CITY OF SANTA FE SPRINGS
MEETINGS OF THE HOUSING SUCCESSOR, SUCCESSOR AGENCY, AND CITY COUNCIL
AGENDA

TUESDAY, MARCH 4, 2025
AT 6:00 P.M.

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

CITY COUNCIL

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

CITY MANAGER
René Bobadilla, P.E.

CITY ATTORNEY
Rick Olivarez

CITY STAFF

Assistant City Manager	Nicholas Razo
Fire Chief	Chad Van Meeteren
Police Chief	Aviv Bar
Director of Community Development	Cuong Nguyen
Director of Community Services	Maricela Balderas
Director of Finance	Lana Dich
Director of Parks & Recreation	Gus Hernandez
Director of Police Services	Arlene Salazar
Director of Public Works	James Enriquez
City Clerk	Fernando N. Muñoz

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.gov/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, 2025, City Council Members are subject to SB 1439 and cannot participate in certain decisions for a year after accepting campaign contributions of more than $500 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.gov. 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.

Council Meeting Start Times: If there is a closed session or study session scheduled on the agenda, the regular meeting shall be scheduled to start at 5:00 p.m. and open session shall start at 6:00 p.m. If there is no closed session or study session scheduled on the agenda, the regular meeting shall be scheduled to start at 6:00 p.m.

Please Note: Staff reports and supplemental attachments are available for inspection online and 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. PROCLAMATION – NATIONAL WOMEN'S HISTORY MONTH (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 HEARING

2. RESOLUTION NO. 9947 – AMENDING RESOLUTION NO. 9933 BY ADDING TWO NEW FEES AND AMENDING SEVEN FEES TO THE CITY OF SANTA FE SPRINGS COMPREHENSIVE FEE SCHEDULE FOR FISCAL YEAR 2024-25 (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

1) Open the Public Hearing;

2) Receive any comments from the public wishing to speak on this matter and thereafter close the Public Hearing;

3) Adopt Resolution No. 9947, which amends Resolution No. 9933, adopted on November 12, 2024, to add two new fees and amend seven existing fees from the City of Santa Fe Springs Comprehensive Fee Schedule for Fiscal Year 2024-25; and

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

OLD BUSINESS – NONE

REGULAR BUSINESS

3. ADOPTION OF POLICY TO FORMALIZE THE CITY OF SANTA FE SPRINGS RESERVE POLICY (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

1) Adopt Policy to formalize a written Reserve Policy.

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.

HOUSING SUCCESSOR

4. MINUTES OF THE FEBRUARY 4, 2025 HOUSING SUCCESSOR MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Housing Successor:

1) Approve the minutes as submitted.

SUCCESSOR AGENCY

5. MINUTES OF THE FEBRUARY 4, 2025 SUCCESSOR AGENCY MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Successor Agency:

1) Approve the minutes as submitted.

CITY COUNCIL

6. MINUTES OF THE FEBRUARY 4, 2025 CITY COUNCIL MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the City Council:

1) Approve the minutes as submitted.

7. ORDINANCE NO. 1158 – AMENDING TITLE III (ADMINISTRATION) TO ADD NEW CHAPTER 41 (ELECTRONIC RECORDS AND SIGNATURES) TO THE SANTA FE SPRINGS MUNICIPAL CODE AND DETERMINE THAT THE ACTION IS EXEMPT UNDER CEQA (CITY CLERK)

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); and

2) Introduce for first reading, in title only, and waive further reading of Ordinance No. 1158: An Ordinance of the City of Santa Fe Springs Municipal Code related to the adoption of policy and procedures for Electronic Records and Signatures.

8. RESOLUTION NO. 9950 – DECLARING ONE (1) PARCEL (APN: 8005-012-031) LOCATED IN THE CITY OF SANTA FE SPRINGS AS SURPLUS PROPERTY (COMMUNITY DEVELOPMENT)

RECOMMENDATION: It is recommended that the City Council:

1) Find that this action is exempt from environmental review under the California Environmental Quality Act (CEQA); and

2) Adopt Resolution No. 9950, declaring that real property owned by the city as surplus land and not necessary for public use pursuant to Surplus Lands Act (Gov. Code § 54220 *et seq.*).

9. ADOPTION OF THE CITY'S FISCAL YEAR 2025-26 INVESTMENT POLICY (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

1) Adopt the City's Fiscal Year 2025-26 Investment Policy.

10. ADOPTION OF RESOLUTION NO. 9951 TO AMEND THE CITY OF SANTA FE SPRINGS DEBT MANAGEMENT POLICY (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

1) Adopt Resolution No. 9951 to amend the City of Santa Fe Springs Debt Management Policy, as required by Government Code Section 8855(j).

11. ADOPTION OF PENSION FUNDING POLICY (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

1) Adopt the City of Santa Fe Springs Pension Funding Policy.

12. RESOLUTION NO. 9952 – UPDATING AUTHORIZED PERSONS FOR LOCAL AGENCY INVESTMENT FUND (LAIF) (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

1) Adopt Resolution No. 9952 – Updated Authorized Persons to transact on the City's LAIF account.

13. HERITAGE PARK NATIVE AMERICAN POND IMPROVEMENT – FINAL PAYMENT (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

1) Approve the Final Payment to Zeco, Inc. of Anaheim, California for $39,317.50 (Less 5% Retention); and

2) Approve the final contract amount with Zeco, Inc. in the amount of $221,888.07, including the aggregate change order amount of $27,216.00; and

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

14. COMMERCIAL STREET IMPROVEMENTS FOR SPRINGDALE AVENUE, WAKEMAN STREET AND JOHN STREET – AUTHORIZATION TO ADVERTISE FOR CONSTRUCTION BIDS (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

1) Approve the Plans and Specifications for the Commercial Street Improvements for Springdale Avenue, Wakeman Street and John Street Project; and

2) Authorize the City Engineer to advertise for construction bids; and

3) Authorize the City Manager to execute Task Order No. 93 with Southstar Engineering, Inc., for On-Call Professional Engineering Services for Construction Management and Inspection Services in the amount of $108,000; and

4) Authorize the City Clerk to file a Notice of Exemption for the subject project with the Los Angeles Registrar-Recorder; and

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

15. AQUATIC CENTER IMPROVEMENT PROJECT PHASE 1A – FINAL PAYMENT (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

1) Approve the Final Payment to California Commercial Pools, Inc. of Glendora, California for $52,503.83 (Less 5% Retention); and

2) Approve the final contract amount with California Commercial Pools, Inc. in the amount of $4,151,267.38; and

3) Authorize the City Manager to execute and amend Task Order No. 70 to Southstar Engineering, Inc., for On-Call Professional Engineering Services for Construction Management and Inspection Services in the amount of $149,940.00; and

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

16. MEASURE SFS STREET IMPROVEMENT PROGRAM (PHASE 1) - AWARD OF PROFESSIONAL SERVICES AGREEMENT FOR PROJECT/CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

1) Award a Professional Services Agreement to Southland Engineering & Consulting, Inc. for program management & construction management/inspection services for the Measure SFS Street Improvement Program (Phase 1) for a total not-to-exceed fee of $2,962,342; and

2) Authorize the City Manager to execute the agreement; 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, 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.gov; 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.

ITEM # 2

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. 9947 – AMENDING RESOLUTION NO. 9933 BY ADDING TWO NEW FEES AND AMENDING SEVEN FEES TO THE CITY OF SANTA FE SPRINGS COMPREHENSIVE FEE SCHEDULE FOR FISCAL YEAR 2024-25**

DATE: March 4, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

1) Open the Public Hearing;

2) Receive any comments from the public wishing to speak on this matter and thereafter close the Public Hearing;

3) Adopt Resolution No. 9947, which amends Resolution No. 9933, adopted on November 12, 2024 to add two new fees and amend seven existing fees from the City of Santa Fe Springs Comprehensive Fee Schedule for Fiscal Year 2024-25; and

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

FISCAL IMPACT

The City Council adopted a new Comprehensive Fee Schedule for FY24-25 in November of 2024. Three of the seven fees are expected to increase by 20%. Three of the proposed new fees represent a significant increase in the total rate; however, they are infrequently assessed and therefore are not expected to have a significant impact on the annual fee revenues.

BACKGROUND

In November 2024, the City approved an update to the City's Comprehensive Fee Schedule based on the report provided by Revenues & Cost Specialist LLC ("RCS"). The report addressed 284 separate fees and charges. A small number of fees were not included or addressed in the Master Fee Schedule in attachment to Resolution No. 9933.

The following table provides a list of the additional fees that should be added, amended or removed from the Master Fee Schedule.

Dept.	Name	Status	Current Fee	New Fee
FIRE	Methane Detection System (Ordinance)	Amend	$159	$190
FIRE	Oil & Natural Gas Wells (Ordinance)	Amend	$75	$90
FIRE	Above Ground Storage (per Tank)	Amend	$235	$310
FIRE	Flammable/Combustible Liquid Manufacturing	Amend	$260	$2,675
FIRE	Late CERS Submittal Penalty	New	$0	$475
FIRE	Magnesium Working	Amend	$190	$190
FIRE	Misc. Combustible Storage	Amend	$165	$165
CD	Zone Variance	Amend	$0	$12,455
CD	Wireless Tele Fac Renewal	New	$0	$2,355

ANALYSIS

These changes will update and complete the list of City fees & charges for FY 24-25.

ENVIRONMENTAL

N/A

DISCUSSION

RCS performed a review of the City's fees and user charges with the goal of determining the full cost to deliver City services and understanding the amount of subsidy. Resolution No. 9933 was passed in November 2024 with the objective of updating all of the City's Fees and charges.

A few of these items were not included or contemplated in the original list of fees and charges presented in November 2024. The addition and removal of the proposed items is intended to complete the list of City fees and charges for FY 24-25.

SUMMARY/NEXT STEPS

If approved, it is recommended that the new fees become effective (retroactively, if applicable) on January 1, 2024.

ATTACHMENT(S):

A. Resolution No. 9947
B. Amended Fee Schedule

ITEM STATUS:	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐

APPROVED:
ITEM NO.:

RESOLUTION NO. 9947

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS AMENDING RESOLUTION NO. 9933, TO AMEND AND UPDATE THE CITY'S COMPREHENSIVE SCHEDULE FOR FISCAL YEAR 2024-25

WHEREAS, the Santa Fe Springs Municipal Code establishes fees for the City's public facilities and essential services whereby such fees are established by Resolution; and

WHEREAS, the purpose of fees is to mitigate costs on the City's public facilities and essential services whereby fees follow the "costs reasonably borne" test established by Article XIIIB of the California Constitution; and

WHEREAS, the Mitigation Fee Act (Government Code sections 66000-66025) requires that a city which increases certain fees must establish that there is a reasonable relationship between the specific amount of the fee imposed as a condition of approval and the cost of the public facility attributable to that project; and

WHEREAS, the City engaged Revenue & Cost Specialists, LLC to conduct a Cost of Services Study ("COS Study") to meet the requirements of Article XIIIB of the California Constitution and the Mitigation Fee Act; and

WHEREAS, based upon the COS Study, the City's Comprehensive Fee Schedule was revised by the City Council on November 12, 2024, by Resolution 9933; and

WHEREAS, a small number of fees were not included or addressed in the Master Fee Schedule and the Fire services Fee Schedule as was set forth in Exhibit A of Resolution No. 9933; and

WHEREAS, based upon the COS Study, City staff has recommended a list of additional fees that should be added, amended, or removed within the Fire Services Fee Schedule, and the Master Fee Schedule of the Comprehensive Fee Schedule for Fiscal Year 2024-25 as set forth in Exhibit A to this Resolution; and

WHEREAS, a public hearing was duly noticed for the City Council meeting of March 4, 2025 , by publishing the notice in Whittier Daily News newspaper twice on February 14, 2025 and February 21, 2025; and

WHEREAS, the proposed update to the Comprehensive Fee Schedule is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the California Public Resources Code, also known as the "Common Sense Exemption." This is because CEQA only applies to projects that have the potential for causing a significant effect on the environment. Since there is no possibility that the proposed updated Comprehensive Fee Schedule will have a significant effect on the environment, the project is not subject to CEQA.

APPROVED:
ITEM NO.:

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS HEREBY DETERMINES, FINDS, AND RESOLVES AS FOLLOWS:

Section 1. The aforementioned recitals are incorporated herein by reference as set forth in full herein.

Section 2. In compliance with Article XIIIB of the California Constitution and the Mitigation Fee Act, the City Council hereby establishes fees for the services set forth in the attached Exhibit A listing of fees in the "City of Santa Fe Springs" Comprehensive Fee Schedule for Fiscal Years 2025-26, in the amounts set forth therein.

Section 3. Resolution No. 9933, and any attachments regarding the Comprehensive Fee Schedule, is hereby amended.

Section 4. Said fees shall be effective MONTH XX, 2025 and supersede all previously established fees for said services in Exhibit A of this Resolution.

Section 5. Any party may protest the imposition on a development project of a fee established by this Resolution within 90 days after the date the city imposes the fee in its approval of the project, in accordance with Section 66020 of the Mitigation Fee Act. Upon receiving such protest or appeal, the City Manager, or designated agent, shall set the matter for hearing before an impartial third-party hearing officer. The party appealing the imposition of the fee shall bear the burden of establishing that the fee is improper.

Section 6. The City Clerk shall certify to the passage and adoption of this Resolution and it shall be in full force and effect.

PASSED, APPROVED AND ADOPTED on this 4th day of March, 2025 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF SANTA FE SPRINGS

By: ____________________________
William K. Rounds, Mayor

ATTEST:

____
Fernando N. Munoz, CMC
City Clerk

CITY OF
SANTA FE SPRINGS

Amendment

FEE SCHEDULE

FY 2024-25

Date City Council Approved: November 12, 2024

Effective Date: January 12, 2025

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City Council Approved: 11/12/2024

CITY OF SANTA FE SPRINGS

FEE SCHEDULE

FY 2024-25

Fee Schedule Effective Date: 01/12/2025

Department	REF #	SERVICE	FY 2023-24	ADOPTED FY 2024-25
CITY MANAGER'S OFFICE	S-247	FILM PERMIT	Permit w/o special effects - $625/day + cost first 3 days. $57/day on the 4th day and beyond Permit with special effects - $910 + cost first 3 days. $57/day on the 4th day and beyond Permit for students - $110 + cost	$190 per permit
CITY MANAGER'S OFFICE	S-248	RECYCLER DEALER PERMIT	$1,061 - application $ 510 - annual $ 36 - per vehicle (annual)	$285 - new $190 - renewal
CITY MANAGER'S OFFICE	S-249	FIREWORK STAND PERMIT	None	$815 per application
CITY MANAGER'S OFFICE -CITY CLERK	S-240	COPY - PRINTED	$0.10 per page	$0.20 per page - standard $0.10 per page - FPPC related document per California Government Code 81008
CITY MANAGER'S OFFICE -CITY CLERK	S-241	COPY - DIGITAL	None	$7 per device
CITY MANAGER'S OFFICE -CITY CLERK	S-242	DOCUMENT CERTIFICATION	None	$65 per document
CITY MANAGER'S OFFICE -CITY CLERK	S-243	NOTARY PUBLIC	$10 per signature	This fee is limited by California Government Code 8211 $15 per signature
CITY MANAGER'S OFFICE -CITY CLERK	S-244	AGENDA MAILING	None	$400 per subscriber per year
CITY MANAGER'S OFFICE -CITY CLERK	S-245	LOCAL CANDIDATE FILING	$25 per candidate Candidate Statement - $200	This fee is limited by State law: Processing fee - $25 per candidate FPPC Late Filing Fee - $10 per day for each day a statement is late up to a maximum of $100 Candidate Statement - LA County and staff costs
CITY MANAGER'S OFFICE -CITY CLERK	S-246	LOCAL INITIATIVE FILING	None	This fee is limited by State law $200 per initiative, fully refundable if initiative is placed on ballot

Community Services and Parks and Recreation Fees

Name of Fee	Current Fee			Recommended Fee		
	Standard Fee	Resident Fee	Non-Resident Fee	Standard Fee	Resident Fee	Non-Resident Fee
LIBRARY						
Inter-Library Loan	$5			$5		
LOST or DAMAGED ITEMS						
Processing Lost or Damaged Books, DVD, CD's, or computer eqiupment				$5		
Processing Lost or Damaged Paperbacks				$2		
Lost or Damaged Item Replacement				Replacement cost		
OTHER LIBRARY FEES						
Fee Supported Library Programs					Cost Recovery (25%-100%)	Cost Recovery (25%-100%)+$10
Passport Processing Fee + Federal Government Fee	$35 + Federal Fee			$35 + Federal Fee		
Passport Photo	$10			$10		
FACILITY RENTALS & PICNIC RESERVATIONS						
Cocktail Table Rental-Per Table Fee				$15		
Arch/Gazebo-Per Arch/Gazebo Fee				$100		
Photo Opportunity Booth-Per Event				$200		
City Employee Discount				15%, or up to $300		
Facility Deposit/Downpayment for City employees				$0		
Demand Price Premium for Non-Residents (May, June, July)						Additional 15%
Certificate of Liability Insurance				At Cost		
Additional Setup/Cleanup-per hour fee	$30			$35		
Video Game or Food Truck Permit Fee-Per Event				$150		
LIBRARY						
Library Community Room Facility Use-Hourly Fee	$75			$75		
CLARK ESTATE						
Deposit/Downpayment	$750			$1,000		
Ceremony & Reception 0-100	$2,310					
Ceremony & Reception 101-150	$2,385					

Community Services and Parks and Recreation Fees

Name of Fee	Current Fee			Recommended Fee		
	Standard Fee	Resident Fee	Non-Resident Fee	Standard Fee	Resident Fee	Non-Resident Fee
Ceremony & Reception 151-200	$2,460					
Ceremony & Reception / Full Event Rental (7 Hour Rental) 1-100				$3,000		
Ceremony & Reception / Full Event Rental (7 Hour Rental) 101-200				$4,000		
Reception Only 0-100	$2,310					
Reception Only 101-150	$2,385					
Reception Only 151-200	$2,460					
Reception Only (6 Hour Rental) 1-100				$2,400		
Reception Only (6 Hour Rental) 101-200				$3,000		
Ceremony Only 0-100	$433					
Ceremony Only 101-150	$508					
Ceremony Only 151-200	$583					
Ceremonly Only (2 Hour Rental) 1-100				$1,000		
Ceremonly Only (2 Hour Rental) 101-200				$1,500		
Photo Session-per hour fee (2 hour minimum)				$100		
Photo Session Deposit/Downpayment				$50		
Upstairs Meeting Room-per hour fee	$66			$75		
Downstairs Meeting Room-per hour fee	$76			$105		
Meeting Room Deposit/Downpayment				$75		
Funeral Reception (4 Hour Rental, 3 Hours setup, 1 Hour Cleanup)				$550		
Funeral Deposit/Downpayment				$150		
HERITAGE PARK						
Deposit/Downpayment	$750			$1,000		
Ceremony & Reception 0-100	$2,490					
Ceremony & Reception 101-150	$2,645					
Ceremony & Reception 151-200	$2,905					
Ceremony & Reception 201-300	$3,500					
Ceremony & Reception / Full Event Rental (7 Hour Rental) 1-150				$3,500		

Community Services and Parks and Recreation Fees

Name of Fee	Current Fee			Recommended Fee		
	Standard Fee	Resident Fee	Non-Resident Fee	Standard Fee	Resident Fee	Non-Resident Fee
Ceremony & Reception / Full Event Rental (7 Hour Rental) 151-300				$4,500		
Reception Only 0-100	$2,160					
Reception Only 101-150	$2,180					
Reception Only 151-200	$2,220					
Reception Only 151-200	$2,670					
Reception Only (6 Hour Rental) 1-150				$2,800		
Reception Only (6 Hour Rental) 151-300				$3,800		
Photo Session-Per Hour Fee				$100		
Photo Session Deposit/Downpayment				$50		
Carriage Barn Meeting Space Rental-Per Hour Fee	$35			$105		
Train Depot Meeting Room-per hour fee	$35			$75		
Meeting Space Deposit/Downpayment				$75		
Caboose Rental 1-40-per use fee (4 Hour Rental)	$130			$150		
Caboose Rental Deposit/Downpayment				$100		
Heritage Park Plaza Reservation (4 Hour Rental)	$300			$400		
Heritage Park Plaza Reservation Deposit/Downpayment				$100		
Picnic Area Reservation 1-90 (4 Hour Rental)	$185			$300		
Picnic Area Reservation Deposit/Downpayment	$50			$100		
Picnic Area Reservation Deposit/Downpayment	$50			$100		
Heritage Park Resident Discount (Except Funeral Receptions)					20% Off	
Funeral Reception (4 Hour Rental, 3 Hours setup, 1 Hour Cleanup)				$550	$150	
Funeral Deposit/Downpayment				$150		
TOWN CENTER HALL						
Deposit/Downpayment	$750			$1,000		
Social Hall, Saturday Fee (6 Hour Rental, 3 Hours setup, 1 Hour Cleanup)		$1,140	$1,450		$1,350	$2,300

Community Services and Parks and Recreation Fees

Name of Fee	Current Fee			Recommended Fee		
	Standard Fee	Resident Fee	Non-Resident Fee	Standard Fee	Resident Fee	Non-Resident Fee
Social Hall, Sunday-Friday Fee (6 Hour Rental, 3 Hours of setup, 1 Hour of Cleanup)		$1,025	$1,225		$1,150	$1,550
Business Meeting (4 Hour Rental)-For SFS Businesses Only	$305			$500		
Business Meeting Deposit Downpayment-For SFS Business Only	$100			$250		
Funeral Reception (4 Hour Rental, 3 Hours setup, 1 Hour Cleanup)	$120			$400	$150.00	$500.00
Funeral Reception Deposit/Downpayment	$500				$150	$150
Meeting Room #1 Rental (3 Hour Rental)	$105			$225		
Meeting Room Deposit/Downpayment	$50			$100		
Rehearsal Fee (during regular business hours)	$30			$35		
Teen Lounge (4 Hour Rental, 3 Hour Setup, 1 Hour Cleanup)	$260				$300	$500
Teen Lounge Deposit/Downpayment	$200			$150		
GUS VELASCO NEIGHBORHOOD CENTER						
Deposit/Downpayment	$500			$750		
Pio Pico Room, Saturday Fee (6 Hour Rental, 3 Hours setup, 1 Hour Cleanup)	$706			$1,500		
Pio Pico Room, Sunday-Friday Fee (6 Hour Rental, 3 Hours of setup, 1 Hour of Cleanup)	$670			$1,000		
Ontiveros Room, Saturday Fee (6 Hour Rental, 3 Hours setup, 1 Hour Cleanup)	$622			$900		
Ontiveros Room, Sunday-Friday Fee (6 Hour Rental, 3 Hours of setup, 1 Hour of Cleanup)	$570			$750		
Meeting Room #1 Rental (3 Hour Rental)	$105			$200		
Meeting Room Deposit/Downpayment	$50			$100		
Funeral Reception (4 Hour Rental, 3 Hours setup, 1 Hour Cleanup)	$120			$150		

Community Services and Parks and Recreation Fees

Name of Fee	Current Fee			Recommended Fee		
	Standard Fee	Resident Fee	Non-Resident Fee	Standard Fee	Resident Fee	Non-Resident Fee
Funeral Reception Deposit/Downpayment	$500			$150		
BETTY WILSON CENTER						
Deposit/Downpayment	$500			$750		
Multi-purpose Room, Saturday Fee (6 Hour Rental, 3 Hours setup, 1 Hour Cleanup)	$622			$750		
Multi-purpose Room, Sunday-Friday Fee (6 Hour Rental, 3 Hours of setup, 1 Hour of Cleanup)	$570			$575		
Funeral Reception (4 Hour Rental, 3 Hours setup, 1 Hour Cleanup)	$120			$150		
Funeral Reception Deposit/Downpayment	$500			$150		
LITTLE LAKE PARK						
Meeting Room (6 Hour Rental, 1 Hour setup, 1 Hour Cleanup) 1-64	$130			$200		
Meeting Room Deposit/Downpayment	$100			$100		
PARK COVERED PICNIC AREAS (5 Hour Rental, 1 Hour setup, 1 Hour Cleanup)						
Deposit/Downpayment (LLP, LNP, SFSP)	$100			$100		
Deposit/Downpayment (LVP)	$50			$50		
Los Nietos Park, Santa Fe Springs Park 1-180		$200	$225		$200	$250
Little Lake Park 1-75	$100			$125		
Lakeview Park		$60	$75		$100	$200
Inflatable Amusement (Bouncehouse) Fee	$25				$50	$75
ACTIVITY CENTER						
Deposit/Downpayment (Gym)				$100		
Deposit/Downpayment (Racquetball Courts)				$30		
Main Gym Floor-Per Hour Fee (4 Hour Minimum)	$30			$50		
Racquetball Courts-Per Hour Fee	$30			$30		
AQUATIC CENTER						
Deposit/Downpayment (Pool Rental)	$200			$200		
Pool Rental 1-100 - Per Hour Fee (3-Hour Minimum)		$140	$200		$140	$200
Pool Rental 101-200 - Per Hour Fee (3-Hour Minimum)		$200	$260		$200	$260
Deposit/Downpayment (Meeting Room)	$50			$100		

Community Services and Parks and Recreation Fees

Name of Fee	Current Fee			Recommended Fee		
	Standard Fee	Resident Fee	Non-Resident Fee	Standard Fee	Resident Fee	Non-Resident Fee
Meeting Room - Per Use Fee (3 Hour Maximum)	$50			$200		
Deposit/Downpayment (Picnic Area During Rec Swim)	$50			$50		
Picnic Area (During Rec Swim)-Per Hour Rate	$55			$75		
Deposit/Downpayment (Picnic Area + Private Pool Rental)	$100			$200		
Picnic Area + Private Pool Rental (1-100) (3 Hour Minimum)					$150	$225
Picnic Area + Private Pool Rental (101-200) (3 Hour Minimum)					$200	$260
Depoist/Downpayment (Private Pool Only Rental)	$100			$100		
1 Pool Per Hour Rate (3 Hour Minimum)					$160	$185
2 Pools Per Hour Rate (3 Hour Minimum)					$200	$260
Competition Pool Lane Rental Per Hour Fee (Teams Only) (2 Hour Minimum)					$75	$85
ATHLETIC FIELDS						
Ballfield Rental-1 Field-Per Hour Fee	$30			$40		
Ballfield Rental-2+ Fields-Per Hour Fee	$20			$30		
Light Fee-Per Hour Fee	$10			$15		
Ballfield Prep Fee-Per Prep, Per Field	$20			$25		
Soccer Prep Fee-Per Prep, Per Field				$35		
Soccer Goal Rental Fee-Per Pair				$35		
Tournament Fee Per Team Fee (non-charitable tournaments)				$50		
PROGRAMS & ACTIVITIES						
OLDER ADULT PROGRAMS - FOR PARTICIPANTS AGES 50+						
Fitness Room Annual Membership (50 year old or older)		$0	$150		$0	$150
Special Events (Dances, Holiday Celebrations)	$10			$10		
Exercise Classes		$0	$3		$0	$5
Community Senior Ball					$5	At Cost
FAMILY & HUMAN SERVICES						
Notary Services	$15			$15		

Community Services and Parks and Recreation Fees

Name of Fee	Current Fee			Recommended Fee		
	Standard Fee	Resident Fee	Non-Resident Fee	Standard Fee	Resident Fee	Non-Resident Fee
RECREATION ACTIVITIES & PROGRAMS						
Fitness Facility Daily Pass (Youth & Business Resident)		$0	$2		$0	$3
Fitness Facility Membership-Monthly (Includes Business Residents)					$5	$35
Fitness Facility Membership-Annual (Includes Business Residents)		$50			$50	$150
Swim Lessons-Group		$40	$62		$50	$90
Swim Lessons-Group (Varied Days)				Varies	Varies	Varies
Swim Lessons-Private		$80	$95		$95	$140
Adaptive Swim Lessons-Private					$95	$140
Recreation Swim-Youth		$2	$3		$2	$3
Recreation Swim-Adult		$2	$3		$2	$4
Water Aerobics	$3				$3	$4
Water Aerobics, Recreation Swim, Lap Swim-City Employee				$0		
Water Aerobics, Recreation Swim, Lap Swim-Seniors					$2	
Water Aerobics, Recreation Swim, Lap Swim-Veterans					$2	$2
Swim Team-Quarterly Rate		$70	$110		$70	$120
Jr. Lifeguard Program		$97	$118		$100	$130
Day Camp-2 Week Session		$125	$151		$140	$180
Day Camp-1 Week Session					$70	$90
Spring Camp					$94	$115
Daily Day Camp					$15	$30
Day Camp Excursion (For Daily Camp)				Cost of Trip		
Family Camp-Adult		$75			$100	
Family Camp-Youth		$50			$75	
Santa Home Visits	$65			$100		
Art Camp	$75				$100	$125
5K-Adult Regular Fees		$15	$15		$20	$30

Community Services and Parks and Recreation Fees

Name of Fee	Current Fee			Recommended Fee		
	Standard Fee	Resident Fee	Non-Resident Fee	Standard Fee	Resident Fee	Non-Resident Fee
5K-Youth Regular Fees	$5			$8		
5K Kids Run	$4			$4		
5K-Adult Early Bird Fees (34-75 Days Prior to 5K)		$10	$10		$15	$25
5K-Youth Early Bird Fees (34-75 Days Prior to 5K)	$5			$5		
5K Early Bird Run (34-75 Days Prior to 5K)						
5K-Adult Super Early Bird Fees (76-120 Days Prior to 5K)					$12	$20
5K-Youth Super Early Bird Fees (76-120 Days Prior to 5K)				$4		
5K Early Super Bird Run (76-120 Days Prior to 5K)				$3		
5K-Adult (First Week Promotional Rate)					$10	$15
5K-Youth (First Week Promotional Rate)				$3		
5K Early (First Week Promotional Rate)				$2		
5K Same Day Fees-Adult					$25	$35
5K Same Day Fees-Youth				$13		
5K Same Day Fees-Kids Run				$9		
Adult Softball Team Fee	$530				$530	$630
Adult Basketball/Volleyball Team Fee	$560				$560	$660
Adult Tournament Team Fee	$125				$175	$275
Adult Sports Free Agent Fee	$45				$65	$85
Adult Sports Forfeit Fee	$25			Cost of Game		
Adult Sports Late Payment	$25			$35		
Youth Sports Individual League Fee		$34	$45		$50	$85
Lake Center Youth Sports	$45			$50		
Youth Sports Tournament Fee	$125			$150		
Community Garden Annual Parcel		$20	$40		$20	$40
Recreation Classes	Varies			Varies	Varies	Varies + $10
Excursion Program	Varies			Varies	Varies	Varies + $10
SPECIAL EVENT FEES						
ArtFest Student Artist Fee	$0			$0		
ArtFest Artist Fee	$20			$20		
ArtFest Film Fest	$25			$25		

Community Services and Parks and Recreation Fees

Name of Fee	Current Fee			Recommended Fee		
	Standard Fee	Resident Fee	Non-Resident Fee	Standard Fee	Resident Fee	Non-Resident Fee
Vendor Fees-Large Events-Food Truck	$100			$150		
Vendor Fees-Large Events-Food Booth	$100			$200		
Vendor Fees-Large Events-Carft/Artisan/Retail Vendor	$50			$100		
Vendor Fees-Small Events-Food Truck	$50			$65		
Vendor Fees-Small Events-Food Booth	$50			$100		
Vendor Fees-Small Events-Carft/Artisan/Retail Vendor	$50			$65		

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CITY OF SANTA FE SPRINGS

FEE SCHEDULE
FY 2024-25

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Department	REF #	SERVICE	FY 2023-24	ADOPTED FY 2024-25
COMMUNITY DEVELOPMENT	S-001	CONDITIONAL USE PERMIT	$2,253 per application plus $1,140 public hearing fee plus $ 653 CEQA review fee	$12,240 per application plus any outside environmental consultant costs
COMMUNITY DEVELOPMENT	S-002	ADMIN. CONDITIONAL USE PERMIT	$2,253 per application Daycare - $100 per application	$4,605 per application
COMMUNITY DEVELOPMENT	S-003	COND USE PERMIT - AMENDMENT	$1,140 per application plus $1,140 public hearing fee plus $ 653 CEQA review fee	$9,290 per application plus any outside environmental consultant costs
COMMUNITY DEVELOPMENT	S-004	COND USE PERMIT - WIRELESS TELE FAC	$2,253 per application plus $1,140 public hearing fee plus $ 653 CEQA review fee	$12,240 per application plus any outside environmental consultant costs
COMMUNITY DEVELOPMENT	S-005	CUP COMPLIANCE REVIEW	$563 per review	$1,515 per review
COMMUNITY DEVELOPMENT	S-006	DEVELOPMENT PLAN APPROVAL	$2,253 - Principal $1,140 - Incidental plus $1,140 public hearing fee plus $ 653 CEQA review fee	$15,970 per application plus any outside environmental consultant costs
COMMUNITY DEVELOPMENT	S-007	ADMIN. DEVELOPMENT PLAN APPROVAL	$1,140 - Incidental	$4,605 per application
COMMUNITY DEVELOPMENT	S-008	DEVELOPMENT PLAN APPROVAL AMENDMENT	$1,140 per application	$8,340 per application
COMMUNITY DEVELOPMENT	S-009	ZONE CHANGE	$2,253 per application plus $1,140 public hearing fee plus $ 653 CEQA review fee	$12,445 per application plus any outside environmental consultant costs If application is submitted with another application(s), the lower costing application fee(s) is reduced by 50%.
COMMUNITY DEVELOPMENT	S-010	ZONE MODIFICATION - RESIDENTIAL	$48 per application	$7,210 per application If application is submitted with another application(s), the lower costing application fee(s) is reduced by 50%.
COMMUNITY DEVELOPMENT	S-011	ZONE MODIFICATION - ALL OTHER	$1,140 per application	$7,900 per application If application is submitted with another application(s), the lower costing application fee(s) is reduced by 50%.
COMMUNITY DEVELOPMENT	S-012	ZONING CODE AMENDMENT	$2,253 per application plus $1,140 public hearing fee plus $ 653 CEQA review fee	$16,685 per application
COMMUNITY DEVELOPMENT	S-013	GENERAL PLAN AMENDMENT	$2,253 per application plus $1,140 public hearing fee plus $ 653 CEQA review fee	$12,445 per application plus any outside environmental consultant costs If application is submitted with another application(s), the lower costing application fee(s) is reduced by 50%.
COMMUNITY DEVELOPMENT	S-014	DEVELOPMENT AGREEMENT	$2,253 per application plus $1,140 public hearing fee	$5,915 plus any outside costs
COMMUNITY DEVELOPMENT	S-015	COVENANTS, COND & RESTRICTIONS REV	$318 - $653 per application	$1,635 plus any outside costs

