization of Trustee

Any corporation, banking association or trust company into which a corporate Trustee may be merged, converted or with which it may be consolidated, or any corporation, banking association, or trust company, resulting from any merger, reorganization or consolidation to which a corporate Trustee may be a party, or any corporation, banking association or trust company to which all or substantially all of the trust business of a corporate Trustee may be transferred shall be the successor of the corporate Trustee hereunder without the execution or filing of any instrument or the performance of any other act and with the same powers and duties as conferred upon the Trustee hereunder. In any such event, it shall not be necessary for the Trustee or any successor Trustee to give notice thereof to any person, and any requirements, statutory or otherwise, that notice shall be given is hereby waived.

11.07 Trust Administrator Bankruptcy

(a) If the Trust Administrator becomes insolvent, files for or becomes subject to bankruptcy or a similar proceeding in state or federal court, the Trust Administrator will notify the Trustee in writing as soon as possible. The notification will include confirmation of the Person (s) who will direct the Trustee.

(b) Notwithstanding any provision hereof to the contrary, in the case of bankruptcy, insolvency, or dissolution of the Trust Administrator, the Trustee will have the right to petition a court of competent jurisdiction to appoint a new Trustee, the costs of such action being payable from the Trust Fund.

(c) If the Trustee receives notice of the Trust Administrator's bankruptcy, insolvency or dissolution (either by the Trust Administrator or a court of competent jurisdiction), any fees and other expenses relating to the provision of services under this Trust Agreement (whether current or overdue) may be immediately deducted from the Trust Fund.

ARTICLE XII.

Resignation or Removal of Trust Administrator

12.01 Resignation

The Trust Administrator may resign at any time upon 90 days' prior written notice to each of the Employers, which notice may be waived in writing by the Employers.

12.02 Removal

With the approval of at least two-thirds of the participating Employers, the Employers may remove the Trust Administrator upon 90 days' prior written notice to the Trust Administrator and the Trustee, which notice may be waived by the Trust Administrator.

12.03 Designation of Successor Trust Administrator

Upon notice of the Trust Administrator's resignation, the Employers will promptly designate a successor Trust Administrator qualified to act as the Trust Administrator of the Trust under applicable state law, such resignation to be effective upon acceptance of appointment by such successor Trust Administrator. The Employers will not remove the Trust Administrator unless Employers have designated such a successor Trust Administrator who shall have agreed with Employers and the Trustee to act as the Trust Administrator under an agreement substantially similar to this Agreement.

12.04 Designation of Successor Trustee

Upon notice of the Trustee's resignation or removal, the Trust Administrator shall promptly designate a successor corporate Trustee qualified to act as the Trustee of the Trust under applicable state law, such resignation or removal to be effective upon acceptance of appointment by such successor corporate Trustee.

12.05 Compensation Pending Appointment of Successor

Until a successor Trust Administrator is appointed and assumes its duties as the Trust Administrator under this Agreement, the Trust Administrator shall be entitled to compensation for its services in accordance with Section 10.01(b).

12.06 Merger, Conversion, Consolidation or Sale of Trust Administrator

Any company into which the Trust Administrator may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trust Administrator may sell or transfer all or substantially all of its investment advisory business, shall be, with the prior

consent of Employers in the manner set forth in Section 14.03(b), the successor to such Trust Administrator.

12.07 Successor Trust Administrator; No Duty to Investigate

A successor corporate Trustee shall have no duty to audit or otherwise inquire into the acts or transactions of its predecessor.

ARTICLE XIII. **Amendment of Trust**

With the approval of at least two-thirds of the Employers then participating in the Trust, the Trust Administrator may amend the Trust; provided, however, that no amendment may: (a) cause any assets held in any Employer's Account to be used for or diverted to any purpose other than for the exclusive purposes of funding the Employer's OPEB Obligations or Pension Obligations, as applicable, or defraying the reasonable expenses of administering the Account; (b) eliminate the requirement that none of the assets held in any Employer's Account revert to the Employer prior to the satisfaction of all OPEB Obligations or Pension Obligations (as applicable) under the OPEB Plan or Pension Plan for which the Account was established; or (c) affect the Trustee's duties, responsibilities, rights, or liability or potential liability under this Trust Agreement, unless the Trustee provides advance written consent to such amendment.

ARTICLE XIV. **Participation**

14.01 Eligibility

Only public agencies may become participating Employers in the Trust. For this purpose, a public agency means a state, political subdivision of a state, or an entity whose income is excludible from gross income under Section 115 of the Code.

14.02 Commencement of Participation

A public agency may become a participating Employer in the Trust by furnishing the Trust Administrator with the following: (i) an executed Adoption Agreement, (ii) an executed Trust Administrative Services Agreement, (iii) a certified copy of a resolution, minutes, or other documentary evidence of the Employer's governing body approving the adoption of the Agreement, and (iv) any other documentation as the Trust Administrator may require. The public agency will become a participating Employer upon the Trust Administrator's written acceptance of the documents described in the preceding sentence.

14.03 Termination of Participation

(a) An Employer may elect in writing to withdraw from the Trust by filing such election with the Trust Administrator and the Trustee at least 30 days before the effective date of the withdrawal. As soon as administratively practicable after the effective date, the Trustee will segregate the withdrawing Employer's Account and transfer the assets in such Account to a trust established by agreement between the Employer and a successor trustee, but only if the Employer

certifies in writing to the Trust Administrator that the trust satisfies the requirements of Section 115 of the Code.

(b) In the event the Trust Administrator contemplates an assignment of this Agreement in connection with a change of control or otherwise (collectively, an “assignment”), the Trust Administrator will provide each Employer with written notice at least 60 days before the effective date of such assignment. Upon receipt of such notice, each Employer may elect to terminate participation and withdraw from the Trust at any point prior to the effective date of the assignment as set forth in the notice. If an Employer does not provide notice of its desire to terminate within the 60-day notice period, the Employer’s consent to the contemplated assignment will be implied.

(c) If the Employer has a Combined Account and both its Pension Obligation and OPEB Obligation have terminated, Section 14.04(b) will apply. If the Employer has an OPEB Account and its OPEB Obligation has terminated, Section 14.04(c) will apply. If the Employer has a Pension Account and its Pension Obligation has terminated, Section 14.04(d) will apply. An Employer’s Pension Obligation or OPEB Obligation will be deemed terminated for these purposes upon the Trust Administrator’s receipt of a certified copy of a resolution, minutes, or other documentary evidence of the Employer’s governing body approving of the respective termination.

(d) Each Employer agrees to immediately notify the Trust Administrator upon receipt of a determination from the Internal Revenue Service that has the effect of rendering the Employer’s Account ineligible for the tax exemption under Section 115 of the Code, such as any determination that the Employer is not a public agency. In such a case, as soon as administratively practicable after the Trust Administrator notifies the Trustee of the Internal Revenue Service’s determination, the Trustee will segregate and place the Employer’s Combined Account, OPEB Account, and Pension Account (as applicable) in a separate trust established for the exclusive purpose of funding the Employer’s OPEB and Pension Obligation, OPEB Obligation only, or Pension Obligation only, respectively.

14.04 Termination of Employer’s Account

(a) An Employer’s Account will automatically terminate upon the termination of the Employer’s participation in the Trust and the transfer of the assets in the Employer’s Account under Section 14.03.

(b) If an Employer has a Combined Account and maintains an OPEB Plan or Pension Plan, but not both, Section 14.04(b) or (c) (as applicable) will apply to the assets in the Combined Account. If the Employer maintains both an OPEB Plan and Pension Plan, the Trustee will continue to maintain, and will have all of the powers and duties under this Agreement with respect to, the Employer’s Combined Account until the Employer’s OPEB Obligation under its OPEB Plan and Pension Obligation under its Pension Plan are fully satisfied. Any assets remaining in the Employer’s Combined Account after both such obligations are fully satisfied will be paid to the Employer to the extent permitted by law and consistent with the requirements of Section 115 of the Code.

(c) If an Employer’s OPEB Plan terminates, the Trustee will continue to maintain, and will have all of the powers and duties under this Agreement with respect to, the Employer’s OPEB

Account until the Employer's OPEB Obligation under its OPEB Plan is fully satisfied. Any assets remaining in the Employer's OPEB Account after its OPEB Obligation is fully satisfied will be paid to the Employer to the extent permitted by law and consistent with the requirements of Section 115 of the Code.

(d) If an Employer's Pension Plan terminates, the Trustee will continue to maintain, and will have all of the powers and duties under this Agreement with respect to, the Employer's ~~Pension Account until the Employer's Pension Obligation under its Pension Plan is fully satisfied.~~ Any assets remaining in the Employer's Pension Account after its Pension Obligation is fully satisfied will be paid to the Employer to the extent permitted by law and consistent with the requirements of Section 115 of the Code.

14.05 Reversion.

Neither the Trust Administrator nor the Employers nor any entity related to any of them will have any beneficial interest in the Trust or receive any amounts upon termination of the Trust or at any other time, except as provided in Sections 9.03(b)(iii) and 14.04.

ARTICLE XV. Termination of Trust

15.01 Termination of Trust Fund

The Trust may be terminated by the unanimous agreement of all Employers, which action must be in writing and delivered to the Trustee and Trust Administrator.

15.02 Liquidation of Trust

Upon termination of the Trust, the Trust will continue to exist, and the Trust Administrator and the Trustee will continue to have all powers provided in this Agreement as are necessary or desirable for the orderly liquidation and distribution of Trust assets in accordance with the provisions hereof until all Trust assets have been distributed. The Trustee will distribute assets remaining in each Employer's Account at the direction of the Trust Administrator in the following order of priority: (1) payment of reasonable administrative expenses (including taxes and termination costs) of the Trust, (2) payment of the OPEB Obligations and Pension Obligations currently payable under the Employer's OPEB Plan and Pension Plan, as applicable, and (3) payment to a trust that satisfies the requirements of Section 115 of the Code and any other applicable law. .

Until the final distribution of the Trust assets, the Trustee shall continue to have all the powers provided under this Trust Agreement that are necessary or desirable for the orderly liquidation and distribution of the Trust Fund. In no instance upon any termination or discontinuance and subsequent distribution may the Trust Fund or any part of it be used for, or diverted to, purposes other than those described in the preceding paragraph.

ARTICLE XVI.
Miscellaneous

16.01 Applicable Law

The powers and duties of the Trustee and all questions of interpretation, construction, operation, and effect of this Trust Agreement shall be governed by the laws of the State of South Dakota. All contributions to the Trustee shall be deemed to take place in the State of Colorado, and the Trustee shall be liable to account in the courts of that state.

16.02 Evidence

Evidence required of anyone under this Trust Agreement may be by certificate, affidavit, document, facsimile, E-mail or other form which the person acting in reliance thereon considers to be pertinent and reliable, and to be signed, made, or presented by the proper party.

16.03 Notices

All communications under this Agreement must be in writing and will be deemed to have been duly given (1) on the date of receipt if served personally or by confirmed facsimile or other similar communication; (2) on the first business day after sending if sent for guaranteed next day delivery by a next-day courier service; or (3) on the fourth business day after mailing if mailed to the party or parties to whom notice is to be given by registered or certified mail, return receipt requested, postage prepaid, and properly addressed as follows:

If to an Employer:	At the address listed for such purpose on the Employer's Adoption Agreement
If to Trust Administrator:	Shuster Advisory Group, LLC 225 S. Lake Ave, #600 Pasadena, CA 91101 Attention: Mark Shuster, Managing Member
If to Trustee:	Alta Trust Company 9380 Station Street, Suite 450 Lone Tree, CO 80124 Attention: Adam Ponder, CEO

16.04 Limitation on Claims

No claim may be made by the Employer against the Trustee for any lost profits or any special, indirect or consequential damages in respect of any breach or wrongful conduct in any way related to this Trust Agreement. The preceding sentence does not apply to any losses suffered by the Employer's Account due to the Trustee's breach of the standard of care articulated in Section 6.01.

16.05 Severability of Provisions

Should any provision of this Trust Agreement be held invalid or illegal for any reason, such illegality or invalidity shall not affect the remaining provisions of this Trust Agreement, but shall be fully severable, and the Trust Agreement shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.

16.06 Construction of Trust Agreement

If and whenever the Trustee be, in good faith, in doubt as to the proper construction or interpretation of this Trust Agreement, or any other question that may arise during the administration of the Trust herein created, the Trustee is authorized to resolve all such doubts and questions in such manner as it may deem proper, without the necessity of resorting to a court for construction or instructions, and all decisions so made shall be binding and conclusive on all persons ever interested hereunder. In addition, the Trustee may apply to the Plan Administrator for Instructions, directions, authorizations or information, and the Trustee may demand assurances satisfactory to it that any action that it is directed to take will not adversely affect the tax exemption of the Trust; provided, however, that no such assurances shall be required if, in the opinion of counsel (which counsel may also be counsel for the Employer), such action does not adversely affect the tax exemption of the Trust. This Trust Agreement shall be binding upon all persons who are ever entitled to such benefits hereunder, their heirs, executors, administrators and legal representatives, and upon all Employers and their successors, and upon the Trustee and its successors.

16.07 Spendthrift Provisions

No Beneficiary shall have any right to assign, transfer, appropriate, encumber, commute or anticipate his interest in the Trust Fund, or any payments to be made hereunder, and no benefits or payments, rights, or interests of any such person of any kind or nature, shall be in any way subject to any legal or equitable process or writ by way of levy, garnishment, execution or attachment for payment of any claim against any such person, nor shall any such person have any right of any kind whatsoever with respect to the Trust Fund, or any estate or interest therein, or with respect to any other property or rights, other than the right to receive such distributions as are lawfully made out of the Trust Fund, as and when the same, respectively, are due and payable, under the terms of this Trust Agreement. The Trustee shall not recognize any attempted alienation or encumbrance of the right or interest hereunder of any Beneficiary. Neither the Trust Fund nor any benefits hereunder shall be liable for or subject to the debts, contracts, liabilities, engagements, or torts of any person to whom such benefits or funds are payable, nor shall the Trust Fund or any benefits hereunder be considered an asset of such person in the event of his bankruptcy.

16.08 Title of Trust Assets

The legal and equitable title and ownership of all assets at any time constituting a part of the Trust Fund shall be and remain with the Trustee, and no Beneficiary will have any legal or equitable estate therein, save and except that a Beneficiary shall be entitled to receive distribution as and when lawfully made under the terms hereof. Notwithstanding anything to the contrary, the

Trust Fund will be held by the Trustee as title holder only. A Person (or Persons) other than the Trustee will hold custody or possession of the Trust Fund.

16.09 Rights Determined from Entire Instrument

This Trust Agreement embodies the entire agreement and understanding of the parties relating to the subject matter hereof. This Trust Agreement, for convenience only, has been divided into Articles and Sections, but the rights, powers, duties, privileges, and other legal relationships shall be determined from this Trust Agreement as an entirety and without regard to the division into Articles and Sections or to the headings prefixing such Sections.

16.10 Waiver

No waiver by either party of any failure or refusal to comply with an obligation hereunder shall be deemed a waiver of any other obligation hereunder or any subsequent failure or refusal to comply with any other obligation hereunder.

16.11 Word Usage

Whenever appropriate, words used in this Trust Agreement in the singular may mean the plural, the plural may mean the singular, and the masculine may mean the feminine. The words “herein,” “hereof,” “hereto” and “hereunder” shall refer to this Trust Agreement.

16.12 Assignment

This Trust Agreement, and any of the rights and obligations hereunder, may not be assigned by the Employer without the prior written consent of the other party, and such consent may be withheld in any such party’s sole discretion. The Trustee may assign this Trust Agreement in whole or in part, and any of its rights and obligations hereunder without the consent of the Employer, provided notice of such assignment is sent to the Employer at least 30 days prior to the effective date of any such assignment. All provisions in this Trust Agreement shall extend to and are binding upon the parties hereto and their respective successors and permitted assigns.

16.13 Force Majeure

The Trustee may delay the processing of any transaction provided for hereunder due to a Force Majeure.

16.14 Complete Agreement

This Trust Agreement and any schedule of fees provided to the Trustee by the Employer or the Plan Administrator embody the entire agreement and understanding of the parties relating to the subject matter hereof.

16.15 Taxes

The Employer shall bear all taxes (inclusive of sales and use taxes), duties, levies, and other similar charges (and any related interest and penalties), however designated, imposed as a result

of the receipt of services rendered under this Agreement, including but not limited to any tax which the Employer is required to withhold or deduct from payments to the Trustee, except:

(i) Any tax imposed upon the Trustee in a jurisdiction outside the United States if such tax is allowable as a credit against U.S. federal income taxes of Trustee; and

(ii) Any income tax imposed upon the Trustee by the United States or any governmental entity within the United States.

In order for the exception contained in (i) to apply, the Employer must furnish the Trustee with such evidence as may be required by the United States taxing authorities to establish that such tax has been paid so that the Trustee may claim the credit. The fees to be charged by the Trustee to the Employer under this Agreement, depending on the facts and circumstances of the particular tax jurisdiction, may include Value Added Tax ("VAT"), Goods and Services Tax ("GST") and other similar taxes (collectively, "VAT"). Where the Trustee is obligated to report and pay VAT with respect to services provided under this Agreement, the Employer agrees to be invoiced by the Trustee for the VAT at the applicable prevailing VAT rate.

16.16 Data

Notwithstanding anything in this Agreement to the contrary, aggregated and/or statistical data shall not be considered Confidential Information provided that any such data does not specifically identify any of Employer's confidential information. The Trustee may share the Employer's data, Personal Information and confidential information among the Trustee's related companies so long as the same protective provisions contained in Section 16.17 are followed by every entity to which disclosure is made.

16.17 Confidentiality

The Trustee and the Trust Administrator and each Employer (by execution of an Adoption Agreement) agree to the confidentiality requirements set forth in this Section 16.17. Each of Trustee and Trust Administrator anticipates that it may provide information to the other and to Employers regarding its operations and services that it deems to be confidential and that Employers may provide information they deem to be confidential, including personal information about Participants, to the Trustee and/or Trust Administrator. To the extent the Trustee, the Trust Administrator and Employers receive such information (a "Receiver") from another party (the "Provider"), each Receiver agrees to maintain any and all such information strictly confidential and shall not, without the Provider's prior written consent, disclose such information in any manner whatsoever, in whole or in part, and shall not duplicate, copy or reproduce such information in any manner whatsoever, except in accordance with the terms of this Agreement.