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Department	REF #	SERVICE	FY 2023-24	ADOPTED FY 2024-25
COMMUNITY DEVELOPMENT	S-016	TENTATIVE TRACT/PARCEL MAP	$4,970 plus $295 per lot/unit plus $1,140 public hearing fee	$3,685 per application
COMMUNITY DEVELOPMENT	S-017	LOT LINE ADJUSTMENT (PLANNING)	$3,592 per application	$4,580 per application plus any outside costs If application is submitted with another application(s), the lower costing application fee(s) is reduced by 50%.
COMMUNITY DEVELOPMENT	S-018	REVIEW OF MITIGATED NEG DEC	$1,306 per application	Charge 20% of the Consultant Contract cost for City Staff review plus any Fish and Wildlife fees.
COMMUNITY DEVELOPMENT	S-019	REVIEW OF NEGATIVE DECLARATION	$1,306 - "No impact" per Department of Fish & Game Additional $3,292 if project has "Determined Impact" per California Department of Fish & Wildlife	Charge 20% of the Consultant Contract cost for City Staff review Applicant will directly pay any required California Department of Fish & Wildlife fees
COMMUNITY DEVELOPMENT	S-020	REVIEW OF ENVIRONMENTAL IMPACT REP	$2,610 plus costs Additional $2,839.25 if project "Impacts" per California Department of Fish & Wildlife	Charge 20% of the Consultant Contract cost for City Staff review plus any Fish and Wildlife fees.
COMMUNITY DEVELOPMENT	S-021	PRELIMINARY APPLICATION REVIEW	$400 per review	$1,225 - 1st review $ 650 - ea addl review 50% of the fee is fully credited towards Planning application if submitted within six months
COMMUNITY DEVELOPMENT	S-022	TIME EXTENSION	$1,140 per request	$1,715 per application
COMMUNITY DEVELOPMENT	S-023	TIME EXTENSION - NON CONFORMING USE	$1,140 per application plus $1,140 public hearing fee plus $ 653 CEQA review fee	$1,000 deposit with charges at the fully allocated hourly rates for City staff involved plus any outside costs.
COMMUNITY DEVELOPMENT	S-024	APPEAL TO PLANNING COMMISSION	None	$4,080 per appeal
COMMUNITY DEVELOPMENT	S-025	APPEAL TO CITY COUNCIL	None	$4,080 per appeal
COMMUNITY DEVELOPMENT	S-026	LANDSCAPE PLAN REVIEW	$105 - Residential $115 - Non-Residential	$ 125 - Single Family Residential $ 335 - All Other (Non-MWELO) $1,005 - All Other (MWELO)
COMMUNITY DEVELOPMENT	S-027	DDCV & SPRINKLER PLAN CHECK	$275 per application	$165 per application
COMMUNITY DEVELOPMENT	S-028	OIL WELL SITE PLAN REVIEW	None	$210 per project plus any outside costs
COMMUNITY DEVELOPMENT	S-029	WIRELESS TELECOM FACIL - ADMIN	$1,793 per application	$3,430 per application
COMMUNITY DEVELOPMENT	S-030	MASTER WIRELESS AGREEMENT	None	Deposit determined by staff with charges at the fully allocated hourly rates for City staff involved plus any outside costs.
COMMUNITY DEVELOPMENT	S-031	SITE LEASE AGREEMENT	None	Deposit determined by staff with charges at the fully allocated hourly rates for City staff involved plus any outside costs.
COMMUNITY DEVELOPMENT	S-032	BANNER PERMIT REVIEW	$48 per permit	$85 per permit
COMMUNITY DEVELOPMENT	S-033	SIGN REVIEW	$105 per application	$125 per application
COMMUNITY DEVELOPMENT	S-034	SIGN PROGRAM REVIEW	$491 per application	$670 per application

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FY 2024-25

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Department	REF #	SERVICE	FY 2023-24	ADOPTED FY 2024-25
COMMUNITY DEVELOPMENT	S-035	BUSINESS LICENSE REVIEW (PLANNING)	None	$85 per review
COMMUNITY DEVELOPMENT	S-036	HOME OCCUPATION PERMIT (PLANNING)	$39 per permit	$125 per permit
COMMUNITY DEVELOPMENT	S-037	OFFICE TRAILER PERMIT	$437 per permit	$165 per permit
COMMUNITY DEVELOPMENT	S-038	TEMPORARY STORAGE PERMIT	None	$3,270 per application
COMMUNITY DEVELOPMENT	S-039	ZONING CERTIFICATION LETTER	$105 per parcel	$725 per letter
COMMUNITY DEVELOPMENT	S-040	OFFSITE RECORD/PLAN RETRIEVAL	None	Charge actual outside costs that are in compliance with the Public Records Act.
COMMUNITY DEVELOPMENT	S-041	ADDITIONAL/MISC PLAN REVIEW	Fully allocated hourly rate	Deposit determined by staff with charges at the fully allocated hourly rates for City staff involved plus any outside costs.
COMMUNITY DEVELOPMENT	S-042	PLANNING DEPT PLAN CHECK	$102 - Site Plan $105 - Residential $115 - Non-Residential $118 - Outside of Redevelopment Project Areas and Non-Residential	Charge 25% of the Building Plan Check fee
COMMUNITY DEVELOPMENT	S-043	GENERAL PLAN MAINTENANCE	None	3.0% of building permit fees
COMMUNITY DEVELOPMENT	S-044	DEVELOP/FIRE TECHNOLOGY SURCHARGE	None	1% of Building and Fire permit fees
COMMUNITY DEVELOPMENT	S-045	BUILDING PLAN CHECK & INSPECTION	Varies	With the new contract provider, the City should re-study this service within the next year to determine if the current fees are appropriate.
COMMUNITY DEVELOPMENT	~~S-046~~	~~r/ ZONE MODIFICATION - TIME EXTEND~~	~~$567 per application~~	Remove. Service no longer provided
COMMUNITY DEVELOPMENT	~~S-047~~	~~r/ RECONSIDERATION OF DPA OR CUP~~	~~$1,140 per application~~	Remove. Service included in other fees
COMMUNITY DEVELOPMENT	~~S-048~~	~~r/ DEVELOPMENT PLAN APPR - BLDG ADD~~	~~$1,140 - Building Addition (>1,000 sq. ft.)~~	Remove. Service no longer provided
COMMUNITY DEVELOPMENT	~~S-049~~	~~r/ PUBLIC HEARING~~	~~$1,140 per application~~	Remove. Service included in other fees
COMMUNITY DEVELOPMENT	~~S-050~~	~~r/ CEQA REVIEW - INITIAL STUDY~~	~~$653 per application~~	Remove. Combined with other services/fees
COMMUNITY DEVELOPMENT	~~S-051~~	~~r/ PREPARATION OF MITIGATED NEG DEC~~	~~$1,140 plus costs~~	Remove. Applicant directly pays consultant for services
COMMUNITY DEVELOPMENT	~~S-052~~	~~r/ PREPARATION OF SOIL & GAS STUD~~	~~$2,626 plus costs~~	Remove. Service provided in other fees
COMMUNITY DEVELOPMENT	~~S-053~~	~~r/ SOIL GAS STUDY REVIEW~~	~~$528 per application~~	Remove. Service no longer provided
COMMUNITY DEVELOPMENT	~~S-054~~	~~r/ SOIL STUDY REVIEW~~	~~$1,760 per application~~	Remove. Service provided in other fees
COMMUNITY DEVELOPMENT	~~S-055~~	~~r/ OIL WELL PERMIT~~	~~$704 per permit~~	Remove. Service provided in other fees
COMMUNITY DEVELOPMENT	~~S-056~~	~~r/ OIL WELL DRILLING PERMIT~~	~~$352 per permit~~	Remove. Service provided in other fees
COMMUNITY DEVELOPMENT	~~S-057~~	~~r/ PROPERTY INFO (REALQUEST)~~	~~$46 per report~~	Remove. Service no longer provided
COMMUNITY DEVELOPMENT	~~S-058~~	~~r/ TENANT IMPROVEMENT PLAN CHECK~~	~~$105 per unit~~	Remove. Service included in Building Permits

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FEE SCHEDULE

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Department	REF #	SERVICE	FY 2023-24	ADOPTED FY 2024-25
COMMUNITY DEVELOPMENT	~~S-059~~	~~r/ RADIUS MAP/LABEL CREATION~~	~~$250 per project~~	Remove. Service no longer provided
COMMUNITY DEVELOPMENT	~~S-060~~	~~r/ PUBLIC HEARING SURCHARGE~~	~~$1,140 per application~~	Remove. Service included in other fees
COMMUNITY DEVELOPMENT	~~S-061~~	~~r/ HAZARDOUS MATERIAL SURCHARGE~~	~~$2,253 per application~~	Remove. Service no longer provided
COMMUNITY DEVELOPMENT	~~S-062~~	~~r/ AERIAL PHOTO VIEWING~~	~~No charge~~	Remove. Service is free
COMMUNITY DEVELOPMENT	~~S-063~~	~~r/ COPY - PLANNING DOCUMENTS~~	~~Varies~~	Remove. Service no longer available
COMMUNITY DEVELOPMENT	~~S-064~~	~~r/ STREET/ALLEY VACATION~~	~~$4,965 - General street/alley vacation~~ ~~$2,253 - Summary street vacation~~	Remove. Service provided in other fees
COMMUNITY DEVELOPMENT	~~S-065~~	~~r/ STREET ENCROACHMENT PERMIT~~	~~$2,253 per application plus cost~~	Remove. Service provided in other fees
COMMUNITY DEVELOPMENT	~~S-066~~	~~r/ RELOCATION OF BUILDING~~	~~$2,253 per application~~	Remove. Service no longer provided
COMMUNITY DEVELOPMENT	~~S-067~~	~~r/ RESIDENTIAL RENTAL INSPECTION~~	~~$108 per inspection - Apartment Units - Initial/Annual~~ ~~$ 68 per inspection - Apartment Units - Reinspection~~ ~~$108 per inspection - Condominium/Townhouses - Initial/Annual~~ ~~$ 68 per inspection - Condominium/Townhouses - Reinspection~~ ~~$108 per inspection - Single Family Dwellings - Initial/Annual~~ ~~$ 68 per inspection - Single Family Dwellings - Reinspection~~	Remove. Service no longer provided
COMMUNITY DEVELOPMENT		Zone Variance	$ 2,253.00	$12,455 per application plus any outside envirnomental consultant costs. If application is submitted with another application(s), the lower costing application fee(s) is reduced by 50%
COMMUNITY DEVELOPMENT		Wireless Tele Fac Renewal	NA	$ 2,355.00

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FEE SCHEDULE

FY 2024-25

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Department	REF #	SERVICE	FY 2023-24	ADOPTED FY 2024-25
FINANCE	S-236	BUSINESS LICENSE - NEW	$50 per business	$50 per business
FINANCE	S-237	BUSINESS LICENSE - RENEWAL	$35 per business	$45 per business
FINANCE	S-238	BUSINESS LICENSE CHANGE OF ADDRESS	$30 per business	$45 per business
FINANCE	S-239	NSF CHECK PROCESSING	$25 - 1st time $35 - 2nd or more times	$60 per returned check

FEE SCHEDULE
FY 2024-25

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Department	REF #	SERVICE	FY 2023-24	ADOPTED FY 2024-25
FIRE	S-110	FIRE PLAN REVIEW & INSPECTION	$ 600 - Up to 20,000 sq ft per floor per bldg $ 900 - 20,000 to 50,000 sq ft per floor per bldg $1,185 - 50,001 to 100,000 sq ft per floor per bldg $1,785 - More than 100,000 sq ft per floor per bldg	$ 680 - <20,000 sf/floor/bldg $ 890 - 20,001-50,000 sf/floor/bldg $1,215 - 50,001-100,000 sf/floor/bldg $ 21 - Ea addl 10,000 sf above 100,000 sf/floor/bldg
FIRE	S-111	MEDICAL GAS SYSTEM PLAN/INSP	None	Plan Check - $700 Inspection - $470
FIRE	S-112	CARBON DIOXIDE BEV DISP SYST PLAN	None	$935 per plan
FIRE	S-113	SITE PLAN & ACCESS REVIEW	$235 per review	$120 per review
FIRE	S-114	SOLAR PANEL - RESIDENTIAL	$ 50 - 15kW or less, per system $100 - More than 15kW, per system	$220 per permit
FIRE	S-115	SOLAR PANEL - COMMERCIAL	$235 per permit	up to 50 kW - $445 per permit 51-250kW - additional $7 per kW over 50 kW 250kW - additional $5 per kW over 50 kW
FIRE	S-116	ADDITIONAL FIRE PLAN CHECK	$235 per review	$235 per review
FIRE	S-117	FIRE PERMIT EXTENSION/REISSUANCE	$107 per request	$235 per request
FIRE	S-118	EXPEDITED PLAN REVIEW	$107 per hour (2 hour minimum)	1.2 x FBHR. 1 hour minimum
FIRE	S-119	FIRE ALARM SYSTEM PC/INSP	$235 - 20 devices or less $450 - More than 20 devices	$ 665 - 10 devices or less $1,100 - 11 to 50 devices $ 445 - Ea addl 50 devices beyond 50
FIRE	S-120	FIRE EXTINGUISHING SYSTEM	$235 per permit	$560 per permit
FIRE	S-121	FIRE SPRINKLER SYSTEM PC/INSP	Up to 20 heads $ 745 - Up to 20,000 sq ft per floor $1,045 - 20,001 to 50,000 sq ft per floor $1,335 - 50,001 to 100,000 sq ft per floor $1,770 - More than 100,001 sq ft per floor	$270 - Systems with 20 heads or less $890 - Systems with 21 to 100 heads $220 - Ea addl 100 heads beyond 100
FIRE	S-122	NFPA 13D SINGLE FAMILY PC/INSP	$150 per permit	$890 per permit
FIRE	S-123	FIRE NEW RES UNIT SPRINKLER PC/INSP	$135 per unit	Up to 5 units - $444 6-10 units - $865 Each additional 10 units - $210
FIRE	S-124	FIRE UNDERGROUND SYSTEM PC/INSP	$450 per permit	$ 655 - 1 to 4 hydrants/risers $ 865 - 5 to 10 hydrants/risers $1,075 - 11 or more hydrants/risers
FIRE	S-125	FIRE TENANT IMPRV CONSTRUCT PC/INSP	$235 per permit	$325 per permit
FIRE	S-126	TENANT IMPRV FIRE PROT SYS PC/INSP	$235 per inspection	$445 - 20 heads or less $770 - 21 to 100 heads $220 - Ea addl 100 heads beyond 100
FIRE	S-127	EMERG RESP RADIO COVERAGE PLAN CHK	None	$935 per plan
FIRE	S-128	EMERG RESP RADIO COVERAGE INSPECT	None	$755 per inspection
FIRE	S-129	VAPOR RECOVERY/REMOVAL SYST PLAN	None	$700 per plan
FIRE	S-130	PRELIMINARY PLAN REVIEW	$235 per review	$235 per hour
FIRE	S-131	FIRE CODE-AUTOMATIC FIRE-EXTING	$235 per permit	$550 per permit
FIRE	S-132	FIRE CODE-ENERGY STORAGE SYST	$235 per permit	$560 per permit

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Department	REF #	SERVICE	FY 2023-24	ADOPTED FY 2024-25
FIRE	S-133	FIRE CODE-COMPRESSED GASES	$235 per permit	$560 per permit
FIRE	S-134	FIRE CODE-CRYOGENIC FLUIDS	$235 per permit	$560 per permit
FIRE	S-135	r/FIRE CODE-EMERG RESPONDER RADIO	$235 per permit	This fee should be removed from the fee schedule as it is included in other services.
FIRE	S-136	FIRE CODE-FIRE PUMPS AND RELATED	$940 per permit	$875 per permit
FIRE	S-137	FIRE CODE-FLAMM/COMBUSTIB LIQUIDS	$235 per permit	$1,355 per permit
FIRE	S-138	FIRE CODE-FUEL CELL POWER SYSTEMS	$235 per permit	$560 per permit
FIRE	S-139	FIRE CODE-GAS DETECTION SYSTEMS	$235 per permit	$665 per permit
FIRE	S-140	FIRE CODE-GATES AND BARRICADES	$235 per permit	$220 per permit
FIRE	S-141	FIRE CODE-HAZ MAT (H-OCCUPANCY)	$235 per permit	$1,015 per permit
FIRE	S-142	FIRE CODE-INDUSTRIAL OVENS	$235 per permit	$445 per permit
FIRE	S-143	FIRE CODE-LP GAS	$235 per permit	$680 per permit
FIRE	S-144	FIRE CODE-MOTOR VEHICLE REPAIR ROOM	$235 per permit	$325 per permit
FIRE	S-145	FIRE CODE-PLANT EXTRACTION SYSTEM	$235 per permit	$1,120 per permit. Covers up to 5 hours of staff time
FIRE	S-146	FIRE CODE-PRIVATE FIRE HYDRANTS	$235 per permit	$220 per permit
FIRE	S-147	FIRE CODE-SMOKE CONTROL/EXHAUST SYS	$235 per permit	$665 per permit
FIRE	S-148	FIRE CODE-SPECIAL EVENT STRUCTURE	$235 per permit	$420 per permit
FIRE	S-149	FIRE CODE-SPRAYING OR DIPPING	$235 per permit	$665 per permit
FIRE	S-150	FIRE CODE-STANDPIPE SYSTEMS	$235 per permit	$665 per permit
FIRE	S-151	FIRE CODE-DUST COLLECTION SYSTEM	$235 per permit	$680 per permit
FIRE	S-152	FIRE CODE-METHANE MITIGATION SYSTEM	None	$680 per permit
FIRE	S-153	FIRE CODE-OIL WELL ABANDONMENT	None	$535 per permit
FIRE	S-154	CHEMICAL CLASSIFICATION REVIEW	$330 per permit	This fee should be removed from the fee schedule as it is included in another service.
FIRE	S-155	HIGH PILED COMBUSTIBLE STOCK	$305 - 501 sq ft to 3,500 sq ft $595 - 3,501 sq ft or more	$550 - Total of 5,000 sf or less $760 - Total of 5,001 to 10,000 sf $210 - Ea addl 5,000 sf beyond 10,000 sf
FIRE	S-156	OIL WELL - NEW INSTALLATION	$235 per permit	Actual staff and outside costs
FIRE	S-157	HYDRANT FLOW REQUEST	$100 per test	$210 per test
FIRE	S-158	FIRE SAFETY WATCH	$150 per hour	Fully allocated hourly rate with minimum of 2 hours
FIRE	S-159	FIRE RE-INSPECTION	$150 per hour	Fully allocated hourly rate with minimum of 1 hour
FIRE	S-160	REQUESTED FIRE INSPECTION	None	Fully allocated hourly rate with minimum of 1 hour
FIRE	S-161	AFTER-HOURS FIRE INSPECTION	None	120% of the Fully allocated hourly rate with minimum of 4 hours
FIRE	S-162	NEW BUSINESS INSPECTION - FIRE	$215 - Up to 100,000 sq ft $420 - Over 100,000 sq ft	$210 - Up to 100,000 sq ft $420 - Over 100,000 sq ft
FIRE	S-163	ANNUAL ENGINE COMPANY INSPECTION	None	Fully allocated hourly rate with minimum of 1 hour
FIRE	S-164	FIRE CODE VIOLATIONS	No Charge - Initial inspection/ Violation 1st notice $ 100 - 1st reinspection/ Violation 2nd notice $ 510 - 2nd reinspection/ Violation 3rd notice $1,020 - 3rd reinspection/City attorney/Prosecutor action	No Charge - Initial inspection/ Violation 1st notice $ 100 - 1st reinspection/ Violation 2nd notice $ 510 - 2nd reinspection/ Violation 3rd notice $1,020 - 3rd reinspection/City attorney/Prosecutor action
FIRE	S-165	FIRE SUPPRESSION ACTIVITIES	None	Fully allocated hourly rates

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Department	REF #	SERVICE	FY 2023-24	ADOPTED FY 2024-25
FIRE	S-166	PARAMEDIC SERVICES	Paramedic Subscription Program - $60 per year per address $369.25 per response	Paramedic Subscription Program - $60 per year per address $369.25 per response
FIRE	S-167	FIRE FALSE ALARM RESPONSE	$355 per response	$355 per response
FIRE	S-168	ANNUAL FIRE CODE OPERATIONS PERMIT	Varies - $56 to $2,675	$260 per permit
FIRE	S-169	ANNUAL FIRE CODE PERMIT - HOT WORK	$129 per permit	Less than 200 cubic feet - $105 per permit 200 cubic feet or greater - $210 per permit
FIRE	S-170	MISCELLANEOUS FIRE PERMIT	None	$210 per permit
FIRE	S-171	ENVIRONMENTAL PROTECTION SVCS	See Appendix C for fee detail	See Appendix C for fee detail
FIRE	~~S-172~~	~~r/ APPEAL - FIRE~~	~~$510 per appeal~~	Remove. Service no longer provided
FIRE	S-173	r/ FIRE INVESTIGATION CAUSE/ORIG	$15 per report	Remove. Combined with COPY - PRINT fee
FIRE	S-174	IN-RACK FIRE SPRINKLER INSPECTION	$235 per permit plus $2.50 per head over 20 heads	$420 per permit plus $105 per each additional 100 heads over 100 heads
FIRE	S-175	HOSE REEL/RACK/STAND PIPE INSPECT	$235 per permit	$420 per permit
FIRE	S-176	FIRE PUMP HOUSE INSPECTION	$450 per permit	$630 per permit
FIRE	S-177	FIRE CODE-FIRE ALARM INSPECTION	$235 per permit	First 50 devices - $420 Each additional 50 devices - $210
FIRE	~~S-178~~	~~r/ FLOW COATING EQUIPMENT~~	~~$235 per permit~~	Remove. Service no longer provided
FIRE	S-179	FLAM/COMB LIQUID PIPING SYS INSPECT	$235 per permit	$420 per permit
FIRE	S-180	FLAM/COMB LIQ-MANUF & PROCESS INSP	$235 per permit	$1,260 per permit plus actual time spent over 6 hours
FIRE	S-181	MECHANICAL REFRIGERATION SYST INSP	$235 per permit	$210 per permit
FIRE	~~S-182~~	~~r/ STANDBY FIRE DEPT EQUIP~~	~~$450 per hour~~	Remove. Service no longer provided
FIRE	S-183	MULTI-FAMILY RESIDENTIAL FIRE INSP	$140 SFR, initial/annual $ 70 - SFR, reinspection	$230 per inspection
FIRE	S-184	APARTMENT/TOWNHOUSE FIRE INSPECTION	$110 - Apartment, initial/annual $ 70 - Apartment, reinspection $110 - Condo, initial/annual $ 70 - Condo, reinspection	3-10 units - $230 per inspection 11-20 units - $350 per inspection Each additional 10 units over 20 - $60
FIRE	S-185	ASSIST LIVING FACILITY FIRE INSPECT	None	1-25 residents - $230 per inspections 26-50 inspections - $350 per inspection Each additional 25 residents over 50 - $60
FIRE	S-186	REHAB/HALFWAY/STATE FACIL FIRE INSP	None	$695 per permit plus actual time spent over 6 hours
FIRE	S-187	HOSPITAL/CLINIC FIRE INSPECTION	None	$695 per permit plus actual time spent over 6 hours
FIRE	S-188	SCHOOL FIRE INSPECTION	None	$695 per permit plus actual time spent over 6 hours
FIRE	~~S-189~~	~~r/ RECORD SEARCH RATES~~	~~$100 per hour~~ ~~$0.25 per page~~	Remove. Service no longer provided
0		Methane Detection System (Ordinance)	$ 159.00	$ 190.00
0		Oil and Natural Gas Wells (Ordinance)	$ 75.00	$ 90.00
0		Above Ground Storage: Install, Removal, Demolition, and Modification of Piping or Structures (per tank)	$ 235.00	$ 310.00
0		Flammable/Combustible Liquid Manufacturing, Blending or Refining	$ 260	$ 2,675.00
0		Late CERS Submittal Penalty		$ 475.00
0		Magnesium Working	$ 190.00	$ 190.00
0		Miscellaneous Combustible Storage >2500 cubic feet	$ 165.00	$ 165.00

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POLICE SERVICES	S-190	BUSINESS REGULATORY PERMIT	Varies $297 - $4,774	$400 per permit
POLICE SERVICES	S-191	ALCOHOL SALES - APPLICATION	$2,856 per application	$5,535 per application
POLICE SERVICES	S-192	ALCOHOL SALES - COMPLIANCE REVIEW	$714 per review	$1,730 per review
POLICE SERVICES	S-193	FOOD/SIDEWLK VEND/CATER TRCK-POLICE	$319 per application (new) $102 per renewal (annual) $ 36 per vehicle (annual)	$285 per business plus $140 per vehicle
POLICE SERVICES	S-194	ENTERTAINMNT PRMT - APPLICATION	$4,792 - Adult $3,085 - Non-Adult $ 287 - Non-Commercial	$6,805 - Adult $5,345 - Non-Adult
POLICE SERVICES	S-195	ENTERTAINMNT PRMT - ANNUAL COMPL.	$4,792 - Adult $ 419 - Non-Adult $ 83 - Non-Commercial	$1,095 - Adult $ 400 - Non-Adult
POLICE SERVICES	S-196	FIREARM SALES SITE PERMIT	$2,759 per permit	$905 per permit
POLICE SERVICES	S-197	DUI EMERGENCY ACCIDENT RESPONSE	California Government Code 53155 Charge the actual costs incurred up to $12,000 per response for all responding personnel	California Government Code 53155 Charge the actual costs incurred up to $12,000 per response for all responding personnel
POLICE SERVICES	S-198	IMPOUNDED VEHICLE RELEASE	$166 per vehicle $319 per vehicle (DUI - Not Guilty)	$166 per vehicle $319 per vehicle (DUI - Not Guilty)
POLICE SERVICES	S-199	REPOSSESSED VEHICLE RELEASE	$16 per vehicle (State Mandated)	California Government Code 26751 $15 per vehicle
POLICE SERVICES	S-200	CITATION SIGN OFF/VIN VERIFICATION	$17 per citation/vehicle	$25 per citation/vehicle
POLICE SERVICES	S-201	TRAFFIC ACCIDENT REPORT	$12 per report	$15 per report Fee should comply with the terms of the Public Records Act.
POLICE SERVICES	S-202	LOCAL CRIMINAL HISTORY RECORD	$22 per report	$50 per report
POLICE SERVICES	S-203	IMMIGRATION LETTER	$28 per letter	$25 per letter
POLICE SERVICES	S-204	VISA CLEARANCE LETTERS	$24 per letter	$50 per letter
POLICE SERVICES	S-205	POLICE FALSE ALARM RESPONSE	$118 per response	$125 per response
POLICE SERVICES	S-206	YARD SALE PERMIT	$14 per application. Free for seniors	$10 per permit. Free for seniors
POLICE SERVICES	S-207	ANIMAL CARE SERVICES	$23 per license - Spayed (Non-Seniors) $8 per license - Spayed (Senior Citizen) $45 per license - Not Spayed $8 - Duplicate Dog License $27 - Fine/Penalty	$23 per license - Spayed (Non-Seniors) $8 per license - Spayed (Senior Citizen) $90 per license - Not Spayed $8 - Duplicate Dog License $27 - Fine/Penalty
POLICE SERVICES	S-208	PUBLIC SAFETY OFFICR-EVENT COVERAGE	$160 per event	$360 per event
POLICE SERVICES	S-209	SUBPOENA - WITNESS AND DOCUMENTS	$28 per subpoena	Subpoenaed Non-Sworn - $35 per day plus $0.20 per mile (CA Govt Code 68093) Subpoenaed Peace Officer - full cost to the public entity incurred in paying the peace officer, firefighter his or her salary or other compensation and traveling expense for each day that such officer is required to remain in attendance (CA Govt Code 68097.2) Subpoena Duces Tecum - $15 (CA Evidence Code 1563(b)(6))

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Department	REF #	SERVICE	FY 2023-24	ADOPTED FY 2024-25
POLICE SERVICES	~~S-210~~	~~r/ COPY - AUDIO TAPE~~	~~$213 per copy~~	Remove. Combined with COPY - DIGITAL fee
POLICE SERVICES	~~S-211~~	~~r/ BICYCLE REGISTRATION~~	~~$6 per bicycle~~	Remove. Service no longer provided
POLICE SERVICES	~~S-212~~	~~r/ COMM ROOM - POLICE SERVICES CTR~~	~~$65 per rental~~	Remove. Service no longer provided
POLICE SERVICES	~~S-213~~	~~r/ POLICE CLASSES~~	~~$ 28 - BEPN Training (Members)~~ ~~$170 - BEPN Training (Non-Members)~~ ~~Actual cost - Business First Aid classes~~ ~~TBA - Business Workshops~~ ~~$ 43 - Health, Family, Education~~ ~~$ 17 - SNT, Including first Aid/CPR (Residents)~~ ~~$ 43 - SNT, Including first Aid/CPR (Non-Residents)~~ ~~$ 43 - SNT, Including first Aid/CPR (Business Residents)~~	Remove. Service no longer provided
POLICE SERVICES	~~S-214~~	~~r/ COMMUNITY SVCS - COURT ORDERED~~	~~$64 per court order~~	Remove. Service no longer provided
POLICE SERVICES	~~S-215~~	~~r/ CONCEALED WEAPONS PERMIT~~	~~$186 per permit~~	Remove. Service no longer provided
POLICE SERVICES	~~S-216~~	~~r/ CRIMINAL CHARGES - TYPED SHEET~~	~~$13 per typed sheet~~	Remove. Combined with COPY - PRINT fee
POLICE SERVICES	~~S-217~~	~~r/ ENTERTAINMNT - OTHER USES/BURLES~~	~~$4,655 per permit~~	Remove. Combined with other fees
POLICE SERVICES	~~S-218~~	~~r/ ENTERTAINMNT - OTHER AMUSEMENT~~	~~$2,865 - Commercial Permit~~ ~~$ 276 - Non-Commercial Permit~~	Remove. Combined with other fees
POLICE SERVICES	~~S-219~~	~~r/ FINGERPRINTING~~	~~$22 per applicant~~	Remove. Service no longer provided by the City
POLICE SERVICES	~~S-220~~	~~r/ FIREARM REGISTRATION~~	~~$27 per application~~	Remove. Service no longer provided by the City
POLICE SERVICES	~~S-221~~	~~r/ FIREARM SALES SITE APPLICATION~~	~~$2,971 per application~~	Remove. Service combined with other fees
POLICE SERVICES	~~S-222~~	~~r/ FIREARM SALES SITE INSPECTION~~	~~$107 per inspection~~	Remove. Service no longer provided
POLICE SERVICES	~~S-223~~	~~r/ COPY - POLICE REPORT~~	~~$13 per report~~	Remove. Combined with COPY - PRINT fee
POLICE SERVICES	~~S-224~~	~~r/ COPY - PARKING/MOVING CITATION~~	~~$17 per copy~~	Remove. Combined with COPY - PRINT fee
POLICE SERVICES	~~S-225~~	~~r/ COPY - INCIDENT PHOTOGRAPH~~	~~$28 per copy~~	Remove. Service no longer provided
POLICE SERVICES	~~S-226~~	~~r/ COPY - CRIME INCIDENT REPORT~~	~~$13 per copy~~	Remove. Combined with COPY - PRINT fee
POLICE SERVICES	~~S-227~~	~~r/ STATISTICAL SURVEYS~~	~~$83 per survey~~	Remove. Services no longer provided
POLICE SERVICES	~~S-228~~	~~r/ TOW IMPOUND~~	~~Per contract~~	Remove. Service no longer provided by the City
POLICE SERVICES	~~S-229~~	~~r/ TRAFFIC RESTITUTION~~	~~$26 per incident~~	Remove. Service no longer provided
POLICE SERVICES	~~S-230~~	~~r/ COPY - VIDEO~~	~~$176 per video~~	Remove. Combined with COPY - DIGITAL fee
POLICE SERVICES	~~S-231~~	~~r/ VIDEO RENTAL - DEPOSIT~~	~~$7 per video~~	Remove. Service no longer provided

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Department	REF #	SERVICE	FY 2023-24	ADOPTED FY 2024-25
PUBLIC WORKS	S-068	FINAL PARCEL/TRACT MAP	$4,970 plus $295 per lot/unit	$4,470 per map plus actual costs for contract surveyor
PUBLIC WORKS	S-069	LOT LINE ADJUSTMENT (PW)	$3,554 per application plus any outside costs	$2,085 per application plus actual costs for contract surveyor
PUBLIC WORKS	S-070	LOT MERGER	None	$2,085 per application plus actual costs for contract surveyor
PUBLIC WORKS	S-071	LOT TIE AGREEMENT	$2,340 per application ($961 Planning + $1,379 PW)	$2,085 per application plus actual costs for contract surveyor
PUBLIC WORKS	S-072	STREET/ALLEY VACATION	$4,965 per application	Deposit determined by staff with charges at the fully allocated hourly rates for City staff involved plus any outside costs.
PUBLIC WORKS	S-073	SUMMARY STREET VACATION	$4,965 per application	Deposit determined by staff with charges at the fully allocated hourly rates for City staff involved plus any outside costs.
PUBLIC WORKS	S-074	CONST - COMMERCIAL DRIVEWAY	$183.50 - without demolition $275.75 - with demolition $52 - permit issuance	$550 per permit
PUBLIC WORKS	S-075	CONST - RESIDENTIAL DRIVEWAY	$30.50 per permit $52 - permit issuance	$550 per permit
PUBLIC WORKS	S-076	CONST - SIDEWALK	$2.85 L.F. (without demolition) / $3.45 L.F. (with demolition) Flat Fee per permit $52 - permit issuance	$550 per permit
PUBLIC WORKS	S-077	CONST - CURB & GUTTER	$3.65 L.F. (without demolition) / $4.55 L.F. (with demolition) Flat Fee per permit $52 - permit issuance	$550 per permit
PUBLIC WORKS	S-078	CONST - PARKWAY CULVERT	$131 Each (without demolition) / $195 Each (with demolition) Flat Fee per permit $52 - permit issuance	$550 per permit
PUBLIC WORKS	S-079	CONST - CURB RAMP	$141 each without demolition, $210.75 each with demolition $52 - permit issuance	$550 per permit
PUBLIC WORKS	S-080	CONST - CURB CORE FOR DRAIN PIPE	$30 per permit $52 - permit issuance	$550 per permit
PUBLIC WORKS	S-081	EXCAVATION PERMIT PROCESSING	$52 per permit	$355 per permit
PUBLIC WORKS	S-082	EXCAVATION INSPECTION	$104 per hour (2 hr minimum)	Regular Hours - $132 per hour (2 hour minimum) After Hours - $160 per hour (2 hour minimum)
PUBLIC WORKS	S-083	TRAFFIC CONTROL PLAN REVIEW	$103 per hour (1 hour minimum)	$385 per plan
PUBLIC WORKS	S-084	PUBLIC WORKS PLAN CHECK/INSPECTION	17% of first $500,000 of Approved Construction Cost (ACC) 8.50% of second $500,000 of ACC 4.25% of third $500,000 of ACC Flat Fee of 10% if ACC is over $1.5 Million	16% of ACC - Up to $500,000 Approved Construction Cost 7% of ACC - Amount beyond $500,000 ACC
PUBLIC WORKS	S-085	TRAFFIC STUDY REVIEW	None	First review - $1,260 Each additional review - $875
PUBLIC WORKS	S-086	IRRIGATION PLAN CHECK	None	$830 per sheet