(a) Notwithstanding the preceding paragraph, the Receiver may use the Information as reasonably required to carry out the purposes of this Agreement and the information may be disclosed by the Receiver:

(i) To the employees, agents and consultants of the Employer (including the Plan Administrator) in connection with Receiver's performance or use of the services provided under this Agreement, as applicable;

(ii) To auditors, counsel, and other representatives of the Employer and Plan Administrator for the purpose of providing assistance to the Receiver in the ordinary course of Receiver's performance or use of the services, as applicable;

(iii) If legally obligated or compelled to disclose any of the information in order to perform its obligations or under a valid court or regulatory order; iv. If the information is publicly available prior to or subsequent to its disclosure to the Receiver;

(iv) If the Receiver can show that the information was in the possession of the Receiver, or any affiliate at the time of disclosure and was not acquired, directly or indirectly, under any obligation of confidentiality to the Provider; or

(v) If the information is independently acquired or developed by the Receiver without violation of its obligations hereunder.

(b) Upon the termination of this Agreement for any reason, the parties shall return to each other, or destroy, any and all copies of information of the other in their possession, except for any copies reasonably required to maintain such party's customary archives or computer back-up procedures, and as otherwise required by applicable law, rule or regulation. Each party agrees that it will implement and maintain commercially reasonable measures to protect the security, confidentiality and integrity of nonpublic information and provide the Providers Employer with information regarding such security measures upon the reasonable request.

(c) A breach of any provision of Section 16.17 or of Section 16.18 of this Agreement may cause the Trustee irreparable injury and damage and therefore may be enjoined through injunctive proceedings, in addition to any other rights or remedies which may be available to such party, at law or in equity. Notwithstanding the provisions of Article VI, any proceeding brought by the Trustee to seek relief under this provision shall be brought in a federal or state court of competent jurisdiction in Los Angeles, California.

16.18 USA Patriot Act Notification

The following notification is provided to Employer pursuant to Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318:

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each Person or entity that opens an account, including any deposit account, treasury management account, loan, other extension of credit, or other financial services product. What this means for the Employer: When Employer opens an account, if the Employer is an individual, the Trustee will ask for the Employer's name, taxpayer identification number, residential address, date of birth, and other information that will allow the Trustee to identify Employer, and, if Employer is not an individual, Trustee will ask for the Employer's official name, taxpayer identification number, business address, and other information that will allow the Trustee to identify the Employer. The Trustee may also ask, if the Employer is an individual, to see a valid driver's license or other identifying documents, and, if the Employer is not an individual, to see the Employer's legal organizational documents or other identifying documents.

16.19 Execution in Counterparts

This Trust Agreement may be executed in any number of counterparts, each of which shall be deemed an original and no other counterpart need be produced. Telephonic or electronic facsimile copies of original signatures, writings, or initials on this Trust Agreement shall be as valid as the original signatures, writings, or initials.

IN WITNESS WHEREOF, the parties have caused this Trust Agreement to be executed by their duly authorized officers effective as of the date and year first written above.

ALTA TRUST COMPANY
As Trustee


By _____

CEO
Title _____

10/1/2021
Date _____

SHUSTER ADVISORY GROUP, LLC,
As Trust Administrator


By Mark Shuster _____

Managing Partner
Title _____

9/29/21
Date _____

TRUST ADMINISTRATIVE SERVICES AGREEMENT

This agreement ("Agreement") is made this 21st day of May, 2024, by and between City of Santa Fe Springs (the "Employer") and SHUSTER ADVISORY GROUP, LLC (the "Trust Administrator").

WHEREAS, the Employer has adopted one or more plans, policies, or collective bargaining agreements ("Plans") in order to provide other post-employment health and welfare benefits (other than pensions) ("OPEB") or retirement benefits; and

WHEREAS, the Trust Administrator and Alta Trust Company (the "Trustee") have entered into an agreement (the "Trust Agreement") establishing the Multiple Employer OPEB/Pension 115 Trust (the "Trust"); and

WHEREAS, the Employer has adopted the Trust by executing the adoption agreement to which this Agreement is attached (the "Adoption Agreement") in order to fund the OPEB and retirement benefits payable under the Plans; and

WHEREAS, the Employer wishes to retain the services of the Trust Administrator to administer the Employer's account under the Trust ("Account").

NOW THEREFORE, the Employer and the Trust Administrator hereby agree as follows:

Capitalized words not defined this document are defined in the Trust Agreement.

1. Trust Administrator Services

The Trust Administrator will provide the following services for the Employer's Account:

1.1 Administrative Services

- A. Instruct the custodian of the Account to make disbursements from the Employer's Account at the direction of the Employer for the payment of OPEB or retirement benefits under the Employer's Plans funded by the Account;
- B. Verify custodian's receipt of contributions made to the Account as informed by the Employer;
- C. Provide the Employer after the end of each calendar quarter with an analysis of the performance of the investments of the Account and a statement of the changes in the investments made during such calendar quarter;
- D. Provide annual statements of Trust accounts;
- E. Instruct the custodian to disburse funds from the Account for the payment of the fees and expenses described in Section 2.1 and 3.2; and

- F. Coordinate such other actions with the Trustee and custodian of the Account as directed by the Plan Administrator that are within the scope of the Trust Administrator's duties under the Trust Agreement.

1.2 Investment Management Services

- A. Determine the asset allocation of investments in the Employer's Account ("Investment Strategy") based on information provided by the Employer or the Plan Administrator, including the anticipated amounts of cash required by the Plans for distributions and other expenses, and the appropriate risk tolerance for the Plans based on the Plans' asset-liability characteristics and the Employer's resources;
- B. Prepare a recommended policy statement of the Account's Investment Strategy acceptable to the Employer to the extent necessary to accomplish the Account's Investment Strategy ("Investment Policy Statement");
- C. Execute the Account's Investment Strategy by instructing the Trustee to buy and sell shares of investments permitted under the Trust in accordance with the Investment Policy Statement;
- D. In consultation with the Employer, reassess and alter the Investment Strategy and Investment Policy Statement at least annually to the extent necessary to "rebalance" the Account investments; and
- E. Perform reviews at least annually of the performance of the investments held in the Account, add or reduce allocations to each investment or add or delete investments in its judgment (to the extent permitted under the Investment Policy Statement and the Trust), and promptly advise the Employer of any additions or deletions of Account investments.

2. Compensation

- 2.1 **Fees.** For all services provided by the Trust Administrator under this Agreement and the Trustee under the Trust Agreement, the following fees will apply:

Trust Administration Fees (This Agreement) ¹ :	0.01%
Trustee Fees (Trust Adoption Agreement) ² :	0.02%
Custodial Asset Based Fee (Custodial Agreement) ³ :	0.01%
Investment Advisory Fees (Investment Advisory Agmt.):	0.06%

Fees will be collected quarterly other than the Investment Advisory Fee which will be collected monthly.

1 - Will convert to a flat dollar fee after the end of contract year-3 based on the highest year-end balance of the first 3 contract years.

2 - Annual minimum fee per plan of \$500. Annual maximum fee per plan of \$5,000.

3 - Annual minimum fee per plan of \$400. Custodian may also charge fees related to non-standard assets, checks and wire fees outlined in the Custodial Agreement for the Plan.

The Trust Administrator will notify the Employer in writing of any change in the above fee amounts at least 60 days before the effective date of the change.

2.2 Fees for Additional Services. If and to the extent that the Employer requests the Trust Administrator to render services other than those described under this Agreement, such additional services will be compensated separately on terms to be agreed upon between the Trust Administrator and the Employer.

2.3 Pooled Investments. Assets invested by the Trust Administrator under the terms of this Agreement may from time to time be invested in individual securities, or in a proprietary money market mutual fund or local government investment pool (either, a "Pool"). Each Pool is a commingled fund managed by the Trust Administrator. Average daily net assets subject to the fees described in this section shall not take into account any funds invested in the Pool. Expenses of the Pool, including compensation for the Trust Administrator and the Pool custodian, are described in the relevant prospectus or information statement and are paid from the Pool.

3. Expenses

3.1 Furnishing of Administrative Services, Office Space, Equipment and Personnel. The Trust Administrator will furnish at its own expense all necessary administrative services, office space, equipment, clerical personnel, telephone and other communication facilities, investment advisory facilities, and executive and supervisory personnel required to perform the services under this Agreement, inclusive of reasonable costs required to attend meetings with the Employer.

3.2 Expenses of Employer's Account. Except as otherwise provided in this Agreement, Employer agrees to pay all expenses under the Trust incurred by (or allocable to) the Employer's Account including, without limitation, taxes, expenses (including front- or back-end charges) of an investment fund, fees and expenses of the Account's independent auditors and legal counsel, insurance premiums, expenses of the Trustee, the keeping of books and accounts, and the allocable costs of the annual Trust accounting described in Section 9.02 of the Trust Agreement. The Trust Administrator will calculate expenses allocable to the Account on a pro-rata basis, or in any other reasonable and equitable manner determined by the Trust Administrator.

4. Payment Terms. At the end of each calendar month, the Trust Administrator will prepare and submit fees and expenses under this Agreement as described in Sections 2.1 and 3.2. Except to the extent that the Employer has elected in the Adoption Agreement to pay such fees and expenses, the Employer authorizes the Trust Administrator to charge such fees and expenses to the Employer's Account and authorizes and instructs the custodian to disburse funds from the Account for the payment of the fees and expenses. If the Employer has elected in the Adoption Agreement to pay such fees and expenses the Trust Administrator will prepare and submit monthly invoices to the Employer. If the Employer does not fully pay any invoice within 15 calendar days after the invoice's postmark, then the Employer hereby authorizes the Trust Administrator to charge the unpaid amount to the Account and instructs the custodian to disburse such amount from the Account for the payment of the fees and expenses. If sufficient funds are not available or cannot for any reason

otherwise be disbursed from the Account, the Trust Administrator will notify the Employer, and the Employer will pay the unpaid amount to the Trust Administrator from other sources within 10 calendar days after receiving the notice.

5. **Registered Advisor; Duty of Care.** The Trust Administrator hereby represents it is a registered investment advisor under the Investment Advisers Act of 1940. The Trust Administrator will immediately notify the Employer if at any time during the term of this Agreement it is not so registered or if its registration is suspended. The Trust Administrator agrees to perform its duties and responsibilities under this Agreement with reasonable care. The federal securities laws impose liabilities under certain circumstances on persons who are required to act in good faith. Nothing herein in any way constitutes a waiver or limitation of any rights which the Employer, the Trust, or the Trust Administrator may have under any federal securities laws. The Employer hereby authorizes the Trust Administrator to sign an Internal Revenue Service Form W-9 on behalf of the Employer and to deliver such form to broker-dealers or others from time to time as required in connection with securities transactions pursuant to this Agreement.
6. **Trust Administrator's Other Clients.** The Employer understands that the Trust Administrator performs investment advisory services for various other clients which may include investment companies, commingled trust funds and/or individual portfolios. The Employer agrees that the Trust Administrator, in the exercise of its professional judgment, may give advice or take action with respect to any of its other clients which may differ from advice given or the timing or nature of action taken with respect to the Account. The Trust Administrator has no obligation to purchase, sell or exchange any security for the Employer solely by reason of the fact that the Trust Administrator, its principals, affiliates, or employees may purchase, sell or exchange such security for the account of any other client or for itself or its own accounts.
7. **Risk Acknowledgment.** The Trust Administrator does not guarantee the future performance of the Account or any specific level of performance, the success of any investment decision or strategy that the Trust Administrator may use, or the success of Trust Administrator's overall management of the Account. The Employer understands that investment decisions made for the Employer's Account by the Trust Administrator are subject to various markets, currencies, economic, political and business risks, and that those investment decisions will not always be profitable. The Employer understands that past performance does not necessarily predict future performance for the Account. The Trust Administrator will manage only the securities, cash and other investments held in Employer's Account and in making investment decisions for the Account, the Trust Administrator will not consider any other securities, cash or other investments owned by the Employer or any of the Plans. Neither the Trust Administrator nor its officers, directors, agents, employees, and affiliate shall be liable for any losses in the Account, or any loss, cost, indebtedness, or liabilities arising from the Trust Administrator's management of the investments in the Account (together, "Losses") except for any Losses that result from an act or omission of the Trust Administrator constituting a violation of law or an act or omission of the Trust Administrator constituting gross negligence, willful misfeasance, bad faith or reckless disregard of its obligations under this Agreement or as otherwise may be provided by law. The Trust Administrator is not responsible for any loss incurred by reason of any act or omission of the Employer, the custodian of the Account, a third party manager, any broker-dealer, or any other third party.

8. **Term of Agreement.** This Agreement will remain in effect until terminated by either party at any time by giving 60 days' written notice to the other party of its intent to terminate.
9. **Force Majeure.** The Trust Administrator has no liability for any losses arising out of the delays in performing or inability to perform the services which it renders under this Agreement which result from events beyond its control, including interruption of the business activities of the Trust Administrator or other financial institutions due to acts of God, acts of governmental authority, acts of war, terrorism, civil insurrection, riots, labor difficulties, or any action or inaction of any carrier or utility, or mechanical or other malfunction.
10. **Disciplinary Actions.** The Trust Administrator will promptly notify the Employer if the Trust Administrator is found to have violated any state or federal securities law or regulation in any criminal action or civil suit in any state or federal court or in any disciplinary proceeding before the Securities and Exchange Commission or any other regulatory agency or department of the United States, any registered securities exchange, the Financial Industry Regulatory Authority, or any regulatory authority of any State based upon the performance of services as an investment advisor.
11. **Confidentiality.** The Trust Administrator will not disclose any information relating to the Plans or the Account except to authorized officers of the Employer, the Plan Administrator the Trustee and third parties retained by the Trust Administrator to perform specific services within this Agreement without the Employer's consent. The Employer will not disclose any information relating the Trust to individuals other than authorized officers of the Employer and the Plan Administrator, or their respective designees, without the Trust Administrator's consent.
12. **Independent Contractor.** The Trust Administrator, its employees, officers and representatives, will not be deemed to be employees, agents (except as to the purchase or sale of securities described in Section 1), partners, servants, and/or joint ventures of the Employer or the Account by virtue of this Agreement or any actions or services rendered under this Agreement.
13. **Records.** The Trust Administrator will maintain appropriate records of all its activities hereunder. The Trust Administrator will use its best efforts to provide the Employer with a statement within 60 days following the end of each calendar quarter showing deposits, withdrawals, purchases and sales (or maturities) of investments, earnings received during the quarter, and the value of assets held on the last business day of the calendar quarter, all as provided for in the Trust Agreement, based on the information requested from and furnished to it by the Trustee.
14. **Ownership of Reports and Documents.** The Trust Administrator acknowledges that the originals of all correspondence, documents, reports and records produced in the course of providing the services pursuant to this Agreement are the property of the Employer. In the event this Agreement is terminated, the Trust Administrator agrees to provide such originals to the Employer. The Trust Administrator will not furnish copies of any such correspondence, documents reports and records to any party other than the Employer or the Plan Administrator, or their respective designees, or third parties retained by the Trust Administrator to perform services under this Agreement without the Employer's consent. Notwithstanding the preceding provisions of this paragraph, the Trust Administrator is authorized to retain copies of any correspondence, documents,

reports, and records to the extent needed to comply with applicable law, including but not limited to federal securities laws.

15. **Trust Administrator's Disclosure Statement.** The Trust Administrator warrants that it has delivered to the Employer, at least 48 hours prior to the execution of this Agreement, the Trust Administrator's current Securities and Exchange Commission Form ADV, Part II, including, without limitation, Schedule H thereto (disclosure statement). The Employer acknowledges receipt of such disclosure statement at least 48 hours prior to the execution of this Agreement.
16. **Amendment.** This Agreement shall not be changed, modified, terminated or discharged in whole or in part, except by an instrument in writing signed by both parties hereto, or their respective successors or assigns.
17. **Successors and Assigns.** The provisions of this Agreement are binding on the Trust Administrator and its respective successors and assigns, provided, however, that the rights and obligations of the Trust Administrator may not be assigned without the Employer's consent.
18. **Designees.** In accordance with Section 1.18 of the Trust Agreement, the Employer will certify to the Trust Administrator in writing the persons or entity with the plenary authority pursuant to applicable state law over the investment and management of the Employer's Plans or its designee ("Plan Administrator"). The Plan Administrator has the authority to act on behalf of, and to exercise any of the rights of, the Employer under this Agreement. In accordance with Section 6.1(l) of the Trust Agreement, the Trust Administrator may designate and engage the services of such agents, representatives, advisors, counsel, accountants and other third parties, including affiliates of the Trust Administrator, and delegate its authority to perform specified services under this Agreement to such third parties. Any such designee shall have the authority to perform the services delegated to it by the Trust Administrator. Any officer of the Trust Administrator has the authority to exercise any of the rights of the Trust Administrator under this Agreement.
19. **Notice.** Written notices required under this Agreement will be sent by regular mail, certified mail, overnight delivery or courier, and will be deemed given when received at the parties' respective addresses shown below. Either party must notify the other party in writing of a change in address.

Employer's Address:

City of Santa Fe Springs
11710 E. Telegraph Road
Santa Fe Springs, CA 90670
Attn: City Manager

Trust Administrator's Address:

Shuster Advisory Group, LLC
155 N. Lake Ave, #500
Pasadena, CA 91101
Attn: Mark Shuster, Managing Member

20. **Arbitration.** The Employer understands and agrees that, to the extent permitted by law, all claims and disputes arising out of transactions or activities in connection with the Account, or construction, performance, or breach of this Agreement, will be determined by arbitrators sitting in Los Angeles, California, in accordance with the current rules then in effect of the American Arbitration Association. The arbitrators may allocate attorneys' fees and arbitration costs between parties. In this regard, the Employer understands that: (1) Arbitration is final and binding on the parties; (2) the parties are waiving their right to seek a judicial determination in court, including the right to jury trial; (3) pre-arbitration discovery is generally more limited than and different from court proceedings; (4) the arbitrators' award is not required to include factual findings or legal reasoning and any party's right to appeal or seek modification of rulings by the arbitrators is strictly limited; (5) the panel of arbitrators will typically include a minority of arbitrators who are in the securities industry; and (6) arbitration will be conducted according to the securities arbitration rules then in effect of the American Arbitration Association.
21. **Applicable Law.** This Agreement will be construed, enforced and administered according to the laws of the state of California, without regard to its conflicts of law principles. In the event that either party institutes legal proceedings against the other, venue will lie in any court of competent jurisdiction in the state of California.
22. **Entire Agreement.** This Agreement, including exhibits and any other documents referenced herein, constitutes the entire agreement of the parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, agreements, and understandings, whether written or oral, with respect thereto.
23. **Severability.** If any provision of this Agreement is held by any court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of the Agreement will continue in full force and effect.
24. **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed will be deemed to be a complete original and all of which together will constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized officers on the date set forth in the first paragraph of this Agreement.

TRUST ADMINISTRATOR
Shuster Advisory Group, LLC

By: _____

Its: _____

EMPLOYER
City of Santa Fe Springs

By:  _____

Its:  _____

INVESTMENT ADVISOR AGREEMENT
MULTIPLE EMPLOYER OPEB/PENSION 115 TRUST

This agreement ("Agreement") is entered into between **Shuster Advisory Group, LLC** ("SHUSTER"), a California limited liability company, and **City of Santa Fe Springs** ("EMPLOYER") as further identified on Appendix A., as the responsible plan fiduciary for the **Plans** as further identified in Appendix A, desires to engage SHUSTER to provide the services described in this Agreement according to the terms of this Agreement.

1. **Fiduciary Authority.** The account for which SHUSTER is providing investment advisory service is part of a multiple employer trust intended to qualify as a tax-exempt trust of a state or political subdivision thereof for an essential governmental function within the meaning of Section 115 of the Code and any regulations issued thereunder and the EMPLOYER has fiduciary authority with respect to the account for the employer.
2. **Term.** The term of this Agreement will commence **May 21, 2024**.
3. **Services.** SHUSTER agrees to perform the Fiduciary Services described in Appendix B.
4. **Fees.**
 - (A) The compensation, direct and indirect, of SHUSTER for the performance of the Services is described in Appendix C.
5. **Fiduciary Status: Limitations on Functions.** EMPLOYER acknowledges that:
 - (A) In performing the Fiduciary Services, SHUSTER is acting as an investment fiduciary of the Plan and as a registered investment advisor under the Investment Advisers Act of 1940.
 - (B) In performing Fiduciary Services, SHUSTER does not act as, nor has SHUSTER agreed to assume the duties of, a trustee or the Plan Administrator, and SHUSTER has no discretion or responsibility to interpret the Plan documents, to determine eligibility or participation under the Plan, or to take any other action with respect to the management, administration or any other aspect of the Plan.
 - (C) SHUSTER does not provide legal or tax advice.
 - (D) Investments are subject to various market, political, currency, economic, and business risks, and may not always be profitable. As a result, SHUSTER does not and cannot guarantee financial results.
 - (E) SHUSTER may, by reason of performing services for other EMPLOYERS, from time to time acquire confidential information. EMPLOYER acknowledges and agrees that SHUSTER is unable to divulge to the EMPLOYER or any other party, or to act upon, any such confidential information with respect to its performance of this Agreement.
 - (F) SHUSTER is entitled to rely upon all information provided to SHUSTER (whether financial or otherwise) from reputable third parties or by EMPLOYER, EMPLOYER's representatives or third-party service providers to EMPLOYER, the Plan or SHUSTER, without independent verification. EMPLOYER agrees to promptly notify SHUSTER in writing of any material change in the financial and other information provided to SHUSTER and to promptly provide any such additional information as may be reasonably requested by SHUSTER.
 - (G) EMPLOYER understands that SHUSTER: (i) may perform other services for other clients, (ii) may charge a different fee for other clients, and (iii) may give advice and take action that is different for each client even when retirement plans are similar.

- (H) SHUSTER has no responsibility to provide any services related to assets not included in the SHUSTER investment portfolio or purchased directly by Client. Such assets shall be referred to collectively as "Excluded Assets." The Excluded Assets shall be disregarded in determining the Fees payable to SHUSTER pursuant to this Agreement, and the Fees shall be calculated only on the remaining assets (the "Included Assets").

6. Representations of EMPLOYER. EMPLOYER represents and warrants as follows:

- (A) It is the responsible plan fiduciary for the control and/or management of the assets of the Plan, and for the selection and monitoring of service providers for the Plan. SHUSTER is entitled to rely upon this statement until notified in writing to the contrary.
- (B) The person signing the Agreement on behalf of EMPLOYER has all necessary authority to do so.
- (C) The execution of this Agreement and the performance thereof is within the scope of the investment authority authorized by the governing instrument and/or applicable laws. The signatory on behalf of EMPLOYER represents that the execution of the Agreement has been duly authorized by appropriate action and agrees to provide such supporting documentation as may be reasonably required by SHUSTER.
- (D) The Plan and related Trust permit payment of fees out of Plan assets. EMPLOYER has determined that the fees charged by SHUSTER are reasonable and are the obligation of the Plan; however, if EMPLOYER desires, it may pay the fees directly, rather than with Plan assets.

7. Representation of SHUSTER. SHUSTER represents as follows:

- (A) SHUSTER is registered as an investment adviser ("RIA") under the Investment Advisers Act of 1940.
- (B) The person signing this agreement on behalf SHUSTER has the power and authority to enter into and perform this Agreement.
- (C) SHUSTER agrees to take reasonable steps to protect Private Participant Information and Plan Investment Data in its possession;

SHUSTER is not responsible for the assessment of systems and procedures of third parties for the protection of plan and participant data;

SHUSTER is not responsible for the actions by or the failure to act by EMPLOYER, by other service providers, or by Plan participants to protect Data;

SHUSTER shall have no liability in the event of a Data breach or a violation of participant privacy rights (under the California Consumer Privacy Act or otherwise) unless said breach is the direct result of negligence, recklessness, or willful misconduct of an employee of SHUSTER.

- 8. **Standard of Care.** SHUSTER will perform the Fiduciary Services described in Appendix B to the Plan in accordance with the standard of care of the prudent man rule set forth in ERISA Section 404(a)(1)(B).
- 9. **Termination.** Either party may terminate this Agreement upon 30 days prior written notice to the other party. Such termination will not, however, affect the liabilities or obligations of the parties arising from transactions initiated prior to such termination, and such liabilities and obligations (together with the provisions of section 8, 17, and 18) shall survive any expiration or termination of this Agreement. Upon termination, SHUSTER will have no further obligation under this Agreement to act or advise EMPLOYER with respect to services under this Agreement.
- 10. **Receipt of Disclosure and Consent to Electronic Delivery.** EMPLOYER acknowledges receipt and undertakes to review and consider the disclosures made by SHUSTER (including in this Agreement, the Form

ADV Part 2 and SHUSTER Privacy Policy), in particular the portions related to services, compensation, and potential conflicts of interest, as well as the remainder of the disclosures concerning, among other matters, background information such as educational and business history, business practices such as the types of advisory services provided, the methods of securities analysis used, and the like.

Further, EMPLOYER consents to electronic delivery (via email or other generally accepted method) of current and future distributions of SHUSTER's Form ADV Part 2 and Privacy Policy. Consent to electronic delivery may be canceled at any time by sending a written request to SHUSTER.

11. **Notices.** Any and all notices required or permitted under this Agreement shall be in writing and shall be sufficient in all respects if (i) delivered personally, (ii) mailed by registered or certified mail, return receipt requested and postage prepaid, or (iii) sent via a nationally recognized overnight courier service to the EMPLOYER's address listed on Appendix A and SHUSTER's address, 155 N. Lake Ave, Ste. 500, Pasadena, CA 91101, or such other address as any party shall have designed by notice in writing to the other party.
12. **Assignability.** This Agreement is not assignable by either Party hereto without the prior written consent of the other Party.
13. **Effect.** This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, successors, survivors, administrators and assigns.
14. **Entire Understanding and Modification.** This Agreement constitutes and contains the entire understanding between the parties and supersedes all prior oral or written statements dealing with the subject matter herein. This Agreement can be amended or modified by the written consent of the Parties.
15. **Severability.** If any one or more of the provisions of this Agreement shall, for any reason, be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement and this Agreement shall be enforced as if such illegal or invalid provision had not been contained herein.
16. **Headings.** All headings used herein are for ease of reference only and in no way shall be construed as interpreting, decreasing or enlarging the provisions of this Agreement.
17. **Applicable Law; Forum.** The laws of the State of California shall govern this Agreement in all respects, including but not limited to the construction and enforcement thereof, unless otherwise preempted or superseded by federal law.
18. **Arbitration Agreement.** To the extent permitted by law, all controversies between EMPLOYER and SHUSTER, which may arise out of or relate to any of the services provided by SHUSTER under this Agreement, or the construction, performance or breach of this or any other Agreement between SHUSTER and EMPLOYER, whether entered into prior to, on or subsequent to the date hereof, shall be settled by binding arbitration in Pasadena, Los Angeles County, California, under the Commercial Arbitration Rules of the American Arbitration Association. Judgment upon any award rendered by the arbitrator(s) shall be final, and may be entered into any court having jurisdiction.
19. **Amendment Process.** The Agreement may be modified, by written agreement of both EMPLOYER and SHUSTER.

20. **Waiver of Limitation.** Nothing in this Agreement shall in any way constitute a waiver or limitation of any rights which EMPLOYER or Plan or any other party may have under federal or state securities laws.

This Agreement constitutes both an agreement between the parties and a disclosure statement. The Parties have caused this Agreement to be executed by their duly authorized officers as of the date set forth above. This Agreement shall not be binding on SHUSTER or the EMPLOYER until each has accepted it, in writing, as indicated by their signatures below.

EMPLOYER:

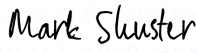
Signature: 

Name: Rene Bobadilla

Title: City Manager

Date: 5-1-2024

Shuster Advisory Group, LLC

Signature: 
731B8AF90E3E443...

Name: Mark Shuster

Title: Managing Member

Date: 5/7/2024

*The EMPLOYER is signing this Agreement both as the employer that sponsors the Plan and as the fiduciary responsible for selecting the Plan's investments and engaging its service providers.

APPENDIX A – EMPLOYER/PLAN SPONSOR - PLAN INFORMATION

EMPLOYER/Plan Sponsor City of Santa Fe Springs	Tax ID# 95-6005874		
Plan Name 1 City of Santa Fe Springs OPEB Trust Account	Type of Plan <input checked="" type="checkbox"/> OPEB Plan <input type="checkbox"/> Pension Plan <input type="checkbox"/> Other: _____		
Plan Name 2 City of Santa Fe Springs Pension Stabilization Trust Account	Type of Plan <input type="checkbox"/> OPEB Plan <input checked="" type="checkbox"/> Pension Plan <input type="checkbox"/> Other: _____		
Plan Name 3	Type of Plan <input type="checkbox"/> OPEB Plan <input type="checkbox"/> Pension Plan <input type="checkbox"/> Other: _____		
Plan Name 4	Type of Plan <input type="checkbox"/> OPEB Plan <input type="checkbox"/> Pension Plan <input type="checkbox"/> Other: _____		
Plan Name 5	Type of Plan <input type="checkbox"/> OPEB Plan <input type="checkbox"/> Pension Plan <input type="checkbox"/> Other: _____		
Mailing Address 11710 E. Telegraph Road	City Santa Fe Springs	State CA	Zip Code 90670
Phone 562-868-0511	Email (for purposes of notice/electronic delivery) rbobadilla@santafesprings.org		
Legal Address (<input checked="" type="checkbox"/> Same as Mailing Address)	City	State	Zip Code

APPENDIX B – FIDUCIARY SERVICES

SHUSTER will perform the following fiduciary services:

1. Development of an Investment Policy Statement (IPS). The IPS establishes the investment policies and objectives for the Plan(s) as well as the criteria and standards for selecting and monitoring the investments. The EMPLOYER shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt the investment policy statement.
2. Consistent with the Investment Policy Statement, SHUSTER will select the initial investment options within the Plan(s).
3. SHUSTER will periodically review the investments within the Plan(s) and shall be responsible for making additions/deletions thereto.
4. SHUSTER will provide periodic investment advisory reports that document consistency of fund management and performance to the guidelines set forth in the IPS, and to make recommendations to maintain, or remove and replace investment options. Reports to include: Market Overview, In-Depth Portfolio Summary, Plan Asset Allocation Analysis and Fund Performance Comparison to the Index.
5. Meet with EMPLOYER on a periodic basis to discuss reports and recommendations.
6. Annually review the IPS with the EMPLOYER to ensure it continues to meet the EMPLOYER's needs.

LIMITATIONS ON FIDUCIARY SERVICES

SHUSTER shall not be responsible or liable for the recommendations of or services rendered by anyone other than SHUSTER. The ability to perform the above services is contingent upon the rules, policies, processes, and responsiveness to our requests for information of EMPLOYER, Plan Sponsor, Custodian, and Trustee.

APPENDIX C - FEE SCHEDULE

1. SHUSTER will not receive any other compensation, direct or indirect, for its services under this agreement. If SHUSTER receives any other compensation for Services, SHUSTER will disclose the amount of such compensation, the services provided for such compensation, the payer of such compensation, and a description of SHUSTER's arrangement with the payer to the EMPLOYER and will offset that compensation against its stated fees.
2. All fees are billed in arrears.
3. The initial fee will be the amount, prorated for the number of days included in the initial billing period from the effective payment start date.
4. If this Agreement is terminated prior to the end of a billing period, SHUSTER shall be entitled to a fee, prorated for the number of days in the billing period prior to the effective date of termination.
5. All fees will be due and payable within 30 days and are payable to "Shuster Advisory Group, LLC"
6. The annual fee for services shall be as follows:

Beginning with the effective date of this Agreement, the annual fee for service shall be 0.06% (6 basis points) per annum, charged as 0.005% monthly to all included assets in each Plan as of the date of the calculation. Fees will be deducted from Plan assets and will be paid to SHUSTER by the Trust/Custodian for the Plan(s).

At SHUSTER's discretion the billing period described above may be adjusted to quarterly.

ADOPTION AGREEMENT

FOR THE

MULTIPLE EMPLOYER OPEB/PENSION 115 TRUST

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INTRODUCTION

By executing this Adoption Agreement, the Employer named in Article 1 of this Adoption Agreement hereby adopts and agrees to be bound by the terms of the Multiple Employer OPEB/Pension 115 Trust (the "Trust"), a copy of which is attached as Exhibit A. To the extent there is a conflict between this Adoption Agreement and the Trust, the Trust will control. Unless otherwise specified below, initially capitalized terms used in this Adoption Agreement are defined in the Trust.

ARTICLE 1

EMPLOYER INFORMATION

1.1 Employer's Name, Address, and Telephone Number

(a) Name: City of Santa Fe Springs

(b) Address: 11710 E. Telegraph Road, Santa Fe Springs, CA 90670

(c) Telephone: 562-868-0511

1.2 Employer's Taxpayer Identification Number: 95-6005874

ARTICLE 2

PLAN INFORMATION

2.1 Plan Names:

OPEB Plan(s): City of Santa Fe Springs OPEB Trust Account

Pension Plan(s): City of Santa Fe Springs Pension Stabilization Trust Account

(Each a "Plan" and collectively, the "Plans")

2.2 Employer-designated: Plan Administrator's Name, Title, Address, and Telephone Number:

(a) Title: City Manager

(b) Address: 11710 E. Telegraph Road, Santa Fe Springs, CA 90670

(c) Telephone: 562-868-0511 x7510

ARTICLE 3

TRUST ADMINISTRATIVE SERVICES

As a condition of the Employer's participation in the Trust, the Employer and the Trust Administrator have executed the Trust Administrative Services Agreement attached as Exhibit B.

ARTICLE 4

INVESTMENTS

The Employer hereby directs the Trust Administrator to direct the Trustee to invest the assets in the Employer's Account in accordance with the investment strategy and any investment policy mutually agreed to by the Employer and the Trust Administrator.

ARTICLE 5

TRUST FEES AND EXPENSES

5.1 Trustees Fee will be equal to 0.02% (annual minimum fee per plan is \$500 and annual maximum fee per plan is \$5,000). Other fees, including Trust Administration Fees are specified in Section 2.1 of the Trust Administrative Services Agreement. Please refer to Section 2.1 of the Trust Administrative Services Agreement for further information about payment of fees and expenses.

5.2 Method of Payment. Unless the Employer otherwise elects below, the Trust Administration Fees (as defined in Section 10.01(b) of the Trust), Trustee Fees (as defined in Section 10.01(c) of the Trust), and any other reasonable fees and expenses of administering the Employer's Account will be paid from the Employer's Account. In lieu of payments from its Account, the Employer hereby elects to pay the following amounts:

- ☐ Trust Administration Fees
- ☐ Trustee Fees
- ☐ All expenses of the Employer's Account other than fees
- ☐ Other (please insert description):

ARTICLE 6

REPRESENTATIONS AND WARRANTIES

6.1 The Employer hereby represents and warrants that each of the following statements is true and correct to the best of its knowledge:

- (a) The Employer is a state, a political subdivision of a state or another public agency whose income is excludable from gross income under section 115 of the Code that is established and maintained under the laws of the [State/Commonwealth] of California.
- (b) The Employer has established and maintains one or more Plans the exclusive purpose of each is to provide OPEB or retirement benefits to its former employees.
- (c) The exclusive purpose of the Employer's participation in the Trust is to fund the Pension Obligation or OPEB Obligation, or both, under the Employer's Plans.
- (d) The Employer's participation in the Trust for the purpose of funding, as applicable, the Pension Obligation or OPEB Obligation, or both, under the Employer's Plans is authorized under the laws of the [State/Commonwealth] of California.
- (e) The Employer's Plans do not permit participants to direct or otherwise exercise in any manner, whether direct or indirect, control over the investment of their accounts or benefits accrued under the Plans.
- (f) The Employer has received copies, and has read and understands the terms, of the Trust.

ARTICLE 7

STANDARD OF CARE AND INDEMNIFICATION

- 7.1 Standard of Care. The Trustee and the Trust Administrator must discharge their duties in accordance with the standard of care set forth in Section 6.01 of the Trust.
- 7.2 Employer Indemnification of Trustee. The Employer, from its own funds and not from any assets of the Trust, agrees to indemnify the Trustee and each of its affiliates against, and will hold them harmless from, any and all loss, claims, liability, and expense, including cost of defense and reasonable attorneys' fees, imposed upon or incurred at any time by any of them by reason of or in connection with the performance of the Trustee's services under this Agreement, except to the extent such damages resulted from the Trustee's or affiliate's performance (or non-performance) of its duties under the Trust in a manner that constitutes willful misconduct or willful breach of the standard of care articulated in Section 6.01 of the Trust.
- 7.3 Employer Indemnification of Trust Administrator. Employer, from its own funds and not from any assets of the Trust, agrees to indemnify the Trust Administrator and each of its affiliates against, and will hold them harmless from, any and all damages imposed upon or incurred by any of them by reason of, or in connection with its services under the Trust or the Trust Administrative Services Agreement, except to the extent that such damages resulted from the Trust Administrator's or affiliate's performance (or non-performance) of its duties under the Trust or the Trust Administrative Services Agreement in a manner that constitutes willful misconduct or willful breach of the standard of care articulated in Section 6.01 of the Trust.

ARTICLE 8**AMENDMENT**

The Employer understands and agrees that the Trust may be amended from time to time by the Trust Administrator with the approval of two-thirds of the Employers then participating in the Trust.

ARTICLE 9**NO GUARANTEE OF INVESTMENT RESULTS**

The Employer understands and acknowledges that investments in the Trust involve risk and that there is no guarantee of investment performance or other performance of the Trust, including but not limited to custodians, depositories, or counterparties to investment strategies of the Trust.