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Department	REF #	SERVICE	FY 2023-24	ADOPTED FY 2024-25
PUBLIC WORKS	S-087	DRAINAGE PLAN REVIEW & INSPECTION	14% Est. Cost (on-site) ($600 minimum) 19% Est. Drainage (off-site) ($600 minimum)	Deposit determined by 15% of Estimated Construction Costs with charges at the fully allocated hourly rates for City staff involved plus any outside costs.
PUBLIC WORKS	S-088	SEWER STUDY REVIEW	None	$1,360 per study
PUBLIC WORKS	S-089	MS4 PERMIT COMPLIANCE PLAN CHECK	Less than 1 acre - $520 1 acre or greater - $760	Charge actual contract costs
PUBLIC WORKS	S-090	MS4 PERMIT COMPLIANCE INSPECTION	$202 per day	$270 per inspection plus actual contract costs
PUBLIC WORKS	S-091	ADDITIONAL PUBLIC WORKS PLAN REVIEW	None	$425 per review
PUBLIC WORKS	S-092	ADDITIONAL PUBLIC WORKS INSPECTION	None	Regular Hours - $132 per hour (2 hour minimum) After Hours - $160 per hour (2 hour minimum)
PUBLIC WORKS	S-093	UTILITY FRANCHISE APPLICATION	$4,810 per application	Deposit determined by staff with charges at the fully allocated hourly rates for City staff involved plus any outside costs.
PUBLIC WORKS	S-094	INSURANCE CERTIFICATE REVIEW	$83 (first review per certificate) $36 each additional review	First review - No Charge Second review and beyond - $120 per review
PUBLIC WORKS	S-095	STREET SIGN INSTALLATION	None	$385 per review plus $735 per sign if approved
PUBLIC WORKS	S-096	DISABLED PARKING REVIEW	None	$1,135 per review plus $800 for installation if approved
PUBLIC WORKS	S-097	EASEMENT DEED REVIEW	$525 - First 2 review $105 - Ea addl review	First 2 reviews - $825 Each additional review - $415
PUBLIC WORKS	S-098	TREE REMOVAL PERMIT	None	$820 per review plus $465 per removal if approved
PUBLIC WORKS	S-099	TEMP. REFUSE BIN/STORAGE POD PERMIT	None	$200 per permit
PUBLIC WORKS	S-100	REPRODUCTION - DEVELOPMENT PLANS	$20.00 - 1st sheet blueprint $ 9.50 - ea addl sheet blueprint $24.00 - 1st sheet vellum $13.00 - ea addl sheet vellum $27.00 - 1st print of digital file $ 2.00 - ea addl digital file	$30 each sheet
PUBLIC WORKS	S-101	BACKFLOW DEVICE TESTING PROCESSING	None	$40 per device per year
PUBLIC WORKS	S-102	SEWER FLOW TEST	Actual Cost / $2,325 minimum	$2,500 deposit for actual staff and outside costs
PUBLIC WORKS	S-103	UTILITY RESEARCH	$81.50 per hour (1/2 hour minimum)	$135 per hour (1/2 hour minimum)
PUBLIC WORKS	S-104	MAILING SPECIFICATIONS	Number of Plan Sheets/Number of Spec Pages $9 1-5 Plan Sheets/ 1-25 Spec Pages $11 6-10 Plan Sheets/ 26-40 Spec Pages $13.25 11-15 Plan Sheets/ 41-75 Spec Pages $15.25 16-20 Plan Sheets/ 76-100 Spec Pages $17.50 21-25 Plan Sheets/101-150 Spec Pages $22.25 26-50 Plan Sheets/150+ Spec Pages	$30 per spec page
PUBLIC WORKS	~~S-105~~	~~r/ PERMANENT/TEMP ENCROACHMENTS~~	~~Actual cost ($2,503 minimum) per permit~~	Remove. Service no longer provided

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PUBLIC WORKS	~~S-106~~	~~r/ REPRODUCTION - LINEN~~	~~$16.75 Plan & Profile~~ ~~$16.75 Plan~~ ~~$16.75 Double Plan & Profile~~	Remove. Service no longer provided
PUBLIC WORKS	~~S-107~~	~~r/ REPRODUCTION - POLYESTER (MYLAR)~~	~~$27.50 per film~~	Remove. Service no longer provided
PUBLIC WORKS	~~S-108~~	~~r/ STANDARD PLANS~~	~~$1.00 per sheet~~ ~~$18.50 per book~~	Remove. Service no longer provided
PUBLIC WORKS	~~S-109~~	~~r/ WATCH MANUAL~~	~~$13.50 each~~	Remove. Service no longer provided

APPENDIX C – DETAIL OF FIRE ENVIRONMENTAL PROTECTION FEES

		Current Fee	FY 2024-25 Fee
ABOVEGROUND PETROLEUM STORAGE TANK FACILITY (APSA Program)			
Annual Fee Based on Facility Aggregate Gallons			
1,320 to less than 10,000 gallons		$156	$190
10,000 to less than 100,000 gallons		$345	$415
100,000 to less than 1,000,000 gallons		$630	$760
1,000,000 to less than 10,000,000 gallons		$1,217	$1,465
10,000,000 to less than 100,000,000 gallons		$1,802	$2,170
Greater than 100 million gallons		$2,750	$3,315
CALIFORNIA ACCIDENTAL RELEASE PREVENTION			
Annual Fee per material			
Federally Regulated Material, per material		$3,531	$4,255
State Only Regulated Material, per material		$2,122	$2,560
HAZARDOUS MATERIALS RELEASE RESPONSE PLANS AND INVENTORIES (HMP)			
Annual Fee is based upon both number and volume of materials			
Number of Materials 1		$145	$175
Number of Materials 2-4		$285	$345
Number of Materials 5-~~8~~10		$515	$620
~~Number of Materials 9-12~~		~~$764~~	
~~Number of Materials 13-20~~		~~$1,274~~	
Number of Materials 11-20			$1,535
Number of Materials 21-40		$3,817	$4,600
Number of Materials 41+ (Single Facility)			$8,275
Number of Materials 41+ (At Multiple Facility)			$9,195
~~Number of Materials 41+~~		~~$7,628~~	
~~Number of Materials 41+ (3 or less contig. facilities)~~		~~$7,628~~	
~~Number of Materials 41+ (4-6 contig. facilities)~~	~~Fee based on 2 facilities with greatest # of mat'ls.~~		
~~Number of Materials 41+ (greater than 6 contig. facilities)~~	~~Fee based on 3 facilities with greatest # of mat'ls.~~		
In addition to above, if the volume are...			
Liquids- volume 10,001 to 1,000,000 gals		$681	$820
Liquids- volume over 1,000,001 gals		$6,781	$8,175
Solids- volume 100,001 to 10,000,000 lbs		$681	$820
Solids- volume over 10,000,001 lbs		$6,781	$8,175
Gases- volume 1,000,001 to 100,000,000 cubic ft		$681	$820
Gases- volume over 100,000,001 cubic ft		$6,781	$8,175
HAZARDOUS WASTE GENERATOR FEES			
Annual Fee - Bases upon number of employees except special permit			
	Special Permit (1gal/mo, 12/gal total)	$235	$285
	CESQG (Silver Only)	$235	$285
	Excluded Recycable	$235	$285
	Hazardous Waste Hauler Permit (new fee)	$235	$285
	0-5 employees	$608	$735
	6-19 employees	$785	$945
	20-100 employees	$1,020	$1,230
	101-500 employees	$1,377	$1,660
	501+ employees	$2,409	$2,905
	Self Audit Program - 0-5 Employees	$395	$475
	Self Audit Program - 6-10 employees	$520	$625

		Current Fee	FY 2024-25 Fee
INDUSTRIAL WASTE			
Annual Fees - Based on inspection fee class			
	Class A (restaurant)	$230	$275
	Class B	$342	$410
	Class C	$511	$615
	Class D	$685	$825
	Class E	$1,028	$1,240
	Class M (plating shop with discharging sewer	$2,050	$2,470
	Class S	$0	$0
	Class T (new)	$258	$310
	Rainwater Diversion System	$258	$310
TIERED PERMIT FEES			
Annual Fee			
Permit-By-Rule (Fixed Units), per facility		$1,414	$1,705
Permit-By-Rule (Transportable), per unit		$1,414	$1,705
Conditional Authorization, per facility		$1,414	$1,705
Conditional Exemption, per facility		$140	$170
Commercial Laundry, per facility		$140	$170
~~Initial Notification (no annual fee)~~		~~N/A~~	Remove
~~Conditional Exemption, per facility~~		~~N/A~~	Remove
UNDERGROUND STORAGE TANK FEES			
Annual Operating Permit Fees			
	First Tank	$818	$985
	Each Additional Tank	$406	$490
STORMWATER FEES			
Annual fee, per facility		$68	$80
Stormwater - Single Program Inspection			
Stormwater - Inspection w Other Program			

	Current Fee	FY 2024-25 Fee
CALIFORNIA ACCIDENTAL RELEASE PREVENTION		
Review/Participation, per hour	$168	$205
CLOSURE PERMITS		
(Facility, Industrial Waste Pretreatment, or Tiered Permit Equipment)		
~~UST Closure Permit~~	~~See Underground Tank Fee section~~	Remove
~~AST Closure Permit~~	~~See Fire Prevention Fee Schedule~~	Remove
Facility Closure Permit	$359	$435
Industrial Waste or Tiered Permit Treatment Unit		
Treatment Unit Closure - Initial Permit Fee	$485	$585
Closure/Workplan Report Review Fee, per hour	$156	$190
OTHER CHARGES		
Other Fees		
Late or missed Inspection	$395	$475
EPD oversight hourly rate	$168	$205
Reinspection fee	$395	$475
Additional Consultant's time	Consultant's Rate	Consultant's Rate
EPD overtime hourly rate	$252	$305
~~EPD plan expedite, double the plan check fee~~	~~Varies~~	Remove
Chemical Hazard Classification, Occupancy Rating Tables and other re	$168	$205
INDUSTRIAL WASTE		
Industrial Waste Disposal Permit		
New Sewer Disposal Permit	$337	$405
New On-Site Disposal Permit	$516	$620
New Off-Site Disposal Permit	$495	$595
Revised Sewer Disposal Permit	$219	$265
Revised On-Site Disposal Permit	$314	$380
Revised Off-Site Disposal Permit	$298	$360
Industrial Water Plan - New		
New Class 1 Sewer Discharge	$505	$610
New Class 2 Sewer Discharge	$618	$745
New Class 3 Sewer Discharge	$792	$955
New Class 4 Sewer Discharge	$870	$1,050
New Class 5 Sewer Discharge	$1,264	$1,525
New Class 6 Sewer Discharge	$1,618	$1,950
New Class 1 On-Site Reuse	$669	$805
New Class 2 On-Site Reuse	$848	$1,020
New Class 3 On-Site Reuse	$1,078	$1,300
New Class 4 On-Site Reuse	$1,197	$1,445
New Class 5 On-Site Reuse	$1,764	$2,125
New Class 6 On-Site Reuse	$2,111	$2,545
New Class 1 Off-Site Untreated	$551	$665
New Class 2 Off-Site Untreated	$669	$805
New Class 3 Off-Site Untreated	$848	$1,020
New Class 4 Off-Site Untreated	$932	$1,125
New Class 5 Off-Site Untreated	$1,376	$1,660
New Class 6 Off-Site Untreated	$1,769	$2,130
Industrial Waste Plan - Revisions		
Revised Class 1 Sewer Discharge	$393	$475
Revised Class 2 Sewer Discharge	$483	$580
Revised Class 3 Sewer Discharge	$607	$730

	Current Fee	FY 2024-25 Fee
Revised Class 4 Sewer Discharge	$669	$805
Revised Class 5 Sewer Discharge	$977	$1,180
Revised Class 6 Sewer Discharge	$1,154	$1,390
Revised Class 1 On-Site Reuse	$523	$630
Revised Class 2 On-Site Reuse	$629	$760
Revised Class 3 On-Site Reuse	$904	$1,090
Revised Class 4 On-Site Reuse	$916	$1,105
Revised Class 5 On-Site Reuse	$1,359	$1,640
Revised Class 6 On-Site Reuse	$1,814	$2,185
Revised Class 1 Off-Site Untreated	$393	$475
Revised Class 2 Off-Site Untreated	$483	$580
Revised Class 3 Off-Site Untreated	$607	$730
Revised Class 4 Off-Site Untreated	$730	$880
Revised Class 5 Off-Site Untreated	$1,005	$1,210
Revised Class 6 Off-Site Untreated	$1,246	$1,500
SITE ASSESSMENT/MITIGATION FEES		
~~*Initial Oversight Fee (includes initial 4 hours)*~~	~~$672~~	Remove
~~*Hourly Rate (Inspector or Specialist Oversight, each add'l hr)*~~	~~$168~~	Remove
SPILL RESPONSE/CLEANUP		
~~EDP Hourly rate~~	~~$168~~	Remove
~~EDP overtime hourly rate~~	~~$252~~	Remove
SFSDFR will charge a responsible party full cost recovery (including manpower & materials) for spill response/cleanup		
UNDERGROUND SPILL CONTAINMENT TANK EXEMPTED PER 23 CCR 2621		
Installation, New Construction, Plan Clearance		
First Tank	$260	$315
Each Additional Tank	$260	$315
UNDERGROUND TANK FEES		
Construction Permit Fees		
UST Installation, New Construction, Plan Clearance		
First Tank	$988	$1,190
Each Additional Tank	$260	$315
UST Closure Application and Permit		
First Tank (includes 4 hours oversight)	$643	$775
Each Additional Tank (flat rate)	$208	$250
Report Review - Historic Tank Closure	$336	$405
UST Modification - Minor		
First Tank (includes 2 hours oversight)	$400	$480
Each Additional Tank (flat rate)	$168	$205
UST Modification - Major		
First Tank (includes 4 hours oversight)	$800	$965
Each Additional Tank (flat rate)	$156	$190
UST Pe Administrative Changes Only	$168	$205
~~Plan Check Resubmittal (each submittal after the second submittal)~~	~~$168~~	Remove

APPROVED:
ITEM NO.:

RESOLUTION NO. 9933

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS APPROVING AN UPDATE OF THE CITY'S DEVELOPMENT SERVICES FEE SCHEDULE AND AMENDING AND REVISING THE CITY'S COMPREHENSIVE FEE SCHEDULE

WHEREAS, the Santa Fe Springs Municipal Code establishes fees for the City's public facilities and essential services whereby such fees are established by Resolution; and

WHEREAS, the purpose of fees is to mitigate costs on the City's public facilities and essential services whereby fees follow the "costs reasonably borne" test established by Article XIIIB of the California Constitution; and

WHEREAS, the City's Comprehensive Fee Schedule was last revised by the City Council on July 28, 2016, by Resolution 9520; and

WHEREAS, the Mitigation Fee Act (Government Code sections 66000-66025) requires that a city which increases certain fees must establish that there is a reasonable relationship between the specific amount of the fee imposed as a condition of approval and the cost of the public facility attributable to that project; and

WHEREAS, the City has engaged Revenue & Cost Specialists, LLC to conduct a Cost of Services Study ("COS Study") to meet the requirements of Article XIIIB of the California Constitution and the Mitigation Fee Act; and

WHEREAS, based upon the COS Study, City staff has recommended an update of the Comprehensive Fee Schedule as set forth in Exhibit A to this Resolution; and

WHEREAS, based on the COS Study, City essential services are best supported by annual adjustments whereby development services fees are adjusted each year by the Engineering News Record (ENR) to keep pace with the cost of construction, while all other fees are adjusted by the Consumer Price Index (CPI) to keep pace with general inflationary levels; and

WHEREAS, a public hearing was duly noticed for the City Council meeting of November 12, 2024, by publishing the notice in Whittier Daily News newspaper on October 25, 2024; and

WHEREAS, the proposed update to the Comprehensive Fee Schedule is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the California Public Resources Code, also known as the "Common Sense Exemption." This is because CEQA only applies to projects that have the potential for causing a significant effect on the environment. Since there is no possibility that the proposed updated Comprehensive Fee Schedule will have a significant effect on the environment, the project is not subject to CEQA.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS HEREBY DETERMINES, FINDS, AND RESOLVES AS FOLLOWS:

Section 1. Resolution No. 9520, and any other previous adopted resolution regarding the Comprehensive Fee Schedule, is hereby rescinded.

Section 2. In compliance with Article XIIIB of the California Constitution and the Mitigation Fee Act, the City Council hereby establishes fees for the services set forth in the attached Exhibit A listing of fees in the "City of Santa Fe Springs" Comprehensive Fee Schedule for Fiscal Years 2025-26, in the amounts set forth therein.

Section 3. Said fees shall be effective January12, 2025 and supersede all previously established fees for said services.

Section 4. Any party may protest the imposition on a development project of a fee established by this Resolution within 90 days after the date the city imposes the fee in its approval of the project, in accordance with Section 66020 of the Mitigation Fee Act. Upon receiving such protest or appeal, the City Manager, or designated agent, shall set the matter for hearing before an impartial third-party hearing officer. The party appealing the imposition of the fee shall bear the burden of establishing that the fee is improper.

Section 5. The City Clerk shall certify to the passage and adoption of this Resolution and it shall be in full force and effect.

PASSED, APPROVED AND ADOPTED on this 12th day of November, 2024 by the following vote:

AYES: Councilmembers Martin, Rodriguez, Zamora, Mayor Pro Tem Rounds, and Mayor Sarno

NOES: None

ABSENT: None

ABSTAIN: None

CITY OF SANTA FE SPRINGS

By: ______________________
Jay Sarno, Mayor

ATTEST:

____
Fernando N. Muñoz, CMC
Deputy City Clerk

ITEM # 3

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: **ADOPTION OF POLICY TO FORMALIZE THE CITY OF SANTA FE SPRINGS RESERVE POLICY**

DATE: March 4, 2025

RECOMMENDATION(S):

It is recommended that the City Council:

1) Adopt Policy to formalize a written Reserve Policy.

FISCAL IMPACT

There is no fiscal impact from the adoption of Reserve Policies.

BACKGROUND

Although the City has adopted Financial Goals and Policies, it does not have written and adopted Reserve Policies, which are strongly recommended as good practice by Government Finance Officers Association (GFOA).

Properly designed reserve policies send a positive signal to the community of ratepayers, bondholders, rating agencies, and regulatory agencies that the City is committed to its long-term financial health and viability. Prudent financial management and best practices dictate that the City maintain appropriate reserves for emergency use, capital projects, obligations accruing on a current basis that will be paid in the future, and those required as a result of legal or external requirements.

ANALYSIS

The City’s current reserves include:

Operating Reserves, Renovation & Replacement, Equipment Replacement. Economic Uncertainty, Employee Liability, Risk Management, Unexpected Events, Pension Trust (UAL), OPEB Trust, Prefunded Capital Projects, and Water Enterprise Reserves.

These reserves have different minimum requirements and specific uses. These reserves should be evaluated regularly to ensure adequacy based on historical data, and potential future risks.

Reserve Categories	**Minimum Level of Reserve**
Targeted (Unassigned)	40% of operating expenditures, including transfer
Renovation & Replacement	25% of Facility Fees
Equipment Replacement	5-10% of equipment cost annually
Leaves & Related Payout	25% of carrying value of employee leaves
Capital Projects (CIP)	$ 3,000,000
Pension (UAL)	$ 3,000,000
Economic Contingency	5-10% of revenue or operating expenditures
Risk Management	1-5% of annual revenues
Unexpected Events	$ 100,000
Water Enterprise Fund Reserves	40% of budgeted operating expenditures/six months

Reserve Categories:

- **Operating Reserves**: The City strives to maintain an operating reserve (unassigned fund balance) of at least 40% of the operating expenditures, including transfers, in the General Fund. Given the City's revenue base on its volatility during economic downturns, the 40% is considered the minimum level necessary to maintain the City's credit worthiness and to adequately provide for sharp declines in operating revenues, sustain General Fund operations, and offset budget deficits whether structural in nature or not.

- **Risk Management**: The City shall maintain reserves to cover potential liabilities related to insurance claims, legal settlements, and unforeseen risks. These reserves ensure financial stability by mitigating the impact of litigation and liability claims, workers' compensation costs, property and casualty losses, and unanticipated insurance premium increases.

- **Unexpected Events**: Reserves to address unforeseen emergencies and extraordinary events that could significantly impact operations and financial stability.

These reserves may be used for natural disasters, public health emergencies, economic downturns, infrastructure failures, other unanticipated emergencies affecting City operations.

- **Economic Contingency**: The City shall maintain reserves to address economic uncertainties and to support the City's financial stability during periods of economic downturns or unforeseen fiscal challenges. These reserves provide a buffer to help mitigate the impact of revenue fluctuations due to changes in economic conditions, state or federal funding cuts that impact City operations, and unforeseen expenses related to economic shifts or urgent needs.

- **Renovation & Replacement**: Reserves to fund the renovation, rehabilitation, and replacement of aging infrastructure, facilities, and capital assets. These reserves ensure that essential public assets remain safe, functional, and efficient over time. Funds may be used for City building renovations, infrastructure repairs, utility system upgrades, and facilities modernization.

- **Equipment Replacement**: Reserves to ensure the timely replacement of essential equipment used for public services and operations. This reserve helps prevent service disruptions, reduces maintenance costs, and ensures that equipment remains safe, reliable, and efficient. Funds may be used for Public safety equipment, public works machinery, technology, and IT systems, and Facility equipment.

- **Employee Liabilities**: For accrued employee liability and other employment-related liabilities. Reserves may be used for accrued sick leave, vacation time payout, severance pay, and other employment-related liabilities.

- **Pension Trust (UAL):** This reverse will help to mitigate annual unfunded liability increases and/or increases to the Employer Contributions.

- **Capital Projects (CIP)**: The City shall maintain reserves specifically designated for Capital Improvement Projects (CIP), which include investments in long-term infrastructure, facilities, and public assets. These funds are intended to support projects that enhance the City's capacity, improve service delivery, and maintain or upgrade existing infrastructure

- **Water Enterprise Reserves**: The City shall maintain reserves within the Water Enterprise Fund to ensure the ongoing sustainability and reliability of the City's water utility services. These reserves are essential for addressing both routine and unforeseen challenges related to water supply, infrastructure, and operations

ENVIRONMENTAL

N/A

DISCUSSION

It is important to strike a balance in establishing the minimum reserve levels as they should reflect the level of risk the utility might reasonably anticipate to address unexpected challenges (or opportunities) while prudently operating and maintaining critical services.

Below are some key points in the consideration of a healthy reserve:

- Plays an important role in the City's debt rating, which consequently affects long-term debt interest rates for future issuances.
- Covers annual deficiencies that may occur for any number of reasons, including recessions, inflationary impacts, droughts, and emergency repairs.
- Absorbs capital costs related to catastrophic failure of a critical infrastructure component.

It is important to note at the establishment of reserves is not without countervailing factors:

- Funds in reserves could be used for other more immediate needs; capital infrastructure upgrades, maintenance and repairs.
- Government reserves are restricted to investments with extremely low risk, which means investment returns may not often keep up with inflation, which can be particularly challenging in times of high inflation (~8% this past year) where reserves can quickly lose buying power.
- Carrying reserves has a direct impact on rates, fees and charges. In order to maintain a 40% operating reserve. For every dollar of revenue increase, ~$.40 is set aside for reserves.

SUMMARY/NEXT STEPS

The policy should be periodically reviewed and amended by Staff and the City Manager every three years.

ATTACHMENT(S):

A. Reserve Policies

ITEM STATUS:	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐

CITY OF SANTA FE SPRINGS RESERVE POLICY

The goal of maintaining adequate reserves is to ensure appropriate levels of working capital, to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenses), to ensure ability to provide high quality level of service to businesses and the community, and to obtain and maintain a strong credit rating.

Although it is also recognized that each agency's situation is unique and the policy should be developed based upon its own specific circumstances.

Properly designed reserve policies send a positive signal to the community of ratepayers, bondholders, rating agencies, and regulatory agencies that the City is committed to its long-term financial health and viability. Prudent financial management and best practices dictate that the City maintain appropriate reserves for emergency use, capital projects, obligations accruing on a current basis that will be paid in the future, and those required as a result of legal or external requirements.

OBJECTIVES:

This policy serves as a guideline to assist the City Council in achieving the following goals.

- **Establish prudent fiscal reserve policies** - To ensure strong fiscal management to provide direction for future City decisions.

- **Support Financial Obligations & Bond Rating** - To assist the City in meeting its short-term and long-term financial obligations and to achieve a target bond rating in the AA category or better.

- **Stabilize Finance & Absorb Economic Shocks** - To provide resources that help stabilize the City's finances and position it to absorb economic downturns or large-scale emergencies.

- **Smooth rates & Promote Equity** -To help smooth rate increases from year-to-year, and to promote equity over the years to residents and ratepayers.

- **Fund Infrastructure Replacement** - To provide funding for current and future replacement of existing infrastructure as they reach the end of their useful lives.

DEFINITIONS

Reserves are defined as the amount of Cash and Investments in that fund, plus the Accounts Receivable, less the Accounts Payable and less the Amounts due to Others in the fund. This methodology indicates the relatively liquid portion of total fund capital, which constitutes a margin or buffer for meeting obligations.

CITY OF SANTA FE SPRINGS RESERVE POLICY

The Governmental Accounting Standards Board (GASB) Statement 54, Fund Reporting and Governmental Fund Type Definition, establishes fund balance classifications. The following classifications describe the purposes for which resources can be used:

Non-Spendable (Legally Restricted or Segregated)– Amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact (deposits, inventories, long-term notes or loans, permanent fund principal).

Restricted – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed – Amounts that can only be used for specific purposes because of a formal action by the government's highest level of decision-making authority. Once committed, the limitation imposed by the City Council remains in place until a similar action is taken to remove or revise the limitations.

Assigned – Amounts that are constrained by the City's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body, or by an official to whom the authority has been given.

Unassigned – This is the residual amount for the agency's General Fund and includes all amounts that cannot be properly classified in one of the other categories. These amounts are available for any purpose.

NOTE: The City's audited financial statements report the Net Position, which includes the effects of all assets and liabilities, some of which are non-spendable, not liquid, or have not been included in the current year budget. Therefore, the definition of Reserves is different than the Net Position, and the two terms should <u>not</u> be used synonymously.

This policy sets categories in which reserves will be assigned, minimum target level reserves that shall be maintained, and a mechanism for which reserves will be funded and replenished.

The Finance Department will use the General Fund's annual budgeted operating expenditures, including routine transfers out, for the purpose of calculating minimum Operating Reserve levels. This policy only establishes the target levels and minimum level of reserves that the City should achieve. The actual amount of reserves held may be greater.

The framework of the policy was developed with the City of Santa Fe Springs's specific circumstances in mind. The City will use best efforts to maintain minimum levels established per the policy for each reserve category.

CITY OF SANTA FE SPRINGS RESERVE POLICY

RESERVE CATEGORIES

Reserves	**Minimum Level of Reserve**
Operating (Unassigned)	40% of operating expenditures, including transfer
Risk Management	1-5% of annual revenues
Unexpected Events	1-5% of annual revenues
Economic Contingency	5-10% of revenue or operating expenditures
Renovation & Replacement	25% of Facility Fees
Vehicle /Equipment Replacement	5-10% of equipment cost annually
Pension (UAL)	$ 3,000,000
Leaves & Related Payout	25% of carrying value of employee leaves
Capital Projects (CIP)	$ 3000,000
Water Enterprise Fund Reserves	40% of budgeted operating expenditures/six months

If the balance in any reserve category falls below the minimum targeted reserve level for two consecutive years, the City Council will strive to adopt a 5-year plan that includes a strategy to build the reserves back to the minimum targeted levels over the following five years.

Operating Reserves – Sales Tax is a volatile revenues source subject that can vary according to various economic events and external factors. Sales Tax and Utility User's Tax (UUT) constitutes the majority of the City's revenue sources. Therefore, the City shall seek to Maintain minimum level of 40% of General Fund Operating Expenditures. Reserve level is set to provide funding to finance operations for a period of five months.

The reserves held should be intended to support operations in the event of economic uncertainties, shortfall or loss in revenue, unanticipated expenditures, and provide a short-term bridge that allows adequate time to develop a financial recovery long-term plan and/or to adjust to one-time economic shocks.

Risk Management: maintain 1-5% of annual revenues to mitigate the impact of unforeseen risk that may affect operations.

Unexpected Events – Maintain minimum reserves for emergencies of one hundred thousand dollars ($100,000). This is intended to provide sufficient funding to finance extremely unusual and infrequent occurrences, such as local emergencies or natural disasters.

Economic Contingency: Maintain minimum of 5-10% of revenue or operating expenditures to protect City operation from unexpected economic events or downturns that could negatively impact its financial stability. This provide a cushion again factors like economic recessions, inflation, market volatility, changes in consumer demand, or other unforeseen external shocks. An economic contingency reserve helps ensure that operation can continue operating even in times of financial strain or economic uncertainty.

Renovation & Replacement – Maintain minimum of 25% of facility fees annually dedicate to covering the costs of renovating upgrading, or replacing facilities as they age or require improvements.

Vehicle/Fleet/Equipment Replacement Fund: Maintain minimum reserve 5-10% of equipment cost annually to provide vehicle/fleet/equipment replacement.

Unfunded Pension (UAL) Reserves – Maintain minimum reserves for unfunded liabilities of three million dollars ($3,000,000). Reserves will be set aside to provide funding for the City's unfunded pension liabilities, Priority should be placed on building adequate reserves to implement a plan for paying down the City's unfunded pension obligations.

Leave Payout / Employee Liabilities—Maintain minimum reserves for employee-related liabilities of 10-20% of annual pay time off (PTO) pertaining to the payout policies; this includes vacations, sick leaves, long-term leaves, and annual payout.

Capital Expenditure (CIP) Reserves – Maintain minimum reserves for capital expenditures of seven hundred fifty thousand dollars ($750,000). Reserves will be set aside to provide funding for the City's capital expenditures. Amounts may provide funding for acquiring new or the replacement of existing capital assets, as well as major infrastructure repairs or improvements.

Water and Sewer Enterprise Fund Reserves

A Water and Sewer Fund were created to fund the operations of each utility. The City will maintain a minimum level of operating reserves for each fund equal to 180 days of Operating Expenses (~50% of budgeted operating expenditures or six months).

The reserves held should be intended to support operations in the event of economic uncertainties, shortfall or loss in revenue, unanticipated expenditures, and provide sufficient cash flow for operations. The City will assign 50% of unrestricted fund balance at the close of each fiscal year till which time the minimal level of reserves is reached.

OPEB (115) Trust –At the direction of Council amounts may be allocated for unexpected leave payouts or bridge budgetary gaps in the short-term for the purpose of paying annual OPEB or unfunded pension liabilities payments, but should not be used as an ongoing resource.

<u>Funding Reserves</u>

The City recognizes that funding levels established in the policy are targets and may take multiple years to achieve. To assure the City is using best efforts to achieve these targets, and in a timely manner, the following dictates how the reserves will be funded. At the close of each fiscal year, the Finance Department will report year-end fiscal results.

CITY OF SANTA FE SPRINGS RESERVE POLICY

Should actual revenues exceed expenditures and encumbrances, a year-end net increase in fund balance shall be reported. This net increase will be used to build and/or replenish reserves by allocating annually at year-end to each category using the order of priority:

- Operating Reserves
- Risk Management
- Unexpected Events
- Economic Contingency
- Renovation & Replacement
- Vehicle/Equipment Replacement
- Pension Trust (UAL)
- Leave Payout / Employee Liabilities
- Capital Project (CIP)
- Water Enterprise Reserve

If in any given fiscal year, there is no reported excess of revenues over expenditures or there is a deficit, no funds will be assigned for any of the reserve categories.

Finance shall update City Council annually after close of year-end with amounts that have posted as assigned fund balances and the current level of reserves for each category.

Policy Review

This policy will be reviewed every three years by the City Manager and Finance Director; or sooner if warranted by internal or external changes. Recommended revision to the policy will be presented to the City Council for formal approval

FOR ITEM NO. 4, PLEASE SEE ITEM NO. 6

FOR ITEM NO. 5, PLEASE SEE ITEM NO. 6

ITEM # 6

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, City Clerk

SUBJECT: **MINUTES OF THE FEBRUARY 4, 2025 CITY COUNCIL MEETINGS**

DATE: March 4, 2025

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:

- Council Meeting of February 4, 2025

ANALYSIS

N/A

ENVIRONMENTAL

N/A

DISCUSSION

N/A

SUMMARY/NEXT STEPS

N/A

ATTACHMENT(S):

A. February 4, 2025 Meeting Minutes

ITEM STATUS:	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐

APPROVED:

MINUTES OF THE MEETINGS OF THE CITY COUNCIL

February 4, 2025

CALL TO ORDER
Mayor Rounds called the meeting to order at 6:03 p.m.

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

Members absent: None

INVOCATION
Cindy Jarvis led the invocation.

PLEDGE OF ALLEGIANCE
Councilmember Martin led the pledge of allegiance.

INTRODUCTIONS
Mayor Rounds introduced the following members from the Chamber of Commerce:
1. Kathie Fink – SFS Chamber CEO
2. Hilda Zamora – Little Lake City School District Clerk

PRESENTATIONS

2. RECOGNITION OF POLICE SERVICES AND FIRE STAFF FOR THEIR SUPPORT AT THE EATON AND PALISADES FIRES (POLICE SERVICES/FIRE)

3. RELAY FOR LIFE – EVENT OF THE YEAR (CITY MANAGER)

4. PROCLAIMING FEBRUARY 2025 AS "BLACK HISTORY MONTH" (COMMUNITY SERVICES)

4A. LA CADA PRESENTATION (CITY MANAGER)

CHANGES TO AGENDA
None.

PUBLIC COMMENTS
The following people spoke during Public Comments: 1) Lee Squire, and 2) Isabel Cervantes.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST
Director of Police Services, Arlene Salazar promoted "Coffee with a Cop" and the Safe Parking Zone at the Police Services Center.
Director of Parks and Recreation, Gus Hernandez promoted the Presidents Day Penny Carnival at Los Nietos Park and Hiring Open House.

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.

HOUSING SUCCESSOR

5. MINUTES OF THE JANUARY 14, 2025 HOUSING SUCCESSOR MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Housing Successor:

1) Approve the minutes as submitted.

SUCCESSOR AGENCY

6. MINUTES OF THE JANUARY 14, 2025 SUCCESSOR AGENCY MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Successor Agency:

1) Approve the minutes as submitted.

CITY COUNCIL

7. MINUTES OF THE JANUARY 14, 2025 CITY COUNCIL MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the City Council:

1) Approve the minutes as submitted.

8. RESOLUTION NO. 9944 – WEED ABATEMENT (CITY CLERK)

RECOMMENDATION: It is recommended that the City Council:

1) Adopt Resolution No. 9944 declaring weeds a public nuisance, declaring the intention to remove them, and setting Tuesday, February 18, 2025 as the date for Public Hearing.

9. INTRODUCTION OF ORDINANCE NO. 1156 TO AMEND SECTION 70.01 (DEFINITIONS) OF CHAPTER 70 (GENERAL PROVISIONS) AND TO ADD SECTION 72.26 (PARKING RECREATIONAL VEHICLES IS PROHIBITED ON ANY CITY STREET) TO CHAPTER 72 (STOPPING, STANDING, AND PARKING) WITHIN TITLE VII (TRAFFIC CODE) OF THE SANTA FE SPRINGS MUNICIPAL CODE (POLICE SERVICES)

RECOMMENDATION: It is recommended that the City Council:

1) Determine that Ordinance No. 1156 is exempt from the California Environmental Quality Act (“CEQA”) pursuant to the Section 15061(b)(3) of the CEQA Guidelines; and

2) Waive full reading and introduce by title only Ordinance No. 1156: An Ordinance of the City of Santa Fe Springs amending Section 70.1 of Chapter 70 and adding Section 72.26 to Chapter 72 of Title VII (Traffic Code) of the Santa Fe Springs Municipal Code; and

3) Authorize an appropriation not-to-exceed $40,000 to cover the cost of purchasing required parking signage, supplies and associated installation costs.

10. INTRODUCTION OF ORDINANCE NO. 1157 TO AMEND TITLE XIII, CHAPTER 136 OF THE SANTA FE SPRINGS MUNICIPAL CODE ADDING NEW DEFINITIONS AND SECTIONS 136.03 TO 136.07 TO ESTABLISH REGULATIONS CONCERNING THE ABANDONMENT OF PERSONAL PROPERTY ON PUBLIC PROPERTY (POLICE SERVICES)

RECOMMENDATION: It is recommended that the City Council:

1) Determine that Ordinance No. 1157 is exempt from the California Environmental Quality Act (“CEQA”) pursuant to the Section 15061(b)(3) of the CEQA Guidelines; and

2) Waive full reading and introduce by title only Ordinance No. 1157, amending Title XIII, Chapter 136 of the Santa Fe Springs Municipal Code (“SFSMC”) establishing regulations concerning the abandonment of personal property on public property; and

3) Authorize an appropriation not-to-exceed $30,000 to cover associated costs with storing personal property abandoned on City property.