ARTICLE 10**ADOPTION OF TRUST**

By executing this Adoption Agreement, the Employer hereby adopts and agrees to be bound by the terms of the Trust and hereby approves, ratifies and confirms the appointment of Alta Trust Company as the Trustee and Shuster Advisory Group, LLC as the Trust Administrator as of the effective date of this Adoption Agreement. This Adoption Agreement and the Trust Agreement are effective on the 21st day of May, 2024.

EMPLOYER**CITY OF SANTA FE SPRINGS**

Agency Name

By: Its: City ManagerDate: 5-1-2024**ACCEPTED:****TRUST ADMINISTRATOR****SHUSTER ADVISORY GROUP, LLC**By: Its: Managing MemberDate: 5/7/2024**TRUSTEE****ALTA TRUST COMPANY**By: Its: Director of OperationsDate: 5/7/2024

EXHIBIT A

TRUST

EXHIBIT B

TRUST ADMINISTRATIVE SERVICES AGREEMENT

EXHIBIT C

PLAN ADMINISTRATOR: SPECIMEN SIGNATURE

RETIREMENT PLAN CONSULTING SERVICES AGREEMENT

This agreement ("Agreement") is entered into between **Shuster Advisory Group, LLC** ("CONSULTANT"), a California limited liability company, and **City of Santa Fe Springs** ("CITY") as further identified on Appendix A.

CITY, as the responsible plan fiduciary for the **City of Santa Fe Springs** Plan(s) as further identified in Appendix A, desires to engage CONSULTANT to provide the services described in this Agreement according to the terms of this Agreement.

1. **Fiduciary Authority.** CITY as the responsible plan fiduciary has the authority to designate investment alternatives under the Plan and the related trust, and to enter into an Agreement with third parties to assist in these and related duties.
2. **Term.** The term of this Agreement will commence May 1, 2024.
3. **Services.** CONSULTANT agrees to provide the following services to CITY:
 - (A) **Fiduciary Services:** CONSULTANT will perform the Fiduciary Services described in Appendix B.
 - (B) **Non-Fiduciary Services:** CONSULTANT will perform the Non-Fiduciary Services described in Appendix C.
 - (C) CITY acknowledges that CONSULTANT has no responsibility to provide any services related to the following types of assets: employer securities; real estate (except for real estate funds and publicly traded REITs); stock brokerage accounts or mutual fund windows; in-plan retirement income annuity products; participant loans; non-publicly traded partnership interests; other non-publicly traded securities (other than collective trusts and similar vehicles); or other hard-to-value securities or assets. Such assets (except for real estate funds, publicly traded REITs, and collective trusts and similar vehicles) shall be referred to collectively as "Excluded Assets." The Excluded Assets shall be disregarded in determining the Fees payable to CONSULTANT pursuant to this Agreement, and the Fees shall be calculated only on the remaining assets (the "Included Assets").
4. **Fees.**
 - (A) The compensation, direct and indirect, of CONSULTANT for the performance of the Services is described in Appendix D.
5. **Fiduciary Status: Limitations on Functions.** CITY acknowledges that:
 - (A) In performing the Fiduciary Services, CONSULTANT is acting as a fiduciary of the Plan and as a registered investment advisor under the Investment Advisers Act of 1940.
 - (B) In performing the Non-Fiduciary Services, CONSULTANT is not acting as a fiduciary of the Plan.
 - (C) In performing both Non-Fiduciary Services and Fiduciary Services, CONSULTANT does not act as, nor has CONSULTANT agreed to assume the duties of, a trustee or the Plan Administrator, and CONSULTANT has no discretion or responsibility to interpret the Plan documents, to determine eligibility or participation under the Plan, or to take any other action with respect to the management, administration or any other aspect of the Plan.

- (D) CONSULTANT does not provide legal or tax advice.
- (E) Investments are subject to various market, political, currency, economic, and business risks, and may not always be profitable. As a result, CONSULTANT does not and cannot guarantee financial results.
- (F) CONSULTANT may, by reason of performing services for other clients, from time to time acquire confidential information. CITY acknowledges and agrees that CONSULTANT is unable to divulge to the CITY or any other party, or to act upon, any such confidential information with respect to its performance of this Agreement.
- (G) CONSULTANT is entitled to rely upon all information provided to CONSULTANT (whether financial or otherwise) from reputable third parties or by CITY, CITY's representatives or third-party service providers to CITY, the Plan or CONSULTANT, without independent verification. CITY agrees to promptly notify CONSULTANT in writing of any material change in the financial and other information provided to CONSULTANT and to promptly provide any such additional information as may be reasonably requested by CONSULTANT.
- (H) CONSULTANT will not be responsible for voting (or recommending how to vote) proxies of any publicly traded securities (including mutual fund shares) held by the Plan (or its trust). Responsibility for voting proxies of investments held by the Plan or its trust remain with CITY (or, if applicable, the Plan participants).
- (I) CITY understands that CONSULTANT: (i) may perform other services for other clients, (ii) may charge a different fee for other clients, and (iii) may give advice and take action that is different for each client even when retirement plans are similar.

6. Representations of CITY. CITY represents and warrants as follows:

- (A) It is the responsible plan fiduciary for the control and/or management of the assets of the Plan, and for the selection and monitoring of service providers for the Plan. CONSULTANT is entitled to rely upon this statement until notified in writing to the contrary.
- (B) The person signing the Agreement on behalf of CITY has all necessary authority to do so.
- (C) The execution of this Agreement and the performance thereof is within the scope of the investment authority authorized by the governing instrument and/or applicable laws. The signatory on behalf of CITY represents that the execution of the Agreement has been duly authorized by appropriate action and agrees to provide such supporting documentation as may be reasonably required by CONSULTANT.
- (D) The Plan and related Trust permit payment of fees out of Plan assets. CITY has determined that the fees charged by CONSULTANT are reasonable and are the obligation of the Plan; however, if CITY desires, it may pay the fees directly, rather than with Plan assets.

7. Representation of CONSULTANT. CONSULTANT represents as follows:

- (A) CONSULTANT is registered as an investment adviser ("RIA") under the Investment Advisers Act of 1940.
- (B) The person signing this agreement on behalf CONSULTANT has the power and authority to enter into and perform this Agreement.
- (C) CONSULTANT agrees to take reasonable steps to protect Private Participant Information and Plan Investment Data in its possession;

CONSULTANT is not responsible for the assessment of systems and procedures of third parties for the protection of plan and participant data;

CONSULTANT is not responsible for the actions by or the failure to act by CITY, by other service providers, or by Plan participants to protect Data;

CONSULTANT shall have no liability in the event of a Data breach or a violation of participant privacy rights (under the California Consumer Privacy Act or otherwise) unless said breach is the direct result of negligence, recklessness, or willful misconduct of an employee of CONSULTANT.

8. **Standard of Care.**

- (A) CONSULTANT will perform the Fiduciary Services described in Appendix B to the Plan based on the standard of care as set forth in the Investment Advisor Act of 1940 and, as such, in accordance with the prudent man rule set forth in ERISA Section 404(a)(1)(B).
- (B) CONSULTANT will perform the Non-Fiduciary Services described in Appendix C using reasonable business judgment and shall not be liable for any liabilities and claims arising thereunder, unless directly arising from CONSULTANT's intentional misconduct or gross negligence.

9. **Termination.** Either party may terminate this Agreement upon 30 days prior written notice to the other party. Such termination will not, however, affect the liabilities or obligations of the parties arising from transactions initiated prior to such termination, and such liabilities and obligations (together with the provisions of section 8, 17, and 18) shall survive any expiration or termination of this Agreement. Upon termination, CONSULTANT will have no further obligation under this Agreement to act or advise CITY with respect to services under this Agreement.

10. **Receipt of Disclosure and Consent to Electronic Delivery.** CITY acknowledges receipt and undertakes to review and consider the disclosures made by CONSULTANT (including in this Agreement, the Form ADV Part 2 and CONSULTANT's Privacy Policy), in particular the portions related to services, compensation, and potential conflicts of interest, as well as the remainder of the disclosures concerning, among other matters, background information such as educational and business history, business practices such as the types of advisory services provided, the methods of securities analysis used, and the like.

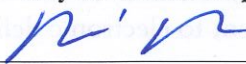
Further, CITY consents to electronic delivery (via email or other generally accepted method) of current and future distributions of CONSULTANT's Form ADV Part 2 and Privacy Policy. Consent to electronic delivery may be canceled at any time by sending a written request to CONSULTANT.

11. **Notices.** Any and all notices required or permitted under this Agreement shall be in writing and shall be sufficient in all respects if (i) delivered personally, (ii) mailed by registered or certified mail, return receipt requested and postage prepaid, or (iii) sent via a nationally recognized overnight courier service to the address in Appendix A and CONSULTANT's address 155 N. Lake Ave., Ste. 500, Pasadena, CA 91101, or such other address as any party shall have designed by notice in writing to the other party.
12. **Assignability.** This Agreement is not assignable by either Party hereto without the prior written consent of the other Party.
13. **Effect.** This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, successors, survivors, administrators and assigns.

14. **Entire Understanding and Modification.** This Agreement constitutes and contains the entire understanding between the parties and supersedes all prior oral or written statements dealing with the subject matter herein. This Agreement can be amended or modified by the written consent of the Parties.
15. **Severability.** If any one or more of the provisions of this Agreement shall, for any reason, be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement and this Agreement shall be enforced as if such illegal or invalid provision had not been contained herein.
16. **Headings.** All headings used herein are for ease of reference only and in no way shall be construed as interpreting, decreasing or enlarging the provisions of this Agreement.
17. **Applicable Law; Forum.** The laws of the State of California shall govern this Agreement in all respects, including but not limited to the construction and enforcement thereof, unless otherwise preempted or superseded by federal law.
18. **Arbitration Agreement.** To the extent permitted by law, all controversies between CITY and CONSULTANT, which may arise out of or relate to any of the services provided by CONSULTANT under this Agreement, or the construction, performance or breach of this or any other Agreement between CONSULTANT and CITY, whether entered into prior to, on or subsequent to the date hereof, shall be settled by binding arbitration in Pasadena, Los Angeles County, California, under the Commercial Arbitration Rules of the American Arbitration Association. Judgment upon any award rendered by the arbitrator(s) shall be final, and may be entered into any court having jurisdiction.
19. **Amendment Process.** The Agreement may be modified, by written agreement of both CITY and CONSULTANT.
20. **Waiver of Limitation.** Nothing in this Agreement shall in any way constitute a waiver or limitation of any rights which CITY or Plan or any other party may have under federal or state securities laws.

This Agreement constitutes both an agreement between the parties and a disclosure statement. The Parties have caused this Agreement to be executed by their duly authorized officers as of the date set forth above. This Agreement shall not be binding on CONSULTANT or the RIA until each has accepted it, in writing, as indicated by their signatures below.

CITY: City of Santa Fe Springs

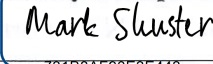
Signature: 

Name: Rene Bobadilla

Title: City Manager

Date: 5-1-2024

Shuster Advisory Group, LLC

Signature: 

Name: Mark Shuster

Title: Managing Partner

Date: 5/7/2024

*The CITY is signing this Agreement both as the employer that sponsors the Plan and as the fiduciary responsible for selecting the Plan's investments and engaging its service providers.

APPENDIX A – CLIENT/PLAN SPONSOR - PLAN INFORMATION

CITY/Plan Sponsor City of Santa Fe Springs			
Plan Name 1 City of Santa Fe Springs 457(b) Plan	Type of Plan <input type="checkbox"/> 401(k) <input checked="" type="checkbox"/> 457(b) <input type="checkbox"/> 401(a) <input type="checkbox"/> 403(b) <input type="checkbox"/> Part-time Seasonal (OBRA) <input type="checkbox"/> Retiree Health Savings <input type="checkbox"/> Defined Benefit Plan <input type="checkbox"/> Other: _____		
Plan Name 2 City of Santa Fe Springs 401(a) Plan	Type of Plan <input type="checkbox"/> 401(k) <input type="checkbox"/> 457(b) <input checked="" type="checkbox"/> 401(a) <input type="checkbox"/> 403(b) <input type="checkbox"/> Part-time Seasonal (OBRA) <input type="checkbox"/> Retiree Health Savings <input type="checkbox"/> Defined Benefit Plan <input type="checkbox"/> Other: _____		
Plan Name 3	Type of Plan <input type="checkbox"/> 401(k) <input type="checkbox"/> 457(b) <input type="checkbox"/> 401(a) <input type="checkbox"/> 403(b) <input type="checkbox"/> Part-time Seasonal (OBRA) <input type="checkbox"/> Retiree Health Savings <input type="checkbox"/> Defined Benefit Plan <input type="checkbox"/> Other: _____		
Plan Name 4	Type of Plan <input type="checkbox"/> 401(k) <input type="checkbox"/> 457(b) <input type="checkbox"/> 401(a) <input type="checkbox"/> 403(b) <input type="checkbox"/> Part-time Seasonal (OBRA) <input type="checkbox"/> Retiree Health Savings <input type="checkbox"/> Defined Benefit Plan <input type="checkbox"/> Other: _____		
Plan Name 5	Type of Plan <input type="checkbox"/> 401(k) <input type="checkbox"/> 457(b) <input type="checkbox"/> 401(a) <input type="checkbox"/> 403(b) <input type="checkbox"/> Part-time Seasonal (OBRA) <input type="checkbox"/> Retiree Health Savings <input type="checkbox"/> Defined Benefit Plan <input type="checkbox"/> Other: _____		
Mailing Address 11710 E. Telegraph Road	City Santa Fe Springs	State CA	Zip Code 90670
Legal Address (<input checked="" type="checkbox"/> Same as Mailing Address)	City	State	Zip Code

APPENDIX B – FIDUCIARY SERVICES

CONSULTANT will perform the following fiduciary services:

1. Development of an Investment Policy Statement (IPS). The IPS establishes the investment policies and objectives for the Plan(s), and shall set forth the asset classes and investment categories to be offered under the Plan(s), as well as the criteria and standards for selecting and monitoring the investments. The CITY shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt the investment policy statement.
2. Consistent with the Investment Policy Statement, CONSULTANT will select the initial investment options within the Plan(s).
3. CONSULTANT will periodically review the investments within the Plan(s) and shall be responsible for making additions/deletions thereto.
4. CONSULTANT will provide periodic investment advisory reports that document consistency of fund management and performance to the guidelines set forth in the IPS, and to make recommendations to maintain, or remove and replace investment options. Reports to include: Market Overview, In-Depth Portfolio Summary, Plan Asset Allocation Analysis and Fund Performance Comparison to the Index.
5. Meet with CITY on a periodic basis to discuss reports and recommendations.
6. Annually review the IPS with the CITY to ensure it continues to meet the CITY's needs.
7. Selection of a default investment for participants who fail to make an investment election.
8. Coordinate the Deferred Compensation Committee meetings, record the meeting minutes and provide minutes to the attending members.

LIMITATIONS ON FIDUCIARY SERVICES

CONSULTANT shall not be responsible or liable for the recommendations of or services rendered by anyone other than CONSULTANT. The ability to perform the above services is contingent upon the rules, policies, processes, and responsiveness to our requests for information of CITY, plan sponsor, record keeper(s), and/or third party administrator(s).

APPENDIX C – NON-FIDUCIARY SERVICES

CONSULTANT will perform the following Non-Fiduciary services:

1. Provide Plan design consulting and Plan document review
2. Provide vendor management/issue resolution
3. Provide consulting assistance on fiduciary best practices
4. Assist in the transition of previous record-keeper(s) and/or Plan provider(s)
5. Provide custom communications when needed
6. Assist in communications with recordkeeper(s) and/or Plan provider(s)
7. Distribute Plan level newsletters
8. Provide RFP services and Plan fee negotiations
9. Incumbent vendor and fee review
10. Contract review support
11. Employee education
12. Provide assistance with mandatory and optional legislative changes

LIMITATIONS ON NON-FIDUCIARY SERVICES

CONSULTANT shall not be responsible or liable for the recommendations of or services rendered by anyone other than CONSULTANT. CONSULTANT and CITY/plan sponsor will work together to determine mutually agreed upon for services requiring both parties coordinate and/or attend. The ability to perform the above services is contingent upon the rules, policies, processes, and responsiveness to our requests for information of CITY, plan sponsor, record keeper(s), and/or third-party administrator(s).

APPENDIX D - FEE SCHEDULE

1. All fees are billed in arrears.
2. The initial fee will be the amount, prorated for the number of days included in the initial billing period from the effective payment start date.
3. If this Agreement is terminated prior to the end of a billing period, CONSULTANT shall be entitled to a fee, prorated for the number of days in the billing period prior to the effective date of termination.
4. All fees will be due and payable within 30 days and are payable to "Shuster Advisory Group, LLC"
5. The annual fee for services shall be as follows:

Beginning with the Effective Date of this Agreement and continuing until the earlier of the date the plans are converted to a new record-keeper and assets from the prior record-keeper are transferred, the date the plans are converted to a new record-keeper and the first payroll deferral is processed by the new record-keeper, or the date it is decided to remain with the incumbent record-keeper and new pricing is implemented, if applicable, (hereafter known as the "Conversion Date") the fee for service shall be \$2,500.00 per month. Fees will accrue and be paid from Plan assets to CONSULTANT by the record keeper upon the Conversion Date.

After the "Conversion Date", the fee for service shall be \$2,500.00 per month. Fees will be deducted from Plan assets and will be paid to CONSULTANT by the record-keeper.

At CONSULTANT's discretion the billing period described above may be adjusted to quarterly.



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: James Enriquez, P.E., Director of Public Works / City Engineer

**SUBJECT: POLICE SERVICES STAGING FACILITY STORM DAMAGE –
EMERGENCY REPAIRS UPDATE**

DATE: May 21, 2024

RECOMMENDATION:

It is recommended that the City Council:

- 1) Pursuant to Santa Fe Springs Municipal Code Section 34.23 and California Public Contract Code Section 22050, by a four-fifths vote authorize continuing the repairs without competitive bidding; and
- 2) Take such additional, related action that may be desirable.

FISCAL IMPACT

Although the extent of the storm damage has been assessed, the total cost of the repair is not known at this time. Staff continues to solicit contractor proposals to complete the repair work as needed and as more information is gathered with respect to the needed repairs. The purchase orders executed to date are listed below. Staff will report at a future City Council meeting as further information develops and the complete scope of the repairs is determined and priced.

Expenses encumbered to date related to this emergency repair include:

- **Purchase Order #2240222:** \$43,610.60 for testing and construction demolition with Restoration Unlimited (Santa Fe Springs, CA)
- **Purchase Order #2240262:** \$115,680 for waterproofing with Innovative Painting & Waterproofing (Santa Fe Springs, CA)

BACKGROUND

The severe storms that hit Southern California the week of February 4, 2024, resulted in historic rainfall totals throughout the region, prompting Governor Newsom to proclaim a state of emergency in various counties, including Los Angeles. The County of Los Angeles followed with the proclamation of a local state of emergency.

The intense and prolonged rainfall caused significant flooding of the City's Police Services Staging Facility located adjacent to the Municipal Services Yard. Flooding was experienced in both the Men's and Women's Locker Rooms and Restroom/Shower as well as the adjacent gym. The flooding rendered these areas uninhabitable and in need of repairs before the space can be reoccupied.

Public Works maintenance staff worked throughout the storms to sweep and vacuum the water to minimize the extent of the flooding, but were ultimately unable to keep up with the volume of water entering the building from the rear wall adjacent to the railroad right-of-way. Eventually, maintenance crews ceased water removal and began removing gym equipment and mats so that the source of the flooding could be more easily identified.

Although one location was identified where the majority of the water was entering the building, the extent of the flooding has saturated the walls in a significant portion of the facility. Under the City Manager's authority pursuant to Santa Fe Springs Municipal Code Section 34.23, staff continues to negotiate with contractors to provide various services to repair the damage.

The first step in the repair process required demolition work to assess the full extent of the damage and expose the source of the flooding in order to develop a repairs to prevent future flooding.

Staff contracted with Restoration Unlimited (Santa Fe Springs, CA) for the initial testing and demolition work. Sampling for preconstruction testing was conducted on March 6. Based on testing results, demolition was started on March 18, exposing the likely source of the rainwater intrusion. Staff solicited proposals from two waterproofing contractors. Waterproofing must be completed before restoration work to prevent further water damage. The proposal from Innovative Painting & Waterproofing, LLC (Santa Fe Springs) was selected and a purchase order was executed.

A Right-of-Entry permit is required from BNSF Rail Road in order to complete the waterproofing work. The permit application is currently under review by BNSF. The waterproofing work will be scheduled once the permit is issued and is anticipated to be completed within two weeks following permit issuance. The restoration of the interior finishes will commence once the waterproofing is completed.

ENVIRONMENTAL

N/A

DISCUSSION

Staff has been in close communication with the City Manager of the City of Whittier and police administration since the flooding began. Given the extent of the flooding, the City of Whittier provided notice on February 7, 2024, that they would temporarily vacate the facility until permanent repairs are completed. Limited staff and equipment was temporarily relocated to the City's Police Services Building on Jersey Avenue and the majority of the patrol operations were moved to the Whittier Police Station. The Police Staging building was vacated on February 26, 2024.

Repairs are currently estimated to be completed in 2 to 3 months. It should also be noted that this assumes all repairs are completed as an emergency, without competitive bidding. Competitive bidding would require the solicitation of services by an architect to develop plans and specifications. The solicitation process and the time to develop documents could add an additional 9 to 12 months to the schedule.

SUMMARY/NEXT STEPS

Upon the approval of the City Council of the recommended actions, City staff will continue to coordinate the emergency repairs of the facility. Pursuant to the Public Contract Code Section 22050, staff will provide updated reports at subsequent City Council meetings as the situation develops, more information is gathered, and a plan of action for the repairs is determined and scheduled.

ATTACHMENTS:

None.

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: James Enriquez, P.E., Director of Public Works/City Engineer

SUBJECT: CITY CLERK'S OFFICE RENOVATION – FINAL PAYMENT

DATE: May 21, 2024

RECOMMENDATION:

It is recommended that the City Council:

- 1) Approve the Final Payment to CTG Construction, Inc., of Wilmington, California for \$165,200 (Less 5% Retention) for the subject project; and
- 2) Approve the final contract amount with CTG Construction in the amount of \$289,700, including the aggregate change order amount of \$64,700; and
- 3) Appropriate additional funds in the amount of \$20,000 from the Utility Users Tax Capital Improvement Fund to the City Clerk's Office Improvements (PW220020); and
- 4) Take such additional, related action that may be desirable.

FISCAL IMPACT

The City Clerk's Office Renovation is an approved Capital Improvement Plan project and is funded by the Utility Users Tax (UUT) in the amount of \$425,000.

The total project cost breakdown is estimated as follows:

ITEM	ESTIMATED AMOUNT
Construction	\$ 289,700
Design	\$ 40,000
Engineering	\$ 20,000
Inspection	\$ 40,000
Contingency	\$ 55,300
Estimated Total Project Cost:	\$ 445,000

CITY COUNCIL AGENDA REPORT – MEETING OF MAY 21, 2024

City Clerk's Office Renovation – Final Payment

Page 2 of 3

The project is estimated to close with a budget shortfall of \$20,000. Staff is recommending an appropriation of funds in the amount of \$20,000 from the Utility Users Tax Capital Improvement Fund to the City Clerk's Office Renovation (PW220020) to offset the total project budget shortfall. The estimated total project cost is \$445,000.

The attached payment detail represents the Final Payment (less 5% Retention) due, per the terms of the contract, for the work completed and found to be satisfactory. The retention will be released following the mandatory waiting period following the filing of the Notice of Completion with the LA County Registrar-Recorder.

BACKGROUND

The City Clerk's Office Renovation project consisted of renovation of the City Clerk office area. The original scope of work was revised to include dividing the existing City Mayor's office in half to create enclosed offices for the Mayor and City Clerk, in lieu of building a storefront office outside of the Mayor's office. Three new workspaces were created adjacent to the newly constructed City Clerk and Mayor offices. The change in the scope of work also consisted of enclosing the City Manager's Executive Assistant office with the construction of glass walls (storefront) and the installation of a new door. One new workspace was created adjacent to the newly constructed Executive Assistant office. New furniture was installed throughout the offices in the north wing of City Hall to have a uniform aesthetic.

The project also consisted of painting the interior walls, installation of new carpet located in the City Clerk's Office, Mayor's new office, adjacent hallway, and City Council offices. New electrical outlets, communication and data conduits were installed. The revised scope of work increased the total project cost.

On August 1, 2023, the City Council approved the Award of Contract to CTG Construction Inc., in the amount \$225,000 for the construction of City Clerk's Office Renovation project. Construction was completed and staff authorized change orders in the aggregate amount of \$64,700 (29% of the original contract amount) for a final contract amount of \$289,700. The authorized change orders were due to changes in and addition to the scope of work. The final contract amount also includes adjustments to final quantities for the unit priced items as measured during construction.

ANALYSIS

Not applicable.

ENVIRONMENTAL

Not applicable.

CITY COUNCIL AGENDA REPORT – MEETING OF MAY 21, 2024

City Clerk's Office Renovation – Final Payment

Page 3 of 3

DISCUSSION

The City Clerk's Office Renovation project consisted of various improvements and refreshed the City Hall North Wing.

SUMMARY/NEXT STEPS

Upon the approval of the City Council of the recommended actions, the Public Works Department will coordinate with the Finance Department to issue a final payment to CTG Construction and proceed to close the project. The Public Works Department will then file the Notice of Completion. The retention will be released following the mandatory waiting period following the filing of the Notice of Completion with the LA County Registrar-Recorder.

ATTACHMENTS:

A. Final Payment Detail

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>

ATTACHMENT A

Payment Detail:
CITY CLERK'S OFFICE RENOVATION

Contractor: CTG Construction, Inc.
433 Lecouvreur Avenue
Wilmington, CA 90744

Final Payment: \$ 156,940.00

Item No.	Description	Contract				Completed This Period		Completed To Date	
		Quantity	Units	Unit Price	Total	Quantity	Amount	Quantity	Amount
Contract Work									
1.	Mobilization.	1	L.S.	\$ 15,000.00	\$ 15,000.00	25%	\$ 3,750.00	100%	\$ 15,000.00
2.	Demolition.	1	L.S.	\$ 15,000.00	\$ 15,000.00	100%	\$ 15,000.00	100%	\$ 15,000.00
3.	Door Infill & Openings: Wood Framing, blocking, trims, & new metal channel.	1	L.S.	\$ 6,000.00	\$ 6,000.00	25%	\$ 1,500.00	100%	\$ 6,000.00
4.	Door & Windows: Storefront system, with door and door hardware, re-installation of existing door w/ tempered glass and new wood door frame, and new carpet transition OR strip.	1	L.S.	\$ 39,000.00	\$ 39,000.00	100%	\$ 39,000.00	100%	\$ 39,000.00
5.	Finishes: Painting/Caulking, Drywall & Patching of Wall, Rubber Base, and Furnish/ Remove/ Install Carpet, Including Moving Office Furniture/ Equipment to Place Carpet.	1	L.S.	\$ 115,000.00	\$ 115,000.00	25%	\$ 28,750.00	100%	\$ 115,000.00
6.	Electrical: Service, Power, Switching, Distribution, Occupancy Sensors, Data & Communication Conduits.	1	L.S.	\$ 10,000.00	\$ 10,000.00	25%	\$ 2,500.00	100%	\$ 10,000.00
7.	Remove existing 39 City Council member's portraits from hallway, and place on the City Hall lobby (North chamber wall) per the layout attached in the appendix.	1	L.S.	\$ 10,000.00	\$ 10,000.00	25%	\$ 2,500.00	100%	\$ 10,000.00
8.	Provide full abatement for project area in accordance with Title 17 and HUD guidelines for proper removal for all contaminated items per the Lead and Asbestos Report in Appendix, including containment, site cleanup, barrier systems, and interim control.	1	L.S.	\$ 15,000.00	\$ 15,000.00	50%	\$ 7,500.00	100%	\$ 15,000.00
Contract Total:					\$ 225,000.00	Total this Period:	\$ 100,500.00		\$ 225,000.00

CCO 1	Scope of work modification as described in Contract Change Order No.1	1	L.S.	\$ 56,200.00	\$ 56,200.00	100%	\$ 56,200.00	100%	\$ 56,200.00
CCO 2	Scope of work additions as described in Contract Change Order No.2	1	L.S.	\$ 8,500.00	\$ 8,500.00	100%	\$ 8,500.00	100%	\$ 8,500.00
Contract Change Order Total:					\$ 64,700.00	Total this Period:	\$ 64,700.00		\$ 64,700.00

Total Items Completed this Period:	\$ 165,200.00	Total Items Completed to Date:	\$ 289,700.00
Total Completed Items to Date:		\$ 289,700.00	

CONTRACT PAYMENTS:

Total Items Completed to Date:	\$	289,700.00
Less 5% Retention:	\$	14,485.00
Progress Payment No 1:	\$	118,275.00
Final Payment:	\$	156,940.00

Invoice Date	Invoice No.	Warrant Billing Period		Amount	Retention Amount
		Invoice Due Date	Invoice Pay Date		
01/09/2024	2203	01/10/2024	01/18/2024	\$ 118,275.00	\$ 6,225.00
04/16/2024	2234	05/29/2024	06/06/2024	\$ 156,940.00	\$ 8,260.00

	Amount	Account
Finance Please Pay:	\$ 156,940.00	PW220020
5% Retention Completed this Period:	\$ 8,260.00	270010
Recommended by Project Manager:	Robert Garcia	Robert Garcia #2232 5/10/24
Approved by PW Director:	James Enriquez, PE	



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: James Enriquez, P.E., Director of Public Works / City Engineer

SUBJECT: SANTA FE SPRINGS LIGHTING DISTRICT NO. 1 – ADOPTION OF RESOLUTION NO. 9908 AND RESOLUTION NO. 9909

DATE: May 21, 2024

RECOMMENDATION:

It is recommended that the City Council:

- 1) Adopt Resolution No. 9908, approving the Engineer's Report (Fiscal Year 2024/25) in conjunction with the annual levy of assessments for Street Lighting District No. 1; and
- 2) Adopt Resolution No. 9909, 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 on June 18, 2024 at 6:00 p.m.; and
- 3) Take such additional, related, action that may be desirable.

FISCAL IMPACT

The recommended resolutions would conditionally approve, pending the public hearing and final City Council authorization thereafter, the continued levying of assessments in Fiscal Year 2024/25 for Santa Fe Springs Lighting District No. 1 (District). The Engineer's Report (Attachment A) describes the method of apportionment, and presents a proposed budget for Fiscal Year 2024/25. As noted on Page 15 of the Engineer's Report, the estimated total direct and administrative costs for providing street lights throughout the city is \$915,700, including \$274,710 for lights outside of the District and \$640,990 within the District. There is effectively no increase recommended in the total levy amount which totals \$193,765. Therefore, the General Fund subsidy for this year will be \$447,225.

Santa Fe Springs Lighting District No. 1 – Adoption of Resolution No. 9908 and Resolution No. 9909

Page 2 of 3

BACKGROUND

The Santa Fe Springs Lighting District No. 1 was formed May 26, 1982, under the provisions of the Landscaping and Lighting Act of 1972. The District does not include any residential properties or any properties with a residential land code. A map of the boundaries of the District is shown in the Boundary Map (Attachment D).

After the initial formation of the district, it is necessary for the City to annually update the Lighting District assessment. This allows the City to continue levying annual assessments on the properties located within the Lighting District. The required documents to satisfy the legal requirements are outlined in Chapter 3 of the Landscaping and Lighting Act of 1972 as contained in the Streets and Highways Code.

The Council, at their meeting of March 5, 2024, approved Resolution No. 9897 ordering the preparation of the Engineer's Report according to the provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California.

ANALYSIS

A copy of the Annual Engineer's Report for the City of Santa Fe Springs Lighting District No. 1 (Attachment A) is attached for City Council review and approval. The Engineer's Report satisfies the legal requirements described previously. In summary, the Engineer's Report addresses compliance with the state law, describes the method of apportionment, and presents a proposed budget for Fiscal Year 2024/25. Resolution No. 9908 (Attachment B) approves the Annual Engineer's Report.

Resolution No. 9909 (Attachment C) declares the City's Intention to Levy Annual Assessments in the Heritage Springs Assessment District and sets the public hearing date for June 18, 2024 at 6:00 p.m.

ENVIRONMENTAL

Not applicable.

DISCUSSION

The annual assessment rate for the District has not been increased since the fiscal year 1992/1993, although the costs of providing the improvements that benefit the properties within the District continue to rise. In 2004, the City conducted an election to try to increase the annual assessment rate. However, a majority protest existed and the proposed assessment increase was not imposed. While there is no assessment increase this year, the need to consider an adjustment should be evaluated.

Santa Fe Springs Lighting District No. 1 – Adoption of Resolution No. 9908 and Resolution No. 9909

Page 3 of 3

SUMMARY/NEXT STEPS

Upon approval by the City Council of the recommended actions, City staff will work with the City's consultant to complete the annual assessment district update process and file with the County Assessor for inclusion in the Tax Roll.

ATTACHMENTS:

- A. Engineer's Report
- B. Resolution No. 9908
- C. Resolution No. 9909
- D. Boundary Map

ITEM STATUS:

APPROVED: ☐

DENIED: ☐

TABLED: ☐

DIRECTION GIVEN: ☐



City of Santa Fe Springs

Lighting District No. 1

2024/2025 ENGINEER'S ANNUAL LEVY REPORT

Intent Meeting: May 21, 2024

Public Hearing: June 4, 2024

27368 Via Industria
Suite 200
Temecula, California 92590
T 951.587.3500 | 800.755.6864
F 951.587.3510

www.willdan.com



ENGINEER'S REPORT AFFIDAVIT
Establishment of Annual Assessments for the:

Santa Fe Springs Lighting District No. 1

City of Santa Fe Springs
Los Angeles County, State of California

This Report identifies the parcels within the District, as they existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the Los Angeles County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2024.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Santa Fe Springs

By: _____

Chonney Gano, Project Manager
District Administration Services

By: _____

Tyrone Peter
P.E. # C81888

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I. OVERVIEW

A. INTRODUCTION

The City of Santa Fe Springs (hereafter referred to as “City”) annually levies and collects special assessments in order to provide and maintain the improvements within the Santa Fe Springs Lighting District No. 1 (hereafter referred to as “District”). The District was formed on May 26, 1982 and is annually levied pursuant to the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code* (hereafter referred to as the “1972 Act”). The annual assessments levied on parcels within the District are based on the special benefits received, and partially fund the costs associated with the installation, maintenance, operation and administration of the public streetlight system within the District.

This Engineer's Report (hereafter referred to as the “Report”) has been prepared pursuant to the order of the City Council as required by the provisions *Chapter 3*, of the 1972 Act (*commencing with Section 22620*), which outlines the procedures for the annual levy of assessments. This Report provides an update of the District including the proposed expenses and revenues, any substantial change in the improvements or the District, and the proposed assessments to be levied on the County of Los Angeles (the “County”) tax roll for Fiscal Year 2024/2025 and has been prepared pursuant to the requirements of *Article 4, Chapter 1*, of the 1972 Act (*inclusive of Sections 22565 through 22574*). In addition to the provisions of the 1972 Act, it has been determined that the existing annual assessments for this District have been previously levied in accordance with the provisions of the *California Constitution Article XIID* which was enacted as a result of the passage of Proposition 218, approved by the California voters in November 1996.

The annual assessment rate for the District has not increased since Fiscal Year 1992/1993, although the costs of providing the improvements that benefit the properties within the District have continued to rise. Initially, the rising costs to provide streetlights within the District were offset by the District fund balance and an assessment increase was not necessary. Eventually the District fund balance was exhausted and the City began making increasingly greater contributions each year to the District expenses, not only to cover the general benefit portion of the costs, but also to subsidize the special benefit costs not recovered by the annual assessments.

In 2004, the City performed an extensive review of the District including the boundaries of the District, the properties therein, the special benefit properties received from the improvements, the general benefit the improvements may provide to properties outside the District or to the public at large, as well as the current and long-term costs and expenses associated with providing the improvements. Based on this review and evaluation, the City Council determined that it was necessary and in the best interest of the property owners within the District to conduct a property owner protest ballot proceeding for an increase to the annual assessments for Fiscal Year 2004/2005 in accordance with the

provisions of the *California Constitution Article XIID*. Based on the ballot tabulation conducted on July 8, 2004, a majority protest existed, and the proposed assessment increase was not imposed.

The word “parcel”, for the purposes of this Report, refers to an individual property assigned its own Assessment Parcel Number by the Los Angeles County Assessor’s Office. The Los Angeles County Auditor/Controller uses Assessment Parcel Numbers and specific Fund Numbers to identify, on the tax roll, properties assessed for special district benefit assessments.

At a noticed annual Public Hearing, the City Council will consider public testimony regarding the District. The City Council will review the Engineer’s Annual Report and may order amendments to the Report or confirm the Report as submitted. Following final approval of the Report and confirmation of the assessments, the Council will order the levy and collection of assessments for Fiscal Year 2024/2025 pursuant to the 1972 Act. In such case, the assessment information will be submitted to the County of Los Angeles (the “County”) Auditor/Controller for inclusion on the property tax roll for each parcel in Fiscal Year 2024/2025. If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the current Fiscal Year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate approved by the City Council.