11. GRANT AWARD AGREEMENT WITH SAVE THE CHILDREN FOR THE SANTA FE SPRINGS CITY LIBRARY (COMMUNITY SERVICES)

RECOMMENDATION: It is recommended that the City Council:

1) Approve and authorize the Director of Community Services to execute the Subaward Agreement Between Save The Children Federation, Inc. And The Santa Fe Springs City Library; and

2) Approve the recognition of $15,000 grant funds awarded by Save the Children and authorize the deposit of these funds into the Library & Cultural Services Administration's Contribution – Association/Private revenue account (No. 10105699-430020); and

3) Approve an increase in expense authority by $15,000 in the Library & Cultural Services Activity (No. 10105699) as outlined in the Fiscal Impact section to allow for the expenditure of the grant funds; and

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

12. SECOND READING OF ORDINANCE NO. 1154 – ADDING SECTION 10.24 (NAMING OF PUBLIC FACILITIES AND STREETS) TO CHAPTER 10 (GENERAL PROVISIONS) OF TITLE I (GENERAL PROVISIONS) OF THE SANTA FE SPRINGS MUNICIPAL CODE AND DETERMINE THAT THE ACTION IS EXEMPT UNDER CEQA (COMMUNITY DEVELOPMENT)

RECOMMENDATION: It is recommended that the City Council:

1) Adopt Ordinance No. 1154:
AN ORDINANCE OF THE CITY OF SANTA FE SPRINGS ADDING SECTION 10.24 (NAMING OF PUBLIC FACILITIES AND STREETS) TO CHAPTER 10 (GENERAL PROVISIONS) OF TITLE I (GENERAL PROVISIONS) OF THE SANTA FE SPRINGS MUNICIPAL CODE RELATING TO THE NAMING OF PUBLIC FACILITIES AND STREETS

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

It was moved by Councilmember Martin, seconded by Mayor Pro Tem Zamora, to approve the consent calendar, by the following vote:

Ayes: Mora, Martin, Rodriguez, Zamora, Rounds
Noes: None
Absent: None
Recuse: None

APPOINTMENTS TO BOARDS, COMMITTEES, AND COMMISSIONS

Councilmember Mora appointed Mark Scoggins to the Historical & Community Preservation Advisory Committee.

Councilmember Rodriguez appointed Maria Rocha to the Senior Advisory Committee and Leilani Aranda to the Youth Leadership Committee.

COUNCIL COMMENTS/AB1234 COUNCIL CONFERENCE REPORTING

Councilmember Mora spoke about attending a League of California Cities Conference.

Councilmember Martin provided kudos for Police Services for attending to the homeless. She also gave kudos to chamber members for providing school supplies to over 400 children who were affected by the fires. She spoke about The Whole Child ribbon cutting. Lastly, she talked about joining the Abigail Barraza Foundation to support the Miss Santa Fe Springs event.

Councilmember Rodriguez talked about attending The Whole Child ribbon cutting event and thanked Lee Squire for his positive public comments. She wished everyone a Happy Valentine’s Day.

Mayor Pro Tem Zamora talked about attending Santa Fe Springs Christian School to give a talk about healthy hearts. He thanked Cindy Jarvis and Lee Squire for their contributions for their community. He also talked about attending The Whole Child ribbon cutting and also promoted local events such as the Presidents Day Penny Carnival.

Mayor Rounds thanked the community and also talked about The Whole Child ribbon cutting event. He wished everyone a Happy Valentine’s Day and to keep fire victims in prayers.

ADJOURNMENT

Mayor Rounds adjourned the meeting at 7:00 p.m.

____
William K. Rounds
Mayor

ATTEST:

____
Fernando N. Muñoz
City Clerk

____
Date

ITEM # 7

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, City Clerk

SUBJECT: **ORDINANCE NO. 1158 – AMENDING TITLE III (ADMINISTRATION) TO ADD NEW CHAPTER 41 (ELECTRONIC RECORDS AND SIGNATURES) TO THE SANTA FE SPRINGS MUNICIPAL CODE AND DETERMINE THAT THE ACTION IS EXEMPT UNDER CEQA**

DATE: March 4, 2025

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); and

2) Introduce for first reading, in title only, and waive further reading of Ordinance No. 1158: An Ordinance of the City of Santa Fe Springs Municipal Code related to the adoption of policy and procedures for Electronic Records and Signatures.

FISCAL IMPACT

N/A

BACKGROUND

Currently, the City of Santa Fe Springs has utilized traditional methods of maintaining and retaining records and for the signing of documents related to the normal course of conducting business for the City. The City desires to transition to a more “paperless” agency, where appropriate, by allowing for the use of electronic records and electronic or digital signatures for documents between City staff and with external parties.

Staff recommends adopting the proposed Ordinance (Attachment A) to authorize the use of electronic records and electronic or digital signatures as an alternative method to retain and sign records and documents between City staff and external parties. In conformance with State law, the parties involved in the conduct of a transaction or communication would have to consent to conducting business electronically.

ANALYSIS

The proposed Ordinance will establish local standards authorizing the use of electronic records and electronic or digital signatures in the course of conducting business with City staff and external parties, when the parties have elected to do so.

ENVIRONMENTAL

This Ordinance is exempt from the California Environmental Quality Act (CEQA) (Pub. Res. Code § 21000 *et seq.*) pursuant to CEQA Guidelines (Cal. Code Regs., § 15000 *et seq.*) Section 15061(b)(3) under the general rule that CEQA does not apply to activities which can be seen with certainty to have no effect on the environment. The proposed actions would not create any environmental impacts, therefore no additional action under CEQA is required.

DISCUSSION

The State of California adopted the Uniform Electronic Transactions Act (“UETA”) that provides rules and regulations pertaining to the use of electronic records and electronic signatures related to the transactions undertaken in the course of conducting business, commercial, and governmental affairs.

The City of Santa Fe Springs has introduced Ordinance No. 1158, establishing the requirements which would authorize the City to utilize electronic records and electronic or digital signatures in conformance with the UETA, as well as Government Code Section 16.5 and Section 22003 of Title 2, Division 7, Chapter 10 of the California Code of Regulations, as it pertains to digital signatures and the use of acceptable technology.

SUMMARY/NEXT STEPS

Staff is recommending that the City Council approve and adopt Ordinance No. 1158 to effectuate the proposed amendments to the text of the City’s Municipal Code and determine that the Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

ATTACHMENT(S):

A. Ordinance No. 1158

ITEM STATUS:	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐

ORDINANCE NO. 1158

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, AMENDING TITLE III (ADMINISTRATION) OF THE SANTA FE SPRINGS MUNICIPAL CODE ("SFSMC") BY ADDING A NEW CHAPTER 41 (ELECTRONIC RECORDS AND SIGNATURES) TO ESTABLISH A POLICY FOR THE USE OF ELECTRONIC RECORDS AND ELECTRONIC OR DIGITAL SIGNATURES

RECITALS

WHEREAS, computer programs and digital signature technology have allowed for the creation and preservation of records in electronic form and the use of electronic or digital signatures to sign an electronic record in a quick, secure, and efficient manner; and

WHEREAS, pursuant to California Government Code Section 16.5, the City of Santa Fe Springs ("City") may elect to use a digital signature on any written communication where a signature is required or used and may accept a digital signature from another party, when created by an acceptable technology, for any written communications with the City; and

WHEREAS, the Uniform Electronic Transaction Act ("UETA") (Civil Code Section 1633.1 *et seq.*) was enacted to establish rules and procedures for the sending and receiving of electronic records and electronic signatures relating to a transaction; and

WHEREAS, pursuant to Civil Code Section 1633.7, a record or signature may not be denied legal effect or enforceability solely because it is in electronic form and a contract may not be denied legal effect or enforceability solely because an electronic record was used in its formation; and

WHEREAS, an electronic record or electronic signature will satisfy the law when it requires a record to be in writing or requires a signature; and

WHEREAS, the City has elected to authorize the use of an electronic or digital signature on any written communication within the City; and

WHEREAS, when the parties agree to conduct a transaction by electronic means, the City has elected to authorize the use and acceptance of an electronic or digital signature, where permitted, in the course of conducting a transaction between the City and another party; and

WHEREAS, the conditions under which the City of Santa Fe Springs will accept digital signatures on City documents shall comply with the requirements below, pursuant to California Government Code Section 16.5; Title 2, Division 7, Chapter 10 of the California Code of Regulations; and the Uniform Electronic Transactions Act, commencing at section 1633.1 of the California Civil Code.

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

SECTION 1. The Recitals set forth above are true and correct and incorporated into this Ordinance.

SECTION 2. Title III (Administration) of the Santa Fe Springs Municipal Code is hereby amended by the addition of a new Chapter 41 (Electronic Records and Signatures) as follows (unless otherwise noted, where ~~Strikethrough Text~~ is language to be removed from the existing Code and Underline Text is language to be added to the Code):

CHAPTER 41. - ELECTRONIC RECORDS AND SIGNATURES

§ 41.01 DEFINITIONS. For the purposes of this Chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning. Whenever any words or phrases used in this Chapter are not defined in this section but are defined in Section 16.5 of the California Government Code, Section 22003 of Title 2, Division 7, Chapter 10 of the California Code of Regulations, or Section 1633.2 of the California Civil Code, such definitions are incorporated in this section and shall be deemed to apply to such words and phrases used herein as though set forth in this section in full:

"Certification Authority" means a person or entity that issues certification, or in the case of certain certificate processes, certifies amendments to an existing certificate.

"Digital signature" has the same meaning as in Section 16.5 of the California Government Code and as may be amended.

"Electronic record" has the same meaning as in Section 1633.2 of the California Civil Code.

"Electronic signature" has the same meaning as in Section 1633.2 of the California Civil Code.

"Signer" means the person who signs a digitally signed communication with the use of an acceptable technology to uniquely link the message with the person sending it.

"Technology" means the computer hardware and/or software-based method or process used to create the digital signature.

"UETA" means the Uniform Electronic Transactions Act, commencing at Section 1633.1 of the California Civil Code.

§ 41.02 APPLICABILITY AND PURPOSE. In any written communication or transaction with the City where a signature is required, any party to the communication may use an electronic or digital signature, provided that it complies with the requirements of this Chapter. This Chapter is intended to enable the City to use electronic or digital signatures to the fullest extent allowed by the law, and does not limit the City's ability to use electronic records, electronic signatures, or digital signatures in any way.

§ 41.03 REQUIREMENTS. In any transaction or communication with the City for which the parties have elected to conduct the transaction or communication by electronic means, the following provisions shall apply:

(A) When a record is required to be in writing, an electronic record shall satisfy that requirement, if it is in accordance with the UETA.

(B) When a signature is required, the parties may agree that either:

(1) An electronic signature satisfies that requirement, if it is in accordance with the UETA; or

(2) A digital signature satisfies that requirement, if it is in accordance with Section 16.5 of the California Government Code.

(C) A digital signature shall include the following attributes:

(1) It is unique to the person using it.

(2) It is capable of verification.

(3) It is under the sole control of the signer.

(4) It is linked to data in such a manner that if the data changed, the digital signature is invalidated.

(5) It conforms to regulations adopted by the California Secretary of State at Title 2, Division 7, Chapter 10 of the California Code of Regulations, as the same may be modified from time to time.

(D) The technology used to create the digital signature shall meet the Secretary of State's acceptable technology requirements under Title 2, Division 7, Chapter 10, Section 22003 of the California Code of Regulations, as the same may be modified and amended from time to time.

(E) The City shall ensure that the level of security used to identify the signer of a document, and that the level of security used to transmit the signature, is sufficient for the transaction being conducted.

§ 41.04 POLICIES. The City Council, by resolution, may establish and amend such policies as deemed necessary or desirable to expand upon the provisions of this Chapter, provided that such policies are consistent with the provisions of this Chapter.

§ 41.05 EXCLUDED TRANSACTIONS. The authorization conferred under this Chapter, shall not apply where the use of digital signatures or electronic signatures are prohibited by law or otherwise not governed by the UETA.

SECTION 3. CEQA. This Ordinance is exempt from the California Environmental Quality Act (CEQA) (Pub. Res. Code § 21000 *et seq.*) pursuant to CEQA Guidelines (Cal. Code Regs., § 15000 *et seq.*) Section 15061(b)(3) under the general rule that CEQA does not apply to activities which can be seen with certainty to have no effect on the environment. The proposed actions would not create any environmental impacts, therefore no additional action under CEQA is required.

This Ordinance is not subject to CEQA because it is not a "project" pursuant to CEQA Guidelines Section 15378(b)(2). The subsection provides that a "project" does not include "[c]ontinuing administrative or maintenance activities, such as purchases for supplies, personnel-related actions, general policy and procedural making…" As adopted, this Ordinance would establish general policies and procedures for the use of electronic records and electronic or digital signatures and therefore falls within the scope of activities not considered to be a "project" under the CEQA Guidelines. No additional action under CEQA is required.

SECTION 4. Clerical Errors. The City Council authorizes the City Attorney to make any clarifying changes necessary to this Ordinance including, but not limited to, typographical errors, irregular numbering and incorrect section references.

SECTION 5. Severability. If any section, subsection, 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 Title III (Administration) of the SFSMC, or any part thereof. The City Council hereby declares that it would have 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 6. Effective Date. In accordance with Government Code Section 36937, this Ordinance shall take effect and be in force thirty (30) days from passage and adoption.

SECTION 7. Certification and Posting. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause it to be published or posted as required by law.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Santa

Fe Springs at a regular meeting held on the ____ day of March, 2025.

____
William K. Rounds, Mayor

ATTEST:

____
Fernando N. Muñoz, City Clerk

APPROVED AS TO FORM:

____
Rick R. Olivarez, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I, FERNANDO N. MUÑOZ, City Clerk of the City of Santa Fe Springs, do hereby certify that the foregoing Ordinance was adopted at a regular meeting of the City Council held on the ___ day of March, 2025 and was carried by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Fernando N. Muñoz, City Clerk

ITEM # 8

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: **RESOLUTION NO. 9950 – DECLARING ONE (1) PARCEL (APN: 8005-012-031) LOCATED IN THE CITY OF SANTA FE SPRINGS AS SURPLUS PROPERTY**

DATE: March 4, 2025

RECOMMENDATION:

It is recommended that the City Council:

1) Find that this action is exempt from environmental review under the California Environmental Quality Act (CEQA); and

2) Adopt Resolution No. 9950, declaring that real property owned by the city as surplus land and not necessary for public use pursuant to Surplus Lands Act (Gov. Code § 54220 *et seq.*).

FISCAL IMPACT

The fiscal impact to the City is unknown at this time. The cost of compliance with the Surplus Lands Act is not currently known. The City must notify various governmental entities and affordable housing developers about the availability of the surplus land. This statutory notification is intended to give these parties an opportunity to express interest in acquiring the land. The cost to notify local public agencies is minimal. However, depending on the number of responses to the notice of availability, City staff and consultants may need to spend multiple hours possibly negotiating with multiple entities. The sale of the property, for a price unknown at this time, would result in a financial benefit to the City.

BACKGROUND

The Surplus Lands Act (SLA) requires cities to declare property as “surplus” or “surplus exempt” before selling or leasing it and prohibits negotiations before completing required procedures. Surplus land is publicly owned property no longer needed for the agency’s use.

In an effort to spur affordable housing production, in 2019, Assembly Bill (AB) 1486 substantially amended the SLA to require public agencies to offer affordable housing developers and other government entities first right of refusal on surplus properties for the development of affordable housing or other government uses. The SLA requires cities to distribute a Notice of Availability for no less than 60 days and engage in a 90-day good faith negotiation period with developers that commit to the minimum affordable housing requirements.

ANALYSIS

N/A

ENVIRONMENTAL

The proposed action is exempt from the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines Sections 15061(b)(3) (General Rule Common Sense Exemption) and Section 15312, Class 12 (Surplus Government Property Sales).

DISCUSSION

The City of Santa Fe Springs owns real property located at 12131 Telegraph Road and comprised of a single parcel (APN: 8005-012-031) (Property). The ±2.33-acre site has a General Plan land use designation of Downtown and a zoning designation of MU-DT (Mixed-Use – Downtown). Adoption of Resolution No. 9950 would mean the Property is no longer needed for the agency’s use and would commence the SLA process to dispose of the Property.

SUMMARY/NEXT STEPS

Before selling or leasing surplus land, the City of Santa Fe Springs must first declare it as surplus and offer it to eligible entities, including housing sponsors and public agencies, for affordable housing, parks, or open space. Under the Surplus Lands Act, the City must notify these entities—including local public agencies, housing sponsors, Los Angeles County, regional park authorities, the State Resources Agency, and the local school district.

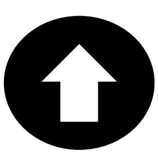
Interested entities must respond within 60 days, after which the City must negotiate in good faith for 90 days. If no responses are received, the City may proceed with private negotiations. If multiple entities express interest, priority is given to those proposing affordable housing. If no agreement is reached after the 90-day negotiation period, the City may dispose of the land without further obligations under the Surplus Land Act.

ATTACHMENT(S):

A. Site Aerial
B. Resolution No. 9950
   Exhibit A – Legal Description

ITEM STATUS:	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐

Attachment A – Aerial Photo



12131 Telegraph Road
(APN: 8005-012-031)

RESOLUTION NO. 9950

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DECLARING ONE (1) PARCEL (APN: 8005-012-031) LOCATED IN THE CITY OF SANTA FE SPRINGS AS SURPLUS PROPERTY

WHEREAS, the City of Santa Fe Springs ("City") is the owner in fee simple of the certain real property depicted in Exhibit "A" attached hereto and made a part of hereof by reference ("Property"); and

WHEREAS, under the Surplus Land Act, Government Code Sections 54220-54233 ("Act"), surplus land is defined as land owned by an agency for which the agency takes formal action in a regular public meeting declaring the land as surplus and not necessary for its use; and

WHEREAS, the Property is subject to the provisions of the Act; and

WHEREAS, the proposed action is exempt from the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines Sections 15061(b)(3) (General Rule Common Sense Exemption) and Section 15312, Class 12 (Surplus Government Property Sales); and

WHEREAS, the City's agencies no longer have any use for the Property; and

WHEREAS, the City Council desires to declare the Property as surplus land and no longer necessary for the agency's use.

NOW, THEREFORE, the City Council of the City of Santa Fe Springs does hereby find, determine, declare, order and resolve as follows:

SECTION 1. The foregoing recitals are true and correct and incorporated herein by reference.

SECTION 2. The one (1) parcel (APN: 8005-012-031) is developed with an approximately 14,130-square-foot commercial office building and contains oil wells. The City Council finds and determines that the public interest is best served by the disposal of the Property and as such hereby declares that the Property is surplus and no longer necessary for the City's use.

SECTION 3. The designation of the Property as surplus is exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) (General Rule Common Sense Exemption) and Section 15312, Class 12 (Surplus Government Property Sales). The action constitutes a city administrative activity and the sale of government surplus property that will not result in significant changes to the environment.

<u>SECTION 4</u>. The officers and staff of the City are hereby authorized, jointly and severally, to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution in accordance with the requirements of the Act.

<u>SECTION 5</u>. If any section, subsection, clause, or phrase of this Resolution is for any reason held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this title; it being hereby expressly declared that this title, and each section, subsection, sentence, clause, and phrase hereof, would have been prepared, proposed, adopted, approved, and ratified irrespective of the fact that any single section subsection, sentence, clause, or phrases be declared invalid or unconstitutional.

<u>SECTION 6</u>. The resolution shall take effect immediately upon its passage by the City Council and the City Clerk shall attest to and certify the vote adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Santa Fe Springs at a regular meeting on this 4th day of March, 2025.

____
William K. Rounds, Mayor

ATTEST:

____
Fernando Muñoz, City Clerk

APPROVED AS TO FORM:

____
Rick R. Olivarez, City Attorney

Exhibit A – Legal Description

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS.
CITY OF SANTA FE SPRINGS)

I, Fernando Muñoz, City Clerk of the City of Santa Fe Springs, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 4th day of March, 2025, and was carried by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

____
Fernando Muñoz, City Clerk

EXHIBIT A

Legal Description

For APN/Parcel ID(s): 8005-012-031

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 1 OF TRACT NO. 1664, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 22, PAGES 10 AND 11 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT;
THENCE SOUTH ALONG THE WEST LINE OF SAID LOT, 218.91 FEET TO THE SOUTHWEST CORNER OF SAID LOT;
THENCE SOUTHEASTERLY ALONG THE SOUTHERLY LINE OF SAID LOT, 397.84 FEET;
THENCE NORTH PARALLEL WITH THE WEST LINE OF SAID LOT 399.20 FEET TO THE NORTH LINE OF SAID LOT;
THENCE WESTERLY ALONG THE NORTHERLY LINE OF SAID LOT 356.60 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE SOUTHWESTERLY 20 FEET OF SAID LANDS.

ALSO EXCEPTING THEREFROM ALL OIL, MINERAL, GAS AND OTHER HYDROCARBON SUBSTANCES BELOW A DEPTH OF 250 FEET UNDER THE ABOVE-DESCRIBED REAL PROPERTY, WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED IN DEED RECORDED APRIL 17, 1980 AS INSTRUMENT NO. 80-387005, OF OFFICIAL RECORDS.

APN: 8005-012-031

ITEM # 9

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: **ADOPTION OF THE CITY'S FISCAL YEAR 2025-26 INVESTMENT POLICY**

DATE: March 4, 2025

RECOMMENDATION(S):

It is recommended that the City Council:

1) Adopt of the City's Fiscal Year 2025-26 Investment Policy

FISCAL IMPACT

N/A

BACKGROUND

Prior to January 1, 2005, State statute required the City Treasurer to render to the City Council an annual Investment Policy ("Policy"). Although the law changed to eliminate this requirement, an annual review of the Policy for legal compliance and subsequent submittal to the City Council is a good fiscal practice.

Mr. Mark Shuster, Managing Partner with Shuster Advisory Group, LLC ("Shuster"), has regularly met with Staff to review the City's investment portfolio, including discussion on compliance with the City's Policy and any recommended changes to the Policy.

ANALYSIS

N/A

ENVIRONMENTAL

N/A

DISCUSSION

The current Policy was originally adopted on June 25, 2015. Minor updates have been made since that time to ensure compliance with changes to the California Government Code ("Code").

At this time, Shuster is recommending the City update one policy section. Specifically, Shuster recommends specifying that the maturity of Mortgage-Backed Securities (MBS) and Asset-Backed Securities (ABS) shall be measured on the basis of Weighted-Average-Life (WAL). The maximum maturity, as measured on a WAL basis, will continue to be 5 years or less, consistent with CA Code 53601. Because Mortgage-Backed Securities and Asset-Backed Securities are considered amortizing securities, which receive principal payments, measuring maximum maturity by Weighted-Average-Life provides a more accurate representation of the expected maturity given a decreasing principal for such bonds.

The current Policy with recommended changes and the final version from Shuster outlining the recommended changes are attached to this report.

The current policy is in compliance with the requirements of the Code and are modeled after the recommended language endorsed by the California Municipal Treasurer's Association ("CMTA"). The proposed policy retains the existing overall investment objectives, in priority order, to be (1) safety (2) liquidity and (3) return on investment:

Safety — Safety of principal is the foremost objective of the investment program.

Investments will be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.

Liquidity — The investment portfolio will remain sufficiently liquid to enable the City to meet its cash flow requirements.

Return on Investment — The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the investment risk constraints of safety and liquidity needs.

SUMMARY/NEXT STEPS

Once approved, Shuster will use the updated Investment Policy Statement for portfolio management.

ATTACHMENT(S):

A. City Investment Policy (current Policy with revisions)
B. City Investment Policy (final version)

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ITEM STATUS:	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐

City of Santa Fe Springs
Investment Policy
January 31, 2025

1. Policy

The intent of the Investment Policy of City of Santa Fe Springs is to define the parameters within which funds are to be managed. In methods, procedures and practices, the policy formalizes the framework for the City's investment activities that must be exercised to ensure effective and judicious fiscal and investment management of the City's funds. The guidelines are intended to be broad enough to allow the investment officer to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

The City will invest its funds in such a manner as to comply with applicable state laws (California Government Code Section 53600, et seq. and 53630, et seq.), ensure prudent money management, provide for daily cash flow needs, and meet the City's investment objectives.

2. Scope

The Investment Policy applies to all funds and investment activities of the City except for the investment of bond proceeds, which are governed by the appropriate bond documents, and any pension or other post-employment benefit funds held in a trust that has a separate investment policy.

Except for funds in certain restricted and special funds, the City commingles its funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration.

3. Prudence

The standard of prudence to be used by those authorized to invest on behalf of the City will be the "prudent investor" standard and will be applied in the context of managing an overall portfolio. The "prudent investor" standard states that:

> *"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."*

4. Objectives

The primary objectives, in priority order, of the investment activities of the City are:

1. Safety — Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
2. Liquidity — The investment portfolio will remain sufficiently liquid to enable the City to meet its cash flow requirements.
3. Return on Investment — The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration with the investment risk constraints of safety and liquidity needs.

5. Delegation of Authority

The City Council's management responsibility for the investment program is hereby delegated for a one-year period to the City Treasurer. Subject to review, the City Council may renew the delegation of authority pursuant to this section each year. The City Treasurer, and the Treasurer's designees, will monitor and review all investments for consistency with this Investment Policy. The City Treasurer may delegate day-to-day investment decision making and execution authority to an investment advisor. Eligible investment advisors must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisors Act of 1940. The advisor will follow the Policy and such other written instructions as are provided.

6. Ethics and Conflict of Interest

Officers and employees involved in the investment process will refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Employees and investment officials will disclose to the City Manager any material financial interests in financial institutions that conduct business within their jurisdiction, and they will further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio.

7. Authorized Financial Dealers and Institutions

The City Treasurer will maintain a list of financial dealers and institutions qualified and authorized to transact business with the City.

The purchase by the City of any investment other than those purchased directly from the issuer, will be purchased either from an institution licensed by the State as a broker-dealer, as defined in Section 25004 of the Corporations Code, who is a member of Financial Industry Regulatory Authority (FINRA), or a member of a Federally regulated securities exchange, a National or State Chartered Bank a Federal or State Association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank.

The City Treasurer will investigate all institutions that wish to do business with the City, in order to determine if they are adequately capitalized, make markets in securities appropriate to the City's needs, and agree to abide by the conditions set forth in the City's Investment Policy and any other guidelines that may be provided. This will be done annually by having the financial institutions submit in writing that they have read and will abide by the City's Investment Policy and submit its most recent audited Financial Statement within 120 days of the institution's fiscal year end.

If the City has an investment advisor, the investment advisor may use its own list of authorized broker/dealers to conduct transactions on behalf of the City.

Purchase and sale of securities will be made on the basis of competitive bids and offers with a minimum of three quotes being obtained, whenever possible.

8. Authorized and Suitable Investment

The City will limit investments in any one issuer, except U.S. Treasuries, Federal Agencies, supranationals, and pooled funds (i.e., money market funds, local government investment pools, and LAIF), to no more than 5% regardless of security type.

Where this section specifies a percentage limitation for a particular security type, that percentage is applicable only at the date of purchase. Credit criteria listed in this section refers to the credit rating category (inclusive of modifiers) at the time the security is purchased. If an investment's credit rating falls below the minimum rating required at the time of purchase, the City Treasurer will perform a timely review and decide whether to sell or hold the investment.

1. **U.S. Treasuries.** United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
2. **U.S. Agency Obligations.** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
3. **California State and Local Agency Obligations.** Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency. Obligations eligible for investment under this subdivision with maturities in excess of one year must be rated in a rating category of "A," its equivalent, or better by a nationally recognized statistical rating organization (NRSRO). Obligations eligible for investment under this subdivision with maturities under one year must be rated in a rating category of "A-1," its equivalent, or better by a NRSRO. No more than 30% of the City's portfolio may be invested in municipal obligations (includes 4. Other State Obligations).
4. **Other State Obligations.** Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. Obligations eligible for investment under this subdivision with maturities in excess of one year must be rated in a rating category of "A," its equivalent, or better by a NRSRO. Obligations eligible for investment under this subdivision with maturities under one year

must be rated in a rating category "A-1," its equivalent, or better by a NRSRO. No more than 30% of the City's portfolio may be invested in municipal obligations (includes 3. California State and Local Agency Obligations).

5. **Bankers' Acceptances**. Purchases of bankers' acceptances will have a maximum maturity of 180 days. No more than 40% of the City's portfolio may be invested in bankers' acceptances. Eligible bankers' acceptances must be rated in a rating category of "A-1," its equivalent, or better by a NRSRO.

6. **Commercial Paper**. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper will meet all of the following conditions in either paragraph a or paragraph b:

   a. The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars ($500,000,000). (iii) Has debt other than commercial paper, if any, that is rated in a rating category of "A," its equivalent or higher by a NRSRO.

   b. The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated in a rating category of "A-1," its equivalent or higher, or the equivalent, by a NRSRO.

   Eligible commercial paper will have a maximum maturity of 270 days or less. No more than 25% of the City's portfolio may be invested in commercial paper.

7. **Medium-Term Notes.** Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state, and operating within the U.S. Medium-term notes must be rated in a rating category of "A," its equivalent, or better by a NRSRO. No more than 30% of the City's portfolio may be invested in medium-term notes.

8. **Bank Deposits.** FDIC-insured or fully collateralized demand deposit accounts, savings accounts, market rate accounts, time certificates of deposits ("TCDs") and other types of bank deposits in a state or national bank, savings association or federal association, federal or state credit union in California. The amount on deposit in any financial institution shall not exceed the shareholder's equity. In accordance with California Government Code Section 53635.2, to be eligible to receive City deposits, a financial institution will have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities. The City will have a signed agreement with any depository accepting City funds per Government Code Section 53649.

   The maturity of TCDs may not exceed three years. No more than 30% of the City's portfolio may be invested in TCDs.

9. **Deposit Placement Services.** The City may invest a portion of its portfolio in deposits at a commercial bank, savings bank, savings and loan association, or credit union in the State of California (the selected depository) that uses a private sector entity that assists in the placement of deposits in the United States. The full amount of each deposit placed and the interest that may accrue on each such deposit will at all times be insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration. Additional required criteria for this investment type can be found in California Government Code Section 53601.8.

   No more than 30% of the City's investment portfolio may be invested in deposit placement service deposits. No more than 10% of the City's portfolio may be invested with any one selected depository for placement services.

   The City will monitor the financial institutions selected by deposit placement services to ensure that the City does not deposit more than the amount eligible for FDIC insurance in a single financial institution through non-negotiable CDs and deposit placement services.

10. **Negotiable Certificates of Deposit.** Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank. Eligible negotiable CDs with maturities in excess of one year must be rated in a rating category of "A," its equivalent, or better by a NRSRO. Eligible negotiable CDs with maturities under one year must be rated in a rating category of "A-1," its equivalent, or better by a NRSRO. No more than 30% of the City's investment portfolio may be invested in negotiable CDs.

11. **State of California's Local Agency Investment Fund (LAIF).** The State Treasurer established LAIF for the benefit of local agencies. The City can invest up to the maximum amount permitted by the State Treasurer.

12. **Los Angeles County Pooled Fund.** The Los Angeles County Treasurer manages a Pooled Fund, in which the City can invest funds that are needed for short-term liquidity.

13. **Money Market Funds.** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, etseq.). To be eligible for investment pursuant to this subdivision these companies will either:

    a. Attain the highest-ranking letter or numerical rating provided by not less than two of the three largest NRSRO or

    b. Have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds and with assets under management in excess of $500,000,000.

    No more than 20% of the City's portfolio may be invested in money market funds.

14. **Local Government Investment Pools (LGIPs).** Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q) of Government Code Section 53601, inclusive. Each share will represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares will have retained an investment adviser that meets all of the following criteria:
    a. The adviser is registered or exempt from registration with the Securities and Exchange Commission.
    b. The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q) California Government Code Section 53601, inclusive.
    c. The adviser has assets under management in excess of five hundred million dollars ($500,000,000).
15. **Supranationals.** United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision must be rated in a rating category of “AA,” its equivalent or better by a NRSRO. No more than 30% of the City’s portfolio may be invested in supranationals.
16. **Mortgage-Backed Securities (MBS) and Asset-Backed Securities (ABS).** Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-back certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond ~~of a maximum remaining maturity of five years or less.~~ Eligible securities must be rated, by a NRSRO, in a rating category of “AA,” its equivalent or higher and have a maximum remaining maturity of five years or less measured on a weighted average life (WAL) basis. No more than 20% of the City's portfolio may be invested in MBS and ABS.

9. Prohibited Investments

Investments not described herein, including but not limited to stocks, inverse floaters, range notes, mortgage-derived, interest-only strips, or any security that could result in zero interest accrual if held to maturity are prohibited for purchased by the City, except as authorized by California Government Code Section 53601.6. The City will not leverage or borrow money for the purpose of investing.

10. Local Investment

The City will strive to make investments that benefit the local area. Placing monies in local commercial banks is one method of promoting this goal. Deposits may be placed with local commercial banks up to the amount insured by the FDIC.

11. Non-Discrimination

The City has an obligation to be aware of the social and political impacts of its investments and to act responsibly in making its investment decisions. The City will not knowingly make any investments in any institution, company, corporation, subsidiary or affiliate that practices or supports directly or indirectly through its actions, discrimination on the basis of race, religion, color, creed, national or ethnic origin, age, sex, sexual preference, or physical disability.

12. Review of Investment Portfolio

California Government Code requires compliance be measured only at the time of purchase. Balance fluctuations can cause sector and issuer percentages to rise above the limits described above and changes in the financial environment can cause ratings to fall below minimum requirements. While these situations do not constitute non-compliance, the City Treasurer will monitor for these situations and decide whether they warrant making changes to the portfolio. Instances of non-compliance will be reported to the City Council at least quarterly, if any arise.

13. Investment Pools

The City will complete due diligence for any pooled investments the City invests in. The City Treasurer will collect and evaluate the following information for each pool/fund:

- Permitted investments and objectives
- Description of interest calculations
- Method/frequency of interest distribution
- Treatment of gains and losses
- Method/frequency of audits
- Description of eligible investors
- Limits/minimum account sizes, type of assets, transaction sizes, and number of transactions
- Limits on withdrawals
- Frequency of statements and reporting of underlying investments
- Reserves or retained earnings
- Fee schedules

14. Collateralization

Collateralization is required for deposits. Deposits must be collateralized as specified under Government Code Section 53630, et seq. The City, at its discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. Funds may be deposited in active or inactive accounts, but may not exceed the total paid-up capital and surplus in any depository.

15. Safekeeping and Custody

All deliverable securities owned by the City, will be kept in safekeeping/custody by a third-party bank's trust department. All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the City's safekeeping/custody bank prior to the release of funds.

16. Maximum Maturities

Maturities will be based on a review of cash flow forecasts. Maturities will be scheduled to permit the City to meet all projected obligations.

The City may not invest in a security that exceeds five years from the date of purchase unless the City Council has provided at least 90 days prior approval for a specific purpose.

17. Internal Controls

The City Treasurer will establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

18. Performance Standards

The City Treasurer will establish a performance benchmark consistent with the City's investment strategy and supportive of the City's investment objectives.

19. Reporting Requirements

The City Treasurer will render a quarterly report to the City Council and City Manager within 45 days following the end of the quarter covered. The report will include at least:

- List of all investments owned by the City
- List transactions as required by California Government Code 53607 when City Council has delegated authority
- Investment type
- Issuer
- Maturity date
- Total par and dollar amount invested
- Description of any funds, investments, or programs managed by an advisor or other outside party
- Market value of the investment portfolio as of the date of the report, and the source of this valuation
- Statement as to whether the City's investments comply with the Investment Policy, and if not, why not
- Statement denoting the ability of the City to meet its expenditure requirements for the next six months

20. Investment Policy Adoption

The City's Investment Policy will be adopted by resolution of the City Council. The Policy will be reviewed annually by the City Council and any modifications made thereto must be approved by the Council.

21. Glossary

See attached Appendix A.

APPENDIX A
GLOSSARY

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR): The official annual report of the City. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $250,000 per entity.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15(C)3-1: See Uniform Net Capital Rule.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

City of Santa Fe Springs

Investment Policy
March 4, 2025

1. Policy

The intent of the Investment Policy of City of Santa Fe Springs is to define the parameters within which funds are to be managed. In methods, procedures and practices, the policy formalizes the framework for the City's investment activities that must be exercised to ensure effective and judicious fiscal and investment management of the City's funds. The guidelines are intended to be broad enough to allow the investment officer to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

The City will invest its funds in such a manner as to comply with applicable state laws (California Government Code Section 53600, et seq. and 53630, et seq.), ensure prudent money management, provide for daily cash flow needs, and meet the City's investment objectives.