B. COMPLIANCE WITH THE CURRENT LEGISLATION

As a result of the passage of Proposition 218 in November 1996, *Articles XIIC and XIID* were added to the California Constitution. *Article XIID* specifically addressed both the substantive and procedural requirements to be followed for assessments. The procedural and approval process for assessments outlined in this article apply to assessment districts, with the exception of those existing assessments that met one or more of the exemptions set forth in *Section 5* of the Article. Specifically as it relates to Lighting District No. 1, the exemption provision set forth in *Section 5(a) of Article XIID* states:

“...assessments existing on the effective date of this Article shall be exempt from the procedures and approval process set forth in Section 4 [if they were] imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control.”

The District’s streetlight assessments were established in Fiscal Year 1982/1983 and have not been increased since Fiscal Year 1992/1993. These assessments have funded improvements that are classified as street improvements as defined herein based on the definitions provided by the Office of the Controller for the State

of California in the “Guidelines Relating to Gas Tax Expenditures” published by the Division of Local Government Fiscal Affairs. The state's gas tax program is administered in city agencies, but audited by the Office of the State Controller. The proceeds of the gas tax are statutorily limited to expenditures for streets and roads. Because the funds are restricted to street and road expenditures, the State Controller has developed the “Street Purpose Definitions and Guidelines” based on the “Manual of Uniform Highway Accounting and Financial Management Procedures” developed by the American Association of State Highway Officials. Street improvement, as it relates to this District, is defined as the construction, operation, or maintenance of facilities within the right of way used for street or road purposes including but not limited to the following:

- Installation or expansion of the streetlight system including replacement of old equipment with superior equipment, installation of traffic signals at intersections and railroad crossings, replacement of equipment as required for relocations for street purposes, and purchase and installation of traffic signal control equipment.
- Servicing lighting systems and street or road traffic control devices including, repainting and repairing traffic signals and lighting standards; and furnishing of power for street and road lighting and traffic control devices.

Therefore, the existing District assessments (assessment rates and method of apportionment) approved and levied prior to the passage of Proposition 218, are exempt from both the substantive and procedural approval process defined by *Article XIID, Section 4*, until such time the assessments are increased.

II. DESCRIPTION OF THE DISTRICT AND SERVICES

A. BOUNDARIES OF THE DISTRICT

The boundary of the District is completely within the City limits of the City and is shown on the Assessment Diagram, which is on file in the office of the City Clerk at the City Hall of Santa Fe Springs, a depiction of which is shown in Exhibit A of this Report. The parcels of real property included within the District are identified by land use categories ("Use Codes"). A listing of the Use Codes that may be applicable to parcels within this District and typically utilized by the Los Angeles County Assessor's Office for identification of property land uses is provided in the Method of Apportionment section of this Report. Excluded from assessments are utility easements, rights-of-way, common areas, public schools, public streets, residential properties, and other public properties. The parcels within the District are described in detail on the assessor parcel maps on file in the Los Angeles County Assessor's Office, which by reference are made a part of this Report.

B. IMPROVEMENTS AUTHORIZED BY THE 1972 ACT

As applicable or may be applicable to this proposed District, the 1972 Act defines improvements to mean one or any combination of the following:

- The installation or construction of public lighting facilities.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The maintenance or servicing, or both, of any of the foregoing.
- The acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

- The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
- The costs of printing, advertising, and the publishing, posting and mailing of notices;
- Compensation payable to the County for collection of assessments;
- Compensation of any engineer or attorney employed to render services;
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5; and
- Costs associated with any elections held for the approval of a new or increased assessment.

The 1972 Act defines "maintain" or "maintenance" to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.
- The removal of trimmings, rubbish, debris, and other solid waste.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

C. IMPROVEMENTS, PLANS AND SPECIFICATIONS

The annual special benefit assessments levied on parcels within the District provide funding for a portion of the annual expenses related to the installation, maintenance, operation and administration of the streetlight system within the District boundaries. The costs associated with the improvements are equitably spread among benefiting parcels in proportion to their special benefits. Streetlight improvements within the City but not within the District's boundaries and that portion of the District's improvements determined to be general benefit are funded by other revenue sources. Only improvements, services and incidental expenses

permitted under provisions of the 1972 Act that are necessary for the ongoing maintenance, operation and administration of the District streetlight system that provides special benefits to the parcels within the District are included in the annual assessment.

Maintenance of the streetlight system within the District may include, but is not limited to removal, repair, replacement, modification, or relocation of the light standards, poles, bulbs, fixtures, and appurtenances. Servicing of the Southern California Edison Company-owned streetlights is furnished by the Southern California Edison Company or by its successors or assignees. The rates charged by the Edison Company include both the power and maintenance costs and are regulated and authorized by the Public Utilities Commission of the State of California. The City's Public Works Department provides for the servicing of the City-owned streetlights. The energy rates charged for City-owned streetlights is also regulated and authorized by the Public Utilities Commission.

Approximately eight percent (8%) of the streetlights within the District are owned and maintained by Southern California Edison Company. The remaining ninety-two percent (92%) of the streetlights are owned by the City and are maintained by the City. The following table provides a summary of the streetlight inventory within the District for Fiscal Year 2024/2025:

Table 1 - Streetlight Inventory for Fiscal Year 2024/2025

Account No/ Description		Number of Lights Per Type										TOTAL	
		70 Watt	100 Watt	Series 100 Watt	150 Watt	Series 150 Watt	200 Watt	Series 200 Watt	250 Watt	310 Watt	400 Watt	Lights	Watts
3-008-8387-95	LS-1 (Edison-owned)	-	2	-	-	-	-	-	-	-	-	2	200
3-008-8182-13	LS-1 (Edison-owned)	-	-	-	-	-	3	-	1	-	-	4	850
3-008-8182-03	LS-1 (Edison-owned)	-	12	-	22	-	16	-	-	-	-	50	7,700
3-008-8182-02	LS-1 (Edison-owned)	-	6	-	-	-	-	-	-	-	-	6	600
3-008-8181-99	LS-1 (Edison-owned)	1	163	-	1	-	1	-	-	-	5	171	18,720
3-008-8181-96	LS-1 (Edison-owned)	5	127	-	-	-	6	-	1	-	-	139	14,500
	LS - 1 TOTAL	6	310	-	23	-	26	-	2	-	5	372	42,570
3-008-9238-08	LS-2 (City-owned)	-	87	158	13	-	69	1	-	-	-	328	40,450
3-008-8181-98	LS-2 (City-owned)	-	-	-	126	2	85	-	37	3	-	253	46,380
3-008-8182-00	LS-2 (City-owned)	-	15	90	25	-	96	1	6	-	-	233	35,150
3-008-8182-01	LS-2 (City-owned)	-	14	-	160	-	119	-	22	9	-	324	57,490
3-008-8182-11	LS-2 (City-owned)	-	29	-	334	-	136	46	128	-	17	690	128,200
3-008-8182-14	LS-2 (City-owned)	-	12	-	279	-	356	-	88	4	15	754	143,490
3-008-8182-16	LS-2 (City-owned)	-	-	-	148	21	118	80	11	-	-	378	67,700
	LS - 2 TOTAL	-	157	248	1,085	23	979	128	292	16	32	2,960	518,860
	GRAND TOTAL	6	467	248	1,108	23	1,005	128	294	16	37	3,332	561,430

The proposed improvements for Fiscal Year 2024/2025 are unchanged from the previous Fiscal Year. Streetlight Inventory Maps showing the location of the various streetlights within the District are on file in the office of the City Clerk at the City Hall and by reference are made part of this Report.

III. METHOD OF APPORTIONMENT

A. GENERAL

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements which include the construction, maintenance and servicing of streetlights and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

The formula used for calculating assessments in this District reflects the composition of the parcels, and the improvements and services provided, to fairly apportion the costs based on estimated benefit to each parcel.

In addition, pursuant to *Article XIID, Section 4*, a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel, only special benefits may be assessed and the costs associated with general benefit must separate from the special benefits. Therefore, in compliance with these requirements only the District costs that have been identified as “Special Benefit” are assessed, the costs of any improvements considered to be “General Benefit” have been eliminated from the net amount to be assessed.

B. BENEFIT ANALYSIS

The District's improvements, the associated costs and proposed assessments described in this Report, have been carefully reviewed and have been identified and allocated based on a benefit calculation that proportionally allocates the net cost to the benefiting properties pursuant to the provisions of *Article XIID* and the 1972 Act. The location and extent of the various streetlight improvements within the District and the associated costs have been identified as either “General Benefits” (not assessed) or “Special Benefits”.

Special Benefits

The method of apportionment (method of assessment) established for this District utilizes commonly accepted engineering practices and is based on the premise that each of the assessed parcels within the District receives special benefit from the improvements maintained and financed by District assessments. The desirability and security of properties within the District is enhanced by the presence of streetlights in close proximity to those properties.

The primary benefits of streetlights are for the convenience, safety and protection of people as well as the security and protection of property, property improvements

and goods. Specifically, the benefits of adequate and well-maintained streetlights that benefit both the properties and property owners within the District include:

- Improves ingress and egress to property, provides customers, suppliers and employees an enhanced environment in which to access the properties.
- Enhanced deterrence of crime and the aid to police protection and security activities.
- Reduced vulnerability to criminal assault of employees, patrons and owners at night.
- The promotion of increased business activities during nighttime hours.
- Increased nighttime safety on roads and highways.
- Reduced vandalism and other criminal acts and damage to improvements or personal property.
- Improved traffic circulation and reduced nighttime accidents and personal property loss.
- Reduction of dumping, graffiti and loitering typically associated with poorly lighted areas.
- Enhances desirability of properties and the ability to conduct or expand business opportunities through association with an area that has sufficient streetlights.

The intensity or degree of illumination provided within the District can enhance these benefits and is a significant factor in determining the benefits properties receive from streetlights improvements. The number and intensity of the streetlights provided in this District are significantly greater than the residential areas of the City and are generally more extensive than the streetlights provided in similar commercial and industrial areas of other cities. For these reasons, it has been determined that the streetlight improvements provided by the District are a special benefit to the properties within the District.

General Benefit

Although the improvements clearly provide special benefits to properties within the District, it is recognized that some of these facilities by the nature of their location may also benefit properties outside the District that are not assessed and to a lesser extent may provide some benefit to the public at large. Therefore, a portion of the cost to operate, maintain, and service the streetlight improvements within the District are identified as general benefit and not included in the annual assessments as special benefit. In a detailed evaluation of the entire streetlight system within the City it was determined that, over eighty percent (80%) of the cost to maintain and service the City's streetlights is attributable to the streetlights within this District. The remaining twenty percent (20%) of the City's annual costs for streetlights is associated primarily with the residential areas of the City and these streetlights are currently funded by other revenues sources. Approximately seven percent (7%) of the streetlight improvement costs within the District itself are attributable to streetlight facilities that benefit properties outside the District as well

as properties within the District. Based on this evaluation, it has been determined that twenty-seven percent (27%) of the District's annual costs budgeted for Fiscal Year 2024/2025 is considered general benefit. This is a quantifiable percentage based on the current City streetlight system and expenditures. Although not as quantifiable, it is also reasonable to assume that the District improvements also provide some general benefit to the public at large and a reasonable percentage of this benefit should not exceed three percent (3%) for a total general benefit of thirty percent (30%) of the District's costs. The cost of providing the District improvements that are considered general benefit include benefits conferred on real property or to the public at large. These costs shall not be included in the annual assessments and shall be funded by other revenue sources available to the City. These funds are shown in the annual budget of this Report as a General Fund contribution and the amount to be levied as assessments for the District represent only the special benefit portion of the District expenses.

C. ASSESSMENT METHODOLOGY

Pursuant to the 1972 Act, the costs of the District may be apportioned by any formula or method that fairly distributes the net amount to be assessed among assessable parcels in proportion to the estimated benefits to be received by each such parcel from the improvements. The apportionment of costs used should reflect the composition of the parcels and the improvements and services provided based on each parcel's estimated special benefit.

Benefit Assessment Unit

To assess benefits equitably, it is necessary to relate the different types of parcel improvements to each other. A value of one unit has been assigned as the basic benefit assessment unit. The benefit assessment unit consists of three classifications of benefit: people, security and intensity. The Benefit Factor for each property type is equal to the aggregate amount of benefit assessment units that a parcel receives.

The following table summarizes the various property types within the District by use code and the applicable benefit assessment units that are applied to those properties.

Table 2 - Use Codes and Benefit Assessment Units

Use Code	Description	People	Security	Intensity	Benefit Factor
00-09*	Residential	-	-	-	0.00
10	Vacant Commercial Land	0.00	0.50	0.50	1.00
11	Stores	2.00	1.00	1.00	4.00
12	Store Combinations	2.00	1.00	1.00	4.00
13	Department Stores	4.00	2.00	2.00	8.00
15**	Neighborhood Shopping Center	**	**	**	8.00
16**	Regional Shopping Center	**	**	**	8.00
17	Office Building	1.00	1.00	1.00	3.00
18	Hotels and Motels	4.00	2.00	2.00	8.00
19	Professional Buildings	1.00	1.00	1.00	3.00
21	Restaurants	3.00	1.00	1.00	5.00
23	Banks, Savings and Loans	1.00	1.00	1.00	3.00
24	Service Shops	1.00	1.00	1.00	3.00
25	Service Stations	2.00	1.00	1.00	4.00
26	Auto/Recreation Equip Sales	2.00	2.00	2.00	6.00
27	Parking Lots (Commercial)	1.00	1.00	0.50	2.50
28	Animal Kennel	1.00	0.50	0.50	2.00
29	Nurseries or Greenhouses	1.00	0.50	0.50	2.00
30	Vacant Industrial Land	0.00	0.50	0.50	1.00
31	Light Manufacturing	3.00	1.00	2.00	6.00
32**	Heavy Manufacturing	**	**	**	8.00
33	Warehousing	2.00	1.00	2.00	5.00
34	Food Processing Plants	3.00	1.00	2.00	6.00
36	Lumber Yards	1.00	1.00	1.00	3.00
37**	Mineral Processing	**	**	**	5.00
38	Parking Lots (Industrial)	1.00	0.50	0.50	2.00
39**	Open Storage	**	**	**	8.00
44	Truck Crops	0.50	0.25	0.25	1.00
47	Dairies	0.50	0.25	0.25	1.00
61	Theaters	3.00	1.00	1.00	5.00
63	Bowling Alleys	4.00	2.00	2.00	8.00
64	Club, Lodge Hall, Fraternal Organization	2.00	1.00	1.00	4.00
65	Recreational	2.00	1.00	1.00	4.00
71	Churches	1.00	0.50	0.50	2.00
72	Schools (Private)	1.00	0.50	0.50	2.00
77	Cemeteries, Mausoleums, Mortuaries	0.50	0.25	0.25	1.00
83	Petroleum and Gas	1.00	0.50	0.50	2.00
89	Dump Sites	0.50	0.25	0.25	1.00
99**	Distribution Centers	**	**	**	8.00

* Residential Properties are not assessed

** Minimum Assigned Benefit Factor. See Special Use Codes Section for details.

Special Use Codes

The following Use Codes have been listed separately because of their unique operations inherent to their classifications, the size of real property, and the high use as a result of their specific operation. The total benefit assessment unit assigned to each parcel is calculated based on the parcel's acreage and a specified weighting factor applied to that use code designation (formula). However, the minimum benefit units assigned to a parcel shall not be less than the Benefit Factor shown on the "Use Code and Benefit Assessment Units" table shown on the previous page unless the parcel fronts on a street without lights. In this case, the Benefit Factor may be reduced below this minimum. (Refer to the table for "Streets Without Lights").

Use Code 99 is a special use code not found in the Los Angeles County Assessor's listing and is assigned to distribution centers for this District only. Parcels of land in Use Code 99 typically run continual 24-hour operations and receive substantial benefit from the District's streetlight improvements.

Table 3 – Special Use Code

Use Code	Description	Formula
15	Neighborhood Shopping Center	6.32 benefit units / acre
16	Regional Shopping Center	8.71 benefit units / acre
32	Heavy Manufacturing	5.45 benefit units / acre
37	Mineral Processing	3.27 benefit units / acre
39	Open Storage	6.53 benefit units / acre
99	Distribution Center	9.80 benefit units / acre

Streets Without Lights

The total Benefit Assessment Units of any parcel identified on the "Use Code and Benefit Assessment Units" table shown on the previous page that front on a street without District streetlights shall be assessed for people-related benefits only. It has been determined that these parcels do not receive the same special benefits from security or intensity that other parcels in the District receive.

The Special Use Code parcels on streets with no District streetlight facilities are reduced by approximately 1/3 (of Table 3) to account for their reduced special benefits from security or intensity. The calculation of this reduced benefit is outlined in the following table for Special Use Codes:

Table 4 – Special Use Code (Streets Without Lights)

Use Code	Description	Formula
15	Neighborhood Shopping Center	4.23 benefit units / acre
16	Regional Shopping Center	5.84 benefit units / acre
32	Heavy Manufacturing	3.66 benefit units / acre
37	Mineral Processing	2.18 benefit units / acre
39	Open Storage	4.36 benefit units / acre
99	Distribution Center	6.58 benefit units / acre

D. BENEFIT FORMULA

The benefit formula applied to each parcel is based on the preceding Benefit Assessment Unit tables. Each parcel's Benefit Factor is equal to the aggregate amount of benefit assessment units that a parcel receives and correlates to the parcel's special benefit received as compared to other parcels in the District.

The following formulas are used to calculate each property's assessment:

$$\text{People Benefit Assessment Unit} + \text{Security Benefit Assessment Unit} + \text{Intensity Benefit Assessment Unit} = \text{Parcel's Benefit Factor}$$

$$\text{Total Balance to Levy / Aggregate of Benefit Factors} = \text{Levy per Benefit Factor (Assessment Rate)}$$

$$\text{Assessment Rate} \times \text{Parcel's Benefit Factor} = \text{Parcel Levy Amount}$$

The following table provides a summary, by Use Code, of the benefit units, proposed charge, and total count of assessable parcels in the District.