2. Scope

The Investment Policy applies to all funds and investment activities of the City except for the investment of bond proceeds, which are governed by the appropriate bond documents, and any pension or other post-employment benefit funds held in a trust that has a separate investment policy.

Except for funds in certain restricted and special funds, the City commingles its funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration.

3. Prudence

The standard of prudence to be used by those authorized to invest on behalf of the City will be the "prudent investor" standard and will be applied in the context of managing an overall portfolio. The "prudent investor" standard states that:

> *"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."*

4. Objectives

The primary objectives, in priority order, of the investment activities of the City are:

1. Safety — Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
2. Liquidity — The investment portfolio will remain sufficiently liquid to enable the City to meet its cash flow requirements.
3. Return on Investment — The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration with the investment risk constraints of safety and liquidity needs.

5. Delegation of Authority

The City Council's management responsibility for the investment program is hereby delegated for a one-year period to the City Treasurer. Subject to review, the City Council may renew the delegation of authority pursuant to this section each year. The City Treasurer, and the Treasurer's designees, will monitor and review all investments for consistency with this Investment Policy. The City Treasurer may delegate day-to-day investment decision making and execution authority to an investment advisor. Eligible investment advisors must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisors Act of 1940. The advisor will follow the Policy and such other written instructions as are provided.

6. Ethics and Conflict of Interest

Officers and employees involved in the investment process will refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Employees and investment officials will disclose to the City Manager any material financial interests in financial institutions that conduct business within their jurisdiction, and they will further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio.

7. Authorized Financial Dealers and Institutions

The City Treasurer will maintain a list of financial dealers and institutions qualified and authorized to transact business with the City.

The purchase by the City of any investment other than those purchased directly from the issuer, will be purchased either from an institution licensed by the State as a broker-dealer, as defined in Section 25004 of the Corporations Code, who is a member of Financial Industry Regulatory Authority (FINRA), or a member of a Federally regulated securities exchange, a National or State Chartered Bank a Federal or State Association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank.

The City Treasurer will investigate all institutions that wish to do business with the City, in order to determine if they are adequately capitalized, make markets in securities appropriate to the City's needs, and agree to abide by the conditions set forth in the City's Investment Policy and any other guidelines that may be provided. This will be done annually by having the financial institutions submit in writing that they have read and will abide by the City’s Investment Policy and submit its most recent audited Financial Statement within 120 days of the institution’s fiscal year end.

If the City has an investment advisor, the investment advisor may use its own list of authorized broker/dealers to conduct transactions on behalf of the City.

Purchase and sale of securities will be made on the basis of competitive bids and offers with a minimum of three quotes being obtained, whenever possible.

8. Authorized and Suitable Investment

The City will limit investments in any one issuer, except U.S. Treasuries, Federal Agencies, supranationals, and pooled funds (i.e., money market funds, local government investment pools, and LAIF), to no more than 5% regardless of security type.

Where this section specifies a percentage limitation for a particular security type, that percentage is applicable only at the date of purchase. Credit criteria listed in this section refers to the credit rating category (inclusive of modifiers) at the time the security is purchased. If an investment’s credit rating falls below the minimum rating required at the time of purchase, the City Treasurer will perform a timely review and decide whether to sell or hold the investment.

1. **U.S. Treasuries.** United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
2. **U.S. Agency Obligations.** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
3. **California State and Local Agency Obligations.** Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency. Obligations eligible for investment under this subdivision with maturities in excess of one year must be rated in a rating category of “A,” its equivalent, or better by a nationally recognized statistical rating organization (NRSRO). Obligations eligible for investment under this subdivision with maturities under one year must be rated in a rating category of “A-1,” its equivalent, or better by a NRSRO. No more than 30% of the City's portfolio may be invested in municipal obligations (includes 4. Other State Obligations).
4. **Other State Obligations.** Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. Obligations eligible for investment under this subdivision with maturities in excess of one year must be rated in a rating category of “A,” its equivalent, or better by a NRSRO. Obligations eligible for investment under this subdivision with maturities under one year

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   a. The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars ($500,000,000). (iii) Has debt other than commercial paper, if any, that is rated in a rating category of "A," its equivalent or higher by a NRSRO.

   b. The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated in a rating category of "A-1," its equivalent or higher, or the equivalent, by a NRSRO.

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   The maturity of TCDs may not exceed three years. No more than 30% of the City's portfolio may be invested in TCDs.

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   No more than 30% of the City's investment portfolio may be invested in deposit placement service deposits. No more than 10% of the City's portfolio may be invested with any one selected depository for placement services.

   The City will monitor the financial institutions selected by deposit placement services to ensure that the City does not deposit more than the amount eligible for FDIC insurance in a single financial institution through non-negotiable CDs and deposit placement services.

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    a. Attain the highest-ranking letter or numerical rating provided by not less than two of the three largest NRSRO or

    b. Have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds and with assets under management in excess of $500,000,000.

    No more than 20% of the City's portfolio may be invested in money market funds.

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    a. The adviser is registered or exempt from registration with the Securities and Exchange Commission.
    b. The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q) California Government Code Section 53601, inclusive.
    c. The adviser has assets under management in excess of five hundred million dollars ($500,000,000).
15. **Supranationals.** United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision must be rated in a rating category of "AA," its equivalent orbetter by a NRSRO. No more than 30% of the City's portfolio may be invested in supranationals.
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9. Prohibited Investments

Investments not described herein, including but not limited to stocks, inverse floaters, range notes, mortgage-derived, interest-only strips, or any security that could result in zero interest accrual if held to maturity are prohibited for purchased by the City, except as authorized by California Government Code Section 53601.6. The City will not leverage or borrow money for the purpose of investing.

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The City will strive to make investments that benefit the local area. Placing monies in local commercial banks is one method of promoting this goal. Deposits may be placed with local commercial banks up to the amount insured by the FDIC.

11. Non-Discrimination

The City has an obligation to be aware of the social and political impacts of its investments and to act responsibly in making its investment decisions. The City will not knowingly make any investments in any institution, company, corporation, subsidiary or affiliate that practices or supports directly or indirectly through its actions, discrimination on the basis of race, religion, color, creed, national or ethnic origin, age, sex, sexual preference, or physical disability.

12. Review of Investment Portfolio

California Government Code requires compliance be measured only at the time of purchase. Balance fluctuations can cause sector and issuer percentages to rise above the limits described above and changes in the financial environment can cause ratings to fall below minimum requirements. While these situations do not constitute non-compliance, the City Treasurer will monitor for these situations and decide whether they warrant making changes to the portfolio. Instances of non-compliance will be reported to the City Council at least quarterly, if any arise.

13. Investment Pools

The City will complete due diligence for any pooled investments the City invests in. The City Treasurer will collect and evaluate the following information for each pool/fund:

- Permitted investments and objectives
- Description of interest calculations
- Method/frequency of interest distribution
- Treatment of gains and losses
- Method/frequency of audits
- Description of eligible investors
- Limits/minimum account sizes, type of assets, transaction sizes, and number of transactions
- Limits on withdrawals
- Frequency of statements and reporting of underlying investments
- Reserves or retained earnings
- Fee schedules

14. Collateralization

Collateralization is required for deposits. Deposits must be collateralized as specified under Government Code Section 53630, et seq. The City, at its discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. Funds may be deposited in active or inactive accounts, but may not exceed the total paid-up capital and surplus in any depository.

15. Safekeeping and Custody

All deliverable securities owned by the City, will be kept in safekeeping/custody by a third-party bank's trust department. All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the City's safekeeping/custody bank prior to the release of funds.

16. Maximum Maturities

Maturities will be based on a review of cash flow forecasts. Maturities will be scheduled to permit the City to meet all projected obligations.

The City may not invest in a security that exceeds five years from the date of purchase unless the City Council has provided at least 90 days prior approval for a specific purpose.

17. Internal Controls

The City Treasurer will establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

18. Performance Standards

The City Treasurer will establish a performance benchmark consistent with the City's investment strategy and supportive of the City's investment objectives.

19. Reporting Requirements

The City Treasurer will render a quarterly report to the City Council and City Manager within 45 days following the end of the quarter covered. The report will include at least:

- List of all investments owned by the City
- List transactions as required by California Government Code 53607 when City Council has delegated authority
- Investment type
- Issuer
- Maturity date
- Total par and dollar amount invested
- Description of any funds, investments, or programs managed by an advisor or other outside party
- Market value of the investment portfolio as of the date of the report, and the source of this valuation
- Statement as to whether the City's investments comply with the Investment Policy, and if not, why not
- Statement denoting the ability of the City to meet its expenditure requirements for the next six months

20. Investment Policy Adoption

The City's Investment Policy will be adopted by resolution of the City Council. The Policy will be reviewed annually by the City Council and any modifications made thereto must be approved by the Council.

21. Glossary

See attached Appendix A.

APPENDIX A
GLOSSARY

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR): The official annual report of the City. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $250,000 per entity.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15(C)3-1: See Uniform Net Capital Rule.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

ITEM # 10

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: **ADOPTION OF RESOLUTION NO. 9951 TO AMEND THE CITY OF SANTA FE SPRINGS DEBT MANAGEMENT POLICY**

DATE: March 4, 2025

RECOMMENDATION(S):

It is recommended that the City Council:

1) Adopt Resolution No. 9951 to amend the City of Santa Fe Springs Debt Management Policy, as required by Government Code Section 8855(i).

FISCAL IMPACT

There is no fiscal impact from the adoption of amended Debt Management Policies.

BACKGROUND

SB1029 which required the adoption of formal debt management policies, effective for bonds sold after January 1, 2017. The City adopted its debt management policies in 2017 - Resolution No 9559. City has revised and updated its Debt Management Report in anticipation of obtaining a bond rating required to issue tax-exempt bonds supported by Measure SFS this spring.

Government Code section 8855(i) requires that public entities issuing debt certify to the California Debt and Investment Advisory Commission (CDIAC), that they have adopted Debt Management Policies, and that its proposed bond issuance complies with these adopted policies.

ANALYSIS

The Debt Management Policies must address 5 areas:

1. Purposes for which the debt proceeds may be used.
2. Types of debt that may be issued.
3. Relationship of the debt to, and integration with, the City's CIP and/or budget
4. Policy goals related to the City's planning goals and objectives.
5. Internal control procedures that the City will implement to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

The Debt Management Policy was drafted with the assistance of City's Municipal Advisor, Kosmont Financial Services.

ENVIRONMENTAL

N/A

DISCUSSION

The attached Debt Management Policy has been written to include all elements required by California Debt and Investment Advisory Commission (CDIAC). These policies serve as a starting point that sets parameters for issuing debt and managing the City debt portfolio; should the City continue to issue debt; the City may incorporate additional elements over time.

The adoption of formal, written financial policies is viewed as a "best practice" and treated as a credit positive by the bond rating agencies. Adoption of the attached Debt Management Policy will help ensure that City's debt is issued and managed prudently; and will help the City to maintain a sound fiscal position. These policies should be viewed as a tool to provide guidance to staff and decision-makers in the future.

SUMMARY/NEXT STEPS

The policy should be reviewed and amended by Staff and the City Council periodically and prior to the issuance of debt.

ATTACHMENT(S):

A. Resolution No. 9951
   Exhibit A – Debt Management Policy

ITEM STATUS:

APPROVED: ☐

DENIED: ☐

TABLED: ☐

DIRECTION GIVEN: ☐

APPROVED:
ITEM NO.:

RESOLUTION NO. 9951

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA AMENDING A DEBT MANAGEMENT POLICY RESOLUTION NO. 9559

WHEREAS, pursuant to Senate Bill 1029 ("SB 1029"), which the California Governor signed on September 12, 2016, California public agencies that issue debt must adopt debt management policies in compliance with Government Code Section 8855 (i) that meet certain criteria; and

WHEREAS, the City Council wishes to clarify and establish Debt Management policies to guide the City Manager, Assistant City Manager/Director of Finance and other City Staff regarding the issuance of City Debt; and

WHEREAS, there has been presented to this meeting a proposed form of Debt Management Policy.

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

SECTION 1. They City Council hereby approves and adopts the Amendment to Debt Management Policy hereto as Exhibit A and made a part hereof, as the debt management policy of the City.

SECTION 2. The Debt Management Policy is in addition to and supplements any other legal requirements.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution and the same shall take immediate effect.

SECTION 4. This Debt Management Policy shall supersede Resolution No. 9559.

PASSED, APPROVED AND ADOPTED on this 4th day of March, 2025 by the following vote:

AYES:

NOES:

ABSENT:
ABSTAIN:

By: ________________________

William K. Rounds, Mayor

ATTEST:

____

Fernando N. Munoz, CMC
City Clerk

DEBT MANAGEMENT POLICY

This Debt Management Policy (the “Debt Policy”) of the City of Santa Fe Springs (the “City”) was approved by its City Council on **March 4, 2025**. The Debt Policy may be amended by the City Council as it deems appropriate from time to time in the prudent management of its debt. Any approval of debt by the City Council that is not consistent with this Debt Policy shall require a waiver of or amendment to this Debt Policy.

1. Findings

This Debt Policy is intended to comply with Government Code Section 8855(i), effective on March 4, 2025, and shall govern all debt undertaken by the City.

A debt management policy sets forth the guidelines for the issuance of debt and the management of outstanding debt. The Policy establishes parameters which recognize the City’s specific capital requirements, its ability to repay financial obligations, and the existing legal, economic, financial and debt market conditions. Specifically, the Policy is intended to assist the City in the following:

- Maintaining the City’s sound financial position
- Evaluating debt issuance options
- Ensure the City has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses
- Ensure that all debt is structured in order to protect both current and future taxpayers, customers and constituents of the City.
- Maintaining appropriate capital infrastructure to meet the City’s present and future needs.
- Ensure that the City’s debt is consistent with the City’s planning goals and objectives and capital improvement program or budgets, as applicable.
- Protecting and enhancing the City’s credit rating; and
- Ensuring an effective system of internal controls and disseminating accurate and timely financial information.

2. Policies

The City Manager or their designee, shall be the administrator of the Policy and shall have the day-to-day responsibility and authority for structuring, implementing, and managing the City’’s debt and finance program.

A. Purposes For Which Debt May Be Issued

Debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the City.

Debt financings are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.

- When total debt does not constitute an unreasonable burden to the City and its taxpayers and its customers.

- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

B. Types of Debt

For purposes of this Debt Policy, "debt" shall be interpreted broadly to mean loans, bonds, notes, certificates of participation, financing leases, or other financing obligations, but the use of such term in this Debt Policy shall be solely for convenience and shall not be interpreted to characterize any such obligation as an indebtedness or debt within the meaning of any statutory or constitutional debt limitation where the substance and terms of the obligation comport with exceptions thereto.

The following types of debt are allowable under this Debt Policy:

- General obligation bonds or voter-approved financings (GO Bonds)
- Bond, Tax Revenue or Grant anticipation notes (BANs, TRANs, GANs)
- lease revenue bonds or certificates of participation (LRB, COPs)
- Land-Secured Financings (CFDs and ADs)
- Tax Increment Financings (EIFDs, CRIAs, and CRDs)
- Pension Obligation Bonds (POBs)
- State or Federal loans (I-Bank, DWR SRF, WIFIA, HUD 108 Loans)
- Loans and lines of credit with banks / financial institutions (private placements)
- refunding of any of listed types of debt or other prior long-term prior commitments
- Financed Purchase, notes, Subordinate Bonds, Special Assessment Bonds

Debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.

The City may contemplate the following elements of the debt structure:

Final Maturity - The final maturity of the debt shall not exceed, and preferably be less than, the remaining useful life of the assets being financed. To comply with Federal tax regulations, the average life of a financing shall not exceed 120% of the average life of the assets being financed.

Debt Service - Payments should be structured with level debt service payments over the life of the debt. The City may also structure the amortization of principal to wrap around existing obligations or backloaded to achieve other financial planning goals. In general, deferring the repayment of principal should be avoided except in select instances where it will take a period of time before project (dedicated) revenues are sufficient to pay debt service.

Lien - Senior and subordinate liens will be utilized in a manner that will maximize the most critical constraint, either cost or capacity, thus allowing for the most beneficial leverage of revenues.

Capitalized Interest - The City may elect to fund capitalized interest in connection with the construction of certain projects when revenues from the project will not be available until completion.

Reserve Funds – A debt service reserve fund (DSR) may be required for rating or marketing reasons. If available, a DSR can be funded with a surety policy. from 1) the proceeds of a debt issue or 2) the reserves of the City. A cash reserve fund will be invested pursuant to the investment restrictions associated with the respective financing documents. For each debt issue, staff will evaluate net borrowing cost of the financing with a DSR or surety policy, taking into consideration the investment of the DSR over the life of the issue.

Redemption Provisions – The City shall seek to structure each issue with an optional redemption or call provision, unless the final maturity is less than 10 years. Redemption provisions will be established on a case-by-case basis, taking into consideration market conditions and the results of a call option analysis prior to the time of sale. Because the issuance of non-callable debt may restrict future financial flexibility, cost will not be the sole determinant in the decision to issue non-callable debt.

Ratings - The City's objective is to maintain or improve its credit ratings as a way of reducing financing costs. The City Manager shall be responsible for implementing and managing the City's credit rating agencies relations program. This effort shall include providing the rating agencies with the City's annual budget, financial statements, and other information they may request. Staff should coordinate periodic meetings with the rating agencies and communicate with them prior to each debt issuance.

Credit Enhancement – Bond insurance will be used when it provides an economic advantage to a particular debt maturity or the entire issue. The City will evaluate the availability and cost/benefit of credit enhanced debt versus unenhanced debt prior to issuing any debt.

The City may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

Method of Sale – Working in conjunction with its financial advisor, the City will select a method of sale: competitive sale, negotiated sale or private placement. The City will determine the most appropriate method taking into account size/structure/credit consideration, current capital market conditions, and other financial, transaction-specific and policy considerations.

Debt shall be issued as fixed rate debt unless the City makes a specific determination as to why a variable rate issue would be beneficial to the City in a specific circumstance.

Variable Rate Debt – The City shall seek to utilize long-term fixed rate bonds. However, the City may consider issuing variable rate bonds. In managing its variable rate debt, staff will regularly monitor the market for credit enhancement, particularly liquidity facilities provided by credit enhancement providers and alternative variable rate products and the use of alternative variable rate instruments that do not require credit enhancement. The City should seek to diversify its exposure to banks when selecting institutions to provide liquidity or credit enhancement for variable rate debt.

Short-term Debt - Short-term debt may be issued to provide financing for the City's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the City may undertake lease-purchase financing for equipment.

C. Relationship of Debt to Capital Improvement Program and Budget

The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's capital budget and the capital improvement plan.

The City shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues.

The City shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The City shall integrate its debt issuances with the goals of its budget (and capital improvement costs) by timing the issuance of debt to ensure that proceeds are available when needed in furtherance of the City's public purposes.

The City shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The City shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

D. Policy Goals Related to Planning Goals and Objectives

The City is committed to long-term financial planning, maintaining appropriate reserve levels, and employing prudent practices in governance, management and budget administration. The City intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the City's annual operations budget.

It is a policy goal of the City to protect taxpayers, ratepayers, customers, and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

<u>Refunding Bonds</u>

When refinancing debt, it shall be the policy goal of the City to do so either for the purpose of realizing debt service savings or for the purpose of restructuring debt in a manner which is in the best financial interests of the City.

The refinancing of debt for the purpose of realizing debt service savings should seek to achieve a debt service savings. The City should always evaluate the net present value (NPV) savings of each refunding opportunity.

As a general rule of thumb, the City should seek to realize 3.0% NPV savings (as a percentage of the refunded principal amount). However, the 3.0% threshold should serve as a starting point and guideline for analysis, not a hard limit. The City should take into consideration several factors, including unique financial circumstances or historically low interest rates, and term to maturity.

Moreover, the City may also decide to refinance bonds in order to meet certain policy/financial objectives, such as: removing restrictive covenants, reshaping debt profile or budgetary/cash flow relief.

E. Internal Control Procedures

Use of Financial Advisor – In accord with the Government Finance Officers Association (GFOA) recommendation, the City should retain an independent registered municipal advisor (financial advisor) when it is contemplating the issuance of bonds (during the initial planning phase). The financial advisor shall assist the City in evaluating all financing options, assembling the other members of the financing team and facilitating the bond issuance process. The financial advisor shall provide objective advice and analysis, maintain confidentiality of City financial plans, and fully disclose any potential conflicts of interest.

The City will comply with all financing covenants to maintain the validity of the issuance of debt, including, but not limited to tax-exemption, arbitrage rebate compliance, insurance provisions, reporting and monitoring requirements.

The City shall pay particular close attention (each year) to any annual debt service coverage requirements, if applicable.

The City will ensure compliance with all continuing disclosure requirements as part of its ongoing debt program. Any instance of noncompliance will be reported to the City Council.

The City will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12 and CDIAC Reporting Requirements,

- any federal tax compliance requirements, including without limitation IRS arbitrage and rebate compliance, related to any prior bond issues, and

- the City's investment policies as they relate to the investment of bond proceeds.

It is the policy of the City to ensure that proceeds of debt are spent only on lawful and intended uses. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the City will submit written requisitions for such proceeds.

The City shall seek to borrow tax-exempt proceeds that can be reasonably spent within the IRS' spending requirement (in most cases 85% within 3 years).

The City will submit a requisition only after obtaining the signature of the City Manager. In those cases where it is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the person performing the function of chief financial officer of the City shall retain records of all expenditures of proceeds through the final payment date for the debt.

The Council acknowledges that changes in the capital markets and other unexpected events may, from time to time, create situations and opportunities that are not contemplated by this Policy and may require adjustments or exceptions to the guidelines of the Policy. In such circumstances, the ability of the City to be flexible is important; however, any authorization granted by the Council to proceed with a financing or financial product not expressly permitted by the Policy must be accompanied by an acknowledgement of the Council that the actions to be taken by the City are not specifically authorized by the Policy in force at that time. The Policy shall be initially adopted by the Council and reviewed annually. Future updates to the Policy require the approval by the Council.

ITEM # 11

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: **ADOPTION OF PENSION FUNDING POLICY**

DATE: March 4, 2025

RECOMMENDATION(S):

It is recommended that the City Council:

1) Adopt the City of Santa Fe Springs Pension Funding Policy.

FISCAL IMPACT

There is no fiscal impact from the adoption of the Pension Funding Policy

BACKGROUND

The City is statutorily required to make payments to CalPERS on an annual basis, which is comprised of two components: Normal Costs and UAL Payments.

> Normal Cost – represents the cost of pension benefits earned by current employees for their current year of service. Normal Costs payments are made monthly to CalPERS, which are based on a percentage of payroll.
>
> UAL Payments – represents the shortfall in assets needed to fully fund prior benefits earned by employees and retirees. UAL payments are annual fixed dollar payments required to fund this shortfall.

The City has six (6) pension plans through CalPERS that employees currently have vested pension benefits in:

- Miscellaneous Classic Plan (2.7% @ 55 benefit formula)
- Miscellaneous 2nd Tier Plan (2.0% @ 55 benefit formula)

- Miscellaneous PEPRA Plan (2.0% @ 62 benefit formula)
- Safety Classic Plan (3.0% @ 50 benefit formula)
- Savety 2nd Tier Plan (3.0% @ 55 benefit formula)
- FIRE PEPRA Plan (2.7% @ 57 benefit formula)

Unfunded Accrued Liability (UAL)

The Unfunded Accrued Liability (UAL) represents the difference between the total projected pension benefits to be earned to date by current employees and retirees, less the market value of assets invested by CalPERS.

The City's UAL as of its most recent CalPERS Actuarial Valuation Report (dated June 30, 2023), is equal to $163,788,891 (59.4% funding level), with a required UAL contribution payment equal to $14,089,585 for FY 25-26.

Unfunded Accrued Liability (UAL) - June 30, 2023

	MISC	Safety	2nd Tier	PEPRA	Combined
Accrued Liability	$ 210,518,983	$ 184,964,777	$ 4,316,741	$ 3,408,369	$ 403,208,870
Market Value of Assets (MVA)	117,222,266	115,573,871	3,692,769	2,931,073	239,419,979
Unfunded Accrued Liability (UAL)	**$ 93,296,717**	**$ 69,390,906**	**$ 623,972**	**$ 477,296**	**$ 163,788,891**
Funded Ratio	**55.7%**	**62.5%**	**85.5%**	**86.0%**	**59.4%**

Every August/September, CalPERS releases a new actuarial valuation report, based on values as of June 30th of the previous year. CalPERS calculates the City's UAL as of this new valuation date, which increases or decreases from year to year, due to changes in the following factors/assumptions:

- **Investment Performance**
- **Demographic Performance**
- **Actuarial Assumptions**
- **Payroll / Benefit Changes**

CalPERS accounts for these changes by adding new Amortization Bases each year, adjustments that lower the City's UAL take the form of a "credit". CalPERS amortizes these adjustments over 20 years or less. UAL payments are fixed dollar payments, which effectively serve as long-term debt of the City.

The $164 million UAL is the City's largest liability. UAL Payments are projected to increase from $14 million in FY 25-26 and peaking at $17.7 Million in FY 30-31 – totaling nearly $270 million over the next 21 years, as illustrated in the accompany UAL payment schedule.

		Misc.	Safety	2nd Tier	PEPRA	Combined
1	**2025-26**	8,026,412	6,000,170	34,274	28,729	14,089,585
2	**2026-27**	8,493,656	6,364,807	45,992	37,453	14,941,908
3	**2027-28**	8,858,383	6,667,819	57,710	46,179	15,630,091
4	**2028-29**	9,536,412	7,282,523	69,426	51,526	16,939,887
5	**2029-30**	9,768,362	7,452,999	70,019	51,998	17,343,378
6	**2030-31**	9,984,111	7,609,057	70,019	51,999	17,715,186
7	**2031-32**	9,260,407	7,769,478	70,020	51,997	17,151,902
8	**2032-33**	9,071,374	7,713,592	70,020	51,997	16,906,983
9	**2033-34**	8,665,251	7,615,562	70,019	51,998	16,402,830
10	**2034-35**	8,392,751	7,466,726	70,019	51,998	15,981,494
11	**2035-36**	8,146,364	7,156,632	70,020	52,000	15,425,016
12	**2036-37**	7,701,544	6,693,893	70,020	51,999	14,517,456
13	**2037-38**	7,511,182	4,407,919	70,021	51,998	12,041,120
14	**2038-39**	7,305,735	4,094,143	70,019	51,999	11,521,896
15	**2039-40**	7,173,641	3,848,180	70,019	51,999	11,143,839
16	**2040-41**	7,116,079	3,698,541	70,021	51,999	10,936,640
17	**2041-42**	6,436,622	3,170,879	70,020	51,998	9,729,519
18	**2042-43**	5,704,136	2,686,419	70,022	51,999	8,512,576
19	**2043-44**	7,184,835	3,895,037	70,021	51,999	11,201,892
20	**2044-45**	404,169	875,001	8,770	6,937	1,294,877
21	**2045-46**		74,459			74,459
	TOTAL	**$ 154,741,426**	**$ 112,543,836**	**$ 1,266,471**	**$ 950,801**	**$ 269,502,534**

Last year, City staff conducted council workshops to review its CalPERS unfunded accrued liability (UAL). One of staff's recommendations was to formally adopt a Pension Funding Policy. The City is establishing this Policy to address the existing UAL and any new pension liabilities, or amortization bases, which may arise on an annual basis.

ANALYSIS

The adoption of a Pension Funding Policy is considered a "best practice". City staff anticipates that Moody's Investor Service (bond rating agency) will request a copy of a formally adopted policy.

The pension funding policy has a few key components:

- Background and Description of the City Pension Liabilities
- Funding Goals & Target Funding Levels
- Potential Pension Funding Strategies

The City has already established a pension stabilization fund (i.e. pension reserve) that was established to help the City address its UAL. The City plans to make payments toward its UAL this fiscal year.

The City will need to implement additional funding strategies to accelerate the payoff of its UAL. All pre-funding decisions will require detailed financial analysis to be performed; and shall include proper documentation of the analysis, methodology, and decision-making process.

These options include:

- ADPs / 1-Time Monies.
- Tax-Exempt Exchange
- Accelerated Pay-off of New Bases
- Internal Loan/ Investment
- Pension Obligation Bonds (POBs) *

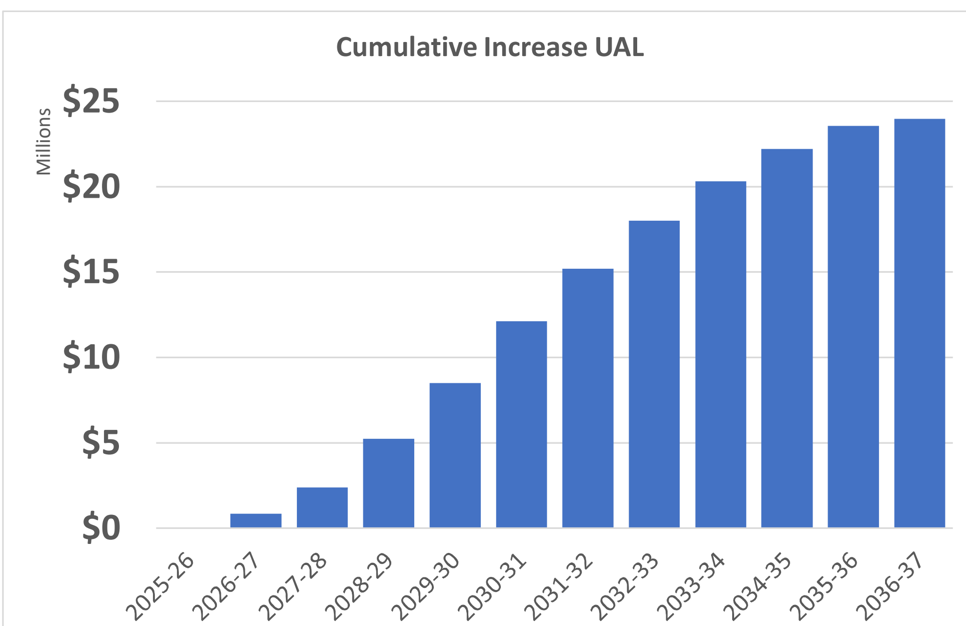
**Given current interest rate levels, POBs are not a viable financial option.*

ENVIRONMENTAL

NA

DISCUSSION

Adoption of a pension funding policy are development of a pension funding plan are considered key steps toward addressing your pension.



UAL payments are projected to increase over the next 12 years (FY 25-26 = $14 Million), which could have a significant impact on the City's operating flexibility. The cumulative increase in UAL payments over the next 12 years will be $24 million.

The City must develop a long-term funding plan, utilizing multiple strategies to address its UAL. There is no single strategy that can provide an immediate solution to these rising costs.

Pension funding decisions shall be made on a case-by-case basis, directed by the City Manager and subject to review and approval by the Council each year.

SUMMARY/NEXT STEPS

The policy should be reviewed and amended by Staff and the City Council periodically (al least every three years).

ATTACHMENT(S):

A. Pension Funding Policy

ITEM STATUS:	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐

CITY OF SANTA FE SPRINGS
Pension Funding Policy

Purpose

The City of Santa Fe Springs (the “City”) recognizes that a fully funded defined benefit pension plan requires financial discipline and long-term commitment. The City also recognizes that an unfunded pension liability could potentially cause financial stress, impact on operations, and pressure on user rates and charges.

This policy reflects the City Council’s commitment to achieving a fully funded pension plan in a timely manner and most cost-effective manner possible.

The City seek to be fiscally conservative and follow prudent financial management practices. Therefore, this policy was developed to:

- Ensure the City has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenditures
- Provide fiscal protocols to address the City’s Unfunded Accrued Liability (UAL)
- Maintain the City’s financial position
- Preserve the City’s creditworthiness
- Ensure that all pension funding decisions are made in the best interests of members and protect the interests of ratepayers, retirees, and employees.

Background

The City provides defined benefit pension plan through the California Public Employees’ Retirement System (CalPERS). All qualified (full-time) City employees are required to participate in CalPERS. CalPERS provides retirement, disability benefits, death benefits, and annual cost of living adjustments to plan members and beneficiaries.

CalPERS acts as a common investment and administrative agent for participating public entities within the State of California.

The City has six (6) pension plans through CalPERS that employees currently have vested pension benefits in:

- Miscellaneous Classic Plan **(2.7% @ 55 benefit formula)**
- Miscellaneous 2nd Tier Plan **(2.0% @ 55 benefit formula)**
- Miscellaneous PEPRA Plan **(2.0% @ 62 benefit formula)**
- Safety Classic Plan **(3.0% @ 50 benefit formula)**
- Safety 2nd Tier Plan **(3.0% @ 55 benefit formula)**
- Safety PEPRA Plan **(2.7% @ 57 benefit formula)**

Public Employment Pension Reform Act Plan “PEPRA” – enacted by California Legislation for employees hired and new entrants after January 1, 2013.
The CalPERS Actuarial Report for the Miscellaneous Plan combined both the Classic and PEPRA Plan.

CITY OF SANTA FE SPRINGS
Pension Funding Policy

The City is statutorily required to make payments to CalPERS on an annual basis. The City's annual payments to CalPERS is comprised of two components: Normal Costs and UAL Payments.

> Normal Cost – represents the cost of pension benefits earned by current employees for their current year of service. Normal Costs payments are made monthly to CalPERS, which are based on a percentage of payroll.
>
> UAL Payments – represents the shortfall in assets needed to fully fund prior benefits earned by employees and retirees. UAL payments are annual fixed dollar payments required to fund this shortfall.

The City's UAL represents a significant long-term liability. Given that the CalPERS annual UAL payment is a fixed dollar amount, the liability shall be viewed similarly to the City's long-term bond debt.

Current UAL

The City's UAL as of its most recent CalPERS Actuarial Valuation Report (dated June 30, 2023), is equal to $163,788,891 (59.4% funding level), with a required UAL contribution payment equal to $14,089,585 for FY 25-26.

Unfunded Accrued Liability (UAL) - June 30, 2023

	MISC	Safety	2nd Tier	PEPRA	Combined
Accrued Liability	$ 210,518,983	$ 184,964,777	$ 4,316,741	$ 3,408,369	$ 403,208,870
Market Value of Assets (MVA)	117,222,266	115,573,871	3,692,769	2,931,073	239,419,979
Unfunded Accrued Liability (UAL)	**$ 93,296,717**	**$ 69,390,906**	**$ 623,972**	**$ 477,296**	**$ 163,788,891**
Funded Ratio	**55.7%**	**62.5%**	**85.5%**	**86.0%**	**59.4%**

Annual Adjustment to UAL/Amortization Bases

Every August/September, CalPERS releases a new actuarial valuation report, based on values as of June 30th of the previous year. CalPERS calculates the City's UAL as of this new valuation date, which increases or decreases from year to year, due to changes in the following factors/assumptions:

- **Investment Performance** – adjustment for investment gains/losses relative to the states CalPERS Discount Rate (6.80%);
- **Demographic Performance** – adjustments made based on actual performance compared to actuarial assumptions, which includes early/late retirement, disability, mortality, promotion, terminations, etc.
- **Actuarial Assumptions** - changes in the discount rate, life expectancy, rate of inflation, rate of return, etc.);
- **Payroll / Benefit Changes** - increase/decrease in number of employees or salary increases or adjustments.

CalPERS accounts for these changes by adding new Amortization Bases each year, adjustments that lower the City's UAL take the form of a "credit". CalPERS amortizes these adjustments over 20 years or less. The City is establishing this Policy to address the existing UAL and any new pension liabilities, or amortization bases, which may arise on an annual basis.

Funding Plan and Objectives

The goal of a defined benefit pension plan is to fund the long-term cost of benefits provided to the plan members. CalPERS is a defined benefit pension plan, which pays retirees a benefit based on a formula (for example 2% @ 62.)