Table 5 – Summary of Assessable Parcels (by Use Code)

Use Code	Description	Benefit Units	Applied Rate	Proposed Charge	Parcel Assessed
10	Vacant Commercial Land	20.00	\$17.05	\$341.00	20
11	Stores	68.00	17.05	1,159.40	17
12	Store Combinations	16.00	17.05	272.80	4
15**	Neighborhood Shopping Center	8.00	17.05	136.40	1
16**	Regional Shopping Center	529.26	17.05	9,023.87	33
17	Office Building	94.10	17.05	1,604.43	6
18	Hotels and Motels	117.00	17.05	1,994.85	39
19	Professional Buildings	24.00	17.05	409.20	3
21	Restaurants	18.00	17.05	306.90	6
23	Banks, Savings and loans	140.00	17.05	2,387.00	28
24	Service Shops	15.00	17.05	255.75	5
25	Service Stations	3.00	17.05	51.15	1
26	Auto/Recreation Equip Sales	36.00	17.05	613.80	9
27	Parking Lots (Commercial)	168.00	17.05	2,864.40	28
30	Vacant Industrial Land	116.00	17.05	1,977.63	34
31	Light Manufacturing	136.00	17.05	2,318.80	136
32**	Heavy Manufacturing	3,717.00	17.05	63,374.85	620
33	Warehousing	767.51	17.05	13,085.89	38
34	Food Processing Plants	4,578.13	17.05	78,057.14	736
36	Lumber Yards	75.00	17.05	1,278.75	13
37**	Mineral Processing	9.00	17.05	153.45	3
38	Parking Lots (Industrial)	257.04	17.05	4,382.47	21
39**	Open Storage	58.00	17.05	988.90	29
61	Theaters	363.51	17.05	6,197.87	19
65	Recreational	5.00	17.05	85.25	1
71	Churches	8.00	17.05	136.40	2
72	Schools (Private)	2.00	17.05	34.10	1
83	Petroleum and Gas	0.00	0.00	0.00	0
89	Dump Sites	12.00	17.05	204.60	6
99**	Distribution Centers	4.00	17.05	68.20	4
	*Total	11,364.56		\$193,765.25	1,863

* Total parcel count will vary as parcels are submitted under five SBE numbers.

** See Special Use Codes Section.

IV. DISTRICT BUDGET

Table 6 – District Budget FY 2024/2025

LIGHTING BUDGET (FY 2024/25)	District Budget
Energy Costs	\$400,000
Maintenance and Labor Costs	280,800
Supplies, Materials and Equipment	52,000
Contractual Services	34,000
Overhead	140,400
Direct Costs (Subtotal)	\$907,200
Miscellaneous/Special Administration Expenses	8,500
Administration Costs (Subtotal)	8,500
Total Direct and Admin. Costs	\$915,700
General Benefit Contribution	(274,710)
General Fund Contribution * (Not General Benefit)	(447,225)
Balance to Levy	\$193,765
Total Parcels Levied	1,863
Total Benefit Units	11,364.56
Proposed Levy per Benefit Unit	\$17.05
Current Maximum Assessment Rate	\$17.05

*The City will continue to attempt to identify ways to decrease costs in order to reduce the General Fund Contribution required.

EXHIBIT A – DISTRICT ASSESSMENT DIAGRAM

An Assessment District Diagram has been prepared for the District in the format required by the 1972 Act and is on file in the Office of the City Clerk at the City Hall of Santa Fe Springs and is made part of this Report. The Assessment Diagram is available for inspection at the Office of the City Clerk during normal business hours.

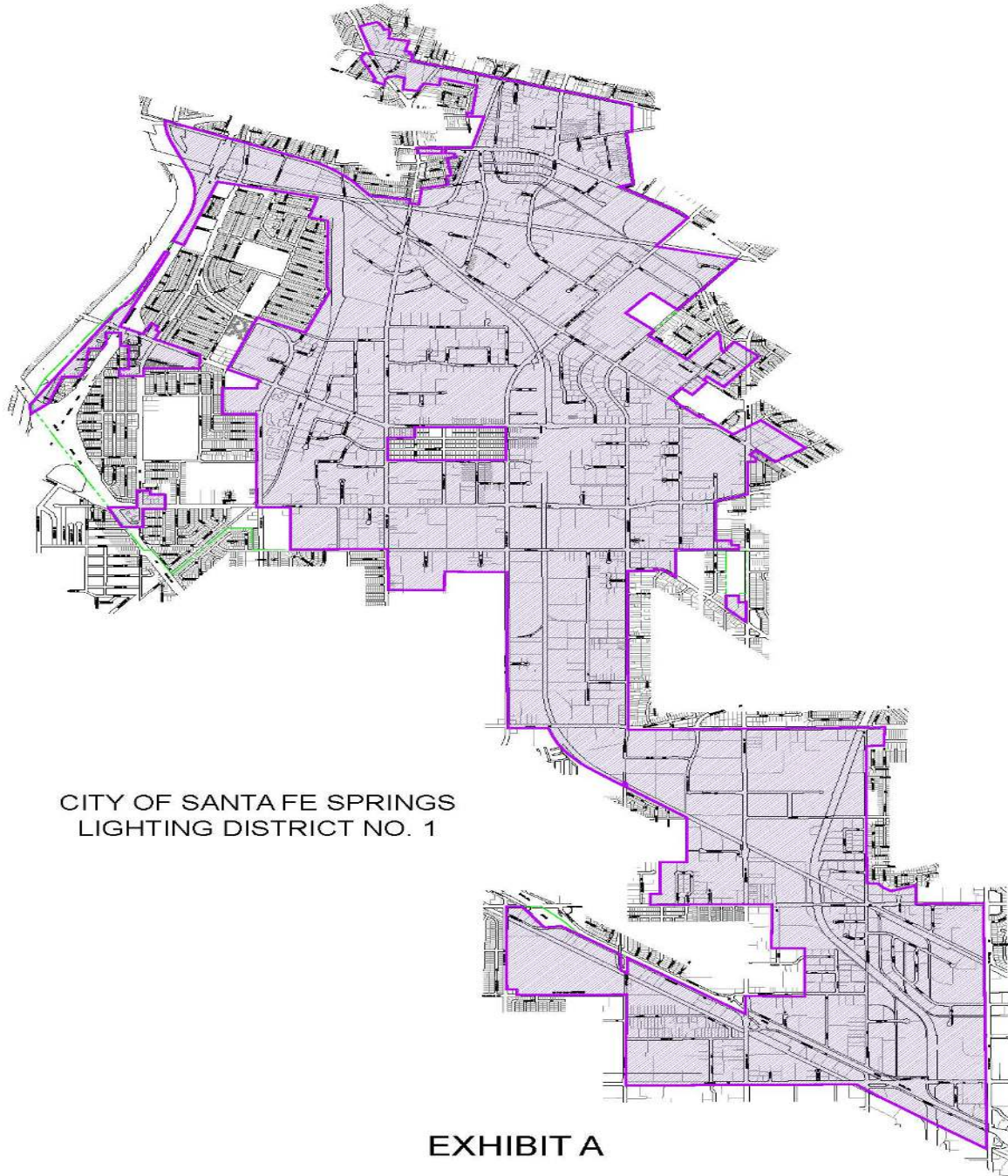


EXHIBIT B – 2024/2025 ASSESSMENT COLLECTION ROLL

Parcel identification for each lot or parcel within the District shall be the parcel as shown on the Los Angeles County Assessor's map for the year in which this Report is prepared.

The land use classification for each parcel has been based on the Los Angeles County Assessor's Roll. A listing of parcels assessed within this District, along with the proposed assessment amounts, has been submitted to the City Clerk and by reference is made part of this Report.

Approval of the Annual Engineer's Report (as submitted or as modified) confirms the method of apportionment and the assessment rate to be levied against each eligible parcel and thereby constitutes the approved levy and collection of assessments for Fiscal Year 2024/2025. The listing of parcels and the amount of assessment to be levied shall be submitted to the County Auditor/Controller and included on the property tax roll for each parcel in Fiscal Year 2024/2025.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the current Fiscal Year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rate approved in this Report. Therefore, if a single parcel has changed to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

RESOLUTION NO. 9908

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS,
CALIFORNIA, APPROVING THE ENGINEER'S "REPORT" FOR ANNUAL LEVY OF
ASSESSMENT FOR FISCAL YEAR IN A DISTRICT WITHIN SAID CITY**

WHEREAS, the CITY COUNCIL of the CITY OF SANTA FE SPRINGS, CALIFORNIA, pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the State of California, did, by previous Resolution, order the preparation of an Engineer's "Report" for the annual levy of assessments, consisting of plans and specifications, an estimate of the cost, a diagram of the district, and an assessment relating to what is now known and designated as

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

(hereinafter referred to as the "District")' and,

WHEREAS, there has now been presented to this City Council the "Report" as required by said Division 15 of the Streets and Highways Code and as previously directed by Resolution; and,

WHEREAS, this City Council has now carefully examined and reviewed the "Report" as presented, and is satisfied with each and all of the items and documents as set forth therein, and is satisfied that the assessments, on a preliminary basis, have been spread in accordance with the benefits received from the maintenance to be performed, as set forth in said "Report."

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

SECTION 1. That the above recitals are true and correct.

SECTION 2. That the "Report" as presented, consisting of the following:

- A. Estimate of costs;
- B. Diagram of the District;
- C. Assessment of the estimated Cost

Is hereby approved; and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 3. That the City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the Engineer's "Report."

APPROVED and ADOPTED this 21st day of May 2024.

Jay Sarno, Mayor

ATTEST:

Fernando Muñoz, CMC, Deputy City Clerk

RESOLUTION NO. 9909

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, DECLARING ITS INTENTION TO PROVIDE FOR AN ANNUAL LEVY AND COLLECTION OF ASSESSMENTS FOR CERTAIN MAINTENANCE IN AN EXISTING DISTRICT, PURSUANT TO THE PROVISIONS OF DIVISION 15, PART 2 OF THE STREETS AND HIGHWAYS CODE OF THE STATE OF CALIFORNIA, AND SETTING A TIME AND PLACE FOR PUBLIC HEARING THEREON.

WHEREAS, the CITY COUNCIL of the CITY OF SANTA FE SPRINGS, CALIFORNIA has previously formed a lighting district pursuant to terms and provisions of the "Landscaping and Lighting Act of 1972", being Division 15, Part 2 of the Streets and Highways Code of the State of California, in what is known and designated as

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

(hereinafter referred to as the "District") and,

WHEREAS, at this time, this City Council is desirous to take proceedings to provide for the annual levy of assessments for the next ensuing fiscal year, to provide for the costs and expenses necessary for continual maintenance of improvements within said District; and,

WHEREAS, at this time there has been presented and approved by this City Council, the Engineer's "Report" as required by law, and this City Council is desirous of proceeding with the proceedings for said annual levy.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

SECTION 1. That the above recitals are true and correct.

PUBLIC INTEREST

SECTION 2. That the public interest and convenience requires, and it is the intention of this City Council, to undertake proceedings for the annual levy and collection of special assessments for the continual maintenance of certain improvements, all to serve and benefit said District as said area is shown and delineated on a map as previously approved by this City Council and on file in the Office of the City Clerk, open to public inspection, and herein so referenced and made a part hereof, and proposed changes thereto are set forth in the "Report" of the Engineer, incorporated herein as a part hereof.

REPORT

- SECTION 3. That the "Report" of the Engineer regarding the annual levy for said District, which "Report" is for maintenance for the Fiscal Year 2024/2025 is hereby approved and is directed to be filed in the Office of the City Clerk.
- SECTION 4. That the public interest and convenience requires, and it is the intention of this City Council to order the annual assessment levy for the District as set forth and described in said Engineer's "Report," and further it is determined to be in the best public interest and convenience to levy and collect annual assessments to pay the costs and expenses of said maintenance and improvement as estimated in said "Report."

DESCRIPTION OF MAINTENANCE

- SECTION 5. The assessments levied and collected shall be for the maintenance of certain improvements, as set forth in the Engineer's "Report," referenced and so incorporated herein.

COUNTY AUDITOR

- SECTION 6. The County Auditor shall enter on the County Assessment Roll the amount of the assessments, and shall collect said assessments at the time and in the same manner as County taxes are collected. After collection by the County, the net amount of the assessments, after the deduction of any compensation due to the County for collection, shall be paid to the Treasurer for purposes of paying for the costs and expenses of said District.

SPECIAL FUND

- SECTION 7. That all monies collected shall be deposited in a special fund known as

"SPECIAL FUND
CITY OF SANTA FE SPRINGS
LIGHTING DISTRICT NO. 1"

Payment shall be made out of said fund only for the purpose provided for in this Resolution, and in order to expedite the making of this maintenance and improvement, the City Council may transfer into said special fund, from any available source, such funds as it may deem necessary to expedite the proceedings. Any funds shall be repaid out of the proceeds of the assessments provided for in this Resolution.

BOUNDARIES OF THE DISTRICT

SECTION 8. Said contemplated maintenance work is, in the opinion of this City Council, of direct benefit to the properties within the boundaries of the District, and this City Council makes the costs and expenses of said maintenance chargeable upon a district, which district said City Council declares to be the district benefited by said improvement and maintenance, and to be further assessed to pay the costs and expenses thereof. Said District, shall include each and every parcel of land within the boundaries of said District, as said District is shown on a map as approved by this City Council and on file in the Office of the City Clerk, and designated by the name of the District.

PUBLIC PROPERTY

SECTION 9. Any lots or parcels of land known as public property, as the same are defined in Section 22663 of Division 15, Part 2 of the Streets and Highways Code of the State of California, which are included within the boundaries of the District, shall be omitted and exempt from any assessment to be made under these proceedings to cover any of the costs and expenses of said improvement and maintenance work.

PUBLIC HEARING

SECTION 10. NOTICE IS HEREBY GIVEN THAT TUESDAY, THE 18th DAY OF JUNE, 2024 AT THE HOUR OF 6:00 O'CLOCK P.M., IN THE REGULAR MEETING OF THE CITY COUNCIL, BEING THE COUNCIL CHAMBERS, IS THE TIME AND PLACE FIXED BY THIS CITY COUNCIL FOR THE HEARING OF PROTESTS OR OBJECTIONS IN REFERENCE TO THE ANNUAL LEVY OF ASSESSMENTS, TO THE EXTENT OF THE MAINTENANCE, AND ANY OTHER MATTERS CONTAINED IN THIS RESOLUTION, ANY PERSONS WHO WISH TO OBJECT TO THE PROCEEDINGS FOR THE ANNUAL LEVY SHOULD FILE A WRITTEN PROTEST WITH THE CITY CLERK PRIOR TO THE TIME SET AND SCHEDULED FOR SAID PUBLIC HEARING.

NOTICE

SECTION 11. That the City Clerk is hereby authorized and directed to publish a copy of this Resolution. Said publication shall be not less than ten (10) days before the date for said Public Hearing.

EFFECTIVE DATE

SECTION 12. That this Resolution shall take effect immediately upon its adoption.

PROCEEDINGS INQUIRIES

SECTION 13. For any and all information relating to the proceedings, protest procedure, any documentation and/or information of a procedural or technical nature, your attention is directed to the below listed person at the local agency or department so designated:

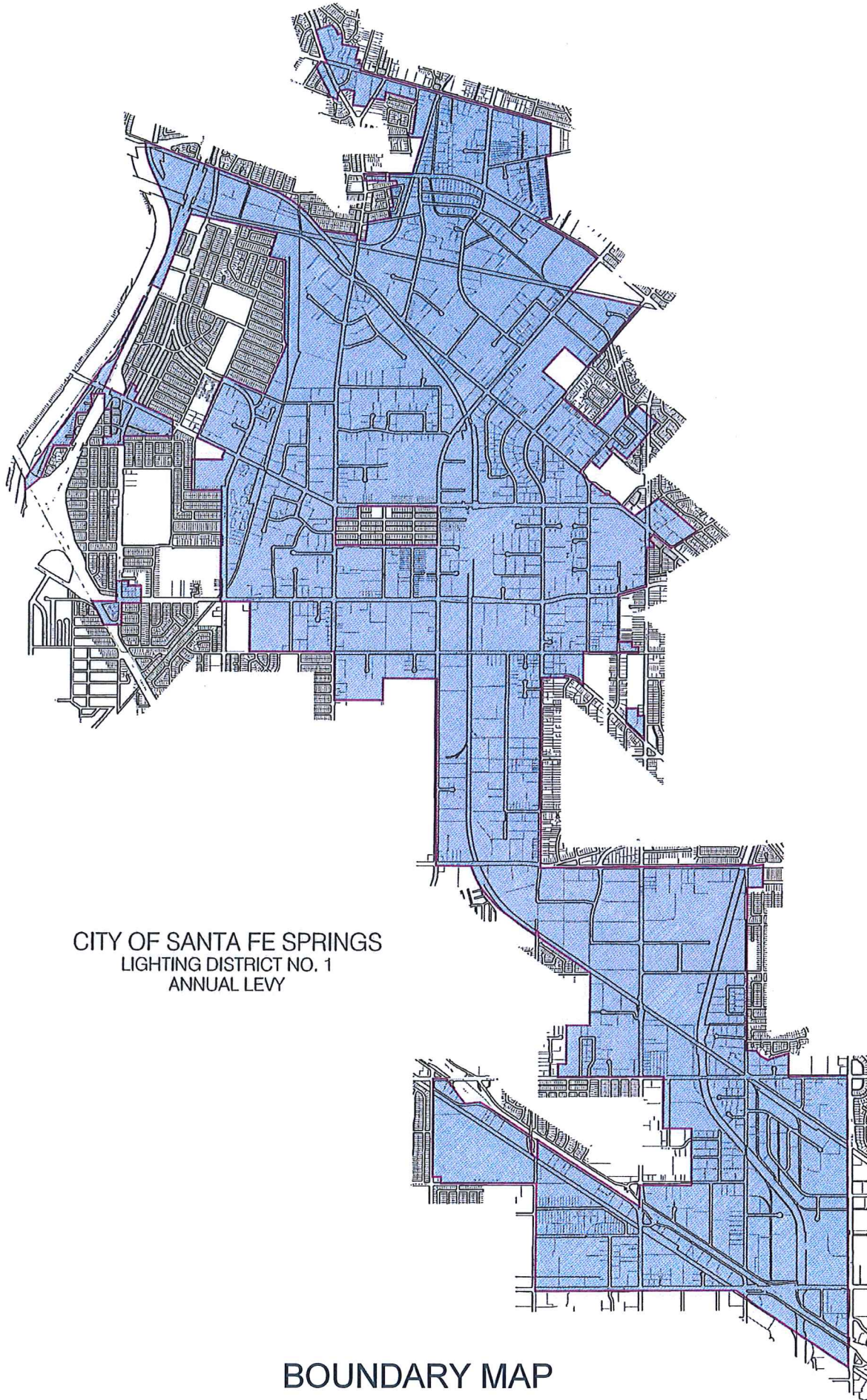
James Enriquez
City Engineer
CITY OF SANTA FE SPRINGS
11710 Telegraph Road
Santa Fe Springs, CA 90670
(562) 868-0511

APPROVED and ADOPTED this 21st day of May 2024.