Given the fixed dollar, formula-based pay out associated with a CalPERS defined benefit pension plan, the funding goal of the City's Pension Plan is **100%.**

The City currently is scheduled to pay off its unfunded pension liability by 2044-45.

Classic / PEPRA Employee Composition

CalPERS projects that 95% of the workforce will be comprised of 100% PEPRA employees by approximately 2040. In the interest of achieving inter-generational equity among its employees, the City would endeavor to pay off its UAL by this transition date. The City shall endeavor to take this date into account when making its UAL payments and making UAL repayment decisions.

Funding Goal / Funding Target Level

The City's funding goal should be 100% funded. This goal can be accomplished if making its regular unfunded accrued liability (UAL) payments by 2044, as outlined in each year's current amortization schedule.

The City's goal is to reach a fully funded status (100%) prior the date at which all Classic employees have retired (i.e.,2040) – the City has endeavor to make additional payments, known as additional discretionary payments or ADPs.
It is important to note that the UAL is dynamic, since it is adjusted each year. Therefore, once 100% funded, the funding level will fluctuate each year. The City shall review its funding level each year and take appropriate action(s) to maintain a minimum targeted funded ratio of 90% (based on the most CalPERS annual actuarial report).

OPEB

The City also offers retiree medical benefits to its employees. Employees are eligible for retiree health benefits, if they retire from the City on or after age 50 (unless disabled) with five years or service and are eligible for PERS pension. The benefits are available only to employees who retire from the City.

The Total OPEB Liability of $58.7 million, which is offset by $29.7 Million in plan assets set aside to pay these liabilities, resulting in a $28.9 Million Net OPEB Liability, according to its most recent GASB 75 Actuarial Report provided dated June 30, 2021**.**

The City had OPEB monies invested with CalPERS in its CERBT OPEB Trust Fund.

<u>Since CalPERS Pension Liabilities are vested benefits, and OPEB are not vested benefits, the City shall prioritize paying off its CalPERS UAL.</u>

Base Selection Strategies

When making additional payments to CalPERS, the City shall be required to select which base these monies should be applied. The City should select a shorter-term base to have the maximum impact on budgetary savings, and a longer-term base to maximize total UAL savings.

Funding Strategies

The City shall implement additional funding strategies to accelerate the payoff of its UAL. All pre-funding decisions will require detailed financial analysis to be performed; and shall include proper documentation of the analysis, methodology, and decision-making process. Pension funding decisions shall be made on a case-by-case basis by the City Manager and subject to review and approval by the Coucil each year.

1. **ADPs / 1-Time Monies** - The City will seek to consistently apply excess reserves, and 1-time monies toward its pension liability. The City will make annual contribution from excess operating funds, in a manner consistent with the s Fund Council’s Balance and Reserve Policies.

2. **Tax-Exempt Exchange**– to the extent the City has pay-go capital projects, the City shall seek to finance such projects with tax-exempt bonds and use the scheduled budget amounts to pre-pay the UAL. The City shall use the scheduled UAL payments to pay the debt service on the bonds and derive savings from the interest cost differential.

3. Accelerated Pay-off of New Bases – When new bases are added to the City’s UAL, it shall seek to accelerate the repayment of such bases over a shorter timeline (e.g., 20 year base repaid in 10 years) using a Fresh Start.

   The City shall target the final date of all new UAL payments (i.e., amortization bases) to be 2040, with the objective of fully funding the UAL by the date that 100% of City is comprised of PEPRA employees. This target date will need to be revised (as the City gets closer to the target date), to provide adequate payment flexibility.

4. **Internal Loan/ Investment** – The City shall seek to optimize its capital structure and review the opportunity costs/return of its investment and capital financings. To the extent that the City has the capacity to advance, loan and/or invest a portion

of its funds designated or restricted for a specific purpose and the expect return is below the current CalPERS Discount Rate (i.e., 6.80%), then it shall consider structuring an internal loan or investment to address the City's retirement benefits.

Tax-exempt exchange and internal loan/investment payments shall be reflected in the City's budget and financial statements as pension-related payments.

Pension Stabilization Fund

The City created a Pension Stabilization Fund to stabilize pension costs and to achieve fully-funded status. The Pension Stabilization Fund shall be used to:

- Address additional amortization bases created by CalPERS
- Make additional discretionary payments (ADPs)
- Serve as an additional source of funds to pay for the City's required UAL payments (excluding normal costs), when the City's revenues are strained or is facing difficult budgetary or economic times.

The City will seek to pay consistent annual UAL contribution (Level UAL payments) going forward, utilizing funds available in the Pension Stabilization Fund. Level UAL payments help reduce undue burden on user charges.

115 Trust - Monies placed into a 115 Trust can only be used to pay pension-related costs but can be invested outside the California Investment Code (i.e., equity securities) to match a traditional pension investment strategy.

The City shall invest monies in a 115 Pension Stabilization Fund in an amount equal to the current year's pension costs (normal costs + UAL). Investing monies in excess of the 1 year required contribution amount could have a budgetary impact upon the City and shall require additional analysis and Council approval.

Superfunded Status

In the event that either of the City plans achieve "superfunded" status, where asset values exceed the accrued liability (i.e., funding level exceeds 100%), regularly scheduled pension payments shall be directed toward the City's OPEB liability.

Delegation of Authority

The investment of City funds in Pension Stabilization Fund is delegated to the City Manager by the City Council. The City Manager may delegate day-to-day operations of investing to his/her designee. At least once each quarter, Council shall meet with the City Manager or his/her designee to review the City portfolio and investments.

CITY OF SANTA FE SPRINGS
Pension Funding Policy

Reporting

This policy will be reviewed by the City Council at least every two years, or sooner if it is determined that changes are needed to be made to achieve to keep the City on track to meet its funding goal of 100%.

City staff shall review and report pension plans funding status to the City Council in December each year after the most current CalPERS actuarial report is released and the City's financial audit is completed. This report shall include: a summary of funding status, funding progress compared to prior years, and recommendations.

ITEM # 12

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. 9952 - UPDATING AUTHORIZED PERSONS FOR LOCAL AGENCY INVESTMENT FUND (LAIF)**

DATE: March 4, 2025

RECOMMENDATION(S):

It is recommended that the City Council:

1) Adopt Resolution No. 9952 – Updated Authorized Persons to transact on the City's LAIF account.

FISCAL IMPACT

N/A

BACKGROUND

The Local Agency Investment Fund ("LAIF") requires that the Authorized Persons list is updated for transacting on the City's LAIF account when moving monies and updating bank account information.

Mr. Mark Shuster, Managing Partner with Shuster Advisory Group, LLC ("Shuster"), has met with Staff to review the City's overall cash allocation with respect to CA Code 53601 in order to maximize the City's ability to generate interest in a safe and liquid manner.

ANALYSIS

N/A

ENVIRONMENTAL

N/A

DISCUSSION

During a review of the City's overall cash portfolio, Shuster identified areas where investments can be reallocated from LAIF into the City's bond portfolio in order to lock in higher interest rates, all in accordance with CA Code 53601.

The City's LAIF account does not reflect all the current Authorized Persons as with other City investment vehicles, i.e. the Schwab bond portfolio. Shuster recommends updating the LAIF account to maintain the same Authorized Persons.

The following City officers holding the title(s) specified hereinbelow or their successors in office are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

City Manager
Assistant City Manager
Director of Finance
Assistant Director of Finance
Finance Manager

SUMMARY/NEXT STEPS

Once approved, the attached resolution will be sent to LAIF for approval. Afterwards, Shuster will help coordinate the paperwork to update Authorized Persons contact information and the City's banking information.

ATTACHMENT(S):

A. Resolution No. 9952 – Updating Authorized Persons for Local Agenda Investment Fund (LAIF)

ITEM STATUS:	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐

APPROVED:
ITEM NO.:

RESOLUTION NO. 9952

AUTHORIZING INVESTMENT OF MONIES INTHE LOCAL AGENCY INVESTMENT FUND

WHEREAS, The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the City Council hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the City.

NOW THEREFORE, BE IT RESOLVED, that the City Council hereby authorizes the deposit and withdrawal of City monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED, as follows:

Section 1. The following City officers holding the title(s) specified hereinbelow **or their successors in office** are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

City Manager
Assistant City Manager
Director of Finance
Assistant Director of Finance
Finance Manager

Section 2. The above-named City officers are each hereby authorized to execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby; and

Section 3. This resolution shall remain in full force and effect until rescinded by City Council by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

PASSED AND ADOPTED, by the City Council of Santa Fe Springs, Los Angeles County of the State of California on March 4, 2025

PASSED, APPROVED AND ADOPTED on this 4th day of March, 2025 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF SANTA FE SPRINGS

By: ___________________________
William K. Rounds, Mayor

ATTEST:

Fernando N. Munoz, CMC
City Clerk

____

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

SUBJECT: **HERITAGE PARK NATIVE AMERICAN POND IMPROVEMENT – FINAL PAYMENT**

DATE: March 4, 2025

RECOMMENDATION:

It is recommended that the City Council:

1) Approve the Final Payment to Zeco, Inc. of Anaheim, California for $39,317.50 (Less 5% Retention); and

2) Approve the final contract amount with Zeco, Inc. in the amount of $221,888.07, including the aggregate change order amount of $27,216.00; and

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

FISCAL IMPACT

The Heritage Park Native American Pond Improvement Project funding totals $397,000, funded partially by a grant from the California Natural Resources Agency and partially by the Utility Users Tax (UUT).

The total project cost breakdown is estimated as follows:

ITEM		ESTIMATED AMOUNT
Construction	$	221,900.00
Design	$	20,000.00
Engineering	$	50,375.00
Inspection	$	50,375.00
Contingency	$	54,350.00
Estimated Total Project Cost:	$	397,000.00

The project is estimated to close with a surplus of approximately $50,000. The surplus funds will be available to reprogram to other California Natural Resources Agency projects.

The payment detail (Attachment A) represents the Final Payment (less 5% retention) due, per the terms of the contract, for the work that has been 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 Heritage Park Native American Pond Improvement project is located at the northwest corner of Heritage Park and has served the community for approximately 26 years. The intent of the project was to remove and replace aging pond components to improve water operation efficiencies and repair a leaking pond liner. The scope of work included landscape removals, landscaping, planting, installation of decomposed granite, installation of water piping systems, earthwork, clearing and grubbing, concrete construction, placement of polyethylene liner and geotextile fabric, and installation of cobblestone.

On October 1, 2024, the City Council approved the award of a contract to Zeco, Inc. in the amount of $164,039.25 for the construction of the Heritage Park Native American Pond Improvement project. Construction was completed and staff authorized change orders in the aggregate amount of $27,216. The authorized change orders were due to unforeseen conditions and additional scope. The final contract amount is $221,888.07, which also includes adjustments for final quantities for unit-priced items as measured during construction.

ANALYSIS

N/A

ENVIRONMENTAL

N/A

DISCUSSION

The completion of the project reduced overall pond maintenance costs and reduced operational water costs.

SUMMARY/NEXT STEPS

Upon City Council’s approval of the recommended actions, the Public Works Department will coordinate with the Finance Department to issue a final payment to Zeco, Inc. and proceed to close the project. The Public Works Department will then file the Notice of Completion with the LA County Registrar-Recorder as a part of the project closure. Following the mandatory waiting period after the filing of the Notice of Completion, Public Works will work with the Finance Department to release the retention payment.

ATTACHMENTS:

A. Final Payment Detail

ITEM STATUS:	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐

ATTACHMENT A

MEMORANDUM

Department of Public Works

FINAL PAYMENT
WITH 5% RETENTION

DATE: February 04, 2025
TO: Claribel Catalan, Account Clerk II
FROM: James Enriquez, P.E., Director of Public Works
ACTIVITY NO.: **PW200101**
PROJECT: Heritage Park Native American Pond Improvements

VENDOR: **Zeco, Inc.**
22845 Savi Ranch Parkway, Unit C
Yorba Linda, CA 92887

Please issue FINAL Payment.

DESCRIPTION	ACTIVITY NUMBER	PAYMENT AMOUNT
Total this period:	**PW200101**	$ 39,317.50
Retention this period:	**270010**	**$ 1,965.87**
FINAL PAYMENT:	**PW200101**	**$ 37,351.63**

FINAL PAYMENT

The attached agenda report approved on 2/18/2024, recommends issuing the Final Payment noted above above be issued to the Contractor for satisfactory work completed on 1/14/2024.

☑ The attached Notice of Completion is ready to file with the LA County Registrar-Recorder's Office.

RG
2/3/25

Payment Detail:

Heritage Park Native American Pond Improvements

Contractor: Zeco, Inc.
22845 Savi Ranch Parkway, Unit C
Yorba Linda, CA 92887

Final Payment	$ 37,351.63

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.		$ 11,607.20	25%	$ 2,901.80	100%	$ 11,607.20
2.	Construction Survey.	1	L.S.		$ 9,895.20	0%	$ -	100%	$ 9,895.20
3.	Demolition and Removals.	1	L.S.		$ 17,434.40	0%	$ -	100%	$ 17,434.40
4.	Furnish and Install 2" Slip Port Skimmer, Lid, and Fittings By Pentair Model: Bermuda (Or Equal).	4	EA	$ 883.50	$ 3,534.00	0	$ -	4	$ 3,534.00
5.	Furnish and Install 6" Diameter Main Drain Sch. 40 Pipe and Fittings with 12" Square Anti-Entrapment Plate.	1	L.S.		$ 5,206.76	0%	$ -	100%	$ 5,206.76
6.	Furnish and Install 2.5" Diameter Pump Return Sch. 40 Pipe and Fittings.	1	L.S.		$ 2,945.00	0%	$ -	100%	$ 2,945.00
7.	Furnish and Install 3" Diameter Overflow Sch. 40 Pipe and Fittings.	1	L.S.		$ 2,945.00	0%	$ -	100%	$ 2,945.00
8.	Furnish and Install 2" Domestic Water Supply Sch. 40 Pipe and Fittings.	1	L.S.		$ 2,591.60	0%	$ -	100%	$ 2,591.60
9.	Furnish and Install Clean Washed Plaster Sand Leveling Course (6" Thick Minimum).	815	S.F.	$ 4.07	$ 3,317.05	0	$ -	700	$ 2,849.00
10.	Furnish and Install 2' x 2' Square Fiberglass Grate by McNICHOLS Manufacturer Model MS-S-200 (Or Equal).	1	L.S.		$ 2,356.00	0%	$ -	100%	$ 2,356.00
11.	Furnish and Install 45 Mil RPP Reinforced Polypropylene Liner By Western Environmental (Or Equal).	1,000	S.F.	$ 8.48	$ 8,480.00	300	$ 2,544.00	1000	$ 8,480.00
12.	Construct Pumped Integral Colored Concrete With Wire Mesh (12" High Walls and Pond Bottom).	850	S.F.	$ 18.43	$ 15,665.50	0	$ -	700	$ 12,901.00
13.	Furnish and Install Grouted 4" to 6" Diameter Las Palmas Real Cobblestone (Or Equal) (65% Coverage of Pond Bottom).	500	S.F.	$ 16.96	$ 8,480.00	0	$ -	500	$ 8,480.00
14.	Furnish and Install Grouted 6" Diameter Minimum Las Palmas Real Cobblestone (Or Equal) (Raised Stone Edge North Side).	50	L.F.	$ 73.04	$ 3,652.00	0	$ -	400	$ 29,216.00
15.	Furnish and Install Gail Materials Natracil Stabilized Decomposed Granite (Or Equal) (3" Thickness) and Base.	125	S.F.	$ 34.87	$ 4,358.75	0	$ -	0	$ -
16.	Furnish and Install Aguinaga Green GPS-1 Soil Amendments (Or Equal) (1' Depth).	250	S.F.	$ 12.96	$ 3,240.00	0	$ -	146	$ 1,892.16
17.	Soil Preparation and Fine Grading.	250	S.F.	$ 10.60	$ 2,650.00	0	$ -	146	$ 1,547.60
18.	Furnish and Install Bark Mulch (3" Thickness).	250	S.F.	$ 7.07	$ 1,767.50	0	$ -	950	$ 6,716.50
19.	Furnish and Install Weed Barrier Fabric (Or Equal).	185	S.F.	$ 8.13	$ 1,504.05	0	$ -	129	$ 1,048.77
20.	Furnish and Install Tree & Shrub Plants.	29	EA	$ 442.36	$ 12,828.44	0	$ -	53	$ 23,445.08
21.	Furnish, Install New, Modify and Test Irrigation System.	1	L.S.		$ 23,088.80	25%	$ 5,772.20	100%	$ 23,088.80
22.	Clearing and Grubbing.	1	L.S.		$ 5,890.00	0%	$ -	100%	$ 5,890.00
23.	Test Water System.	1	L.S.		$ 3,534.00	25%	$ 883.50	100%	$ 3,534.00
24.	Furnish, Install New Continuous Geo-Textile Fabric.	1	L.S.		$ 7,068.00	0%	$ -	100%	$ 7,068.00
				Total Contract Amount :	$ 164,039.25		$ 12,101.50		$ 194,672.07
CCO 1	Remove and Replace Pergola Wooden Beams.		L.S.		$ 26,015.00	100%	$ 26,015.00	100%	$ 26,015.00
CCO 2	Investigate Existing Ball Valve.		L.S.		$ 1,201.00	100%	$ 1,201.00	100%	$ 1,201.00
							$ 39,317.50		$ 221,888.07

CONTRACT PAYMENTS:

Total Items Completed to Date:	$	221,888.07
Less 5% Retention:	$	11,094.40
Less Progress Payment No. 1	$	76,006.52
Less Progress Payment No. 2	$	97,435.52
Final Payment	$	37,351.63

Invoice Date	Invoice No.	Warrant Billing Period: Invoice Due Date	Invoice Pay Date	Amount	Retention Amount
11/27/2024	*1*	*12/11/2024*	*12/19/2024*	$ 76,006.52	$ 4,000.34
12/17/2024	*2*	*12/18/2024*	*01/02/2025*	$ 97,435.52	$ 5,128.19
01/08/2025	*3*	*02/18/2025*	*02/27/2025*	$ 37,351.63	$ 1,965.87

	Amount	Account
Finance Please Pay:	$ 37,351.63	PW200101
5% Retention Completed this Period:	$ 1,965.87	270010
Recommended by Project Manager:	Robert Garcia	Robert Garcia #2232 2/3/25
Approved by Public Works Director:	James Enriquez, PE	

ITEM # 14

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: COMMERCIAL STREET IMPROVEMENTS FOR SPRINGDALE AVENUE, WAKEMAN STREET AND JOHN STREET – AUTHORIZATION TO ADVERTISE FOR CONSTRUCTION BIDS

DATE: March 4, 2025

RECOMMENDATION:

It is recommended that the City Council:

1) Approve the Plans and Specifications for the Commercial Street Improvements for Springdale Avenue, Wakeman Street and John Street Project; and

2) Authorize the City Engineer to advertise for construction bids; and

3) Authorize the City Manager to execute Task Order No. 93 with Southstar Engineering, Inc., for On-Call Professional Engineering Services for Construction Management and Inspection Services in the amount of $108,000; and

4) Authorize the City Clerk to file a Notice of Exemption for the subject project with the Los Angeles Registrar-Recorder; and

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

FISCAL IMPACT

The Commercial Street Improvements for Springdale Avenue, Wakeman Street and John Street Project is an approved Capital Improvement Program (CIP) project with approved project budgets of $540,000 for Springdale Avenue (PW220106), $300,000 for Wakeman Street (PW220501), and $630,000 for John Street (PW220105). These budgets were funded through a combination of private development fees collected for resurfacing roadway networks (for Springdale Avenue and John Street) and the Redevelopment Bond Fund (for Wakeman Street).

The estimated total project costs have increased due to inflation, escalation, and the estimated cost difference between the original planned grind and overlay roadway treatment and the full-depth reconstruction treatment selected by the design consultant to provide a significantly longer design lifespan. A funding shortfall is expected, and an additional appropriation of funds will be necessary to complete the project. Staff will be recommending an appropriation of funds from Measure SFS at the time of the Award of Contract.

The cost estimates for the projects are derived from the most current costs for similar types of construction projects in the area. The total estimated project costs are as follows:

Street Improvements (Springdale Avenue, Wakeman Street, John Street)

Item:	**Estimated Project Costs**
Construction	$ 1,831,000
Design	$ 132,000
Engineering	$ 133,000
Inspection	$ 105,000
Contingency	$ 450,000
Total Estimated Project Cost:	**$ 2,651,000**

BACKGROUND

On November 7, 2023, the City Council authorized the Director of Public Works to execute a Task Order for On-Call Professional Engineering Services with BKF Engineers for the designs of the commercial street project segments. The Consultant prepared the project plans, specifications, and engineering estimates with staff oversight.

The street improvement project segments are located on Springdale Avenue (from Florence Avenue to Clark Street), Wakeman Street (from Sorensen Avenue to the end of the cul-de-sac), and John Street (from Los Nietos Road to Sorensen Avenue). Attachments 1, 2, and 3 denote the three street improvement project segments. All three project segments consist of the pulverizing/removal of eleven inches of existing asphalt and base and the placement of fiber-reinforced asphalt concrete pavement over a cement-treated base, as well as the removal and replacement of curb & gutter, sidewalks, curb ramps, parkway drains, and driveways, as needed.

The project plans and specifications are complete, and the Public Works Department is ready to advertise for construction bids for this project, upon approval from City Council. A copy of the project plans and specifications will be on file with the City Clerk.

ANALYSIS

The proposed new paving sections will eliminate potholes, support heavy repetitive loads generated by trucks/vehicles, increase pavement service life, and allow for a smooth riding roadway.

ENVIRONMENTAL

Pursuant to the guidelines of the California Environmental Quality Act (CEQA), the Commercial Street Improvements for Springdale Avenue, Wakeman Street and John Street Project is categorically exempt under Class 1(c) for existing facilities. Under CEQA, a project is exempt if the scope of work is limited to the repair, maintenance, and minor alterations of an existing facility (existing highways and streets are included examples).

DISCUSSION

These street improvements will improve the structural condition of the existing street segments, enhance traffic operations, and reduce future maintenance costs.

SUMMARY/NEXT STEPS

Upon City Council's approval of the recommended actions, City staff will advertise the project for construction bids.

ATTACHMENTS:

A. Task Order No. 93
B. Street Location Maps

ITEM STATUS:

APPROVED: ☐

DENIED: ☐

TABLED: ☐

DIRECTION GIVEN: ☐

ON-CALL PROFESSIONAL ENGINEERING SERVICES
TASK ORDER No. 93

In accordance with the Contract Agreement dated April 6, 2021 as executed by the City of Santa Fe Springs (CITY), a municipal corporation and Southstar Engineering and Consulting, Inc. (CONSULTANT), Task Order No. 93 – Construction Management & Inspection Services for the Construction Management and Inspection Services for the Street Improvements on Springdale Avenue, Wakeman Street, and John Street Project.

Authorized Representative:	**René Bobadilla, City Manager**
Address:	11710 Telegraph Road City of Santa Fe Springs, California 90670 Telephone No.: (562) 868-0511

SOUTHSTAR ENGINEERING, INC.:

Authorized Representative:	**Yvette Kirrin, Principal-in-Charge**
Address:	1945 Chicago Avenue, Unit C Riverside, CA 92507 Telephone No.: (626) 644-8058

SERVICES/SCOPE OF WORK: The CITY of Santa Fe Springs desires Construction Management and Inspection Services for the Street Improvements on Springdale Avenue, Wakeman Street, and John Street Project. .

The following is the scope of work, schedule, and fee for a Construction Manager/Inspector:

1. City staff will provide existing Plans and Specifications, and any relevant data that would facilitate the project.

2. The Construction Manager/Inspector will oversee the project and will work closely with the Assistant Director of Public Works and City Engineer. The Construction Manager/Inspector will enforce the Plans and Specifications and ensure that the Contractor's quality of work complies with the City Standards. The Construction Manager/Inspector will oversee construction activities, perform field inspections, conduct pre-bid/preconstruction/weekly field meetings, register the project with DIR, verify field quantities, prepare daily/weekly summaries, take photos before/during/after construction, process payments, review certified payrolls, prepare council reports, prepare presentations, review/prepare contract change orders, review/prepare request for information, review material submittals, and generate the notice of completion, as required.

3. The Construction Manager/Inspector will update the Assistant Director of Public Works, and City Engineer on the progress of the project and submit the required documentation in a digital and hardcopy format in an organized manner to the City.

SCHEDULE:

The Commercial Street Improvement Project for Springdale Avenue, Wakeman Street, and John Street is currently in the design phase, with construction scheduled to begin in July 2025 and expected completion in September 2025.

FEE:

The fee for Construction Management/Inspection services will be based on the Southstar Engineering, Inc. Fee Schedule. The City understands the calculated (600) hours for Construction Management/Inspection services is based on approximately (20) hours of Project Management per week for approximately (30) weeks.

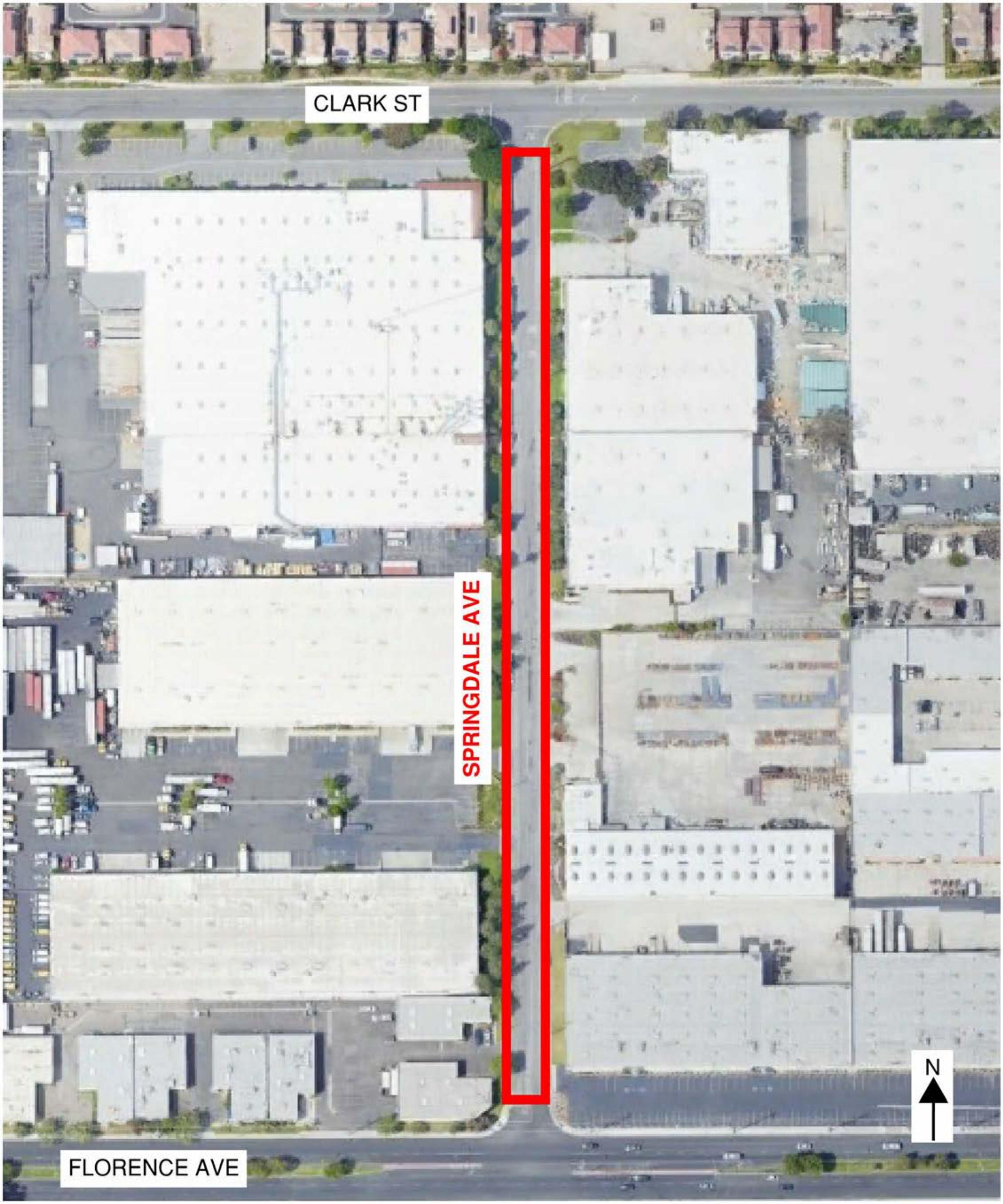
Fee Summary	Hourly Rate	Total Hours	Total
Justin Pope	$180.00	600.00	$108,000.00
(Construction Manager & Inspector)		**Total Task Order**	**$108,000.00**

ACCEPTANCE of the terms of Task Order No. 93 is acknowledged by the following signatures of the Authorized Representatives.

SUBMITTED BY: CITY OF SANTA FE SPRINGS	**ACCEPTED BY:** SOUTHSTAR ENGINEERING AND CONSULTING INC.
René Bobadilla, City Manager	**Yvette Kirrin, Principal-in-Charge**
Date	Date

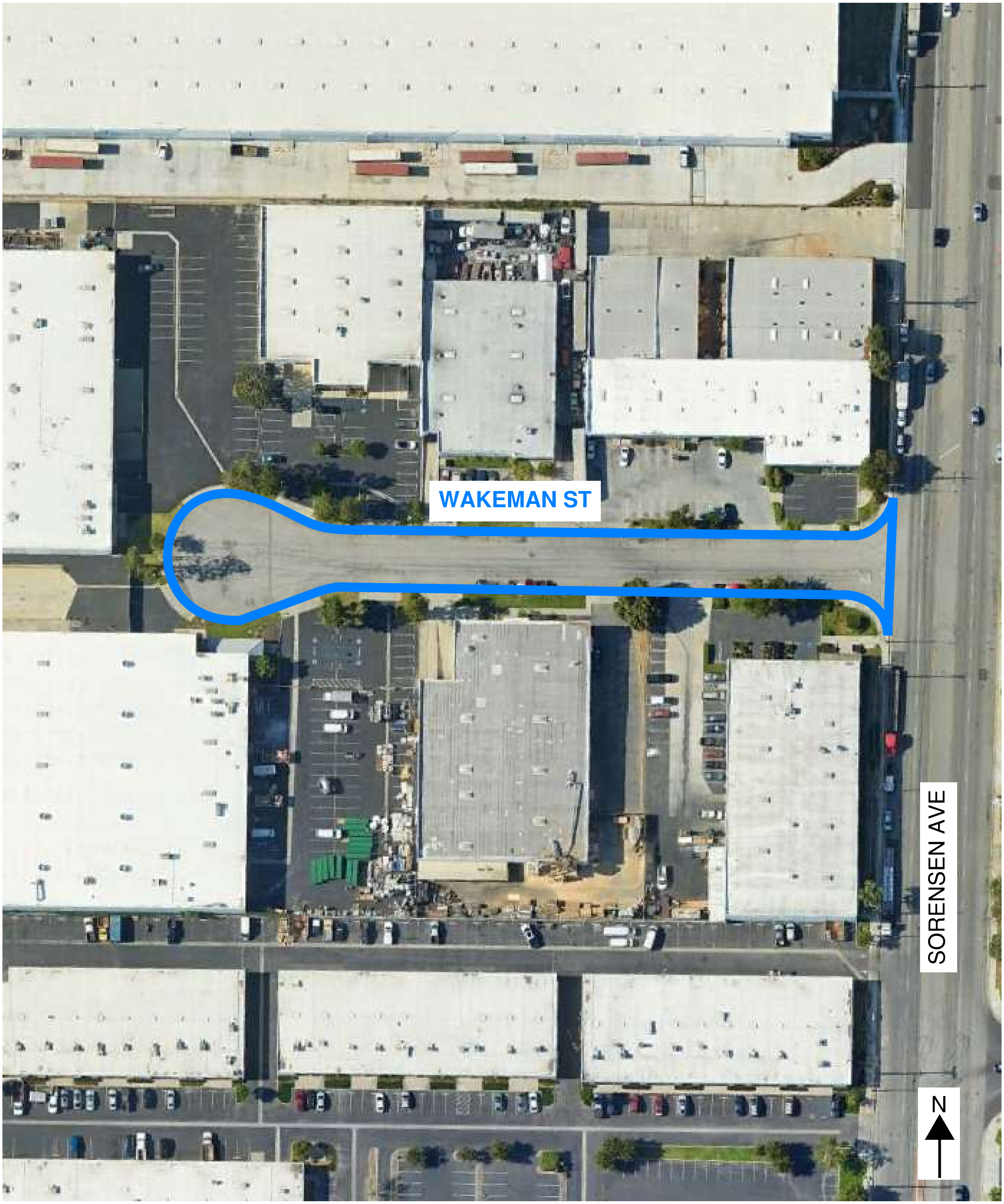
ATTACHMENT 1

SPRINGDALE AVE (FLORENCE AVE TO CLARK ST)



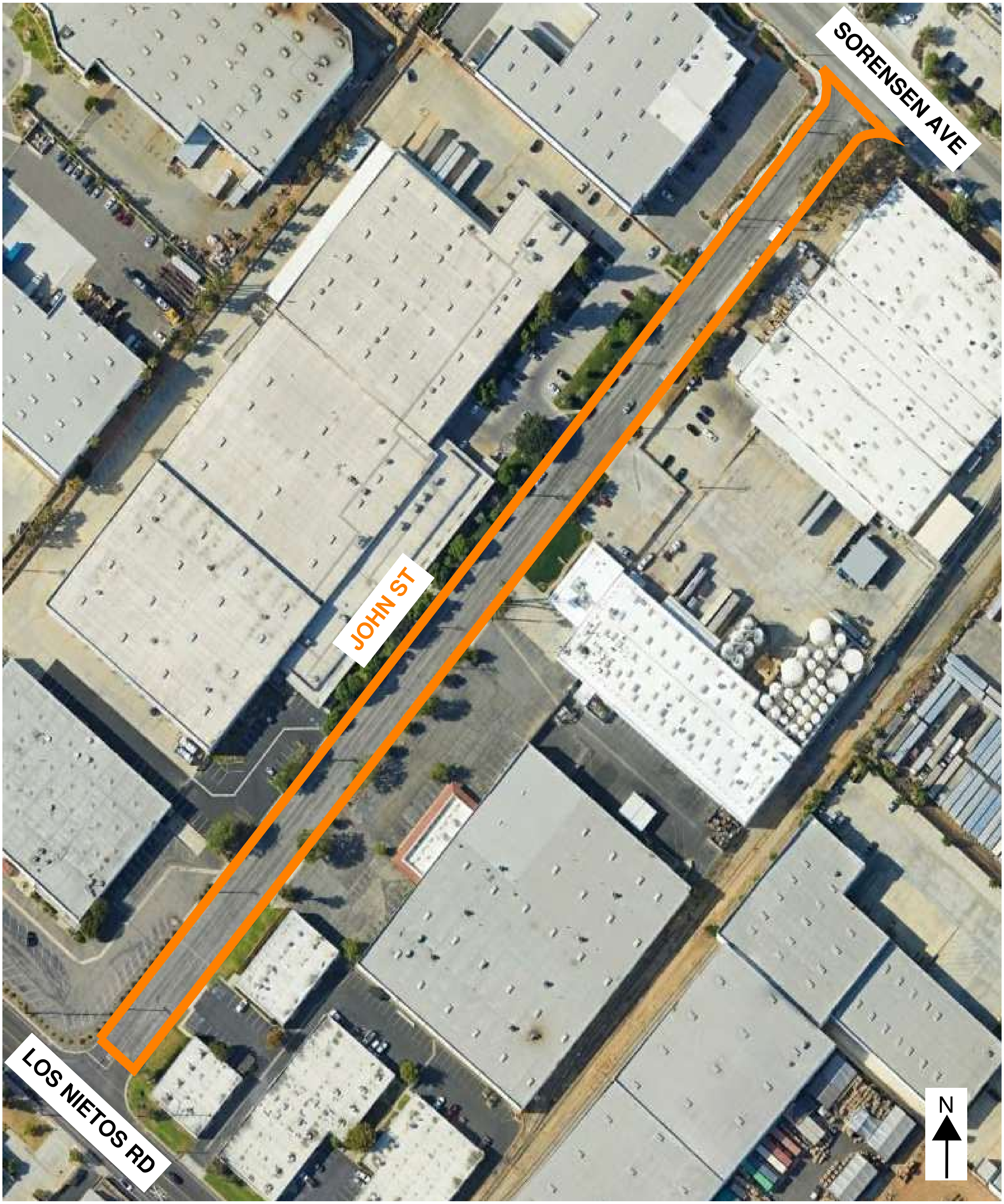
ATTACHMENT 2

WAKEMAN ST (SORENSEN AVE TO CUL-DE-SAC)



ATTACHMENT 3

JOHN ST (LOS NIETOS RD TO SORENSEN AVE)



ITEM # 15

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: **AQUATIC CENTER IMPROVEMENT PROJECT PHASE 1A – FINAL PAYMENT**

DATE: March 4, 2025

RECOMMENDATION:

It is recommended that the City Council:

1) Approve the Final Payment to California Commercial Pools, Inc. of Glendora, California for $52,503.83 (Less 5% Retention); and

2) Approve the final contract amount with California Commercial Pools, Inc. in the amount of $4,151,267.38; and

3) Authorize the City Manager to execute and amend Task Order No. 70 to Southstar Engineering, Inc., for On-Call Professional Engineering Services for Construction Management and Inspection Services in the amount of $149,940.00; and

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

FISCAL IMPACT

The Aquatic Center Improvement Project was broken into two phases, Phases 1A and 1B. The Capital Improvement Program Budget for Fiscal Year 2023-24 and a State grant for the project combined to make $13 million in total funds available for both phases of the project. The estimated cost for Phase 1A was $5.2 million.

The total Phase 1A project cost breakdown is estimated as follows:

ITEM		BUDGET
Construction	$	4,151,267.00
Design	$	245,925.00
Engineering	$	190,225.00
Inspection	$	49,163.00
Contingency	$	182,136.00
Estimated Total Project Cost:	$	4,818,716.00

The project is estimated to close with a surplus of approximately $281,284.00. The surplus funds will be available to use on the upcoming Phase 1B project.

The payment detail (Attachment A) represents the Final Payment (less 5% retention) due, per the terms of the contract, for the work that has been 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.

Task Order No. 70 was approved and issued to Southstar Engineering and Consulting Inc. for the Construction Management Services for the Aquatic Center Improvements Project Phase 1A Construction and a portion of the Phase 1B Design in the amount of $47,520.00. Staff is requesting to amend Task Order No. 70 by adding an additional $102,420.00 for a total amount of $149,940.00 to provided continued and uninterrupted Project Management Services for Phase 1B.

BACKGROUND

At the February 6, 2024 meeting, the City Council awarded a construction contract to California Commercial Pools for Phase 1A of the Aquatic Center Improvements Project. The completed project addressed several issues, including cracked pool decks, outdated pool pumps, aging equipment, a rundown equipment room, and deteriorating chemical surge pits. As a result of these improvements, the Aquatic Center successfully reopened in the summer of 2024.

Construction for the Aquatic Center Improvements Project Phase 1B is expected to begin after the conclusion of the 2025 summer swim season. This phase will include new and upgraded pool amenities.

ANALYSIS

N/A

ENVIRONMENTAL

N/A

DISCUSSION

The Aquatic Center Improvement Project Phase 1A has successfully renewed the service life of the pool shells, concrete pool deck edges, pool deck drainage, and all existing pool mechanical equipment. This project will also help to reduce maintenance costs.

SUMMARY/NEXT STEPS

Upon approval from the City Council of the recommended actions, the Public Works Department will coordinate with the Finance Department to issue a final payment to California Commercial Pools, Inc. and proceed to close the project. The Public Works Department will then file the Notice of Completion with the LA County Registrar-Recorder as a part of the project closure. Following the mandatory waiting period after the filing of the Notice of Completion, Public Works will work with the Finance Department to release the retention payment.

ATTACHMENT:

A. Final Payment Detail
B. Amended Task Order No. 70

ITEM STATUS:

APPROVED: ☐

DENIED: ☐

TABLED: ☐

DIRECTION GIVEN: ☐

ATTACHMENT A

Payment Detail:
AQUATIC CENTER IMPROVEMENTS PHASE 1A

Contractor: California Commercial Pools
2255 E. Auto Centre Drive
Glendora, CA 91740

Final Payment $ 49,878.64

Item No.	Description	Contract Quantity	Contract Units	Contract Unit Price	Contract Total	Completed This Period Quantity	Completed This Period Amount	Completed To Date Quantity	Completed To Date Amount
	CONTRACT WORK								
1.	Mobilization.	1	L.S.	$ 250,000.00	$ 250,000.00		$ -	100%	$ 250,000.00
2.	Preparation, Implementation and Modification of the SWPPP.	1	L.S.	$ 15,000.00	$ 15,000.00		$ -	100%	$ 15,000.00
3.	Construction Survey and Monument Perpetuation.	1	L.S.	$ 12,000.00	$ 12,000.00	71.75%	$ 8,609.80	100.00%	$ 12,000.00
	DEMO AND RETROFIT COMPETITION POOL								
4.	Remove and replace existing anchors for ladders, handrails, stanchion posts, lifeguard stands, starting blocks.	43	EA	$ 1,200.00	$ 51,600.00		$ -	43	$ 51,600.00
5.	Remove and replace existing 1-meter diving boards and stands for deck repairs and reuse.	2	EA	$ 5,000.00	$ 10,000.00		$ -	2	$ 10,000.00
6.	Remove existing ADA handicap pool lifts and anchors for replacement.	1	EA	$ 5,000.00	$ 5,000.00		$ -	1	$ 5,000.00
7.	Hydroblast pool finish from pool walls and floor.	8,063	S.F.	$ 27.91	$ 225,038.33		$ -	8,063	$ 225,038.33
8.	Remove existing main drain grates.	8	EA	$ 750.00	$ 6,000.00		$ -	8	$ 6,000.00
9.	Install new pool interior finish.	8,063	S.F.	$ 62.01	$ 499,986.63		$ -	8,063	$ 499,986.63
10.	Replace depth markers or warning signs at pool perimeter.	27	EA	$ 370.37	$ 9,999.99		$ -	27	$ 9,999.99
11.	Furnish and install new ADA handicap lift with anchorage.	1	EA	$ 13,000.00	$ 13,000.00		$ -	1	$ 13,000.00
12.	Furnish and install new main drain grates.	2	EA	$ 5,000.00	$ 10,000.00		$ -	2	$ 10,000.00
	DEMO AND RETROFIT LEISURE POOL								
13.	Remove and replace existing anchors for ladders, handrails, stanchion posts, lifeguard stands, starting blocks.	5	EA	$ 4,000.00	$ 20,000.00		$ -	5	$ 20,000.00
14.	Remove and replace existing ADA handicap pool lift and anchors.	1	EA	$ 5,000.00	$ 5,000.00		$ -	1	$ 5,000.00
15.	Hydroblast pool finish from pool walls and floor.	4,640	S.F.	$ 30.17	$ 139,988.80		$ -	4,640	$ 139,988.80
16.	Remove existing main drain grates.	6	EA	$ 500.00	$ 3,000.00		$ -	6	$ 3,000.00
17.	Install new plaster pool interior finish.	4,640	S.F.	$ 59.27	$ 275,012.80		$ -	4,640	$ 275,012.80
18.	Replace depth markers or warning signs at pool perimeter impacted by gutter/deck repair.	19	EA	$ 368.42	$ 6,999.98		$ -	19	$ 6,999.98
19.	Furnish and install new ADA handicap lift and anchorage.	1	EA	$ 13,000.00	$ 13,000.00		$ -	1	$ 13,000.00
20.	Furnish and install new main drain grates.	2	EA	$ 3,000.00	$ 6,000.00		$ -	2	$ 6,000.00
	POOL EQUIPMENT								
21.	Remove existing competition pool and leisure pool recirculation pumps and motor starters.	2	EA	$ 15,000.00	$ 30,000.00		$ -	2	$ 30,000.00
22.	Remove competition and leisure pool chemical controllers.	2	EA	$ 1,500.00	$ 3,000.00		$ -	2	$ 3,000.00
23.	Remove pool heaters.	2	EA	$ 10,000.00	$ 20,000.00		$ -	2	$ 20,000.00
24.	Remove all existing corroded recirculation piping, hangers, and supports within the mechanical room.	1	L.S.	$ 12,000.00	$ 12,000.00		$ -	100%	$ 12,000.00
25.	Remove existing pool filter manifold, chemical feed and pool system piping.	9	EA	$ 2,000.00	$ 18,000.00		$ -	9	$ 18,000.00
26.	Furnish and install new competition pool pump and frame.	1	EA	$ 65,000.00	$ 65,000.00		$ -	1.0	$ 65,000.00
27.	Furnish and install new competition pool heaters.	2	EA	$ 37,500.00	$ 75,000.00		$ -	2	$ 75,000.00
28.	Replace & install new pipe supports, brackets & hardware.	1	L.S.	$ 25,000.00	$ 25,000.00		$ -	100%	$ 25,000.00
29.	Furnish and install colored directional flow arrows, system equipment & piping identification labels, and valve tags/labels.	1	L.S.	$ 5,000.00	$ 5,000.00		$ -	100%	$ 5,000.00
30.	Furnish and install new leisure pool pump and frame.	1	EA	$ 45,000.00	$ 45,000.00	0.5	$ 22,500.00	1.0	$ 45,000.00
31.	Furnish and install new leisure pool heaters.	2	EA	$ 29,000.00	$ 58,000.00		$ -	2	$ 58,000.00
	ELECTRICAL SYSTEM, EQUIPMENT POWER, CONVENIENCE POWER, GROUNDING								
32.	Furnish and Install Main service and distribution Trace and tag.	1	L.S.	$ 9,000.00	$ 9,000.00		$ -	100%	$ 9,000.00
33.	Pool equipment hook-up.	1	L.S.	$ 165,000.00	$ 165,000.00		$ -	100%	$ 165,000.00
34.	Feeder -1/4"C -3#2 & 1#8 G	1,000	L.F.	$ 20.00	$ 20,000.00		$ -	1,000	$ 20,000.00
35.	Furnish and Install lighting and power specialties Underwater lights.	24	EA	$ 3,958.33	$ 94,999.92		$ -	24	$ 94,999.92
36.	New wiring.	500	L.F.	$ 24.00	$ 12,000.00		$ -	500	$ 12,000.00
37.	Miscellaneous electrical and trade demolition.	1	L.S.	$ 25,000.00	$ 25,000.00		$ -	100%	$ 25,000.00
	POOL INCLUSIVE COMPONENTS								
38.	(Component #1) Upgrade existing paddlewheel flow meter sensors.	1	L.S.	$ 6,000.00	$ 6,000.00		$ -	100%	$ 6,000.00
39.	(Component #2) Furnish and install new pool chemical treatment, water chemistry monitoring and control systems.	1	L.S.	$ 45,000.00	$ 45,000.00		$ -	100%	$ 45,000.00
40.	(Component #3) Furnish and install new maintenance equipment, safety and first aid equipment for both pools.	1	L.S.	$ 35,000.00	$ 35,000.00		$ -	100%	$ 35,000.00

Payment Detail:
AQUATIC CENTER IMPROVEMENTS PHASE 1A

Contractor: California Commercial Pools
2255 E. Auto Centre Drive
Glendora, CA 91740

Final Payment $ 49,878.64

Item No.	Description	Contract Quantity	Contract Units	Contract Unit Price	Contract Total	Completed This Period Quantity	Completed This Period Amount	Completed To Date Quantity	Completed To Date Amount
	CONTRACT WORK								
41.	(Component #4) Furnish and install replacement competition pool high rate sand filtration system with semi-automatic backwash controls.	1	L.S.	$ 140,000.00	$ 140,000.00		$ -	100%	$ 140,000.00
42.	(Component #5) Furnish and install replacement leisure pool high rate sand filter system with manual backwash controller and pressure booster system.	1	L.S.	$ 65,000.00	$ 65,000.00		$ -	100%	$ 65,000.00
43.	(Component #6) Furnish and install compatible access hatches with frames and ladder rungs at pool surge tanks and reconstruct surge tank lid.	1	L.S.	$ 92,000.00	$ 92,000.00		$ -	100%	$ 92,000.00
44.	(Component #7) Clean, Prepare and waterproof backwash catch basin, pool surge tanks and pool mechanical room floor.	1	L.S.	$ 70,000.00	$ 70,000.00		$ -	100%	$ 70,000.00
45.	(Component #8) Furnish and install new water level controller systems for competition pool and leisure pool.	1	L.S.	$ 12,000.00	$ 12,000.00		$ -	100%	$ 12,000.00
46.	(Component #9) Furnish and install new lane ropes for both course lengths, starting blocks, and new loose equipment.	1	L.S.	$ 90,000.00	$ 90,000.00	10.00%	$ 9,000.00	100%	$ 90,000.00
47.	(Component #10) Remove and Construct pool deck, coping and trench drain.	7,450	S.F.	$ 110.74	$ 825,013.00		$ -	7,450	$ 825,013.00
48.	Miscellaneous pool construction, furnish and install miscellaneous equipment.	1	L.S.	$ 200,000.00	$ 200,000.00		$ -	100%	$ 200,000.00
49.	ADA Compliant Site Access.	1	L.S.	$ 35,000.00	$ 35,000.00		$ -	100%	$ 35,000.00
50.	Existing Pool Water Tightness Test Allowance.	1	L.S.	$ 50,000.00	$ 50,000.00	71.25%	$ 35,624.60	100.00%	$ 50,000.00
51.	Existing Pipe Water Tightness Test Allowance.	1	L.S.	$ 50,000.00	$ 50,000.00	78.44%	$ 39,219.59	100.00%	$ 50,000.00
				Contract Total:	**$ 3,973,639.45**		**$ 114,953.99**		**$ 3,973,639.45**
CCO 1	Pool Leak (Pending)	1	L.S.	$ -	$ -		$ -		$ -
CCO 2	Removal of Transite Pipe	1	L.S.	$ 57,365.81	$ 57,365.81		$ -	100%	$ 57,365.81
CCO 3	Tile Removal and Replacement	1	L.S.	$ 44,666.77	$ 44,666.77		$ -	100%	$ 44,666.77
CCO 4	Concrete Removal, Replacement, and Conduit Repair - 1st	1	L.S.	$ 5,214.02	$ 5,214.02		$ -	100%	$ 5,214.02
CCO 5	Concrete Removal, Replacement, and Conduit Repair - 2nd	1	L.S.	$ 7,966.66	$ 7,966.66		$ -	100%	$ 7,966.66
CCO 6	Repair Leisure Pool Pump, Reinstall Pumps for use until New	1	L.S.	$ 35,938.66	$ 35,938.66	50%	$ 17,969.33	100%	$ 35,938.66
CCO 7	Replacement of Acrylic Deck Coating with Sand Finish	1	L.S.	$ -	$ -		$ -	100%	$ -
CCO 8	Painting Interior and Exterior of Aquatic Center	1	L.S.	$ 99,015.00	$ 99,015.00		$ -	100%	$ 99,015.00
CCO 9	Replace Gas Regulators and Meters for Pool Heaters	1	L.S.	$ 3,690.00	$ 3,690.00		$ -	100%	$ 3,690.00
CCO 10	Additional Painting of Light Poles, Second Pump Replacement	1	L.S.	$ 7,225.00	$ 7,225.00	42%	$ 3,034.50	100%	$ 7,225.00
CCO 11	Unused Contract Budget	1	L.S.	$ (83,453.99)	$ (83,453.99)	100%	$ (83,453.99)	100%	$ (83,453.99)
				Contract Change Order Total:	**$ 177,627.93**		**$ (62,450.16)**		**$ 177,627.93**
				Contract and Contract Change Order Total:	**$ 4,151,267.38**	**Total Items Completed this Period:**	**$ 52,503.83**	**Total Items Completed to Date:**	**$ 4,151,267.38**

CONTRACT PAYMENTS:

				Warrant Billing Period			
		Invoice Date	Invoice No.	Invoice Due Date	Invoice Pay Date	Payment Amount	Retention Amount
Total Items Completed to Date:	$ 4,151,267.38						
Less 5% Retention:	$ 207,563.37						
Progress Payment No. 1:	$ 624,175.77	04/12/2024	001	05/01/2024	05/09/2024	$ 624,175.77	$ 32,851.36
Progress Payment No. 2:	$ 659,178.69	04/25/2024	002	05/15/2024	05/23/2024	$ 659,178.69	$ 34,693.62
Progress Payment No. 3:	$ 101,586.75	06/04/2024	003	06/13/2024	06/20/2024	$ 101,586.75	$ 5,346.67
Progress Payment No. 4:	$ 1,041,527.37	06/28/2024	004	07/10/2024	07/18/2024	$ 1,041,527.37	$ 54,817.23
Progress Payment No. 5:	$ 1,350,605.74	07/23/2024	005	07/24/2024	08/01/2024	$ 1,350,605.74	$ 71,084.51
Progress Payment No. 6:	$ 31,868.71	09/16/2024	006	09/16/2024	09/26/2024	$ 31,868.71	$ 1,677.30
Progress Payment No. 7:	$ 84,882.34	11/06/2024	007	11/13/2024	11/21/2024	$ 84,882.34	$ 4,467.49
Final Payment	$ 49,878.64	01/24/2025	008	02/04/2025	02/27/2025	$ 49,878.64	$ 2,625.19

	Amount	Account
Finance Please Pay:	$ 49,878.64	PW220014
5% Retention Completed this Period:	$ 2,625.19	270010
Recommended by Project Manager:	Robert Garcia	Robert Garcia #2232 2/16/25
Approved by PW Director:	James Enriquez	

ON-CALL PROFESSIONAL ENGINEERING SERVICES
AMENDED TASK ORDER No. 70

In accordance with the Contract Agreement dated April 6, 2021 as executed by the City of Santa Fe Springs (CITY), a municipal corporation and Southstar Engineering and Consulting, Inc. (CONSULTANT), Amended Task Order No. 70 – Project Management Services for the Aquatic Center Improvements Project Phase 1A Construction and Phase 1B Design.

Authorized Representative:	**René Bobadilla P.E., City Manager**
Address:	11710 Telegraph Road City of Santa Fe Springs, California 90670 Telephone No.: (562) 868-0511

SOUTHSTAR ENGINEERING, INC.:

Authorized Representative:	**Yvette Kirrin, Principal-in-Charge**
Address:	1945 Chicago Avenue, Unit C Riverside, CA 92507 Telephone No.: (626) 644-8058

SERVICES/SCOPE OF WORK: The CITY of Santa Fe Springs desires Project Management Services for Aquatic Center Improvements Project Phase 1A Construction and Phase 1B Design.

The following is the scope of work, schedule, and fee for a Project Manager:

1. City staff will provide existing Plans and Specifications, and any relevant data that would facilitate the project. The Project Manager will assist with the preparation of request for proposals, plans, specifications and cost estimates. The Project Manager will review and comment on proposals, plans, specifications and cost estimates.

2. The Project Manager will oversee the project and will work closely with the Consulting Firm, Architect, Assistant Director of Public Works, Utility Manager and City Engineer. The Project Manager will enforce the Plans and Specifications and ensure that the Contractor's quality of work complies with the City Standards. The Project Manager will oversee construction activities, perform field inspections, conduct pre-bid/preconstruction/weekly field meetings, register the project with DIR, verify field quantities, prepare daily/weekly summaries, take photos before/during/after construction, process payments, review certified payrolls, prepare council reports, prepare presentations, review/prepare contract change orders, review/prepare request for information, review material submittals, and generate the notice of completion, as required.

3. The Project Manager will update the Assistant Director of Public Works, Utility Manager and City Engineer on the progress of the project and submit the required documentation in a digital and hardcopy format in an organized manner to the City.

SCHEDULE:

The Aquatic Center Improvements Phase 1A has been completed and Phase 1B is under design. Phase 1B is anticipated to start construction in the summer 2025 and be completed in the Spring 2026. The amended Task Order No.70 will consist of Project Management Services for Phase 1A (cover shortfall in original Task Order No. 70) and a portion of Phase 1B Design. The City will issue a new Task Order for the Project Management Services for the construction of Phase 1B.

FEE:

The fee for Project Management services will be based on the SOUTHSTAR ENGINEERING, INC. Fee Schedule. The City understands the calculated (264+569=833) hours for Project Management services is based on approximately (22) hours of Project Management per week for approximately (37) weeks.

Original Task Order No. 70

Fee Summary	Hourly Rate	Total Hours	Total
Justin Pope	$180.00	264.00	$47,520.00
(Project Manager)		**Total Task Order**	**$47,520.00**

Amended Task Order No. 70

Fee Summary	Hourly Rate	Total Hours	Total
Justin Pope	$180.00	264+**569** = 833	$149,940.00
(Project Manager)			
		Total Amended Task Order No. 70	**$149,940.00**

ACCEPTANCE of the terms of Amended Task Order No. 70 is acknowledged by the following signatures of the Authorized Representatives.

SUBMITTED BY:	**ACCEPTED BY:**
CITY OF SANTA FE SPRINGS	SOUTHSTAR ENGINEERING AND CONSULTING INC.
René Bobadilla P.E., City Manager	**Yvette Kirrin, Principal-in-Charge**
Date	Date

ITEM # 16

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: **MEASURE SFS STREET IMPROVEMENT PROGRAM (PHASE 1) - AWARD OF PROFESSIONAL SERVICES AGREEMENT FOR PROJECT/CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES**

DATE: March 4, 2025

RECOMMENDATION:

It is recommended that the City Council:

1) Award a Professional Services Agreement to Southland Engineering & Consulting, Inc. for program management & construction management/inspection services for the Measure SFS Street Improvement Program (Phase 1) for a total not-to-exceed fee of $2,962,342; and

2) Authorize the City Manager to execute the agreement; and

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

FISCAL IMPACT

In the November 2024 election, voters approved Measure SFS to address the urgent need for improved road infrastructure in Santa Fe Springs. The measure is expected to raise over $6 million annually, exclusively allocated to repairing deteriorating roads. The City is planning to issue bonds in an amount up to $30 million to fund Phase 1 of the Measure SFS Street Improvement Program, including capital construction costs ($21 million) and project soft costs ($5 million, 15% of the construction cost). The recommended services are included in project soft costs and include services to manage the program, public outreach, materials testing, construction management and inspection. The overall Program budget is shown below. The initial costs for the program will be paid from the City's General Fund Reserves and will be reimbursed from bond proceeds in accordance with Resolution No. 9939 adopted by the City Council on December 10, 2024.

The Preliminary Program Budget is as follows:

ITEM		ESTIMATED AMOUNT
Construction	$	21,000,000.00
Engineering Design	$	2,000,000.00
Program/Project Mgmt. Engineering & Outreach	$	1,000,000.00
Construction Management	$	1,000,000.00
Inspection & Materials Testing	$	1,000,000.00
Contingency	$	4,000,000.00
Total Project Cost	**$**	30,000,000.00

PROJECT FUNDING		AMOUNT
Measure SFS Bond Issuance	$	30,000,000.00
Total Project Funding	**$**	30,000,000.00

The estimated project soft costs developed for the program are based on industry standard percentages of the total capital dollars, including the design typically being approximately 10% of the capital cost and program/construction management including inspection and outreach estimated to be 15%.

BACKGROUND

The Measure SFS Street Improvement Program aims to rehabilitate deteriorating street pavement throughout the City prioritized based on pavement condition rankings established in 2021 and updated in 2024. Phase 1 of the program targets some of the streets showing the highest degree of pavement deterioration.

The scope of work consists of grinding the existing street pavement and placing new asphalt concrete overlays, replacing damaged driveway ramps, curb and gutter, cross gutters, ADA curb ramps, sidewalks, and replacing the traffic striping. In some cases, severely deteriorated streets may require full reconstruction.

DISCUSSION

The completion of the Measure SFS Streets Improvements Program will renew the service life of the existing street pavement and hardscape. The Program will also help reduce annual maintenance repair costs.

ENVIRONMENTAL

N/A

SUMMARY/NEXT STEPS

Upon approval of the City Council of the recommended actions, City staff will coordinate with Southstar on the delivery of the program.

ATTACHMENT:

A. Professional Services Agreement

ITEM STATUS:	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐

2025

PROFESSIONAL SERVICES AGREEMENT

(Engagement: PROGRAM MANAGEMENT SERVICES FOR MEASURE SFS STREET IMPROVEMENT PROGRAM – PHASE 1)

(Parties: SOUTHSTAR ENGINEERING & CONSULTING, INC. and City of Santa Fe Springs)

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter, "Agreement") is made and entered into this 4TH day of March 2025 (hereinafter, the "Effective Date") by and between the CITY OF SANTA FE SPRINGS, a municipal corporation (hereinafter, "CITY") and SOUTHSTAR ENGINEERING & CONSULTING, INC. (hereinafter, "CONSULTANT"). For the purposes of this Agreement, CITY and CONSULTANT may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to CITY or CONSULTANT interchangeably, as appropriate.

RECITALS

WHEREAS, CITY requires program and construction management services for the Measure SFS Street Improvement Program – Phase 1; and

WHEREAS, CITY staff has determined that CONSULTANT possesses the experience, skills and training necessary to competently provide such services to CITY; and

WHEREAS, the execution of this Agreement was approved by the Santa Fe Springs City Council at its Regular Meeting of March 4, 2025.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, CITY and CONSULTANT agree as follows:

I.

ENGAGEMENT TERMS

1.1 TERM: This Agreement shall have a term commencing from the Effective Date through June 31, 2027 (hereinafter, the "Term"). Nothing in this Section shall operate to prohibit or otherwise restrict the CITY's ability to terminate this Agreement at any time for convenience or for cause as provided under Article V (Termination), below. The Term may be extended for one additional year at the option of the CITY, provided that CITY provides CONSULTANT with written notice of CITY's intent to exercise CITY's option to extend the term of the Agreement no less than thirty (30) days prior to the expiration of the Term or any prior extension term. In the event CITY exercises its option to extend this Agreement, all terms, conditions, and provisions of this Agreement shall remain in effect and govern the duties, responsibilities, and liabilities of the parties hereto.

1.2 SCOPE OF SERVICES:

A. Subject to the terms and conditions of this Agreement, CONSULTANT agrees to provide the services and tasks described in that certain proposal of CONSULTANT entitled **SCOPE OF SERVICES** dated **February 20, 2025** (hereinafter, the "CONSULTANT Proposal") which is attached and incorporated hereto as **Exhibit "A"**. CONSULTANT further agrees to furnish to CITY all labor, materials, tools, supplies, equipment, services, tasks, and incidental and customary work necessary to competently perform and timely complete the services and tasks set forth in the Scope of Services. For the purposes of this Agreement the aforementioned services and tasks set forth in the Scope of Services shall hereinafter be referred to generally by the capitalized term "Services."

1.3 PROSECUTION OF SERVICES:

A. CONSULTANT shall perform the Services contemplated under this Agreement on an on-call, as-needed basis. Nothing in this Agreement shall be construed to grant CONSULTANT the exclusive right to perform any of the types of services or tasks contemplated under this Agreement nor shall anything in this Agreement be construed to entitle CONSULTANT to the receipt of any sums under this Agreement, except to the extent CITY requests the performance of any Services in the manner described below and such Services is in fact performed and completed by CONSULTANT and accepted by CITY. CITY requests for the performance of specific services or tasks contemplated under this Agreement shall be made in the form of a written work order(s) issued by the City Representative (each such written request hereinafter referred to as a "Work Order"). Each Work Order shall include the following information:

1. A detailed description of the specific services or tasks requested;
2. The location of where the particular services or tasks are to be performed, if applicable;
3. A not-to-exceed budget for performing the services or tasks;
4. A timeline for completing the requested services or tasks;
5. Any other information CITY deems necessary and relevant to the requested services or tasks; and
6. The signature of the City Representative, confirming that the services or tasks have been authorized by the City Representative.

B. CONSULTANT shall not perform any of the Services contemplated under this Agreement without a written Work Order request from the City Representative, containing the information set forth in Section 1.3(A), above;

C. CONSULTANT shall perform all assigned Services continuously and with due diligence so as to complete all assigned Services by the completion date indicated in each Work Order. CONSULTANT shall cooperate with CITY and in no manner interfere with the work of CITY, its employees or other consultants, contractors, or agents;

D. CONSULTANT shall not claim or be entitled to receive any compensation or damage because of the failure of CONSULTANT, or its subconsultants, to have related services or tasks completed in a timely manner;

E. CONSULTANT shall at all times enforce strict discipline and good order among CONSULTANT's employees; and

F. CONSULTANT, at its sole expense, shall pay all sales, consumer, use or other similar taxes required by law.

1.4 COMPENSATION: CONSULTANT shall perform the Services in accordance with the "COST PROPOSAL" which is attached and incorporated hereto as **Exhibit "B"** (hereinafter, the "COMPENSATION RATE"). The foregoing notwithstanding, CONSULTANT's total compensation for the performance of all Services contemplated under this Agreement, may not exceed the aggregate sum of **TWO MILLION NINE HUNDRED SIXTY-TWO THOUSAND THREE HUNDRED FORTY TWO DOLLARS ($ 2,962,342)** (hereinafter, the "Not-to-Exceed Sum") during the Term of this Agreement, unless such added expenditure is first approved in accordance with the City's Municipal Code for Purchasing. In the event CONSULTANT's charges are projected to exceed the Aggregate Not-to-Exceed Sum prior to the expiration of this Agreement, CITY may suspend CONSULTANT's performance pending CITY approval of any anticipated expenditures in excess of the Aggregate Not-to-Exceed Sum or any other CITY approved amendment to the compensation terms of this Agreement.

1.5 PAYMENT OF COMPENSATION: Following the conclusion of each calendar month, CONSULTANT will submit to CITY an itemized invoice indicating the services performed and tasks completed during the recently concluded calendar month, including services and tasks performed and any reimbursable out-of-pocket expenses incurred. If the amount of CONSULTANT's monthly compensation is a function of hours worked by CONSULTANT's personnel, the invoice should indicate the number of hours worked in the recently concluded calendar month, the person(s) responsible for performing the Services, the rate of compensation at which such services and tasks were performed, the subtotal for each task and service performed and a grand total for all services performed. Within thirty (30) calendar days of receipt of each invoice, CITY will notify CONSULTANT in writing of any disputed amounts included in the invoice. Within forty-five (45) calendar days of receipt of each invoice, CITY will pay all undisputed amounts included on the invoice. CITY will not withhold applicable taxes or other authorized deductions from payments made to CONSULTANT.

1.6 ACCOUNTING RECORDS: CONSULTANT will maintain complete and accurate records with respect to all matters covered under this Agreement for a period of three (3) years after the expiration or termination of this Agreement. CITY will have the right to access and examine such records, without charge, during normal business hours. CITY will further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.

1.7 ABANDONMENT BY CONSULTANT: In the event CONSULTANT ceases to perform the Services agreed to under this Agreement or otherwise abandons the undertaking contemplated herein prior to the expiration of this Agreement or prior to completion of any or all tasks set forth in the Scope of Services, CONSULTANT will deliver to CITY immediately and without delay, all materials, records, and other work product prepared or obtained by CONSULTANT in the performance of this Agreement. Furthermore, CONSULTANT will only be compensated for the reasonable value of the Services performed up to the time of cessation or abandonment, less a deduction for any damages, costs, or additional expenses which CITY may incur as a result of CONSULTANT's cessation or abandonment.

II.
PERFORMANCE OF AGREEMENT

2.1 CITY'S REPRESENTATIVE: The CITY hereby designates the Director of Public Works / City Engineer (hereinafter, the "City Representative") to act as its representative for the performance of this Agreement. The City Representative or the City Representative's designee will act on behalf of the CITY for all purposes under this Agreement. CONSULTANT will not accept directions or orders from any person other than the City Representative or the City Representative's designee.

2.2 CONSULTANT REPRESENTATIVE: CONSULTANT hereby designates Yvette Kirrin, P.E., President, to act as its representative for the performance of this Agreement (hereinafter, "Consultant Representative"). Consultant Representative will have full authority to represent and act on behalf of the CONSULTANT for all purposes under this Agreement. Consultant Representative or the Consultant Representative's designee will supervise and direct the performance of the Services, using his/her best skill and attention, and will be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all Services under this Agreement. Notice to the Consultant Representative will constitute notice to CONSULTANT.

2.3 COORDINATION OF SERVICE; CONFORMANCE WITH REQUIREMENTS: CONSULTANT agrees to work closely with CITY staff in the performance of the Services and this Agreement and will be available to CITY staff and the CITY Representative at all reasonable times. All work prepared by CONSULTANT will be subject to inspection and approval by City Representative or his or her designees.

2.4 STANDARD OF CARE; PERFORMANCE OF EMPLOYEES: CONSULTANT represents, acknowledges, and agrees to the following:

A. CONSULTANT will perform all Services skillfully, consistent with and adhering to its professional standard of care, that is, the degree of care and skill ordinarily exercised by members of the same profession currently practicing at the same time and in the same or similar locality;

B. CONSULTANT shall at all times employ such force, plant, materials, and tools as will be sufficient in the opinion of the CITY to perform the Services within the time limits established, and as provided herein. It is understood and agreed that said tools, equipment, apparatus, facilities, labor, and material shall be furnished and said Services performed and completed as required by the Agreement, and subject to the approval of the CITY's authorized representative.

C. CONSULTANT will perform all Services in a manner reasonably satisfactory to the CITY;

D. CONSULTANT will comply with all applicable federal, state, and local laws and regulations, including the conflict of interest provisions of Government Code §1090 and the Political Reform Act (Government Code §§81000 *et seq.*) CONSULTANT shall be liable for all violations of such laws and regulations in connection with CONSULTANT's performance of the Services. If CONSULTANT performs any work knowing it to be contrary to such laws, rules and regulations, CONSULTANT shall be solely responsible for all costs arising therefrom;

E. CONSULTANT understands the nature and scope of the Services to be performed under this Agreement as well as any and all schedules of performance;

F. All of CONSULTANT's employees and agents possess sufficient skill, knowledge, training, and experience to perform those services and tasks assigned to them by CONSULTANT; and

G. All of CONSULTANT's employees and agents (including, but not limited to, subcontractors and subconsultants) possess all licenses, permits, certificates, qualifications, and approvals of whatever nature that are legally required to perform the tasks and services contemplated under this Agreement and all such licenses, permits, certificates, qualifications, and approvals will be maintained throughout the term of this Agreement and made available to CITY for copying and inspection.

The Parties acknowledge and agree that CONSULTANT will perform, at CONSULTANT's own cost and expense and without any reimbursement from CITY, any services necessary to correct any errors or omissions caused by CONSULTANT's failure to comply with the standard of care set forth under this Section or by any like failure on the part of CONSULTANT's employees, agents, contractors, subcontractors and subconsultants. Such effort by CONSULTANT to correct any errors or omissions will be commenced immediately upon their discovery by either Party and, notwithstanding Section 5.2(B), will be completed within seven (7) calendars days from the date of discovery or such other extended period of time authorized by the City Representative in writing and in her sole and absolute discretion. The Parties acknowledge and agree that CITY's acceptance of any work performed by CONSULTANT or on CONSULTANT's behalf will not constitute a release of any deficiency or delay in performance. The Parties further acknowledge, understand, and agree that CITY has relied upon the foregoing representations of CONSULTANT, including but not limited to the representation that CONSULTANT possesses the skills, training, knowledge, and experience necessary to perform the Services under the standard of care as articulated under section 2.4(A).

2.5 ASSIGNMENT: The skills, training, knowledge, and experience of CONSULTANT are material to CITY's willingness to enter into this Agreement. Accordingly, CITY has an interest in the qualifications and capabilities of the person(s) who will perform the services and tasks to be undertaken by CONSULTANT or on behalf of CONSULTANT in the performance of this Agreement. In recognition of this interest, CONSULTANT agrees that it will not assign or transfer, either directly or indirectly or by operation of law, this Agreement, or the performance of any of CONSULTANT's duties or obligations under this Agreement, without the prior written consent of the CITY. In the absence of CITY's prior written consent, any attempted assignment or transfer will be ineffective, null and void and will constitute a material breach of this Agreement.