Jay Sarno, Mayor

ATTEST:

Fernando Muñoz, CMC, Deputy City Clerk





CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: James Enriquez, P.E., Director of Public Works / City Engineer

**SUBJECT: HERITAGE SPRINGS ASSESSMENT DISTRICT NO. 2001-01
(HAWKINS STREET AND PALM DRIVE) – ADOPTION OF
RESOLUTION NO. 9910 AND RESOLUTION NO. 9911**

DATE: May 21, 2024

RECOMMENDATION:

It is recommended that the City Council:

- 1) Adopt Resolution No. 9910, approving the Engineer's Report (Fiscal Year 2024/25) in conjunction with the annual levy of assessments for the Heritage Springs Assessment District No. 2001-01; and
- 2) Adopt Resolution No. 9911, 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 (Hawkins Street and Palm Drive), and setting the public hearing for the Council meeting of June 18, 2024 at 6:00 p.m.; and
- 3) Take such additional, related action that may be desirable.

FISCAL IMPACT

The Assessment District has a positive financial impact on the City because a benefit assessment district is used to fund the street maintenance costs attributable to such developments.

BACKGROUND

The Heritage Springs Assessment District (Assessment District) No. 2001-1 was formed on June 28, 2001, pursuant to the provisions of the Municipal Improvement Act of 1913, Division 12. A map of the Assessment District is shown in the Boundary Map (Attachment D). The District included a mechanism to provide funding on an annual basis for ongoing street maintenance which includes slurry sealing, street resurfacing or street reconstruction as needed. The requirement for a street maintenance district component

CITY COUNCIL AGENDA REPORT – MEETING OF MAY 21, 2024

Heritage Springs Assessment District No. 2001-01 (Hawkins Street and Palm Drive) – Adoption of Resolution No. 9910 And Resolution No. 9911

Page 2 of 2

was a condition of approval for the initial development. Staff inspects the condition of the streets regularly to determine when improvements are needed. According to the City's Pavement Assessment from 2021, the existing status of the street is in "Good to Fair" condition. Hawkins Street and Palm Drive were last slurry sealed in December 2017.

At their meeting of March 5, 2024, the City Council approved Resolution No. 9898 ordering the preparation of the Engineer's Report for Fiscal Year 2024/25.

ANALYSIS

A copy of the Engineer's Report for the Assessment District No. 2001-1 (Attachment A) is attached for City Council review and approval. Resolution No. 9910 (Attachment B) approves the Annual Engineer's Report.

Resolution No. 9911 (Attachment C) declares the City's Intention to Levy Annual Assessments in the Heritage Springs Assessment District and sets the public hearing date for June 18, 2024 at 6:00 p.m.

ENVIRONMENTAL

N/A

DISCUSSION

None.

SUMMARY/NEXT STEPS

Upon approval by the City Council of the recommended actions, City staff will work with the City's consultant to complete the annual assessment district update process and file with the County Assessor for inclusion in the Tax Roll.

ATTACHMENTS:

- A. Engineer's Report
- B. Resolution No. 9910
- C. Resolution No. 9911
- D. Boundary Map

ITEM STATUS:

APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>



CITY OF SANTA FE SPRINGS

ENGINEER'S REPORT

HERITAGE SPRINGS ASSESSMENT

DISTRICT NO. 2001-1

FISCAL YEAR 2024-25

LOS ANGELES COUNTY, CALIFORNIA

May 13, 2024

PREPARED BY



Harris & Associates

101 Progress, Suite 250

Irvine, CA 92618

www.weareharris.com

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ENGINEER'S CERTIFICATION

AGENCY: THE CITY OF SANTA FE SPRINGS

PROJECT: HERITAGE SPRINGS ASSESSMENT DISTRICT NO. 2001-1

TO: THE CITY COUNCIL OF THE
CITY OF SANTA FE SPRINGS
STATE OF CALIFORNIA

ENGINEER'S REPORT FOR FISCAL YEAR 2024-25

WHEREAS, the City of Santa Fe Springs, County of Los Angeles, State of California, pursuant to the provisions of the Section 10100.8 Municipal Improvement Act of 1913, being Division 12 of the California Streets and Highways Code (the "Act") intends to undertake proceedings for the annual levy of special assessments in and for the City's Heritage Springs Assessment District No. 2001-1 (the "District");

NOW THEREFORE, the undersigned Engineer of Work hereby submit herewith the "Report" consisting of four (4) parts as follows:

HERITAGE SPRINGS ASSESSMENT DISTRICT

(Hereinafter referred to as the "District"),

I, Alison Bouley, authorized representative of the District, the duly appointed Assessment Engineer submit the following Report which consists of the following four (4) parts and Appendices:

PART I

Description of Improvements: A description of the maintenance activities to be performed

PART II

Cost Estimate: An estimate of the maintenance costs to be paid from the District.

PART III

Assessment Roll: The assessment by parcel.

PART IV

Method of Assessments: The way the assessment is apportioned.

Appendix

Appendix A – Assessment Diagram

In conclusion, it is my opinion that the costs and expenses of the District have been assessed to the lots and parcels within the boundaries of the District in proportion to the estimated benefits to be received by each lot or parcel from the services provided.

DATED: May 13, 2024

 **Harris & Associates**



Alison Bouley, P.E., Assessment Engineer
R.C.E. No. C61383
Engineer of Work
State of California



PART I – DESCRIPTION OF IMPROVEMENTS

The assessments in the District shall be levied for the maintenance of improvements as follows, and shall include all incidental expenses, including administration, legal, establishment of reserves, collection and contracting.

The improvements proposed to be maintained may be generally described as Hawkins Street, east of Norwalk Boulevard, and Palm Drive, south of Hawkins Street. The maintenance of such improvements is proposed to consist of the continued maintenance and operation of such improvements, including the maintenance of pavement and appurtenant facilities that are located in and along such streets, including but not limited to, personnel, electrical energy, utilities, materials, contracting services, and other items necessary for the satisfactory maintenance of these improvements described as follows:

Pavement and Appurtenant Facilities

Pavement and appurtenant facilities, in public street and rights-of-way, within the boundary of said District.

Maintenance means the furnishing of services and materials for the ordinary and usual operation, maintenance, repair and servicing of the above described roadways and appurtenant improvements, including repair, slurry sealing, chip sealing, removal or replacement of all or part of any of the streets or appurtenant improvements, and the administration of all aspects of the maintenance and the District.

PART II – COST ESTIMATE

The estimated amount to be paid annually into the maintenance program fund for the streets as described in Part I of this Report is as follows:

Street Maintenance Cost Estimate

In 2001 \$'s:

Slurry Seal @ 5 and 15 years:

5 years	\$0.16 / SF x	100,000 SF =	\$16,000
15 years	4% estimated inflation per yr =		\$24,000

Street Rehab @ 10 years:

10 years	\$1.50 / SF x	100,000 SF =	\$150,000
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Street Reconstruct @ 20 years:

20 years	\$5.00 / SF x	100,000 SF =	\$500,000
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Total est. 20 year Maintenance Strategy:	\$690,000
round up to:	\$700,000

Estimated annual cost for 2001 =	\$35,000
estimated cost per SF:	\$0.3500

Conversion to 2024 \$'s:

ENR Construction Cost Index Increase

June 2001 - 2024*	114.18%
2024 cost per SF:	\$0.7496

Hawkins Street & Palm Drive Improvements SF =	66,680
Annual Cost for Fiscal Year 2024-25 =	\$49,983

Maintenance Fund Capital Reserve Balance =	\$725,473
(fund balance estimated as of July 1, 2024)	

* Cost Conversion through April 2024 due to timing of report.

PART III – ASSESSMENT ROLL

In addition to the maintenance assessment discussed in Part I and Part II (highlighted in the table below), the parcels within the District are also subject to paying debt service on limited obligation improvement bonds issued in 2001. The total proposed assessment for Fiscal Year 2024-25 and the amount of the total proposed assessment apportioned to each lot or parcel within the District is a combination of the maintenance assessment and debt service, as shown on the latest assessment roll at the Los Angeles County Assessor's Office, are shown below.

The description of each lot or parcel is part of the County assessment roll and this roll is, by reference, made part of this Report.

Asmt No.	Assessor's Parcel Number	Fiscal Year 2024-25 Maint. Asmt.	Fiscal Year 2024-25 Debt Service	Total County Submittal for FY 2024-25
1	8005-015-037	\$10,701.36	\$36,128.70	\$46,830.06
2	8005-015-038	\$9,792.17	\$33,059.48	\$42,851.65
3	8005-015-039	\$4,015.13	\$13,556.19	\$17,571.32
4	8005-015-040	\$3,257.89	\$10,998.45	\$14,256.34
5	8005-015-041	\$3,087.45	\$10,423.01	\$13,510.46
6	8005-015-042	\$2,746.57	\$9,271.97	\$12,018.54
7	8005-015-043	\$2,140.27	\$7,225.71	\$9,365.98
8	8005-015-044	\$5,549.61	\$18,735.81	\$24,285.42
9	8005-015-045	\$8,693.54	\$29,350.70	\$38,044.24
10	8005-015-910	\$0.00	\$0.00	\$0.00
		\$49,983.99	\$168,750.02	\$218,734.01



PART IV - METHOD OF APPORTIONMENT

The assessments are apportioned according to the special benefits received by the parcels of land within the Assessment District in accordance with the apportionment of costs at the time of formation. The assessment is necessary to maintain the level of special benefit from the construction of the improvements funded by the District. The proportionate special benefit derived by each parcel is determined in relationship to the entirety of the maintenance cost of the improvements. No assessment has been apportioned on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel.

Only special benefits may be assessed and any general benefits shall be separated from the special benefits for purposes of this Report. Based on the nature of the improvements to be funded herein, there are no general benefits.

Under this Report, the assessment for the District are apportioned in accordance with the foregoing and using the following criteria:

The net acreage of each parcel of land is determined by excluding acreage which will not have direct access to the improvements from Hawkins Street or Palm Drive, and by excluding acreage to be dedicated as roadway, road rights-of-way, or sidewalk easement. Special benefit is determined based on the net acreage of each parcel relative to the total net acreage (the "Benefit Percentage").

The annual maintenance assessment for Fiscal Year 2024-25, as shown in Part II of this Report, is apportioned on a percentage basis using the Benefit Percentages, as shown below:

Asmt No.	Assessor's Parcel Number	Net Acreage	Benefit Percentage	Fiscal Year 2024-25 Maint. Asmt.
1	8005-015-037	5.65	21.410%	\$10,701.36
2	8005-015-038	5.17	19.591%	\$9,792.17
3	8005-015-039	2.12	8.033%	\$4,015.13
4	8005-015-040	1.72	6.518%	\$3,257.89
5	8005-015-041	1.63	6.177%	\$3,087.45
6	8005-015-042	1.45	5.495%	\$2,746.57
7	8005-015-043	1.13	4.282%	\$2,140.27
8	8005-015-044	2.93	11.103%	\$5,549.61
9	8005-015-045	4.59	17.393%	\$8,693.54
10	8005-015-910	0.00	0.000%	\$0.00
		26.39	100.00%	\$49,983.99

Based on the preceding, Assessment No. 10 is not assessed because it does not have direct access to either Hawkins Street or Palm Drive and is a storm drain easement, therefore the Benefit Percentage is zero.



APPENDIX A – ASSESSMENT DIAGRAM

A diagram showing the exterior boundaries of the District and the lines and dimensions of each lot or parcel of land within the District, entitled “Assessment Diagram, Heritage Springs Assessment District No. 2001-1”, is on file in the office of the City Clerk of the City of Santa Fe Springs, and is incorporated herein by reference.

The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the Assessor of the County of Los Angeles for Fiscal Year 2024-25. The Assessor's maps and records are incorporated by reference herein and made part of this Report.

RESOLUTION NO. 9910

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, APPROVING THE ENGINEER'S REPORT FOR ANNUAL LEVY OF ASSESSMENTS FOR THE HERITAGE SPRINGS ASSESSMENT DISTRICT 2001-1 FOR FISCAL YEAR 2024/2025

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 ("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, the CITY COUNCIL of the CITY OF SANTA FE SPRINGS, CALIFORNIA, pursuant to the provisions of Division 12 of the Streets and Highways Code of the State of California, did, by previous Resolution, order the preparation of an Engineer's "Report" for the annual levy of assessments, consisting of plans and specifications, an estimate of the cost, a diagram of the district, and an assessment relating to what is now known and designated as

CITY OF SANTA FE SPRINGS
Heritage Springs Assessment District 2001-1

WHEREAS, there has now been presented to this City Council the "Report" as required by said Division 12 of the Streets and Highways Code and as previously directed by Resolution; and,

WHEREAS, this City Council has now carefully examined and reviewed the "Report" as presented, and is satisfied with each and all of the items and documents as set forth therein, and is satisfied that the assessments, on a preliminary basis, have been spread in accordance with the benefits received from the maintenance to be performed, as set forth in said "Report."

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

SECTION 1. That the above recitals are true and correct.

SECTION 2. That the "Report" as presented, consisting of the following:

- A. Estimate of costs;
- B. Diagram of the District;
- C. Assessment of the estimated cost

Is hereby approved; and is ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 3. That the City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the Engineer's "Report."

APPROVED and ADOPTED this 21st day of May 2024.

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF SANTA FE SPRINGS

Juanita Martin, Mayor

ATTEST:

Fernando Muñoz, CMC, Deputy City Clerk

RESOLUTION NO. 9911**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, DECLARING ITS INTENTION TO PROVIDE FOR AN ANNUAL LEVY AND COLLECTION OF ASSESSMENTS FOR CERTAIN MAINTENANCE IN AN EXISTING DISTRICT, PURSUANT TO THE PROVISIONS OF DIVISION 12 OF THE STREETS AND HIGHWAYS CODE OF THE STATE OF CALIFORNIA, AND SETTING A TIME AND PLACE FOR PUBLIC HEARING THEREON**

WHEREAS, this Council has conducted proceedings under and pursuant to the Municipal Improvement Act of 1913, Division 12, California Streets and Highways Code to form the Heritage Springs Assessment District 2001-1 ("Assessment District"), in what is known and designated as:

**CITY OF SANTA FE SPRINGS
Heritage Springs Assessment District 2001-1**

WHEREAS, at this time, this City Council is desirous to take proceedings to provide for the annual levy of assessments for the next ensuing fiscal year, to provide for the costs and expenses necessary for continual maintenance of improvements within said Assessment District; and,

WHEREAS, at this time there has been presented and approved by this City Council, the Engineer's "Report" as required by law, and this City Council is desirous of proceeding with the proceedings for said annual levy.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

SECTION 1. That the above recitals are true and correct.

PUBLIC INTEREST

SECTION 2. That the public interest and convenience requires, and it is the intention of this City Council, to undertake proceedings for the annual levy and collection of special assessments for the continual maintenance of certain improvements, all to serve and benefit said Assessment District as said area is shown and delineated on a map as previously approved by this City Council and on file in the Office of the City Clerk, open to public inspection, and herein so referenced and made a part hereof, and proposed changes thereto are set forth in the "Report" of the Engineer, incorporated herein as a part hereof.

REPORT

- SECTION 3. That the "Report" of the Engineer regarding the annual levy for said District, which "Report" is for maintenance for the Fiscal Year 2024/2025 is hereby approved and is directed to be filed in the Office of the City Clerk.
- SECTION 4. That the public interest and convenience requires, and it is the intention of this City Council to order the annual assessment levy for the Assessment District as set forth and described in said Engineer's "Report," and further it is determined to be in the best public interest and convenience to levy and collect annual assessments to pay the costs and expenses of said maintenance and improvement as estimated in said "Report."

DESCRIPTION OF MAINTENANCE

- SECTION 5. The assessments levied and collected shall be for the maintenance of certain improvements, as set forth in the Engineer's "Report," referenced and so incorporated herein.

COUNTY AUDITOR

- SECTION 6. The County Auditor shall enter on the County Assessment Roll the amount of the assessments, and shall collect said assessments at the time and in the same manner as County taxes are collected. After collection by the County, the net amount of the assessments, after the deduction of any compensation due to the County for collection, shall be paid to the Treasurer for purposes of paying for the costs and expenses of said Assessment District.

SPECIAL FUND

- SECTION 7. That all monies collected shall be deposited in a special fund known as

SPECIAL FUND
CITY OF SANTA FE SPRINGS
Heritage Springs Assessment District 2001-1

Payment shall be made out of said fund only for the purpose provided for in this Resolution, and in order to expedite the making of this maintenance and improvement, the City Council may transfer into said special fund, from any available source, such funds as it may deem necessary to expedite the proceedings. Any funds shall be repaid out of the proceeds of the assessments provided for in this Resolution.

BOUNDARIES OF THE DISTRICT

SECTION 8. Said contemplated maintenance work is, in the opinion of this City Council, of direct benefit to the properties within the boundaries of the Assessment District, and this City Council makes the costs and expenses of said maintenance chargeable upon a district, which district said City Council declares to be the district benefited by said improvement and maintenance, and to be further assessed to pay the costs and expenses thereof. Said Assessment District, shall include each and every parcel of land within the boundaries of said Assessment District, as said Assessment District is shown on a map as approved by this City Council and on file in the Office of the City Clerk, and designated by the name of the Assessment District.

PUBLIC HEARING

SECTION 9. NOTICE IS HEREBY GIVEN THAT TUESDAY, THE 18th DAY OF JUNE, 2024, AT THE HOUR OF 6:00 O'CLOCK P.M., IN THE REGULAR MEETING OF THE CITY COUNCIL, BEING THE COUNCIL CHAMBERS, IS THE TIME AND PLACE FIXED BY THIS CITY COUNCIL FOR THE HEARING OF PROTESTS OR OBJECTIONS IN REFERENCE TO THE ANNUAL LEVY OF ASSESSMENTS, TO THE EXTENT OF THE MAINTENANCE, AND ANY OTHER MATTERS CONTAINED IN THIS RESOLUTION, ANY PERSONS WHO WISH TO OBJECT TO THE PROCEEDINGS FOR THE ANNUAL LEVY SHOULD FILE A WRITTEN PROTEST WITH THE CITY CLERK PRIOR TO THE TIME SET AND SCHEDULED FOR SAID PUBLIC HEARING.

NOTICE

SECTION 10. That the City Clerk is hereby authorized and directed to publish a copy of this Resolution. Said publication shall be not less than ten (10) days before the date for said Public Hearing.

EFFECTIVE DATE

SECTION 11. That this Resolution shall take effect immediately upon its adoption.

PROCEEDINGS INQUIRIES

SECTION 12. For any and all information relating to the proceedings, protest procedure, any documentation and/or information of a procedural or technical nature, your attention is directed to the below listed person at the local agency or department so designated:

James Enriquez
City Engineer
CITY OF SANTA FE SPRINGS
11710 Telegraph Road
Santa Fe Springs, CA 90670
(562) 868-0511

APPROVED and ADOPTED this 21st day of May 2024.

Jay Sarno, Mayor

ATTEST:

Fernando Muñoz, CMC, Deputy City Clerk

BOUNDARY MAP HERITAGE SPRINGS ASSESSMENT DISTRICT 2001-1