2.6 SUBSTITUTION OF KEY PERSONNEL: CONSULTANT has represented to CITY that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable,,CONSULTANT may substitute other personnel of at least equal competence upon written approval of CITY. In the event that CITY and CONSULTANT cannot agree as to the substitution of key personnel, CITY shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the CITY, or who are determined by the CITY to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the CONSULTANT at the request of the CITY. The key personnel for performance of this Agreement are as listed in the CONSULTANT Proposal.

2.7 CONTROL AND PAYMENT OF SUBORDINATES; INDEPENDENT CONTRACTOR: The Services will be performed by CONSULTANT or under CONSULTANT's strict supervision. CONSULTANT will determine the means, methods, and details of performing the Services subject to the requirements of this Agreement. CITY retains CONSULTANT on an independent contractor basis and not as an employee. CONSULTANT reserves the right to perform similar or different services for other principals during the term of this Agreement, provided such work does not unduly interfere with CONSULTANT's competent and timely performance of the Services contemplated under this Agreement and provided the performance of such services does not result in the unauthorized disclosure of CITY's confidential or proprietary information. Any additional personnel performing the Services under this Agreement on behalf of CONSULTANT are not employees of CITY and will at all times be under CONSULTANT's exclusive direction and control. CONSULTANT will pay all wages, salaries and other amounts due such personnel and will assume responsibility for all benefits, payroll taxes, Social Security and Medicare payments and the like. CONSULTANT will be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, income tax withholding, unemployment insurance, disability insurance, workers' compensation insurance and the like. Notwithstanding any other CITY, state, or federal policy, rule, regulation, law, or ordinance to the contrary, CONSULTANT and any of its employees, agents, and subcontractors performing the Services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by CITY, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of CITY and entitlement to any contribution to be paid by CITY for employer contributions and/or employee contributions for PERS benefits.

2.8 REMOVAL OF EMPLOYEES OR AGENTS: If any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants is determined by the City Representative to be uncooperative, incompetent, a threat to the adequate or timely performance of the tasks assigned to CONSULTANT, a threat to persons or property, or if any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants fail or refuse to perform the Services in a manner acceptable to the CITY, such officer, employee, agent, contractor, subcontractor or subconsultant will be promptly removed by CONSULTANT and will not be reassigned to perform any of the Services.

2.9 COMPLIANCE WITH LAWS: CONSULTANT will keep itself informed of and in compliance with all applicable federal, state, or local laws to the extent such laws control or otherwise govern the performance of the Services. CONSULTANT's compliance with applicable laws will include, without limitation, compliance with all applicable Cal/OSHA requirements and applicable regulations of the U.S. Department of Housing and Urbanization.

2.10 NON-DISCRIMINATION: CONSULTANT represents that it is an equal opportunity employer, and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination.

2.11 INDEPENDENT CONTRACTOR STATUS: The Parties acknowledge, understand, and agree that CONSULTANT and all persons retained or employed by CONSULTANT are, and will at all times remain, wholly independent contractors and are not officials, officers, employees, departments, or subdivisions of CITY. CONSULTANT will be solely responsible for the negligent acts and/or omissions of its employees, agents, contractors, subcontractors and subconsultants. CONSULTANT and all persons retained or employed by CONSULTANT will have no authority, express or implied, to bind CITY in any manner, nor to incur any obligation, debt, or liability of any kind on behalf of, or against, CITY, whether by contract or otherwise, unless such authority is expressly conferred to CONSULTANT under this Agreement or is otherwise expressly conferred by CITY in writing.

III.
<u>INSURANCE</u>

3.1 <u>DUTY TO PROCURE AND MAINTAIN INSURANCE</u>: Before performing any Services contemplated under this Agreement, CONSULTANT will procure and maintain policies of insurance that meet the requirements and specifications set forth under this Article. CONSULTANT will procure and maintain the following insurance coverage, at its own expense:

A. <u>Commercial General Liability Insurance</u>: CONSULTANT will procure and maintain Commercial General Liability Insurance ("CGL Coverage") as broad as Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001) or its equivalent. Such CGL Coverage will have minimum limits of no less than One Million Dollars ($1,000,000.00) per occurrence and Two Million Dollars ($2,000,000.00) in the general aggregate for bodily injury, personal injury, property damage, operations, products and completed operations, and contractual liability.

B. <u>Automobile Liability Insurance</u>: For any owned, non-owned, or hired vehicles used in connection with the performance of this Agreement, CONSULTANT will procure and maintain Automobile Liability Insurance as broad as Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto). Such Automobile Liability Insurance will have minimum limits of no less than Two Million Dollars ($2,000,000.00) per accident for bodily injury and property damage.

C. <u>Workers' Compensation Insurance/ Employer's Liability Insurance</u>: A policy of workers' compensation insurance in such amount as will fully comply with the laws of the State of California and which will indemnify, insure and provide legal defense for both CONSULTANT and CITY against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by CONSULTANT in the course of carrying out the Services contemplated in this Agreement.

D. <u>Errors & Omissions Insurance</u>: For the full term of this Agreement and for a period of three (3) years thereafter, CONSULTANT will procure and maintain Errors and Omissions Liability Insurance appropriate to CONSULTANT's profession. Such coverage will have minimum limits of no less than Two Million Dollars ($2,000,000.00) per claim.

E. *<u>Cyber Security</u>: Cyber Security coverage to include technology/professional liability insurance, intellectual property infringement, and data protection liability insurance. CONSULTANT shall procure and maintain coverage for cyber liabilities and financial loss resulting or arising from acts, errors, or omissions, in connection with data maintenance, hosting, software development and other information technology services provided under this agreement. Coverage shall include protection for liability arising from: intellectual property infringement arising out of software and/or content* *(excluding patent infringement and misappropriation of trade secrets); breaches of security; violation or infringement of any right, privacy, breach of federal, state, or foreign security and/or privacy laws or regulations including; data theft, damage, destruction, or corruption, including without limitation, unauthorized access, unauthorized use, identity theft, theft of personally identifiable information or confidential corporate information, transmission of a computer virus or other type of malicious code; and participation in a denial of service attack on a third party. The minimum limits shall be three million dollars ($3,000,000) for each and every claim and in the aggregate.*

3.2 ADDITIONAL INSURED REQUIREMENTS: The CGL Coverage and the Automobile Liability Insurance will contain an endorsement naming the CITY and CITY's elected and appointed officials, officers, employees, agents, and volunteers as additional insureds.

3.3 REQUIRED CARRIER RATING: All varieties of insurance required under this Agreement will be procured from insurers admitted in the State of California and authorized to issue policies directly to California insureds. Except as otherwise provided elsewhere under this Article, all required insurance will be procured from insurers who, according to the latest edition of the Best's Insurance Guide, have an A.M. Best's rating of no less than A:VII. CITY may also accept policies procured by insurance carriers with a Standard & Poor's rating of no less than BBB according to the latest published edition the Standard & Poor's rating guide. As to Workers' Compensation Insurance/ Employer's Liability Insurance, the CITY Representative is authorized to authorize lower ratings than those set forth in this Section.

3.4 PRIMACY OF CONSULTANT'S INSURANCE: All policies of insurance provided by CONSULTANT will be primary to any coverage available to CITY or CITY's elected or appointed officials, officers, employees, agents, or volunteers. Any insurance or self-insurance maintained by CITY or CITY's elected or appointed officials, officers, employees, agents, or volunteers will be in excess of CONSULTANT's insurance and will not contribute with it.

3.5 WAIVER OF SUBROGATION: All insurance coverage provided pursuant to this Agreement will not prohibit CONSULTANT or CONSULTANT's officers, employees, agents, subcontractors or subconsultants from waiving the right of subrogation prior to a loss. CONSULTANT hereby waives all rights of subrogation against CITY, its officials, officers, employees, agents, and volunteers.

3.6 VERIFICATION OF COVERAGE: CONSULTANT acknowledges, understands, and agrees, that CITY's ability to verify the procurement and maintenance of the insurance required under this Article is a material consideration of this Agreement. Accordingly, CONSULTANT warrants, represents, and agrees that it will furnish CITY with certificates of insurance and endorsements evidencing the coverage required under this Article on ACORD-25 or forms satisfactory to CITY in its sole and absolute discretion. **The certificates of insurance and endorsements for each insurance policy will be signed by a person authorized by that insurer**

to bind coverage on its behalf and will be on forms provided by the CITY if requested. Before performing any Services, CONSULTANT shall provide CITY with all certificates of insurance and endorsements referenced herein. Upon CITY's written request, CONSULTANT will also provide CITY with copies of all required insurance policies and endorsements.

3.7 FAILURE TO MAINTAIN COVERAGE: In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced immediately so as to avoid a lapse in the required coverage, CITY has the right but not the duty to obtain the insurance it deems necessary, and any premium paid by CITY will be promptly reimbursed by CONTRACTOR or CITY will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, CITY may cancel this Agreement effective upon notice.

3.8 SPECIAL RISKS OR CIRCUMSTANCES: City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances. Any amendment to the insurance requirements of this Article shall be memorialized and approved in the form of a written amendment to this Agreement, signed by the Parties. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver will be void or invalid.

IV.
INDEMNIFICATION

4.1 CITY's elected and appointed officials, officers, employees, agents, and volunteers (hereinafter, the "City Indemnitees") should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the City Indemnitees with the fullest protection possible under the law. CONSULTANT acknowledges that CITY would not enter into this Agreement in the absence of CONSULTANT's commitment to indemnify, defend and protect CITY as set forth herein Notwithstanding the foregoing, to the extent CONSULTANT's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to Claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the CONSULTANT. CONSULTANT's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the CITY, its officials, officers, employees, agents, or volunteers.

4.2 To the fullest extent permitted by law, CONSULTANT shall indemnify, hold harmless and defend the CITY Indemnitees from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys' fees, expert fees and all other costs, and fees of litigation) of every nature arising out of or in connection with CONSULTANT's performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole negligence or willful misconduct of the CITY.

4.3 CITY shall have the right to offset against the amount of any compensation due to CONSULTANT under this Agreement, any amount due to CITY from CONSULTANT as a result of CONSULTANT's failure to either pay CITY promptly for any costs associated with CONSULTANT's obligations to indemnify the CITY Indemnitees under this Article or related to CONSULTANT's failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

4.4 The obligations of CONSULTANT under this Article will not be limited by the provisions of any workers' compensation act or similar act. CONSULTANT expressly waives its statutory immunity under such statutes or laws as to CITY and CITY's elected and appointed officials, officers, employees, agents, and volunteers.

4.5 CONSULTANT agrees to obtain executed indemnity agreements with provisions identical to those set forth herein this Article from each and every subcontractor or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. In the event CONSULTANT fails to obtain such indemnity obligations from others as required herein, CONSULTANT agrees to be fully responsible and indemnify, hold harmless and defend CITY and CITY's elected and appointed officials, officers, employees, agents, and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONSULTANT's subcontractors or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of CITY's choice.

4.6 CITY does not and shall not waive any rights that it may possess against CONSULTANT because of the acceptance by CITY, or the deposit with CITY, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost, or expense.

4.7 This Article and all provisions contained herein (including but not limited to the duty to indemnify, defend, and hold free and harmless) shall survive the termination or normal expiration of this Agreement and is in addition to any other rights or remedies which the CITY may have at law or in equity.

<u>WORK OF CONSULTANT'S DESIGN PROFESSIONALS SERVICES</u>: The duty to indemnify, defend and hold harmless as set forth under this subsection shall apply to the negligence, recklessness or willful misconduct of any individual who qualifies as a "design professional" within the meaning of subsection (c)(2) of Section 2782.8 of the California Civil Code in so far as such negligence,

recklessness or willful misconduct occurs in the performance, work or activities that must be performed by a "design professional." Subject to the limitation of the preceding sentence, to the fullest extent permitted by law, CONSULTANT shall immediately defend and indemnify and hold harmless the CITY Indemnities, defined above, from and against any and all liability, loss, damage, expense, cost (including without limitation reasonable attorneys' fees, expert fees and all other costs and fees of litigation) of every nature arising out of the negligence, recklessness, or willful misconduct of CONSULTANT or any of CONSULTANT's officers, employees, servants, agents, contractors, subcontractors or authorized volunteers or any other person or entity involved by, for, or with or on behalf of CONSULTANT in the performance of design professional services under this Agreement. The Parties understand and agree that the duty of CONSULTANT to indemnify, defend and hold harmless pursuant to this subsection includes the duty to defend as set forth in Section 2778 of the California Civil Code. CONTRACTOR's obligation to indemnify applies unless it is finally adjudicated that the liability was caused by the sole active negligence or sole willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, then CONSULTANT's indemnification obligation shall be reduced in proportion to the established comparative liability.

CITY shall have the right to offset against the amount of any compensation due CONSULTANT under this Agreement any amount due CITY from CONSULTANT as a result of CONSULTANT's failure to pay CITY promptly any indemnification arising under this Article and related to CONSULTANT's failure to either (i) pay taxes on amounts received pursuant to this Agreement, or (ii) comply with applicable workers' compensation laws.

The obligations of CONSULTANT under this Article will not be limited by the provisions of any workers' compensation act or similar act. CONSULTANT expressly waives its statutory immunity under such statutes or laws as to CITY and CITY's elected and appointed officials, officers, employees, agents and authorized volunteers.

CONSULTANT agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Article from each and every subcontractor or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. In the event CONSULTANT fails to obtain such indemnity obligations from others as required herein, CONSULTANT agrees to be fully responsible and indemnify, hold harmless and defend CITY and CITY's elected and appointed officials, officers, employees, agents and authorized volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONSULTANT's subcontractors or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of CITY's choice.

CITY does not, and shall not, waive any rights that it may possess against CONSULTANT because of the acceptance by CITY, or the deposit with CITY, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost, or expense.

The duties to indemnify, defend and hold harmless as set forth under this Section, shall survive the early termination or normal expiration of this Agreement and shall be in addition to any other rights or remedies which the CITY may have at law or in equity.

V.
TERMINATION

5.1 TERMINATION WITHOUT CAUSE: CITY may immediately terminate this Agreement at any time for convenience and without cause by giving prior written notice of CITY's intent to terminate this Agreement which notice shall specify the effective date of such termination. Upon such termination for convenience, CONSULTANT will be compensated only for those services and tasks which have been performed by CONSULTANT up to the effective date of the termination. CONSULTANT may not terminate this Agreement except for cause as provided under Section 5.2, below. If this Agreement is terminated as provided herein, CITY may require CONSULTANT to provide all finished or unfinished Documents and Data, as defined in section 6.1 below, and other information of any kind prepared by CONSULTANT in connection with the performance of the Services. CONSULTANT will be required to provide such Documents and Data within fifteen (15) calendar days of CITY's written request. No actual or asserted breach of this Agreement on the part of CITY pursuant to Section 5.2, below, will operate to prohibit or otherwise restrict CITY's ability to terminate this Agreement for convenience as provided under this Section.

5.2 EVENTS OF DEFAULT; BREACH OF AGREEMENT:

A. In the event either Party fails to perform any duty, obligation, service, or task set forth under this Agreement (or fails to timely perform or properly perform any such duty, obligation, service, or task set forth under this Agreement), an event of default (hereinafter, "Event of Default") will occur. For all Events of Default, the Party alleging an Event of Default will give written notice to the defaulting Party (hereinafter referred to as a "Default Notice") which will specify: (i) the nature of the Event of Default; (ii) the action required to cure the Event of Default; (iii) a date by which the Event of Default will be cured, which will not be less than the applicable cure period set forth under Sections 5.2B and 5.2C below or if a cure is not reasonably possible within the applicable cure period, to begin such cure and diligently prosecute such cure to completion. The Event of Default will constitute a breach of this Agreement if the defaulting Party fails to cure the Event of Default within the applicable cure period or any extended cure period allowed under this Agreement.

B. CONSULTANT will cure the following Events of Defaults within the following time periods:

i. Within ten (10) business days of CITY's issuance of a Default Notice for any failure of CONSULTANT to timely provide CITY or CITY's employees or agents with any information and/or written reports, documentation, or work product which CONSULTANT is obligated to provide to CITY or CITY's employees or agents under this Agreement. Prior to the expiration of the 10-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 10-day cure period. The foregoing notwithstanding, CITY will be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2B.i. that exceeds seven (7) calendar days from the end of the initial 10-day cure period; or

ii. Within fourteen (14) calendar days of CITY's issuance of a Default Notice for any other Event of Default under this Agreement. Prior to the expiration of the 14-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 14-day cure period. The foregoing notwithstanding, CITY will be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2B.ii that exceeds thirty (30) calendar days from the end of the initial 14-day cure period.

In addition to any other failure on the part of CONSULTANT to perform any duty, obligation, service or task set forth under this Agreement (or the failure to timely perform or properly perform any such duty, obligation, service or task), an Event of Default on the part of CONSULTANT will include, but will not be limited to the following: (i) CONSULTANT's refusal or failure to perform any of the services or tasks called for under the Scope of Services; (ii) CONSULTANT's failure to fulfill or perform its obligations under this Agreement within the specified time or if no time is specified, within a reasonable time; (iii) CONSULTANT's and/or its employees' disregard or violation of any federal, state, local law, rule, procedure or regulation; (iv) the initiation of proceedings under any bankruptcy, insolvency, receivership, reorganization, or similar legislation as relates to CONSULTANT, whether voluntary of involuntary; and/or (v) CITY's discovery that a statement representation or warranty by CONSULTANT relating to this Agreement is false, misleading or erroneous in any material respect.

C. CITY will cure any Event of Default asserted by CONSULTANT within forty-five (45) calendar days of CONSULTANT's issuance of a Default Notice unless the Event of Default cannot reasonably be cured within the 45-day cure period. Prior to the expiration of the 45-day cure period, CITY may submit a written request for additional time to cure the Event of Default upon a showing that CITY has commenced its efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 45-day cure period. The foregoing notwithstanding, an Event of Default dealing with CITY's failure to timely pay any undisputed sums to CONSULTANT as provided under Section 1.5, above, will be cured by CITY within five (5) calendar days from the date of CONSULTANT's Default Notice to CITY.

D. CITY, in its sole and absolute discretion, may also immediately suspend CONSULTANT's performance under this Agreement pending CONSULTANT's cure of any Event of Default by giving CONSULTANT written notice of CITY's intent to suspend CONSULTANT's performance (hereinafter, a "Suspension Notice"). CITY may issue the Suspension Notice at any time upon the occurrence of an Event of Default. Upon such suspension, CONSULTANT will be compensated only for those services and tasks which have been rendered by CONSULTANT to the reasonable satisfaction of CITY up to the effective date of the suspension. No actual or asserted breach of this Agreement on the part of CITY will operate to prohibit or otherwise restrict CITY's ability to suspend this Agreement as provided herein.

E. No waiver of any Event of Default or breach under this Agreement will constitute a waiver of any other or subsequent Event of Default or breach. No waiver, benefit, privilege, or service voluntarily given or performed by a Party will give the other Party any contractual rights by custom, estoppel, or otherwise.

F. The duties and obligations imposed under this Agreement and the rights and remedies available hereunder will be in addition to and not a limitation of any duties, obligations, rights, and remedies otherwise imposed or available by law. In addition to any other remedies available to CITY at law or under this Agreement in the event of any breach of this Agreement, CITY, in its sole and absolute discretion, may also pursue any one or more of the following remedies:

i. Upon written notice to CONSULTANT, the CITY may immediately terminate this Agreement in whole or in part;

ii. Upon written notice to CONSULTANT, the CITY may extend the time of performance;

iii. The CITY may proceed by appropriate court action to enforce the terms of the Agreement to recover damages for CONSULTANT's breach of the Agreement or to terminate the Agreement; or

iv. The CITY may exercise any other available and lawful right or remedy.

CONSULTANT will be liable for all legal fees plus other costs and expenses that CITY incurs upon a breach of this Agreement or in the CITY's exercise of its remedies under this Agreement.

G. In the event CITY is in breach of this Agreement, CONSULTANT's sole remedy will be the suspension or termination of this Agreement and/or the recovery of any unpaid sums lawfully owed to CONSULTANT under this Agreement for completed services and tasks.

5.3 SCOPE OF WAIVER: No waiver of any default or breach under this Agreement will constitute a waiver of any other default or breach, whether of the same or other covenant, warranty, agreement, term, condition, duty, or requirement contained in this Agreement. No waiver, benefit, privilege, or service voluntarily given or performed by a Party will give the other Party any contractual rights by custom, estoppel, or otherwise.

5.4 SURVIVING ARTICLES, SECTIONS AND PROVISIONS: The termination of this Agreement pursuant to any provision of this Article or by normal expiration of its term or any extension thereto will not operate to terminate any Article, Section or provision contained herein which provides that it will survive the termination or normal expiration of this Agreement.

VI.
MISCELLANEOUS PROVISIONS

6.1 DOCUMENTS & DATA; LICENSING OF INTELLECTUAL PROPERTY: All Documents and Data will be and remain the property of CITY without restriction or limitation upon their use or dissemination by CITY. For purposes of this Agreement, the term "Documents and Data" means and includes all reports, analyses, correspondence, plans, designs, notes, summaries, strategies, charts, schedules, spreadsheets, calculations, lists, data compilations, documents or other materials developed and/or assembled by or on behalf of CONSULTANT in the performance of this Agreement and fixed in any tangible medium of expression, including but not limited to Documents and Data stored digitally, magnetically and/or electronically. This Agreement creates, at no cost to CITY, a perpetual license for CITY to copy, use, reuse, disseminate and/or retain any and all copyrights, designs, and other intellectual property embodied in all Documents and Data. CONSULTANT will require all subcontractors and subconsultants working on behalf of CONSULTANT in the performance of this Agreement to agree in writing that CITY will be granted the same right to copy, use, reuse, disseminate and retain Documents and Data prepared or assembled by any subcontractor or subconsultant as applies to Documents and Data prepared by CONSULTANT in the performance of this Agreement.

6.2 CONFIDENTIALITY: All data, documents, discussion, or other information developed or received by CONSULTANT or provided for performance of this Agreement are deemed confidential and will not be disclosed by CONSULTANT without prior written consent by CITY. CITY will grant such consent of disclosure as legally required. Upon request, all CITY data will be returned to CITY upon the termination or expiration of this Agreement. CONSULTANT will not use CITY's name or insignia, photographs, or any publicity pertaining to the Services in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of CITY.

6.3 FALSE CLAIMS ACT: CONSULTANT warrants and represents that neither CONSULTANT nor any person who is an officer of, in a managing position with, or has an ownership interest in CONSULTANT has been determined by a court or tribunal of competent jurisdiction to have violated the False Claims Act, 31 U.S.C., §§3801 *et seq*. and the California False Claims Act, Government Code §§12650 *et seq*.

6.4 NOTICES: All notices permitted or required under this Agreement will be given to the respective Parties at the following addresses, or at such other address as the respective Parties may provide in writing for this purpose:

CONSULTANT:	**CITY:**
Southstar Engineering and Consulting, Inc. 1945 Chicago Ave. Unit C-2 Riverside, CA 92507 Attn: Yvette Kirrin Phone: (626) 644-8058	City of Santa Fe Springs Department of Public Works 11710 E. Telegraph Road Santa Fe Springs, CA 90670 Phone: (562) 868-0511 Ext. 7611 Attn: DEPARTMENT DIRECTOR

Such notices will be deemed effective when personally delivered or successfully transmitted by facsimile as evidenced by a fax confirmation slip or when mailed, forty-eight (48) hours after deposit with the United States Postal Service, first class postage prepaid and addressed to the Party at its applicable address.

6.5 COOPERATION; FURTHER ACTS: The Parties will fully cooperate with one another and will take any additional acts or sign any additional documents as are reasonably necessary, appropriate, or convenient to achieve the purposes of this Agreement.

6.6 SUBCONTRACTING: CONSULTANT will not subcontract any of the Services contemplated under this Agreement, except as expressly stated herein, without the prior written approval of CITY. Subcontracts (including without limitation subcontracts with subconsultants), if any, will contain a provision making them subject to all provisions stipulated in this Agreement, including provisions relating to insurance requirements and indemnification.

6.7 CITY'S RIGHT TO EMPLOY OTHER CONSULTANTS: CITY reserves the right to employ other independent contractors in connection with the various projects worked upon by CONSULTANT.

6.8 CONFLICTS OF INTEREST:

A. CONSULTANT warrants, represents, and maintains that it has not employed nor retained any company or person, other than a *bona fide* employee working solely for CONSULTANT, to solicit or secure this Agreement. Further, CONSULTANT warrants and represents that it has not paid, nor has it agreed to pay, any company or person, other than a *bona fide* employee working solely for CONSULTANT, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, CITY will have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of CITY, during the term of his or her service with CITY, will have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

B. CONSULTANT may serve other clients, but none whose activities within the corporate limits of CITY or whose business, regardless of location, would place CONSULTANT in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code §81000 *et seq.*

C. CONSULTANT shall not employ any official or employee of the CITY during the Term of this Agreement or any extension term. No officer or employee of CITY shall have any financial interest in this Agreement that would violate Government Code §§1090 *et seq.* CONSULTANT warrants and represents that no owner, principal, partner, officer, or employee of CONSULTANT is or has been an official, officer, employee, agent, or appointee of the CITY within the twelve-month period of time immediately preceding the Effective Date. If an owner, principal, partner, officer, employee, agent, or appointee of CONSULTANT was an official, officer, employee, agent, or appointee of the CITY within the twelve-month period immediately preceding the Effective Date, CONSULTANT warrants that any such individuals did not participate in any manner in the forming of this Agreement. CONTRACTOR understands that, if this Agreement is made in violation of Government Code §1090 *et seq.*, the entire Agreement is void and CONSULTANT will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and CONSULTANT will be required to reimburse the CITY for any sums paid to CONSULTANT. CONSULTANT understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code §1090.

6.9 TIME IS OF THE ESSENCE: Time is of the essence for each and every provision of this Agreement.

6.10 GOVERNING LAW AND VENUE: This Agreement shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue, without exception, will be in the Los Angeles County Superior Court of the State of California. If, and only if, applicable law requires that all or part of any such litigation be tried exclusively in federal court, venue, without exception, will be in the Central District of California located in the City of Los Angeles, California.

6.11 ATTORNEYS' FEES: If either Party commences an action against the other Party, legal, administrative, or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation will be entitled to have and recover from the losing Party reasonable attorneys' fees and all other costs of such action.

6.12 SUCCESSORS AND ASSIGNS: This Agreement will be binding on the successors and assigns of the Parties.

6.13 NO THIRD-PARTY BENEFIT: There are no intended third-party beneficiaries of any right or obligation assumed by the Parties. All rights and benefits under this Agreement inure exclusively to the Parties.

6.14 CONSTRUCTION OF AGREEMENT: This Agreement will not be construed in favor of, or against, either Party but will be construed as if the Parties prepared this Agreement together through a process of negotiation and with the advice of their respective attorneys.

6.15 SEVERABILITY: If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions will continue in full force and effect.

6.16 AMENDMENT; MODIFICATION: No amendment, modification or supplement of this Agreement will be valid or binding unless executed in writing and signed by both Parties, subject to CITY approval. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver will be void and invalid.

6.17 CAPTIONS: The captions of the various articles, sections and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

6.18 INCONSISTENCIES OR CONFLICTS: In the event of any conflict or inconsistency between the provisions of this Agreement and any of the exhibits attached hereto, the provisions of this Agreement will control.

6.19 ENTIRE AGREEMENT: This Agreement, including all attached exhibits, constitutes the entire, complete, final, and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, which may have been entered into between CITY and CONSULTANT prior to the execution of this Agreement. Any statements, representations, or other agreements, whether oral or written, made by either Party that is not embodied herein will not be valid or binding on the Parties. No amendment, modification or supplement to this Agreement will be valid and binding unless in writing and duly executed by the Parties pursuant to Section 6.16, above.

6.20 FORCE MAJEURE: The completion deadline for any Services assigned to CONSULTANT may be extended in the event of any delays due to unforeseeable causes beyond the control of CONSULTANT and without the fault or negligence of CONSULTANT, including but not limited to severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the CITY.

CONSULTANT shall within three (3) calendar days of the commencement of such delay notify the City Representative in writing of the causes of the delay. The CITY Representative shall ascertain the facts and the extent of delay and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the CITY Representative such delay is justified. The City Representative's determination shall be final and conclusive upon the parties to this Agreement. In no event shall CONSULTANT be entitled to recover damages against the CITY for any delay in the performance of this Agreement, however caused, CONSULTANT's sole remedy being extension of the Agreement pursuant to this Section.

6.21 COUNTERPARTS: This Agreement will be executed in three (3) original counterparts each of which will be of equal force and effect. No handwritten or typewritten amendment, modification, or supplement to any one counterpart will be valid or binding unless made to all three counterparts in conformity with Section 6.16, above. One fully executed original counterpart will be delivered to CONSULTANT and the remaining two original counterparts will be retained by CITY.

(SIGNATURES ON NEXT PAGE)

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first appearing in this Agreement, above.

CITY OF SANTA FE SPRINGS:

By:________________________________
René Bobadilla, P.E., City Manager

Date:__________________________

APPROVED AS TO FORM:

By:________________________________
Rick Olivarez, City Attorney

Date:______________________________

SOUTHSTAR ENGINEERING AND CONSULTING, INC.:

By:___________________________

Name: Yvette Kirrin

Title: President

Date:__________________________

EXHIBIT A

SCOPE OF SERVICES

February 20, 2025

SCOPE OF SERVICES:

The following Scope of Services includes 4 major categories, including the following:

1. Methodology and Assumptions, including the Staffing Plan
2. Cost Estimate Assumptions
3. Schedule and Delivery Assumptions
4. Southstar Budget and Resource Allocation Assumptions

1. Methodology and Assumptions:

The Measure SFS Commercial Streets Improvements Program aims to rehabilitate Santa Fe Springs' deteriorating commercial streets based on priority rankings established in 2021 and current iWORQs data. This program reconciles previously identified Priority 1 projects with a current evaluation of road conditions, focusing on delivering cost-effective and timely solutions. The plan encompasses design, construction, and program and project management to ensure efficient use of the $24.1 million designated for Priority 1 projects within the larger total program.

Staffing Plan:

1) **Program/Project Manager:**
   a) A licensed professional engineer will be performing all necessary tasks to manage the overall program
   b) All associated project management duties of the individual projects will be performed by this individual.
   c) Prepare and request for proposals for preparation of PS&E packages for all project clusters. Select design consultants and manage design contracts and PS&E packages delivery and advertising.
   d) Assist the City in bids solicitations and award of construction contracts.

2) **Project Engineer (Design/Project Development)**
   a) Experienced Civil Engineer to review all levels of PS&E Submittals for all project clusters

3) **Construction Manager/Resident Engineer:**
   a) A licensed professional engineer to perform the duties of resident engineer on the construction of all project clusters
   b) Including, but not limited to, technical guidance on field operations and holding contractors responsible for the delivery of the construction contracts. Resolving field conflicts and answering technical questions, holding and documenting regular progress meetings with contractors and project stake holders
   c) Construction schedule management and monitoring.
   d) Reporting progress to City staff and City Council if needed
   e) Manage and minimize contract change orders with respect to all construction contracts

4) **Office Engineer/Contract Administrator:**
   a) Provide all office engineering duties including, but not limited to, document control, process submittals and RFI, document all meetings with Agendas, minutes and attendance lists, process progress estimates and draft contract change orders as needed.
   b) Perform as needed administrative duties of the construction contract

c) Prepare all backup documentation and quantity sheets for each of the monthly progress estimates and prepare the final progress estimate
d) Prepare all projects close out documents

5) **Construction Inspector:**
   a) Experienced roadway inspector(s) will provide full time inspection effort of all field activities during construction.
   b) Specialty inspections (electrical and landscape as needed) will also be provided by qualified and experienced inspectors
6) Public Outreach Services:
   a) Provide a Public Outreach Manager and her support staff (as needed)
   b) Will provide as needed outreach activities to the local residents and businesses within project areas
   c) Staff project hotline as well as project website to spread information about projects and major activities taking place and getting accomplished
   d) Hold outreach events and prepare project notices in Spanish and English languages
   e) Services will be provided starting with the project development phase then will support the Construction Manager with community outreach during the construction phase

7) **Pavement Evaluation and Design:**
   a) Procure the services of Labelle Marvin the Pavement Design Experts to evaluate street segments and provide the best pavement design section per the iWORQs segments within each project

8) **Materials Testing During Construction:**
   a) Procure the services of Ninyo and Moore to provide all Quality Assurance materials testing services during the construction phase of each of the projects.

2. Cost Breakdown Assumptions:
   - **Revised Priority List**: $24.1 million.
   - **Total Program Cost**: $29.5 million, including construction capital cost, the design cost (10% of construction costs), and program management costs including project/ program management, outreach, pavement design, materials testing and the construction management and inspection support costs.
   - Program development costs in excess of Task Order No. 80. Estimated $20,000
   - **Total Bond Request**: $30 million

3. Schedule and Delivery Assumptions:

   - **Planning Phase (Current)**: Winter 2025 - Spring 2025

   - **Design Phase**: Spring 2025 – Summer 2025.

   - **Construction Phase**: Begins Summer 2025, targeting completion by late 2026.

   - Bonding and funding will be structured to align with the construction timeline.

4. <u>Southstar Budget and Resource Allocation Assumptions:</u>

• **Construction Capital**: $24.1 million for pavement rehabilitation.

• **Design Costs**: $2.4 million (10% of construction cost).

• **Project/Program/CM, Inspection, Pavement Design, Materials Testing and Public Outreach**: $2.95 million.

• **City Staff Support/Oversight**: $500,000 (2% of Construction Capital).

EXHIBIT B

COST PROPOSAL

February 20, 2025

COST PROPOSAL:

Below is the Southstar |DCCM Cost Estimate to complete the work.

Southstar | DCCM Team - Positions	Applicable Phases	Timeline	Utilization	Estimated Cost for Initial Work Program
Project/Program Manager	All Phases (TO for 2025 through 2026)	January 2025 to December 2026	2 Days per Week	$249/hrX20hrs/wkX52wks/yrX2yrs = $466,128
Project Engineer	Design Phase (Redlines/Plan Check)	April 2025 to July 2026	3 Days per Month	$195/hrX24hrs/moX16mos = $74,880
LeBelle Marvin – Pavement Design	Design Phase (Treatment Recommendation)	January 2025 to December 2025	1% construction capital spread evenly	1% of $24.1M = $241,000
Construction Manager/RE	Construction Phase	Summer 2025 to December 2026	24 hours per week	$249/hrX26hrs/wkX52wks/yrX1.5yrs = $504,972
Inspection	Construction Phase	Summer 2025 to December 2026	Full Time, Multiple Inspectors (based on segmenting recommendations) with 50% estimated overlap (or 9 months of 2 inspectors)	18 months of one full time inspector ($172/hrX150hrs/moX18mos = $472,500) 9 months of one full time inspector ($172/hrX150hrs/moX9mos = $236,250) Total Estimated Inspection Budget = $708,750
Public Outreach	Design and Construction Phases	Early Summer 2025 to December 2026	Part time Public Outreach Manager. (16 hours per week) Part Time Public Outreach Assistant (10 hours per week)	Manager's Hours = 20 mosX70hrs/moX$159/hr = $222,600 Assistant's Hours = 20 mosX48hrs/moX$125/hr = $112,500 Total Public Outreach Effort $342,600
Materials Testing	Construction Phase	Summer 2025 to December 2026	1% Construction Capital assumed over Timeline spread evenly	1% of $24.1M = $241,000
Program Development Costs (in excess of TO 80) Estimated	Project Development	Jan/Feb 2025	Estimate	$20,000
Estimated Program/Project/Construction Management Cost:				**$2,962,342**